

<b>2013</b>	<b>Harris</b>	<b>Ketchum</b>	<b>Lund</b>	<b>Pope</b>	<b>Dawes</b>	<b>Spahr</b>	<b>Taylor</b>
<b>Meeting Date</b>							
January 14, 2013	P	P	P	P	P	P	P
January 28, 2013	P	P	P	A(ex)	P	P	P
February 11, 2013	P	P	P	P	P	P	A(ex)
February 25, 2013	P	P	P	P	P	P	P
March 4, 2013 Special	P	P	P	P	P	P	P
March 11, 2013	P	P	P	P	P	P	P
March 25, 2013	P	P	P	P	P	P	P
April 8, 2013	P	P	P	P	P	P	P
April 22, 2013	P	P	P	P	P	P	p
May 13, 2013	P	P	P	A(ex)	P	P	P
May 28, 2013	P	P	P	P	P	P	P
June 10, 2013	P	P	P	P	P	P	P
June 24, 2013	P	A(ex)	P	P	A(ex)	P	P
July 8, 2013	P	P	P	P	P	P	P
July 15, 2013 Special	P	P	P	P	P	P	P
July 22, 2013	P	P	P	P	P	P	P
July 31, 2103 Special	A(ex)	P	P	A(ex)	P	P	P
August 12, 2013	P	P	P	P	P	P	A(ex)
August 26, 2013	P	P	P	P	P	P	P
September 9, 2013	P	P	P	P	P	P	P
September 23, 2013	A(ex)	A(ex)	P	P	P	A(ex)	P
October 14, 2013	P	P	P	P	P	P	P
October 28, 2013	P	P	P	P	P	P	P
November 12, 2013	P	P	P	P	P	P	P
November 18 Special	P	P	P	P	P	P	P
November 25, 2013	P	P	P	P	P	P	P
December 9, 2013	P	P	P	P	P	P	P
December 23, 2013 (canceled)							

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

January 14, 2013

The Chehalis city council met in regular session on Monday, January 14, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; 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)(b) – purchase or acquisition of land for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:36 p.m. and announced the council would take a two minute recess before opening the work session at 5:38 p.m. Additional staff included: Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Dennis Osborn, In-coming 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*.

2. **Work Session to Discuss Chehalis Pool Project.** Chehalis Foundation President Tim Saylor, Outdoor Pool Renovation Project Lead Connie Bode, and Architect Norm Pfaff gave a brief update on the pool renovation project.

Mr. Pfaff provided the council with drawings of the proposed site and floor plan for the pool facility and surrounding area. He noted they would be replacing the old block wall located around the pool with new fencing. New fencing would also be installed in the area around the picnic shelters and the spray pool making it safer for families with small children. Mr. Pfaff reported on other improvements, which would include: a drop off/pick up area on 13<sup>th</sup> Street; adding an additional 1000 square feet to the building and new roofline, and restroom access for people using the spray park and/or picnic shelters.

Ms. Bode reported the Foundation was still seeking designated gifts and donations for its fundraising efforts. She noted a community meeting was scheduled for January 23, at 7:00 p.m. in the V.R. Lee building to allow the public to see the plans and to get more information on the project.

Mayor Ketchum closed the work session at 6:05 p.m. and immediately opened the regular meeting.

3. **Chehalis Renaissance Update.** Larry McGee, former Chair of the Chehalis Community Renaissance Team (CCRT) thanked the council for all their support, adding they had accomplished a lot over the last few years. He noted he planned to stay involved with the pilot project for the Children's Museum, as well as the incubator project at the Port of Chehalis.

Mr. McGee stated City Manager Merlin MacReynold made a good choice in appointing David Hartz from Book 'n Brush to take over as chair of the committee. He noted Mr. Hartz was doing a wonderful job on the marketing committee and was very involved in the community.

Mr. Hartz talked briefly on the latest tri-fold informational brochure, the "Welcome to Chehalis" brochure, and newest edition of the downtown walking tour booklet. He thanked the city council and administration for their support of the CCRT and looked forward to their continued working relationship.

4. **Council Committee/Board Appointments.** Mayor Ketchum asked the council members if they had any changes to the council/committee board appointments for 2013.

Councilor Dawes noted the North Lewis County Regional Fire Authority Planning Committee needed to be changed to the Regional Fire Authority Planning Committee, and the meetings would be held at Fire Station #2 in Centralia.

Councilor Lund indicated he would be replacing Councilor Dawes as the city's representative on the Lewis County Historical Museum Board. He noted the Board was unable to find someone to take over his position as treasurer, so he would continue in that capacity until they find someone willing to take the position. It was suggested that Councilor Lund still be noted as the city's representative and hope that they find someone to take over the treasurer's position soon.

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5. **Report on Flood Authority/State Capital Project Proposals by the Governor's Office.** J. Vander Stoep provided the council with information on the capital project proposals by the Governor's Office. He reported the Ruckelshaus and Governor's Committee included: Chairman David Burnett from the Chehalis Tribe; Vickie Raines, Chair of the Flood Authority; Karen Valenzuela, Vice-Chair of the Flood Authority; Jay Gordon; Keith Phillips, Governor's Staff; and himself.

Mr. Vander Stoep noted the committee prioritized projects for the Governor's capital budget to include the following five parts:

1. Major Capital Projects:
  - a. Upper Basin Water Retention-Engineering and Design – \$5.6 million (Decision on permitting December 2014)
  - b. 1-5 Protection Options - \$3.3 million
2. Local Flood Relief Projects - \$10.7 million
3. Fish Enhancement Projects - \$4.3 million
4. Reduce Damages to Residential and Other Structures in the Floodplain - \$1.75 million
5. Flood Warning and Preparedness Systems

Mr. Vander Stoep also provided two graphs showing the effects of two potential flood relief alternatives. The first graph showed the results of potential flood relief using the United States Army Corps of Engineers Twin Cities Project alternative, and a second graph using the upstream dam on the Chehalis River alternative. It was clear from the data presented that the upstream dam provided much better relief. Mr. Vander Stoep reported the data was developed using a preliminary version of the Chehalis River Basin HEC-RAS model that was still under development.

6. **Presentation of Certificate.** Mayor Ketchum presented Bob Nacht a certificate of appreciation for 34 years of service with the city.

Mr. Nacht thanked the many councilors, city managers, department administrators and staff he's had the pleasure of working with over the last 34 years, adding they were all dedicated employees of the city. He introduced the new community development director, Dennis Osborn, who would be taking over the position after Friday, January 18.

7. **Citizens Business.** David Tagert, Devilfish Public House (289 NW Chehalis Avenue), commented on the recent stabbing incident that took place on Chehalis Avenue, adding something needed to be done to prevent stuff like this from happening in the future.

Mr. Tagert reported the police department was doing a good job, but felt they were outnumbered by those who hang out along Chehalis Avenue in the early hours of the morning and after the bars close, especially on the weekends. He invited the council and anyone else interested to come down during this time of night to see what actually goes on. Mr. Tagert suggested having a brainstorming meeting with all of the drinking establishments to address the problems, and try and come up with some solutions.

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

- a. Minutes of the regular meeting of December 10, 2012, and the special work session of December 13, 2012;
- b. Claim Vouchers No. 104824-104953 in the amount of \$1,053,948.62 dated December 14, 2012; Claim Vouchers No. 104954-105042 and EFT No. 112012 and 1220121 in the amount of \$106,784.99 dated December 31, 2012; and Payroll Vouchers No. 36219-36287, Direct Deposit Payroll Vouchers No. 3668-3739, and Electronic Federal Tax Payment No. 118 in the amount of \$683,878.94 dated December 31, 2012; and
- c. Authorize City Manager to execute the interlocal agreement with Riverside Fire Authority to provide Fire Code Inspection and Enforcement Services to the City of Chehalis for 2013.

The motion was seconded by Councilor Spahr and carried unanimously.

January 14, 2013

9. **Administration Reports.**

a. **Lewis County Resolution Regarding Partnering of County and City Services and Internal Support Functions.** City Manager MacReynold reported the Lewis County Board of County Commissioners recently passed Resolution #13-012 supporting the county and the cities within Lewis County to take steps to review potential service and cost savings through collaboration and partnering of county and city services and support functions.

City Manager MacReynold asked if the council was supportive of bringing back a similar resolution for their consideration at the next meeting.

Mayor Ketchum stated the idea was presented at the Mayor's Meeting late last year and received a lot of support. He thanked City Manager MacReynold for working on the initial draft documents regarding the idea of collaboration and partnering, and for working with the other agencies on the matter.

The consensus of the council was to bring a resolution to the council at the next regular meeting for their consideration.

10. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes talked briefly about the withdrawal of Lewis County Fire District #6 from the North Lewis County Regional Fire Authority Planning Committee. He noted the council would be taking action later in the meeting on a resolution to approve the formation of the new Regional Fire Protection Services Authority Planning Committee.

11. **Resolution No. 01-2013, First and Final Reading – Surplus City Property and Authorize City Manager to Execute Interlocal Agreement between the City and Lewis County Fire District #13.** Fire Chief Kelvin Johnson reported the fire department had several self-contained breathing apparatus (SCBA) components that were of no further use to the city and wished to declare the equipment surplus. He stated Lewis County Fire District #13 was desirous of acquiring the use and possession of the equipment if it becomes surplus.

Chief Johnson reported a resolution and an interlocal agreement between the city and Lewis County Fire District #13 had been prepared for the council's consideration.

Councilor Taylor moved to adopt Resolution No. 01-2013 on first and final reading and authorize the city manager to execute the interlocal agreement.

The motion was seconded by Councilor Pope and carried unanimously.

12. **Resolution No. 02-2013, First and Final Reading – Authorizing the City's Participation in a Regional Fire Authority Planning Committee (RFAPC).** Councilor Dawes asked that the council support the resolution to continue to explore the formation of a Regional Fire Protection Service Authority.

Councilor Dawes moved to adopt Resolution No. 02-2013 on first and final reading authorizing the city to participate in a RFAPC with the Riverside Fire Authority.

The motion was seconded by Councilor Taylor and carried unanimously.

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

Anthony E. Ketchum, Mayor

Judith A. Schave, City Clerk

Approved: February 11, 2013

Initials: JS

February 11, 2013

The Chehalis city council met in regular session on Monday, February 11, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:30 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Dennis Dawes. Councilor Taylor was absent (excused). Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; Eva Lindgren, Finance Manager; and Herta Fairbanks, Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Work Session - Property Vacation Discussion.** Community Development Director Dennis Osborn and Public Works Director Herta Fairbanks presented the council with some general background information on the procedures and issues with regard to the vacation of city street rights-of-way. Mr. Osborn reported the vacation process was governed by Chapter 35.79 of the Revised Code of Washington (RCW). He gave a quick overview of the statutory requirements and highlighted some of the more important details of the process.

Councilor Dawes inquired about the fifty percent appraised value received by the city as compensation for the area being vacated, asking about the issue of gifting of public funds. Mr. Osborn stated he wasn't sure of the legislative intent regarding the other fifty percent, but it may have to do with one of the following: not finding value in the right-of-way; depreciated value; or factoring in the loss of total use by the property owners who are going to be acquiring the right-of-way.

Councilor Dawes asked if the city included language in notices that go out to the public to say, even though they may have no interest in the petition, they may be required to pay a portion of the fees. Mr. Osborn noted the city's code was silent on that issue, but it made sense that if contact is made, they should be made fully aware of what's at stake.

Councilor Dawes recalled, in the past, the party who wanted the vacation paid the fees. Mr. Osborn indicated the law requires that it be paid by the abutting property owners, but it didn't preclude one property owner from paying the entire amount.

Mayor Ketchum thought most of the vacations they've had have been with a single property owner, which is probably why the issue has never come up.

Councilor Pope asked if there were any petitions to vacate in the works. Mr. Osborn stated they had one request; however, it was currently in limbo at the request of the petitioner.

Mayor Ketchum asked what the first step was for someone wanting to start the process to file a petition. Mr. Osborn reported the jump-off point would be to start with the public works department.

Councilor Harris asked how they would address a situation with multiple property owners, where they have one or more that do not want to be involved. City Attorney Bill Hillier noted the language states the vacation shall not become effective until full payment has been received by the city. He suggested the party who petitioned for the vacation will usually pick up the tab. Mr. Osborn stated if the council is not compelled to vacate a right-of-way because of the concerns for neighboring properties, they have that right. Ms. Fairbanks noted the RCW does not provide for mandatory payment by all abutting property owners, but does provide for another property owner to pick up the tab for all of them.

Councilor Pope inquired about property in the city's growth management area, wondering if the city would be involved if someone applied for a right-of-way vacation. Mr. Osborn stated if there was a petition of vacation that's within the city limits and its partial city/partial county, the city would absolutely be involved.

Ms. Fairbanks covered the logistics from a public works perspective of vacating a right-of-way. She noted rights-of-way had specific purposes and were intended for the public. Ms. Fairbanks reported on the steps the department takes in their review of a petition, including: the initial intent of the city having the right-of-way; whether it's improved or unimproved; who uses the right-of-way; does it affect parking; are there utilities present; and future intended uses.

Ms. Fairbanks reported it was the administration's job to provide the council with information to say whether or not the vacation makes sense for the city, and the public who ultimately own the right-of-way.

February 11, 2013

City Manager MacReynold reported the council had two opportunities to say yes or no to a petition. He noted the first time is when the administration asks for a public hearing, and the second is during the public hearing itself.

Mr. Osborn reported the RCWs state, "If the petition was two-thirds, council shall fix a time when the petition is to be heard." He noted if they receive a petition that has less than two-thirds the council does not have to fix the hearing, or they can, as the legislative body, take the vacation on themselves and schedule a public hearing.

Mr. Osborn suggested, at some point and time, the administration could come back to the council with a proposal to address some of the issues to see if the council would like to put some of the guidelines within the Chehalis Municipal Code (CMC), so they're not struggling with issues every time they are faced with a vacation petition. He noted they were looking at doing some technical changes in February or March, and would be bringing those to the council.

Councilor Harris stated he was in favor of whatever makes everybody's life easier, and more consistent.

Councilor Spahr stated if it will help the administration to do their job easier, by all means, they should have it in the CMC.

City Attorney Hillier reported what was being said was correct; however, the city has had policies in place for years to deal directly with what's been discussed. He stated the city has always reserved easements for utilities in every vacation they've done since he's been with the city. City Attorney Hillier stated they could put it into ordinance form, but the city has a practice of developing policies around it that have been consistent.

Councilor Dawes reported he didn't ever remember a vacation coming before the council that didn't get approved. He stated he's always hesitant to enact city legislation if there's already a clear line by the state. Councilor Dawes felt having a policy that follows what the state dictates was sufficient, and suggested if there are certain questions that the administration wants guidance on from the council, those could be brought to them at that time.

Councilor Lund asked, "How do people who are not adjacent property owners protect themselves?" Mr. Osborn stated through the public process, and the council's ability to hear their concerns at the public hearing. He noted, as council, they can factor those concerns into their decision.

Councilor Dawes asked if it was just zoning requirements that require a certain number of properties around the petitioned area to be notified. He added, not everybody reads the legal notices.

Mr. Osborn stated he wasn't advocating an ordinance, but suggested if there were things the council would like to have in the code, they could direct the administration to move forward on it and bring something back for discussion. He felt there was enough vagueness in the statute to give the council the latitude to say yes or no on vacation requests, based on the issues raised earlier.

City Manager MacReynold stated what he was hearing from some of the council was they didn't want anything new, but if they could make our code more explicit and provide clarity to the citizens who utilize it and to the staff who have the enforcement responsibility, the administration should try to bring something back for their consideration. He stated they didn't want to make it more complicated, as Councilor Dawes identified.

Councilor Lund stated it's a lot different when you go to close something that's not being used, compared to something that is being used.

Mr. Osborn asked for council direction on whether the administration should continue to work on it. Mayor Ketchum stated yes.

Mayor Ketchum closed the work session at 6:08 p.m. and announced that the council would take a two minute recess before opening the regular meeting at 6:10 p.m.

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2. **Chehalis-Centralia Airport Quarterly Report.** Airport Manager Allyn Roe provided the council with a brief quarterly update on the happenings at the airport. Mr. Roe reported they wrapped up the Pacific Cataract and Laser Institute (PCLI) hangar project, and they would be getting occupancy fairly shortly. He indicated the airport would be purchasing the old hangar from PCLI, which they've occupied since 1998.

Mr. Roe reported the lease they have with PCLI states if they ever vacate their old hangar the airport would get possession automatically at no cost. He stated this was geared more toward termination of the lease or if they relocated. Mr. Roe noted because this situation was a little different, they worked with the City Attorney and crafted an agreement that addressed the language and had it approved by the State Auditor's Office. He indicated they would be closing the deal sometime this week.

Mr. Roe reported their focus was to get started on their capital projects, to include: a three-bay garage that will house their snow removal equipment and refueling truck; a new refueling truck; and the upgrade of their jet fuel tanks. He noted the jet tank upgrade was schedule for 2013, and in two years they would be doing the upgrade to the standard aircraft fuel tank; however, it was looking like it might make more sense to delay the jet tank upgrade for two years and just to both at the same time.

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

a. Minutes of the regular meeting of January 28, 2013;

b. Claim Vouchers No. 105230-105354 in the amount of \$125,674.83 dated January 31, 2013; and Payroll Vouchers No. 36288-36347, Direct Deposit Payroll Vouchers No. 3740-3816, and Electronic Federal Tax Payment No. 119 in the amount of \$697,716.81 dated January 31, 2013; and

c. Accept SE Prospect Street Water Main Replacement Project as complete and release retainage in the amount of \$9,895.49 to Iversen and Sons, Inc.

Councilor Spahr was please to see the SE Prospect Street Water Main Replacement project come in under budget, adding the public works department did a good job.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes gave a brief update on the Regional Fire Authority Planning Committee meeting, noting after their first meeting he had a chance to meet with Riverside Fire Chief Jim Walkowski and shared some of the concerns that fellow committee members expressed. He also sat down with City Manager MacReynold and shared some of the concerns he had, and asked him to get with the city's financial staff and start getting some numbers put together.

Councilor Dawes hoped to get a meeting set up with the other city representatives and chiefs, so they can address the concerns as early as they can. He noted it wouldn't affect the functional consolidation, but the numbers were going to be very important when it comes time to making the decision as to whether or not they go from the functional consolidation to the annexation into the Riverside Fire Authority. Councilor Dawes stated during the functional consolidation phase, they would be looking for potential cost savings of various kinds. He noted their next meeting would be on February 20, at 6:30, at the Fords Prairie Fire Hall.

b. **Update From Councilor Harris.** Councilor Harris reported he attended the Lewis County Economic Development Council Banquet, noting it was a rather fun evening. He stated Gail Shaw and his wife were in attendance to see Frank DeVaul receive the "Gail Shaw Award."

Councilor Harris reported he attended the Boy Scouts fundraising banquet, noting Mr. Shaw was in attendance there as well. Mr. Shaw received an award for his and his wife's contributions to the Boy Scouts and local organizations.

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Councilor Harris also attended the Chehalis Community Renaissance Team meeting, where Mr. Shaw again, was in attendance. He talked briefly about the handout that all the council received on Mr. Shaw's "Tips for Building a Better Community." Councilor Harris reported the last item stated, "Get 25 people who are dedicated to a purpose, who are knowledgeable, who have the characteristics of enthusiasm, who will then not shoot the group down. You simply have to agree that you or a small group will not murder the majority. Have them get together, rent an office and get a telephone - you can do anything you want." Councilor Harris stated that was very true and those who had been on committees understand every part of it.

c. **Update From Councilor Lund.** Councilor Lund stated he also attended the Boy Scout fundraiser along with Councilor Harris, noting Commissioner Bill Schulte was the Chairman for the event. He mentioned that he used to work for the Roewe Family, and as a joke that evening, he told the Boy Scouts that Judge Michael Roewe was famous and they should ask him for his autograph, which they did. Councilor Lund stated it was always fun to mess with Judge Roewe.

d. **Update From Mayor Ketchum.** Mayor Ketchum reported, after a two-year vision by two young ladies in our community, and with great work by the Chehalis Renaissance Committee and Mr. Roe, they held a ribbon cutting ceremony for the Children's Museum at the Twin City Town Center. He stated they had over 200 people attend the event, noting 80 percent of the attendees were adults.

Councilor Harris reported he was at the museum the night before where they had between 40 and 50 volunteers working into the late hours to get everything ready for the opening on Saturday. He thought the final attendance numbers for the first day were 255, which didn't include the folks buying passes.

5. **Resolution No. 04-2013, First and Final Reading – Adopting FEMA's Schedule of Equipment Rates for the Purpose of Billing for City-Owned Equipment Usage.** Finance Manager Eva Lindgren reported the city had used the FEMA rate schedules on several occasions, and were looking to expand the usage to other situations where we haven't been recouping our true costs. She noted the schedule being proposed would not only be used for FEMA disasters, but for the purpose of getting reimbursed for the usage of our equipment for other situations.

Ms. Lindgren indicated the rate schedule was updated periodically by FEMA, adding it was a very extensive listing. She noted by adopting the schedule we don't have to spend the time creating the justification for the hourly rates. Ms. Lindgren stated the FEMA rate schedule was generally accepted and used across the nation.

Councilor Harris moved to adopt Resolution No. 4-2013 on first and final reading.

The motion was seconded by Councilor Spahr and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:27 p.m.

Anthony E. Ketchum, Mayor

Judith A. Schave, City Clerk

Approved: February 25, 2013

Initials: JS



February 25, 2013

The Chehalis city council met in regular session on Monday, February 25, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:29 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; Amanda Vey, Assistant City Attorney; Judy Schave, City Clerk, Glenn Schaffer, Police Chief; and Dennis Osborn, Community Development Director.

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

Mayor Ketchum closed the executive session at 5:58 p.m. and announced the council would take a three minute recess before opening the regular meeting at 6:01 p.m. Additional staff included: 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. **Proclamation.** Mayor Ketchum presented Susanne Sincock with a proclamation honoring the Founders of the Evergreen Theatre, now known as the Evergreen Playhouse.

3. **Briefing on the Chehalis Flood Authority and Flood Related Hazard Reduction Activities Occurring in the Basin.** City Representative Arnold Haberstroh introduced members of the Flood Authority in attendance, to include: Scott Boettcher, J. Vander Stoep, Lewis County Commissioner Edna Fund, Lionel Pinn, Julie Balmelli-Powe, Dave Muller, and Ron Averill.

Commissioner Fund reported she was the Chair of the Flood Authority's Outreach and Education Committee. She stated the committee would be going to every entity on the Flood Authority to give an update on what they've been doing and what the future looks like.

Flood Authority staff member Scott Boettcher, provided a PowerPoint presentation to the council on the action and activities benefiting the Chehalis River Basin. He reported they were currently waiting for the Legislature to act on a proposal for \$28.2 million in capital budget.

Mr. Boettcher stated they were to the point of having Board agreement and were working arm-in-arm on the next steps necessary to reduce flood damage and enhance salmon runs in the Basin. He noted they do have a basin-wide strategy in place that was before the Legislature for their consideration. Mr. Boettcher stated the Flood Authority was also positioned to continue to be a galvanizing force in the Basin for implementation of tools and projects.

Mr. Boettcher provided a brief background on the formation and focus of the Flood Authority. He noted the 2007 flood caused \$938 million in damage (Basin-wide), and \$300 million in lost economic activity (State-wide). Mr. Boettcher talked briefly about the frequency of flooding, noting events taking place in 1990, 1996, 2007, and 2009 all closed I-5 for a brief period of time. He noted the Chehalis River Basin was the second largest river basin in the state, adding it supported a variety of agricultural, timber, fishing, and natural resource based interests.

Mr. Boettcher reported on the Basin-wide strategy, tools, and actions needed, as follows:

#### Strategy

- Focus on significant reduction of flood damage
- Be cognizant that solutions in one area may have impacts in another
- Maintaining focus on :
  - major capital projects
  - localized projects
  - land use management
  - environmental enhancements
  - flood warning and emergency response

February 25, 2013

Tools - Flood Warning System

- Front-facing website
- Back-end data collection, data synchronization system
- Improved forecasting and early-warning
- Localized tracking, forecasting

Tools - Hydraulic Analysis Model

- Science-based model to inform decision-makers on the hydraulic effects of potential flood relief alternatives (at basin-wide and localized scales)
- 25 potential flood relief projects or project combinations - analyzed/evaluated with the model
- Covers the mouth of the Chehalis River upstream to Pe Ell (108 miles)
- Analytic ability to understand potential project effects, downstream and up

Tools – Fish Studies

- Two significant fish studies conducted in Upper Basin (WRIA 23)
  1. Analyze effect of dam alternatives on Spring Chinook, Steelhead and Coho
  2. Prioritize potential fish habitat enhancement opportunities

Action – 2012 Jobs Now Act Projects

- \$5,000,000 provided under 2012 Jobs Now Act:
  - \$1,875,000 – Repair/modification of levees and dikes
  - \$2,075,000 – Modification of Sickman Ford Bridge and floodplain culverts
  - \$50,000 – Installation/calibration of rain gauge on Chehalis reservation
  - \$500,000 – Construction of evacuation routes and critter pads
  - \$500,000 – Improvements to areas affected by Satsop River
- Half of the funds have been allocated to date

Action – 2013 Proposed State Capital Budget

- Governor workgroup convened to develop prioritized list of projects for 2013 state capital budget based on Basin-wide solution
- Proposed Budget:
  1. Construct local flood damage reduction projects now (\$10.7 million)
  2. Complete design alternatives for large-scale flood damage reduction projects (\$9.2 million)
    - Upper Basin water retention-engineering and design
    - I-5 protection options
  3. Construct multipurpose projects that reduce flood damage and benefit fish (\$4.3 million)
  4. Reduce residential damage (\$1.8 million)
  5. Ensure successful implementation (\$2.2 million)
- Local Contribution
  - Response and recovery of expenditures, significant recovery still remains
  - Basin communities are resilient and will continue to invest as they can, and as they should

Looking Ahead

- Continue to focus on local small/mid-scale projects
- Major Projects
  - Upper Basin Dam – Evaluate design alternatives to determine permit feasibility, engineering safety and mitigation requirements by December 2014
  - I-5, Airport, Twin Cities – Conduct design and engineering analysis on four protection alternatives
- Continue to improve existing tools (usability improvements to Flood Warning System)
- Continue to be a galvanizing force for the Basin

Mr. Boettcher indicated they had more information available on their website.

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Councilor Dawes stated he was liking what he had be reading lately, adding there appears to be some forward movement and for once maybe they could be a little more optimistic rather than guardedly optimistic. He stated there seemed to be some significant changes in getting folks to want to look at the same thing for the same reasons, and hoped it would continue.

Councilor Taylor inquired about Senator Shin's response to the local match analogy, wondering if there would be a lot of local match required, or would they look at what we've already contributed.

Commissioner Fund stated, "Anyone that's looked at the slide could not believe how much we've put forward on our own behalf." She reported they know as they go further they will need dollars from other places, and in order to get those dollars you have to put dollars forward.

Commissioner Fund reported a couple of weeks ago Chairman Burnett of the Chehalis Tribe made the comment that he believed a water retention facility could be built that could also benefit fish. She noted it was an amazing statement and it gave them a lot of hope.

Councilor Spahr noted it was interesting to look at the background and ranking of previous flood events; how they are clustered and then go for a period of time without any. Mr. Boettcher noted that was real data and it needed to be factored in.

J. Vander Stoep reported what was currently before the Legislature didn't include the \$5 million that's already been funded for the Chehalis-Centralia Airport Levee Project.

Councilor Harris asked if the studies were being shared with other agencies. Mr. Boettcher reported the Governor's Office was working on that relationship with the state agencies, noting the state agency team comes to all of the Flood Authority meetings.

4. **Update From New Chamber Executive Director.** Executive Director Alicia Bull reported they were excited to see things picking up and getting a little more consistent at the Chamber. She shared the 2013 Festival & Events Guide with the council, noting there was a lot of time put into the publication by a hard-working committee made up of Chronicle staff and the Chehalis Renaissance marketing team.

Ms. Bull thanked the council for providing lodging tax, along with the county that allows them to be open from 9am to 3pm on Saturdays. She stated they were thrilled to have the extra time to be available to people coming off the freeway.

Ms. Bull reported they were working on the Lewis County Visitor's Guide; again, made of up the marketing team from the Chehalis Renaissance and others, to make sure it gets out earlier this year.

Ms. Bull reported on upcoming events, to include:

- The Home and Garden Show – March 22-24, at the Southwest Washington Fairgrounds
- Regular Forums on the 2<sup>nd</sup> Monday of the month - O'Blarney's Irish Pub, Centralia
- Business After Hours on the 3<sup>rd</sup> Thursday of the month – various locations

Ms. Bull thanked the council again for their support, noting they were going to be very present when it comes to marketing.

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

- a. Minutes of the regular meeting of February 11, 2013;
- b. Claim Vouchers No. 105355-105509 in the amount of \$179,228.84 dated February 15, 2013;
- c. Adopt Resolution No. 05-2013 – Amending sick leave provisions of the city's employee rules and regulations;
- d. Adopt Resolution No. 06-2013 – Surplus of city property; and

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- e. Award 2013 rock, gravel, and asphalt bids to the various bidders as recommended.

The motion was seconded by Councilor Spahr and carried unanimously.

## 6. Administration Reports.

a. **January Financial Report.** Finance Manager Eva Lindgren reported the only thing she wanted to note was that the insurance paid at the beginning of the year to Washington Cities Insurance Authority had not been charged out, but was recorded into a pre-paid insurance account. She noted the insurance premiums would be reflected in the February financial statements.

b. **Discover! Children's Museum.** City Manager MacReynold reported the council received a copy of an email from Discover! Children's Museum Director Jim Valley. He noted they were averaging 147 people a day in attendance, which was incredible. City Manager MacReynold suggested if any of the council had not had a chance to see the facility yet, they should go take a walk-through tour, adding it was amazing what the volunteers had done.

c. **Lodging Tax.** City Manager MacReynold reported the council had received a handout on the status of the lodging tax issue. He noted there was strong support for maintaining the lodging tax as is, but there had been some additions in the Senate version. City Manager MacReynold noted he would keep the council informed as it moves through the process.

Councilor Dawes inquired as to how the amendments would affect what they were trying to accomplish. City Manager MacReynold stated his read was that the three additions were not significant; although, one of the amendments was clearly trying to get some control over using tourism funding for capital expenditures.

Councilor Dawes asked if what the city had been doing was related to any of the amendments. City Manager MacReynold indicated it was not.

## 7. Council Reports.

a. **Update From Councilor Dawes.** Councilor Dawes reported on the Regional Fire Authority Planning Committee, adding they were trudging forward towards starting the functional consolidation phase. He noted the committee still had to identify things to get policies aligned to allow it to run as close to one department as they can without it being one department. Councilor Dawes stated both union presidents were present and spoke solidly in favor of it and were willing to take part in the subcommittees.

Councilor Dawes reported he attended the Chamber Business After Hours event at the Evergreen Playhouse, adding it was nice to get a tour of the facility.

b. **Update From Councilor Lund.** Councilor Lund reported he and Councilor Spahr also attended the Fire Authority meeting, noting he thought things were going well.

Councilor Lund indicated things were also going well at the Lewis County Historical Museum, adding they were fulfilling their requirement of getting an audit done. He reported Blue Goulding out of Winlock, Washington, was doing the audit, noting they only do audits for non-profit organizations.

c. **Update From Mayor Ketchum.** Mayor Ketchum reported the Sister City Committee met to discuss the upcoming trip to Inasa, Japan, noting they were planning to go October 30 through November 6. He stated if anyone would like to go they should contact City Manager Administrative Assistance Caryn Foley by February 27.

8. **Ordinance No. 908-B, First Reading – Extending the Six-Month Moratorium on Medical Marijuana and Dispensaries.** City Attorney Bill Hillier reported the most salient point was that there still hasn't been a stated agreement between the federal government and state government regarding the enforcement of the federal regulations. He noted the state was working on it and hoped to have a solution by the end of the year.

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City Attorney Hillier stated the state was also working on rules and regulations governing not only medical marijuana, licensing, production and sales, but also for non-medical recreational marijuana. He recommended the city sit tight a little longer while the state does their job.

Councilor Spahr moved to pass Ordinance No. 908-B on first reading.

The motion was seconded by Councilor Taylor and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:51 p.m.

Anthony E. Ketchum, Mayor

Judith A. Schave, City Clerk

Approved: March 11, 2013

Initials: js

March 4, 2013

The Chehalis city council met in a special work session on Monday, March 4, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:30 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included Merlin MacReynold, City Manager; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; and Herta Fairbanks, Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Work Session.** The Chehalis City Council held a special work session to discuss needed repairs to the Chamber Way Bridge over Interstate 5.

City Manager MacReynold reported he attended a sounding board meeting last week, which included a briefing from Bart Gernhart, Assistant Regional Administrator of Engineering for Washington State Department of Transportation (DOT) on the recent damage to the Chamber Way Bridge. He indicated they were running a very tight timeline on repairing the bridge; however, there weren't too many good options at this time. City Manager MacReynold suggested DOT's main concern was to get the word out and have a larger community meeting at a later date to go over the options for repairing the bridge.

Mr. Gernhart gave a brief history, noting the most significant damage occurred last fall when the bridge was struck by a log truck. He reported the bridge had been repaired a couple of times over the last few years, but the existing steel was damaged so badly they can no longer tie it together to keep it functioning as it was originally designed.

Mr. Gernhart stated DOT was researching options on how to repair the outside girder and keep traffic flowing at the same time. He noted the repair work would likely begin at the end of August or early September, and would take between one and two months to complete. Mr. Gernhart stated they would do all they can to minimize that time.

Councilor Pope asked if DOT would consider opening up Louisiana Avenue during the repair work. He stated if they are only going to allow one lane of traffic to cross the bridge he suggested that it flow into the Twin City Town Center. Mr. Gernhart stated it was pretty much unanimous by the sounding board group to keep traffic flowing in that direction. He noted there were a lot of complications around opening up Louisiana Avenue, adding this summer they plan to raise Airport Road for the new Mellen Street Bridge Interchange. Mr. Gernhart suggested if they were to open up Louisiana Avenue, it would delay that project a full year.

Mr. Gernhart reported, in order to minimize the duration of the closure, they would not start the repairs until the contractor has all of their ducks in a row. He thought they might be ready to go out to bid in April or May.

Mr. Gernhart talked briefly about one of the options he shared at the sounding board meeting, which was to cut off a portion of the sidewalk on the north side of the overpass and use that space as part of a lane. He felt they may be able to get a 10-foot lane in each direction, which is adequate to handle two-way traffic at 25 miles per hour. Mr. Gernhart suggested it might mess up the flow at the intersections, but at least they would have two lanes of traffic and enough room for a contractor to do the work. He stated they would be reviewing the concepts over the next week or two, and if anytime during that period they find that none of the options are viable, he would contact City Manager MacReynold and be back before the council to figure out a new game plan.

Councilor Harris asked if this was an emergency situation, and if so, can they hire a contractor without going through the bid process. Mr. Gernhart stated it was an emergency, but they still have to go through the competitive bid process.

Councilor Harris asked if the girder would be replaced all the way to the center support. Mr. Gernhart reported the girder would be replaced over half of the length of the bridge.

Councilor Dawes wondered why it was an emergency now if the damage happened last fall. He stated he could see the project dragging right into the shopping season, while some of the merchants just now started to recover from when the recession hit.

Mr. Gernhart stated it would have been nice to have had money from the insurance company to start the design earlier, but they weren't there yet. He noted they didn't realize the impact that would occur because of the fix, but still felt they could

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get the work done before the next Christmas shopping season.

Councilor Spahr asked if the redesign of the Chamber Way Bridge had been done yet. Mr. Gernhart stated no.

Mr. Gernhart reported the question has come up about building a new bridge; however, a project such as that was pretty substantial, costing between \$50 and \$60 million. He noted the current bridge was too low and didn't meet today's standards for height and only included four lanes. Mr. Gernhart stated in order to get six lanes and wider shoulders they would need to widen the span, making the girders a lot deeper. He noted by the time they touch back down they would be past the current ramps, and perhaps even past State Street and Louisiana Avenue.

City Manager MacReynold asked, "If funding was made available, could the project be done as a permanent fix and be added to the backend of the Mellen Street Project." Mr. Gernhart stated typically once they get funding they have to go through the public process and finalize what needs to be done. He noted it would take at least two years to fully agree on what the solution would be and to start the permitting and NEPA process. Mr. Gernhart stated they would be lucky to begin the project in five years, and that was only if everything goes smoothly.

Mayor Ketchum suggested they might look at putting up a temporary bridge. Mr. Gernhart reported their temporary bridge was currently being used in Klickitat County, to go over the Klickitat River. He noted DOT has way more needs than money.

Mr. Gernhart reported he was cautiously optimistic that they will be able to put something together to keep both lanes open during the repair work; otherwise, he will be coming back to the council to discuss what the next steps would be.

Councilor Dawes asked if the project was weather specific. Mr. Gernhart reported it could be done in the winter; however, the work would go slower and the duration would be longer.

Councilor Dawes stated, unfortunately, for the retail world Christmas starts in September. He felt it would be better to do the work during a slower time of the year.

Mr. Gernhart stated DOT would be willing to wait a little bit, but they weren't going to wait two years because of the risk. He noted the feedback they receive from the city and the business community would be critical in the decision making process.

Councilor Spahr thought the work being proposed was a pretty permanent fix and should last for a few years. Mr. Gernhart stated the fix should make it last as long and the rest of the bridge, unless someone with an even bigger load comes through and hits it again. He noted DOT was working with the truck driver's insurance company, who is on the hook to fund the project.

Councilor Harris asked if there was a guarantee that the project would be done in a short period of time. Mr. Gernhart stated there were no guarantees, except there would be a clause in the contract that there will be a penalty if they go too long.

City Manager MacReynold asked that DOT include city staff when they get to the reality phase, so they can help work through some of the issues if they have to run alternative routes. Mr. Gernhart stated that was pretty standard; however, with it being a shorter contract they don't have as much time to remember to contact everybody.

Mr. Gernhart stated, depending on the option selected, they may have to restrict certain size trucks from crossing over the bridge. He stated once they know for sure, they will figure out a game plan to communicate with the business community.

There being no further business to come before the council, the meeting adjourned at 6:01 p.m.

Anthony E. Ketchum, Mayor

Judith A. Schave, City Clerk

Approved: March 25, 2013; Initials: js

March 11, 2013

The Chehalis city council met in regular session on Monday, March 11, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:30 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; 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)(i) – potential litigation for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:57 p.m. and announced the council would take a four minute recess before opening the regular meeting at 6:01 p.m. Additional staff included: Brian Kelly, Assistant City Attorney; Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; Herta Fairbanks, Public Works Director; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Christina Crea, from *Business to Business*.

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

a. Minutes of the regular meeting of February 25, 2013.

The motion was seconded by Councilor Taylor and carried unanimously.

3. **Administration Reports.**

a. **Update on Collaboration of City/County Services Analysis.** City Manager MacReynold reported the city was jointly exploring different avenues for collaboration with Lewis County and several other cities within the county. He reported they've had two meetings to date and decided as a group to focus on three primary areas: facilities maintenance and parks; streets and roads; and development/permit services.

City Manager MacReynold reported most of the cities in Lewis County were represented at their last meeting and they had a very good discussion. He added Lee Napier from the county was the lead on the committee.

City Manager MacReynold stated their first focus would be on facilities and parks. He noted Community Development Director Dennis Osborn would be looking at alternative ways to approach it.

b. **Update on Taco Time Development.** City Manager MacReynold reported he received a message last Thursday that Taco Time had withdrawn their proposal to develop in the Twin City Town Center.

Public Works Director Herta Fairbanks briefed the council on the sequence of events and what the city had gone through to try to get the project going.

- June 21, 2012 – Pre-applicant conference held; packet presented by RB Engineering that included a preliminary site plan and description of what the project would look like.

The city identified the following:

- Civil plans would be required at the time of application to include onsite utilities, access locations, stormwater management, fill and grade, parking spaces, and size.
  - A utility service attachment would be required at the time of application.
  - A full-level traffic analysis would be required; any work in the right-of-way would require a right-of-way permit; late-comer fees would be associated with the project; and the airport sewer lift station may need some upgrades.
- June 27, 2012 - written comments were submitted back to the applicant summarizing what was discussed at the pre-applicant conference.



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- July 9, 2012 – Airport Manager Allyn Roe attended the council meeting and requested some reconsideration of the latecomer fees for Taco Time. After some dialog with the council, Mr. Roe indicated Taco Time was okay with the \$9,700 in latecomer fees.
- June 13, 2012 – City received an email from RB Engineering asking for clarifying questions as a result of the pre-applicant conference. The clarifying questions had to do with:
  - Access from Louisiana Avenue
  - Deferral of frontage improvements
  - Clarification on the airport lift station upgrade
  - On-site stormwater requirement
- June 31, 2012 – City submitted memo to applicant responding back to the four clarifying questions.
- October 30, 2012 – City received report from RB Engineering on the lift station (analysis of the capacity).
- November 26, 2012 – Airport Manager Allyn Roe attended the city council meeting to provide the airports' quarterly report. The issue of Taco Time was briefly discussed; city was in the process of reviewing the lift station analysis submitted by RB Engineering.
- November 30, 2012 - Comments on the clarifying questions were provided to the applicant and associated parties.
- As a result of the report filed by RB Engineering, the Development Review Committee (DRC) granted an extension of the pre-applicant conference.
- December 27, 2012 – the DRC determined they would close the pre-applicant conference and leave the matter to public works, RB Engineering, and Neltac, Inc. to discuss.
- December 31, 2012 – RB Engineering resubmitted the lift station report, noting after adjusting the bottom-line assumptions the results indicated there was a deficiency in capacity for the lift station.
- March 8, 2013 - City resubmitted comments back to Neltac, Inc. The bottom-line - upgrades are necessary for the lift station to accommodate any additional growth. (It was conveyed that the city has a latecomer mechanism in place that would allow them to recover some of their investment that's not specifically identifiable to them.)

Ms. Fairbanks reported in their review of the historical information it was identified that the earliest mention of the lift station being deficient was in 2004. She noted it was a comment provided on the 60-Acre Master Plan for Rick Peterson (CCA Retail).

Ms. Fairbanks reported in 2006 there was a determination of non-significance issued on the SEPA for the project, and the deficiency was again identified. In 2010 there was an email from Bob Nacht to Mr. Roe stating the K-Mart pump station was to have been upgraded by Mr. Peterson, and has sometimes exceeded its capacity.

Ms. Fairbanks reported city Ordinance Nos. 817-B and 818-B provided latecomer fee schedules for that area and included the following language: "Developer or Airport upgrades pump station and any required extensions for development." She pointed out that this was not new information for any of the parties involved, with the exception of perhaps Taco Time.

Councilor Taylor asked what the cost would be to upgrade the lift station. Ms. Fairbanks reported a straight replacement of the pumps would be in the realm of \$15,000; however, that would not solve the problem. She stated what they really need is more capacity, which would run between \$40,000 and \$50,000.

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Councilor Taylor stated it sounded like a good project for the airport to do, in order to accommodate development. He added they could collect the latecomer fees as they develop.

Councilor Dawes believed the latecomer fees would come to the city.

Ms. Fairbanks indicated whoever makes the investment would have the ability to collect the latecomer fee.

Councilor Dawes suggested a partnership between the city and the airport, adding whatever they do out there would benefit the city.

City Manager MacReynold reported the administration had only recently been working on it. He stated they were open to suggestions, but it couldn't be just the city's problem; otherwise, it falls on our ratepayers.

Councilor Spahr felt it was in the best interest of the city to make sure it gets taken care of; otherwise, the city wouldn't be able to develop our 35 to 40 acres at the north end of the airport. He indicated he didn't mind looking at some kind of partnership with the airport.

Councilor Dawes stated it was a shame they didn't take care of it sooner, especially since they've known about the deficiency since 2004.

Councilor Taylor reported he had a chance to meet with City Manager MacReynold and Ms. Fairbanks, adding he thought they did a good job of communicating the things the city wanted to see addressed. He felt they went above and beyond to look at the different options that were out there. Councilor Taylor stated it was disheartening that Taco Time withdrew their application after all of the work the city has done to show we want to help new business come here. He hoped the city could find a way to bring them back to the table.

Ms. Fairbanks reported she received an email from Taco Time stating at the time they felt it was best to cancel their agreement with the airport, but they were certainly open to revisiting the issue because they were still attracted by the potential of the area.

Councilor Spahr inquired about the pumps at the lift station, wanting to know if they needed to be replaced. Ms. Fairbanks reported they did, but the replacement of the pumps wouldn't solve the problem for future development. She stated it's been a known limiting factor for that area, but didn't feel it would be a good use of ratepayers' funds, knowing at some point in the near future they would be pulled out and replaced with something larger.

Councilor Pope asked if the city had specs for what was needed to upgrade the lift station. Wastewater Superintendent Patrick Wiltzius reported Bob Balmelli from RB Engineering did a good job in his report of outlining what development was ready to occur out there, but didn't recall if he included the wastewater property. He noted the report indicated they would need another 30 gallons per minute capacity per pump. Mr. Wiltzius stated an upgrade would require upsized pumps, additional starters, rails and motor controls, adding it could be designed by the pump manufacturer. He noted they could also reuse a lot of the stuff they already have.

Councilor Pope asked if the upgrade would take care of any additional development that may occur in that area in the future. Mr. Wiltzius stated if Mr. Balmelli's calculations are correct it would, but he would also have to make sure the city's property was included. Councilor Pope asked if \$50,000 would take care of it. Mr. Wiltzius stated yes.

Councilor Dawes suggested the figures that Mr. Balmelli used were probably based on the airport's master plan, and probably included what they had laid out for future development. Mr. Wiltzius stated they spent a lot of time reviewing the numbers and calculations and pretty much agree with the report provided by Mr. Balmelli.

Mayor Ketchum suggested the city make a proposal to the airport stating if they want to develop, the city would be willing to help.

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City Manager MacReynold stated there were different ways to approach it, adding the more things we can do cooperatively, the better off we all are. He stated we want to see development out there, but we need to ensure that we don't do harm to the city, or our customers.

Councilor Taylor inquired about frontage improvements. Ms. Fairbanks reported the frontage issue would come when they build the new roundabout for Arkansas Way. She noted at the pre-applicant conference the city stated it would entertain a temporary access from Louisiana Avenue, but once more development occurred to necessitate the new leg of the roundabout, the access to Taco Time would be moved to Arkansas Way.

c. **Update on Chehalis Avenue Beautification Project.** Ms. Fairbanks reported they were still working with the Washington State Department of Transportation (DOT) on the project. She noted, in September, the city submitted a bid packet and specifications for the entire project for DOT and the Transportation Improvement Board (TIB) for their review. Ms. Fairbanks reported TIB signed off almost instantaneously; however, DOT responded back in January and indicated they had some questions. She noted the issues were addressed and the information was resubmitted back to DOT.

Ms. Fairbanks reported there was an issue with regard to identifying a specific manufacturer for the irrigation items, and they were working with DOT to buy off on that. She stated the specifications also noted the contractor would need to work with city crews to remove street signs, but apparently we can't do that. Ms. Fairbanks was told, as long as there's federal funding in the mix, you can't use your own crews because it could be viewed as a reimbursement.

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

a. **Update From Councilor Harris.** Councilor Harris stated he attended the Chehalis Community Renaissance Team meeting on Friday, March 8. They reported the Discover! Children's Museum had 3,000 paid admissions in their first 30 days of operation, not including those who bought packages for multiple visits.

Councilor Harris also thanked Chamber Executive Director Alicia Bull, Community Librarian Corine Aiken, and Annalee Tobey from Vitality Marketing for joining him on the Christmas "Holiday Decoration" Committee.

b. **Update From Mayor Ketchum.** Mayor Ketchum reported he had received some good news on Stan Hedwall Park, adding it was his understanding that it was in the House and Senate budget proposals for consideration. He stated the Department of Social and Health Services and the Department of Natural Resources had already signed off on it, adding if everything goes as planned, the city could own the park at the end of this session.

c. **Update From Councilor Lund.** Councilor Lund reported there has been interest by the city of Centralia and the Great Wolfe Lodge to run the steam train to each of their locations. He had also heard that Tacoma Rail wants to get rid of their track and suggested the council direct staff to put together a roundtable discussion of all of the major players to see if we can generate some interest to help preserve the tracks for our community. Councilor Lund noted the Tacoma Rail line also goes down to Morton, which could enhance economic development to that area.

Councilor Pope indicated he had spoken with Chehalis Tribe Chairman David Burnett and Jeff Warnke, adding they both had an interest in seeing the railroad come out to the Great Wolf Lodge.

Councilor Lund suggested there might be some issues regarding federal and state funding received by Tacoma Rail to repair the tracks, which would need to be discussed.

The consensus of the council was to have staff arrange for a roundtable discussion to include all of the major players.

d. **Update From Councilor Spahr.** Councilor Spahr noted he was having an ongoing problem with his cable, and recently found out that Councilor Pope was having problems, as well. He noted City Manager MacReynold asked the City Clerk to contact Comcast Cable regarding the matter.

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5. **Ordinance No. 908-B, Second and Final Reading – Extending the Six-Month Moratorium on Medical Marijuana and Dispensaries.** City Manager MacReynold reported the administration was requesting that the moratorium be extended because the state and federal government still had not given any clear guidance on how to proceed. He hoped by extending the moratorium we would get that guidance and be able to bring something back to the council for their consideration.

Councilor Spahr moved to pass Ordinance No. 908-B on second and final reading.

The motion was seconded by Councilor Harris and carried unanimously.

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

Anthony E. Ketchum, Mayor

Judith A. Schave, City Clerk

Approved: March 25, 2013

Initials: js

March 25, 2013

The Chehalis city council met in regular session on Monday, March 25, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:30 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Herta Fairbanks, Public Works Director; and Dennis Osborn, Community Development Director.

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

Mayor Ketchum closed the executive session at 6:07 p.m. and announced the council would take a two minute recess before opening the regular meeting at 6:09 p.m. Additional staff included: Glenn Schaffer, Police Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; and Becky Fox, Court Administrator. Members of the media included Kyle Spurr from *The Chronicle*.

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

a. Minutes of the special meeting of March 4, 2013, and the regular meeting of March 11, 2013; and

b. Claim Vouchers No. 105510-105591 and Electronic Funds Transfer No. 12013 in the amount of \$69,576.50 dated February 28, 2013; Claim Vouchers No. 105592-105721 in the amount of \$171,314.37 dated March 15, 2013; and Payroll Vouchers No. 36348-36406, Direct Deposit Payroll Vouchers No. 3817-3893, and Electronic Federal Tax Payment No. 120 in the amount of \$667,302.54 dated February 28, 2013.

The motion was seconded by Councilor Spahr and carried unanimously.

3. **Administration Reports.**

a. **February Financial Report.** Finance Manager Eva Lindgren reported on the general fund, adding there were some variances in the finance department and the community development department that didn't include any notes.

Ms. Lindgren stated, with regard to the finance department, a budget amendment was done in 2012 to pay for the capital asset software finalization; however, they didn't receive a bill until after the year ended. She noted she planned to bring back another budget amendment to take care of the issue.

Ms. Lindgren reported there was also a large variance in community development with the retirement of Bob Nacht at the beginning of the year. She noted considerable leave accruals attributed to the large cashout at the time of his retirement.

Ms. Lindgren reported on the latest results for sales and use tax revenues, noting the city was up 9.8 percent for the month-to-month comparison, and 10.9 percent for the quarter.

b. **Update on City Wellness Program.** Wellness Committee Chair Becky Fox reported the employee committee met on March 7 to first set up some priorities. She noted the first project was to distribute the "Needs and Interest" survey, noting there was still time for people, including the council, to turn those back in.

Ms. Fox talked briefly about the "Health Screening" coming up on April 11, at the V.R. Lee Building from 7:30 - 11 a.m. She noted any employee who is part of the Association of Washington Cities (AWC) Trust and their spouses are welcome to participate in the screening. Ms. Fox stated information on how to register on-line would be provided with the March payroll checks. She noted they plan to provide some healthy snacks for those who participate in the health screening.

Ms. Fox felt they were off to a good start, adding they had 49 of the 90 points needed to achieve their first award. She hoped to have some good activities planned for later in the year and would keep the council up to date.

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4. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes reported their last Regional Fire Authority meeting was cancelled because they were still gathering information regarding the plan. He noted their next meeting was scheduled in April, and one of the items they would be talking about is a governance model for the functional consolidation.

Councilor Dawes reported it was going to take some time to make sure everyone is trained to work together and operate as one department. He noted the functional consolidation would start around May or June of this year.

Councilor Dawes reported he attended the Business After Hours at the KITI/Live 95 Radio Station, along with Councilor Spahr and Mayor Ketchum. He stated KITI was always one of the nicer places to visit.

b. **Update From Councilor Harris.** Councilor Harris reported he received a call from AWC asking him to meet in front of Senator Braun's Committee on House Bill 1253 concerning lodging tax. He stated there is also a Senate bill going through with different language, adding either one would be fine for the city.

Councilor Harris reported it was very important to keep the current legislation from sunseting with regard to how the money can be spent. He stated both bills include the two things they really need, which are flexibility and operations. He noted if the legislation does sunset the money can only be used for marketing and promotion.

Councilor Harris reported there were a number of hoteliers present who were in favor of letting it sunset because they believe the money should simply go towards promotion. He noted there were some people from East Lewis County at the meeting who were having trouble with the House bill because it included the moniker of "local traveler." Councilor Harris reported the city tries to advertise at least 50 miles away to draw people in to put "heads-in-beds," as well as for shopping, eating and purchasing fuel.

Mayor Ketchum reported he heard that Senator Braun's bill was a little more restrictive than the House bill.

Councilor Harris stated it was; however, there were still some things within it that we can utilize. He noted the one big thing it didn't have was language related to "local traveler." Councilor Harris stated he and others tried to impress that the state shouldn't have as heavy a hand in it; that it should be for local opportunities, which was the design of the law when first written.

Councilor Harris felt they could live with the Senate bill, but he attended the hearing to support the House bill.

Councilor Dawes asked if both bills would allow us to continue to do what we're doing.

Councilor Harris stated the House bill would, but the Senate bill would be a little touchier. He noted apparently Senator Braun believes we can contract through some of the entities, which is how the funding could be given to them. Councilor Harris didn't know if Senator Braun completely understood the nuances of who we can and cannot contract with, and for what purpose.

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

Anthony E. Ketchum, Mayor

Judith A. Schave, City Clerk

Approved: April 8, 2013

Initials: js

April 8, 2013

The Chehalis city council met in regular session on Monday, April 8, 2013, 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; and Peggy Hammer, Human Resources Administrator. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Citizen Business.** Teamsters Business Agent Russ Walpole, representing the non-uniform employees for the city of Chehalis, reported he wanted to talk about contract negotiations and where they were at. He stated the intent was not for direct bargaining with the council through the union, or through the employees.

Mr. Walpole suggested the city was spending money recklessly by going to mediation and paying out attorney fees with no actual benefit to the city. He talked briefly about the role of David Fine from the Lewis County Prosecuting Attorney's Office, who was hired by the city to assist with its negotiation process. Mr. Walpole noted Mr. Fine doesn't really do any negotiating, other than to explain what the proposal is, and to keep Human Resources Administrator Peggy Hammer out of trouble, "Babysitting if you will."

Mr. Walpole believed that Ms. Hammer didn't care what it cost the city, only that there had to be takeaways. He noted they also had concerns with honesty and integrity, adding during the previous negotiations, Ms. Hammer was insistent that the non-represented employees all pay out of pocket for health and welfare. She also stated that the proposals she came in with were directed by the city council. Mr. Walpole stated they didn't believe either statement was true.

Mr. Walpole reported the union employees don't begrudge the non-represented employees for getting a three percent increase; however, at the table when trying to get the same three percent increase the response was, "The city council believes that the non-represented employees need to be taken care of and that's not the case with the public works employees." Again, they didn't believe that was the directive given to Ms. Hammer by the council.

Mr. Walpole requested that the city send somebody to the table that is competent, credible, and willing to get a fair and equitable agreement done. They also invited the Council and City Manager MacReynold to sit in on the negotiations, so they can see if the information being relayed is accurate, and that the union employees are a reasonable and understanding group.

## 2. **Proclamations.**

a. **Sexual Assault Awareness Month.** Mayor Ketchum presented Human Response Network Advocate Melissa Carter with a proclamation declaring April as "Sexual Assault Awareness Month" in the city of Chehalis.

b. **Barbershop Harmony Week.** Mayor Ketchum presented Two Town Tuners President Don Lakin and Director Bob Hart with a proclamation declaring April 7-13, 2013, as "Barbershop Harmony Week" in the city of Chehalis. The Two Town Tuners also provided some entertainment by singing a few of their favorite songs.

3. **Mobile Services for Local Veterans.** Outreach Coordinator Brandon Jones with the Tacoma Vet Center provided the council with information on the various services they provide to veterans and their families. He noted the organization was founded in 1976 by veterans, to help veterans. Mr. Jones talked briefly about their mobile unit, noting they would like to bring it to the area to help the veterans who are not getting served. He reported the next closest vet center was in Portland, Oregon.

Readjustment Counseling Therapist Mark Buckler reported the veteran population for Lewis County in 2011 was 8,545, putting it at 14.8 percent of the population, which exceeded the state average of 12 percent. He noted they've been asked to try and get their mobile unit out to the underserved and rural communities.

Mr. Buckler talked briefly about the statistics for post-traumatic stress disorder and military sexual trauma, adding the October 2011 Pew Research Study estimates 52 percent of combat veterans report some level of emotional distress. He noted they would like to come to the Twin Cities area at least once a month starting the first week of May. Mr. Buckler stated they would be checking with the Veterans Museum to see if they might be able to set up in their parking lot.

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Councilor Harris suggested they also check with the Veterans Administration facility at the old Lewis County Mall to see if they might be able to set up there, or at the Twin Cities Town Center, if they want more visibility.

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

- a. Minutes of the regular meeting of March 25, 2013;
- b. Claim Vouchers No. 105722-105821 and Electronic Funds Transfer No. 22013 in the amount of \$86,515.17 dated March 29, 2013; and
- c. Adopt Resolution No. 07-2013 on first and final reading for the surplus of city property.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Administration Reports.**

a. **City Manager Annual Evaluation.** City Manager MacReynold reported it was time again for his annual evaluation, adding the city clerk would be sending out the forms within the next couple of weeks for the council to fill out. He noted an executive session would be set for the first meeting in May to review and discuss the evaluations.

b. **Riverside Fire Authority Meeting.** City Manager MacReynold reminded the council and the Regional Fire Protection Planning Committee members that Riverside Fire Authority was having a meeting on Wednesday, April 10, at their Harrison Avenue station. He noted he would be attending the meeting to explain why the administration requested to pull the interlocal agreement from the agenda this evening, and to answer any questions they may have.

6. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reported the Chehalis Foundation received a significant gift for the STEM Program, which was the education component of the Foundation. He stated they also received money for other things, but couldn't speak to those until the board of directors has a chance to discuss it first.

Councilor Pope reported on the pool renovation project, noting the Chehalis Kiwanis Club gave \$125,000 towards the project. He stated they had most of the money in for the pool project, and were just waiting for the word to get started. Councilor Pope reported, over the next couple of months, the Foundation was going to be making contact with the surrounding communities who use our facilities to let them know they are welcome, but they would also like to have them participate by making a donation towards the pool project. He believed they were planning to break ground this September.

b. **Update From Mayor Ketchum.** Mayor Ketchum reported Lewis County was having an open house on April 23 from 2:30 to 4:30 p.m. at the Lewis County Historical Courthouse, 2<sup>nd</sup> floor.

c. **Updated From Councilor Dawes.** Councilor Dawes reported the next meeting of the Regional Fire Authority Committee was set for April 17. He also reminded the other council members to file their Public Disclosure Commission forms.

d. **Update From Councilor Harris.** Councilor Harris reported the Association of Washington Cities recently posted on their website that the House Bill the city was supporting passed out of the committee and would be going to the floor. He noted there were a few minor changes, but so far it looked good and we would still be able to use it for city use, operations, and management of non-profits.

e. **Update From Councilor Lund.** Councilor Lund gave a brief update on the Tacoma Rail line issue. He noted he, Mayor Ketchum, City Manager MacReynold, and Lewis County Commissioner Bill Schulte would be meeting with the city manager from the city of Tacoma and the general manager from Tacoma Rail to discuss the Tacoma Rail system.



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Councilor Lund noted he also contacted the general managers from The Lucky Eagle Casino and the Great Wolf Lodge to see how much interest there was on their part. He noted there seemed to be a lot of support from both, as well as from the Chehalis Tribe.

Councilor Pope thanked Councilor Lund for getting the discussions going.

There being no further business to come before the council, the meeting adjourned at 6:41 p.m.

Anthony E. Ketchum, Mayor

Judith A. Schave, City Clerk

Approved: April 22, 2013

Initials: js

April 22, 2013

The Chehalis city council met in regular session on Monday, April 22, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:30 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Chad Taylor, and Dennis Dawes. Councilor Lund arrived at 6:42 p.m. Staff present included Merlin MacReynold, City Manager; Erin Hillier, Assistant City Attorney; Judy Schave, City Clerk; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(4)(a) – collective bargaining for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 6:03 p.m. and announced the council would take a two minute recess before opening the regular meeting at 6:05 p.m. Additional staff included: Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Eva Lindgren, Finance Manager; Dennis Osborn, Community Development Director; Lilly Wall, Recreation Manager; and Herta Fairbanks, Public Works Director.

## 2. **Presentations.**

a. **Recognition and Appreciation Award.** Mayor Ketchum presented Fire Chief Kelvin Johnson with a certificate of recognition and appreciation for his service to the city. Chief Johnson's last day with the city is April 24, 2013.

b. **Proclamation – Mental Health Week.** Mayor Ketchum presented Klaus Wallis a proclamation declaring the month of May as "Mental Health Month" in the city of Chehalis.

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

a. Minutes of the regular meeting of April 8, 2013;

b. Payroll Vouchers No. 36407-36469, Direct Deposit Payroll Vouchers No. 3894-3971, and Electronic Federal Tax Payment No. 121 in the amount of \$692,895.95 dated March 29, 2013; Payroll Vouchers No. 36470-36471, and Electronic Federal Tax Payment No. 122 in the amount of \$145.04 dated April 2, 2013; Claim Voucher No. 105822 in the amount of \$17,280 dated April 5, 2013; and Claim Vouchers No. 105823-105959 in the amount of \$152,718.77 dated April 15, 2103;

c. Adopt Resolution No. 08-2013 on first and final reading for the surplus of city property; and

d. Pass Ordinance No. 909-B on first reading – amending the 2013 budget.

The motion was seconded by Councilor Spahr and carried unanimously.

## 4. **Administration Reports.**

a. **First Quarter and March Financial Report.** Finance Manager Eva Lindgren stated the first quarter report included preliminary beginning fund balances, adding there would be some changes and adjustments as they continue working on the year-end books.

Ms. Lindgren talked briefly about expenditures in the general fund that would be going against the compensated absences fund that would essentially clean that fund out. She noted, ideally, they would keep the compensated absences fund funded to cover unfunded accrued leave balances.

Ms. Lindgren reported, in 2013, they budgeted for a much higher beginning fund balance in the wastewater fund to cover an interfund loan; however, the public works director was able to get some concessions from the state and the city did not make the interfund loan from the water fund to the wastewater fund.

Ms. Lindgren reported on the sales and use tax, noting the city was only up one percent over last year, suggesting this could be part of a national trend resulting from consumers pulling back on their spending. As of April, the city had an 8.5 percent increase over last year, and for the first quarter we were up 10.9 percent.

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Ms. Lindgren reported on the electricity tax revenues, noting the variance between this year and last year had to do with timing of payments from the Lewis County Public Utility District.

Councilor Harris asked if the telephone tax revenue included cellular phones. Ms. Lindgren stated she wasn't an expert on that, but would do some research and get back to him. Councilor Harris stated he would like to see something, because if it was based on landlines, before long there wasn't going to be much revenue coming in.

b. **Quarterly Sales Tax Report.** Ms. Lindgren stated the quarterly report was very positive, showing almost an 11 percent increase over this time last year. She reported earlier in the day she downloaded the April report, which showed a one percent increase over April 2012.

c. **Report on City Street Chip Seal Program.** Public Works Director Herta Fairbanks reported on the city's chip seal program, noting in 2013 their focus would be on the historic hillside from Park Street to 13<sup>th</sup> Street. She stated many of the streets in this area are a mix of asphalt and concrete, noting the concrete sections would not be chip sealed because asphalt is oil-based and doesn't adhere to concrete.

Ms. Fairbanks reported this would be their second year using the new oiler, adding last year they had a really good success rate.

d. **Request Special Work Session to Review 2013-2015 Financial and Organization Strategies and Identify 2014 Projects and Goals.** City Manager MacReynold stated the administration was gearing up to start the 2014 budget process and hoped to meet with the council on May 20, at 5:30 p.m. The consensus of the council was to set the date and time of May 20, at 5:30 p.m. for the special meeting.

## 5. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes reported on the Regional Fire Authority Committee meeting, noting they currently had 22 different work groups, either in the process of forming, meeting, or starting training on various issues involved with the functional consolidation between the city and the Riverside Fire Authority. He stated the consolidation period would be used to determine how it was going to function, and to identify issues that need to be worked on. Additionally, they want to make sure they do it right the first time, so they get an accurate picture.

Councilor Dawes reported the committee was working on some "draft" language for a joint oversight board that will oversee the functional consolidation aspect of the process. He noted Riverside Fire Authority would still have their commission meetings, but any items that are a result of the functional consolidation would fall under the joint oversight board. Councilor Dawes believed the joint board would be made up of the current three committee members from the city and probably the same three Commissioners representing Riverside.

Councilor Dawes reported their next meeting was scheduled for May 15. He noted, in the interim, there was a lot of work being done by a lot of folks from Riverside and the Chehalis Fire Department.

b. **Update From Councilor Spahr.** Councilor Spahr reported he attended the Lewis County Economic Development Council Board meeting, adding they have a lot of things going on; however, most of it is confidential to the people they are working with.

c. **Update From Councilor Harris.** Councilor Harris reported he and Councilor Pope attended the Chehalis Community Renaissance Team meeting on April 19, at the Discover! Children's Museum. He stated the museum's pilot project was having great success, adding they had been open for 51 days and were far exceeding the numbers they were expecting.

d. **Update From Councilor Lund.** Councilor Lund reported he also attended the Regional Fire Authority meeting, adding Councilor Dawes does a good job of keeping the meetings going, which was appreciated by all.

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Councilor Lund reported earlier in the day he and Bill Deutscher, Vice President of the Chehalis-Centralia Railroad and Museum, attended a day-long class in Longview, Washington, put on by the Secretary of State on how non-profits should operate. He noted they learned a lot of good things.

Councilor Lund reported he was looking forward to the upcoming roundtable discussion regarding the Tacoma Rail Line. He noted the meeting was set for Thursday, April 25, at 2:30, in the Lewis County Courthouse basement meeting room.

Mayor Ketchum noted the roundtable discussion is a spinoff from the meeting they had with Tacoma Rail and several representatives from the city of Tacoma a couple of weeks ago. He thought it was a good meeting, adding they were very open and candid. Mayor Ketchum reported it started out with a \$20 million plus price tag; however, in talking with one of the gentlemen after the meeting, he suggested if we can come up with \$3 million there was a possibility they would give us the line.

Mayor Ketchum stated he too was looking forward to the meeting, adding there would be a number of stakeholders in attendance to talk about possible opportunities and the interest in purchasing it.

e. **Update From Mayor Ketchum.** Mayor Ketchum reported he and several other council members attended Chief Johnson's retirement party on April 19 at the Riverside Golf Club, adding it was a good event.

f. **Request From Councilor Pope.** Councilor Pope requested the council consider changing their regular meeting time of 6:00 p.m. to 5:00 p.m. Mayor Ketchum stated it was a topic to be considered.

6. **Authorize City Manager to Execute Interlocal Agreement Between the City and Riverside Fire Authority for Fire Administration and Management.** City Manager MacReynold reported, at the prior meeting, the administration requested the item be pulled so the city attorney could provide additional language with reference to the term of the agreement. He noted the additional language was very explicit as to when the agreement starts, when it ends, how long the term of the agreement would be, and how the steps might play out if either party wants to withdraw. City Manager MacReynold indicated there were also some minor changes made with regard to the duties of the Fire Chief. He noted all of the changes had been reviewed by the Riverside Fire Authority.

Councilor Spahr moved that the council authorize City Manager MacReynold to execute the interlocal agreement between the City and the Riverside Fire Authority for the purpose of providing fire chief administrative and management services.

Councilor Harris seconded the motion.

Councilor Spahr noted he had a couple of citizens ask him why Riverside was only paying 50 percent, when Chehalis is so much smaller. He stated if it was a long-term agreement it would probably need to be talked about in greater length; however, because it's a temporary contract, it's beneficial to both parties to get it going and on the right track.

Councilor Dawes stated he could understand why some citizens might look at it by the size of the agency, but noted Riverside has taken the lead on a lot of things, including the background work. He suggested Riverside really didn't have to do anything, adding we were the ones who asked them. Councilor Dawes stated Riverside has been very accommodating and has provided a lot of staff time and believed that more than made up for any concerns the city would share.

Councilor Spahr reported another question that's popped up is, "If he has time to be chief of both departments, what is he giving up, or did he not have that much to do in the first place." Councilor Spahr stated if it was a long-term contract he wouldn't have time to be chief of both departments. He added, if it becomes one department, that's a whole different ballgame.

The motion carried unanimously.

7. **Award Contract for Architectural Services and Project Management for the Chehalis Outdoor Pool Renovation Project and Authorize City Manager to Execute Contract Agreement.** City Manager MacReynold requested the council authorize him to execute an agreement with Pfaff Architects to perform architectural services and project management

for the Chehalis Outdoor Pool Renovation Project. He noted, based on the interview process and reference checks, it's his recommendation that Pfaff Architects is the best firm for this project.

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Chehalis Foundation members Tim Saylor, Connie Bodie and J. Vander Stoep were in attendance to provide support for the recommendation. They all agreed that Pfaff Architects was the best architectural firm for the job, and in the end it would be a great gateway to the city.

Mr. Vander Stoep reported there were a lot of exciting things happening in this community, one of which is the pool project. He stated it was a great partnership between the Foundation and the City to work on some of these things.

City Manager MacReynold recognized two important key players in the interview process, Community Development Director Dennis Osborn and Recreation Manager Lilly Wall.

Councilor Pope moved that the council award the design contract for the Chehalis Outdoor Pool Renovation Project to Pfaff Architects and authorize the city manager to execute the professional services contract.

The motion was seconded by Councilor Harris and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:48 p.m.

Anthony E. Ketchum, Mayor

Judith A. Schave, City Clerk

Approved: May 13, 2013

Initials: js

May 13, 2013

The Chehalis city council met in regular session on Monday, May 13, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:31 p.m. with the following council members present: Terry Harris, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope was absent (excused). Staff present included: Merlin MacReynold, City Manager.

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

Mayor Ketchum closed the executive session at 6:08 p.m. and announced the council would take a short recess before opening the regular meeting at 6:09 p.m. Additional staff included: Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Jim Walkowski, Fire Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Dennis Osborn, Community Development Director; and Herta Fairbanks, Public Works Director.

2. **Special Business**. Ms. Lewis County Abrielle Sheets introduced herself to the council and talked briefly about her platform, to promote awareness of music education and discovery. Ms. Sheets stated she was honored to serve as an ambassador of this wonderful county, and grateful for the generous support and encouragement she has received.

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

- a. Minutes of the regular meeting of April 22, 2013;
- b. Claim Vouchers No. 105960-106081 and Electronic Funds Transfer No. 32013 in the amount of \$338,791.46 dated April 30, 2103; Replacement Payroll Voucher No. 36472 dated April 8, 2013; Draw Payroll Voucher No. 36473 dated April 16, 2013; and Payroll Vouchers No. 36474-36537, Direct Deposit Payroll Vouchers No. 3972-4049, and Electronic Federal Tax Payment No. 123 in the amount of \$692,008.23 dated April 30, 2013;
- c. Pass Ordinance No. 909-B on second and final reading – amending the 2013 budget; and
- d. Set date and time of May 28, 2013, at 6:05 p.m. for public hearing on the city's 2014-2019 Six-Year Transportation Improvement Program.

The motion was seconded by Councilor Spahr and carried unanimously.

4. **Administration Reports**.

a. **Briefing on LEOFF 1 Medical Coverage**. Human Resources Administrator Peggy Hammer reported the city was doing its best to contain medical costs and to prepare for the various requirements coming with the Health Care Reform Act. She noted the city has an opportunity to move its LEOFF 1 retirees to a Medicare Advantage Plan, which will save the city about \$84,000 a year for the 15 retirees who are Medicare eligible.

Ms. Hammer reported they were basically substituting Plan A with the Medicare Advantage Plan, noting the coverage was basically the same. She stated, as soon as a retiree becomes eligible for Medicare, the Advantage Plan becomes their primary. Ms. Hammer reported she would be communicating with the retirees and educating them to make sure nothing happens to interfere with their ability to receive care. She hoped to have things ready and for it to be effective on July 1.

Ms. Hammer reported one of the side benefits to the Medicare Advantage Plan is that all enrollees will be part of the "Silver Sneakers Program," which provides free health club memberships nationwide, and includes Thorbeckes Fitlife Centers.

b. **Update on Airport Ownership**. City Manager MacReynold reported the administration was proceeding down the path to explore whether or not to take complete ownership of the airport property. He noted one of the key elements has been an audit of the airport by the State Auditor's Office, which will take two to four weeks to complete. City Manager MacReynold reported they continue to have positive feedback with regard to any title issues and the interlocal transfer with the county. He stated once they have all the information gathered he would brief the council on the findings.

May 13, 2013

c. **Briefing on Chehalis Municipal Code (CMC) Updates**. Community Development Director Dennis Osborn briefly reviewed the items that will be going before the Chehalis Planning Commission for review and recommendations. He noted the topics will include:

- A binding site plan amendment to remove the one (1) year approval time window
- New state categorical exemptions to SEPA
- 2012 building code updates
- Sale and use of Marijuana
- ADU Issues – Conflicts within the CMC
- Procedures for vacating right-of-ways
- Proposed amendments to Capital Improvement Program
- Shoreline Master Program

d. **Request to Change Date of Council Goal Work Session**. City Manager MacReynold requested the council goal work session scheduled for Monday, May 20 be moved to June 24, prior to the regular meeting. He noted due to the timeliness of the Tacoma Rail issue he hasn't been able to devote time to prepare for the work session. The consensus of the council was to move the work session to June 24, at 5:00 p.m.

## 5. **Council Reports**.

a. **Update From Councilor Dawes**. Councilor Dawes reported he attended the reception for the departing director of the Lewis County Historical Museum, Johanna Jones. He noted a number of people showed up to thank Ms. Jones for her time. Councilor Dawes indicated they already have an interim director on site.

Councilor Dawes reported the Regional Fire Authority Planning Committee meeting for May had been cancelled, noting they have a lot going on, but nothing ready to bring back to the board for consensus. He reported a tremendous amount of progress was being made and everything was going very smoothly. The next committee meeting was scheduled for June 12.

Councilor Dawes reported he had received some email correspondence about the new roundabout on Louisiana Avenue. He hoped the city would explore what we can do, that will lend to the décor and make it attractive. Councilor Dawes requested an update, so the council knows where we are in the process.

Councilor Dawes reported, through the "Make a Wish Foundation," there was a lot of work done to the W.F. West High School tennis courts. He noted a portion of the new blacktop was destroyed when the city's stormwater culvert along Kelly Avenue had to be replaced. He hoped the city planned to restore the blacktop back to the condition it was prior to the repair work.

b. **Update From Councilor Harris**. Councilor Harris reported he attended the recent prayer breakfast, adding it was a wonderful experience. He noted Ms. Lewis County spoke at the breakfast and did a great job.

Councilor Harris reported the Chehalis Community Renaissance Team (CCRT) met and received rundowns from all the different programs they are involved in. He noted, later in week, members of the CCRT and the community would be meeting with PARC, a fundraising organization that has access to foundations and grant money for multiple kinds of projects. Councilor Harris stated the committee hoped to get some resources for some of their upcoming projects.

Councilor Harris reported the Lewis County Solid Waste Advisory Committee was working on their six-year hazardous waste plan. He indicated the last time they turned it in the Washington State Department of Ecology took three years to review the chapter having to do with medical and hazardous waste.

Councilor Harris reported, by working with the county, it will save the city thousands of dollars from having to develop and adopt our own plan. He indicated they just started the process and didn't expect to have anything for the council to review until the beginning of next year.

May 13, 2013

c. **Update From Councilor Spahr.** Councilor Spahr asked when the city's organic dump would be open. City Manager MacReynold reported it was already open, adding the permits are \$30.

d. **Recreation Park.** Councilor Dawes reported Recreation Park was looking really nice, and wanted staff to know that it hadn't gone unnoticed.

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

Anthony E. Ketchum, Mayor

Judith A. Schave, City Clerk

Approved: May 28, 2013

Initials: js



May 28, 2013

The Chehalis city council met in regular session on Tuesday, May 28, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:29 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; Eva Lindgren, Finance Manager; Herta Fairbanks, Public Works Director; and Rick Sahlin, Street Superintendent. Members of the media included Kyle Spurr from *The Chronicle* and Christina Crea from *Business to Business*.

**1. Work Session – 2013-2015 Washington State Department of Transportation (WSDOT) Transit Grant Award and Proposed Changes to Service Levels.** Twin Transit General Manager Rob LaFontaine reported, last September, he came before the council to share their six-year transit development plan that outlined their anticipated revenues, services and potential grant needs. He noted he was seeking direction from his board members and input from the respective councils and commissions on what the next move would be for Twin Transit.

Mr. LaFontaine gave a brief update on the current state of Twin Transit and shared the results of the 2013-2015 WSDOT grant awards. He advised the council that the Twin Transit Board was considering a 10 to 25 percent reduction in service.

Mr. LaFontaine reported on the 2013-2015 grant strategy, noting they requested \$1,406,766 in operating grant funding and \$313,177 in capital grant funding. He was disappointed that they only received funding from the operating grant in the amount of \$930,000. Mr. LaFontaine reported the revenue was insufficient to continue to meet their forecasted expenses and current hours of service (31,148). He noted the forecasted revenues for the next two years supported approximately 23,400 hours of bus service each year. Mr. LaFontaine provided the following potential courses of action that he presented to the Twin Transit Board:

- Cut service hours to approximately 20,280
- Cut service hours to approximately 23,400
- Cut service hours to approximately 28,080 and don't fund the capital account
- Maintain existing services levels and increase revenue
- Cut service hours to approximately 26,500 and fund the capital account at 50 percent

Mr. LaFontaine presented the following six scenarios, based on the potential courses of action:

Scenario 1 – Reduce service hours to +/- 20,280

- 35% reduction in services hours
- Would require 94% of forecasted revenue
- Capital fund would be fully funded

Scenario 2 – Reduce service hours to +/- 23,400

- 25% reduction in service hours
- Would require 101% of forecasted revenue
- Capital fund would be fully funded

Scenario 3 – Reduce services hours to +/- 28,080

- 10% reduction in service hours
- Would require 99% of forecasted revenue
- Capital fund would not be fully funded

Scenario 4 – Maintain existing service and use fund balance

- Operating fund balance would be depleted in early/mid 2015
- Would require 105% of forecasted revenues
- Capital fund would not be funded

Scenario 5 – Maintain existing service and increase revenues

- .01% local sales tax would provide \$667,246.82

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- Service would require 86% of forecasted revenue
- Capital fund would be fully funded

Scenario 6 – Reduce service hours to +/- 26,500

- 16% reduction in service hours
- Would require 99% of forecasted revenue
- Capital fund would be funded at 50%

Councilor Harris asked how the union employees would be affected if they cut service hours. Mr. LaFontaine stated they would have some flexibility if they only make changes in the Monday through Friday routes.

Councilor Spahr stated it would be helpful to know what the ridership is for the various routes. Mr. LaFontaine stated he would provide that information.

Mr. LaFontaine stated they were going to have to look at the amount of service they can afford to provide and how to apply the hours.

Mr. Spahr thought the bigger question was how much are the people willing to pay who use the service.

Councilor Dawes suggested there were two factors: were the taxpayers going to subsidize it more; and, are the riders going to want to share more in the costs. He felt the general answer for both was no, adding nobody wants to raise taxes and nobody wants to pay more to ride the bus.

Councilor Taylor reported the Board received ridership reports every month and thought it was probably safe to say that they serve fewer than 1,500. Mr. LaFontaine stated they didn't really know because they base the ridership on boardings. He suggested they could probably estimate the number based on bus pass sales.

Councilor Dawes asked Mr. LaFontaine what the staffing level was when he arrived. Mr. LaFontaine stated they were currently at the same level. Councilor Dawes suggested if they were going to reduce services up to 33 percent they should consider looking at the staffing levels first, to make sure everyone is absolutely needed. He also suggested they look at how useful some of the routes are, such as the Grand Mound route.

Councilor Dawes reported there was a rumor going around about a proposal to look at providing service to Olympia. He stated he would not be in favor even if they received grant money to do it, adding he felt it would be sending the wrong message.

Councilor Dawes talked briefly about capital purchases and suggested they look at other vehicles rather than the Gillig transit buses. He felt there were smaller and cheaper buses available that would get better gas mileage.

Councilor Dawes stated he wasn't real high on raising taxes. He felt their main focus should be transit and urged Mr. LaFontaine to look at how to get the most service with the existing dollars they have, before they look at cutting services.

Councilor Spahr stated he echoed what Councilor Dawes had to say, adding he would like to see the ridership numbers on each of the routes. He noted concerns about the routes that go out of the area, wondering what the benefit was to our community.

Mayor Ketchum closed the work session at 6:01 p.m. and announced the council would take a two minute recess before opening the regular meeting at 6:03 p.m.

## 2. Introductions.

a. **Police K-9 Unit.** Police Chief Glenn Schaffer introduced Chehalis Police Officer Warren Ayers and the city's new K-9 "Reign." He noted Officer Ayers and Reign had spent the last 10 weeks in training and completed their certification last

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Thursday. Chief Schaffer reported Reign's first patrol shift was last Sunday, adding he was deployed to Thurston County to help them track a domestic violence suspect. He thanked the council for their support of the K-9 program.

Officer Ayers provided some background information on Reign, noting he was a 19-month-old German shepherd and Belgian Malinois mix. He noted Reign was trained for apprehension, tracking, evidence locating and officer protection, and would also be available for other agencies to use for locating evidence and suspects.

Officer Ayers reported they would continue to train about four hours a week for patrol work. He noted they were also thinking about training the K-9 for narcotics, which would be an additional 200 hours of training. Officer Ayers stated Reign was a valuable tool for the department, adding his senses and capabilities are far superior to man.

b. **Host Medical Student.** Councilor Pope introduced Anna Snyder, a medical student from the University of Washington. He noted Ms. Snyder would be rotating around to the different physicians' offices for the next four weeks. Ms. Snyder thanked Councilor Pope, adding she was very excited to be in the program.

3. **Public Hearing.** Public Works Director Herta Fairbanks reported the city's transportation improvement program (TIP) had to be updated annually. She noted the public hearing would allow them to take public comment and get direction from the council as to what they would like to see included in the TIP.

Ms. Fairbanks reported there were not a lot of projects on the list for 2014-2019, noting it was primarily funding driven. The projects listed included the National Avenue Bridge Scour Project and the Exhibitor Road Bridge Scour Project.

Ms. Fairbanks reported they had a pretty hefty list of roads that need work; however, there was not a lot of funding available at this time. She noted, like many towns and cities in Western Washington, the older roads weren't necessarily built to engineering standards. Ms. Fairbanks reported, in most cases, it would be best to start over with the older roads and do them right, so they will last a lot longer.

Ms. Fairbanks talked briefly about two projects on the 2013 TIP: the Airport Road Extension and the Chehalis Avenue Project from Pacific Avenue to Main Street. She stated they were asking for review and approval of those projects, as well.

Councilor Spahr asked if the Louisiana Avenue Improvement Project was something that would be done in connection with what WSDOT is doing with the I-5 expansion. Ms. Fairbanks stated anything was possible.

Councilor Harris asked if it wouldn't hurt to move the Exhibitor Road Scour Project up a little higher on the priority list. Ms. Fairbanks stated the fact that it was on the list was all that mattered.

Mayor Ketchum closed the regular meeting at 6:20:12 p.m. and opened the public hearing. There being no public comment, Mayor Ketchum closed the public hearing at 6:20:35 and reopened the regular meeting.

4. **Update on the Chehalis Renaissance.** Chehalis Community Renaissance Team (CCRT) Chair David Hartz provided the council with a summary of projects that the CCRT was helping to facilitate, or is partnering with others on. He reported on the downtown beautification project, adding they had a great partnership with Kaija's for this project. Mr. Hartz noted about half of the project had been underwritten so far, and wanted to publicly thank the Dawes Family and IP Callison & Sons Inc., for their contributions towards the project. He stated they were expanding the project this year to include a chance to sponsor a local non-profit organization. It was decided that any contribution beyond \$50 for the beautification project would be donated to Pope's Kids Place.

Mr. Hartz talked briefly about the success of the pilot project for the Discover! Children's Museum. He noted they had a great partnership for this project with former co-chair Allyn Roe and former chair Larry McGee.

Mr. Hartz reported they recently partnered with PARC Resources, a consulting firm from Oregon, to look at the projects that the CCRT was working on to see if they might be able to help out. He noted a meeting was set up with PARC and each

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project leader was given an opportunity to go over their project. Their next meeting with PARC is scheduled for Wednesday, June 5.

Mr. Hartz talked briefly about some of the other projects and partnerships, noting they had a lot on their plate, but he was very excited about it.

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

- a. Minutes of the regular meeting of May 13, 2013;
- b. Claim Vouchers No. 106082-106199 and Electronic Funds Transfer Nos. 42013 and 52013 in the amount of \$250,626.41 dated May 15, 2013; and
- c. Accept the State Avenue Pump Station Upgrade Project as complete and release retainage in the amount of \$22,219.95 to Triad Mechanical, Inc., after the city clerk ensures all statutory requirements have been met.

The motion was seconded by Councilor Taylor and carried unanimously.

6. **Administration Reports.**

a. **April Financial Report.** Finance Manager Eva Lindgren reported on the general fund, noting the property tax revenues would look better in the May report due to the timing of when they were received.

Councilor Spahr inquired about the debt principal in the wastewater fund, noting we were quite a bit lower in our payments this year over last year. Ms. Lindgren reported the state was late in sending out the invoices, and the payment would be reflected in May's report.

7. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reported the Chehalis Foundation met last week and they had a lot going on. He requested that we invite a representative from the Foundation to give the council an update at the next meeting.

b. **Updated From Councilor Dawes.** Councilor Dawes reported he was able to attend the Business After Hours event at the Twin Star Credit Union in Centralia.

Councilor Dawes requested an update on the roundabout landscaping project on Louisiana Avenue. He noted he had received some correspondence about having to wait for the state to do some things before we can proceed. Ms. Fairbanks reported the city still had not formally accepted the project, so we are somewhat limited in what we can do right now. She reported very late in the design phase the city requested there be a water stub-out for irrigation into the roundabout, but unfortunately, it was too late in the process to add.

Ms. Fairbanks reported the city was unaware that they would be putting in grass, which isn't sustainable without water. She noted they were looking at some other options, such as drought tolerant plants. Ms. Fairbanks reported they were working with a local landscape architect to come up with some ideas that will withstand the weather conditions in our area, as well.

Councilor Dawes reported the next Regional Fire Authority Planning Committee meeting was scheduled for June 12. He noted they would be providing some information to the committee for their review and to make recommendations.

c. **Update From Councilor Harris.** Councilor Harris reported they lost a very valuable part of the CCRT when Mr. McGee stepped down as the committee chair to go to work for Centralia College. He wanted to give Mr. Hartz a big thank you for stepping up, noting they didn't miss a beat when he came on board.

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8. **Ordinance No. 910-B, First Reading – Providing for a Change in Time of Regular City Council Meetings.** City Manager MacReynold reported, based on council discussion at the April 22 council meeting, it was requested that the administration put something before the council to change the time of council meetings from 6 p.m. to 5 p.m.

Councilor Pope stated he didn't believe it needed to be debated, adding he was just asking that the council consider changing the start time to 5 p.m.

Councilor Spahr thought it would be worth a try, adding people who are on their way home at 5 p.m. can stop off at the meeting, rather than going home and coming back later.

Councilor Taylor stated Councilor Spahr made a good point. He reported the idea of changing the meeting to 6 p.m. was to get more people here, adding that obviously didn't work. Councilor Taylor stated he was all in favor of trying something new when something doesn't work and he would be supporting it.

Councilor Spahr moved to pass Ordinance No. 910-B on first reading.

Councilor Taylor seconded the motion.

Based on the comments made, Councilor Dawes asked if it would be subject to review after a certain amount of time. Councilor Spahr stated he didn't believe that was necessary.

The motion carried unanimously.

9. **Approve Interlocal Agreement Between the City and the Chehalis-Centralia Airport for the Improvement of the Wastewater Lift Station Located on Airport Property and Authorize City Manager to Execute Agreement.** City Manager MacReynold reported, at one of the past council meetings, it was recommended that the administration explore partnering with the airport on how to deal with the long-standing issues at the lift station located on airport property.

Ms. Fairbanks reported on the capacity restrictions at the airport lift station, noting that taxing it could be detrimental to the retail and commercial businesses in that area. She stated, in an effort to take the issue off the table, the administration worked with the airport to come up with an agreement to complete the upgrades.

Ms. Fairbanks reported the estimated cost for the project is about \$50,000 and the airport was very generous to offer \$35,000 toward the improvements. She noted they fully expect the lift station to be up and operational by December 2014, adding they gave themselves some additional time should they run into any issues.

Councilor Taylor asked if the project might be done by the end of this year. Ms. Fairbanks stated that would be pushing it, noting the equipment supplier indicated once we place the order for the equipment it would be eight to twelve weeks before we actually receive it. She reported that would put construction towards the beginning of the rainy season, which was never optimal when you're going underground.

Councilor Harris moved to authorize the City Manager to execute the interlocal agreement between the city and Chehalis-Centralia Airport Governing Board for the improvement of the wastewater lift station located on airport property.

Councilor Pope seconded the motion.

Councilor Spahr asked if it would be worth it to manage a latecomer fee if they're only talking about \$15,000.

City Attorney Hillier noted it does take some effort to set it up, but noted the fees could be waived by the city at any time. He stated a latecomer agreement would last for a period of 10 years and would apply to any development within that period, based upon the percentage of ownership of the land that will benefit from it.

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Councilor Spahr stated people need to realize that the city's policy has always been that growth will pay for itself. He felt if it was going to cost more than \$15,000 to set up and administer, it wouldn't be worth it.

Ms. Fairbanks noted there are several people involved in the process whose time would need to be accounted for, adding the city charges a \$100 administrative fee for each latecomer fee we bill.

Councilor Dawes suggested the latecomer fee was a separate issue that staff could look at later. He stated he was happy to see the city getting it done and didn't want to do anything to delay it. Councilor Dawes called for the question.

The motion carried unanimously.

Mayor Ketchum stated he really appreciated the airport stepping forward and taking the lead.

10. **Executive Session.** Mayor Ketchum closed the regular meeting at 6:47 p.m. and announced the council would be in executive session pursuant to RCW 42.30.110(1)(b) – purchase or acquisition of real estate for approximately 30 minutes and there would be no decision following conclusion of the executive session.

There being no further business to come before the council, the meeting adjourned at 7:16 p.m.

Anthony E. Ketchum, Mayor

Judith A. Schave, City Clerk

Approved: June 10, 2013

Initials: JS

June 10, 2013

The Chehalis city council met in regular session on Monday, June 10, 2013, 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; Amanda Vey, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Herta Fairbanks, Public Works Director; Dennis Osborn, Community Development Director; Eva Lindgren, Finance Manager; and Peggy Hammer, Human Resources Administrator. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Introductions.** Lewis County Historical Museum Interim Director Andy Skinner stopped by to introduce himself to the council. He stated he looked forward to getting things rolling again, noting they just finished up with school tours last week. Mr. Skinner reported he hoped to make the museum a new and exciting place for people to bring their families.

2. **Update on Chehalis Foundation Projects.** Chehalis Foundation President Tim Saylor gave the council a brief update on what the Foundation has been doing and where they are headed. Recent projects included:

- Installation of new septic system at Lintott/Alexander Park
- Renovation of Field #2 at Stan Hedwall Park (working with Chehalis Babe Ruth)
- Field renovation behind Olympic School (led by Twin Cities Youth Football)
- Upgrades to the city's holiday decorations
- Science, Technology, Engineering and Math (STEM) Program through the Chehalis School District ( set up committee to handle the donated money for the program)
- Chehalis Outdoor Pool Renovation Project

Mr. Saylor reported they were waiting on the results from their grant applications through the state and federal government. He noted they received the grants, but they were still pending funding.

Mr. Saylor reported they were approaching \$2 million in contributions with the grants; \$1.5 without the grants. He felt they could still get the project done, but what they can and can't do as far as features would depend on the funding received.

Councilor Spahr reported he recently had an opportunity to talk with a parent about how much further ahead their son was academically because of the programs sponsored by the Foundation at W.F. West, noting it was an incredible.

Mr. Saylor stated, whether it was academics, the pool project, or holiday decorations, it really goes to the standard of living in our town. He hoped that standard of living will attract business and improve the economics of the area.

Councilor Lund reported the Planes, Trains, & Automobiles Festival was coming up in July, and thought it might be fun for the Foundation to do an activity. He noted they would be surplussing a vehicle under the consent calendar, and suggested they give it to the Foundation to use as a fundraiser for the pool. Mr. Saylor stated anything that builds fun and excitement was a great idea.

Mr. Saylor reported the pool project was really absorbing a lot of their time. He provided the council with the most recent drawing, noting it would continue to morph as they see what their budget entails. He stated one of the best things they designed into the project was a "zero entrance" feature, where the pool actually slopes up to the deck level creating a beach-like effect. Mr. Saylor suggested it would be a great place for younger kids, and also accomplished some ADA accessibility issues.

Councilor Harris stated it never gets old bragging about the gift we have with the Foundation. Mr. Saylor thanked Mr. Harris for his comments, noting it all goes back to the smart-thinking individuals who formed the Foundation long before he ever became involved.

Councilor Dawes reported he was asked one time if he thought it would short-change the city if the Foundation got involved with the school district. He felt it was a wise move by the Foundation to involve the schools because one of the things people look for in a community are the schools, adding if they're not good, they're not going to relocate here.

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Mr. Sayler stated they enjoyed doing what they do and thanked the council for their support.

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

a. Minutes of the regular meeting of May 28, 2013;

b. Claim Vouchers No. 106200-106300 in the amount of \$181,947.49 dated May 31, 2013; and Payroll Vouchers No. 36538-36604, Direct Deposit Payroll Vouchers No. 4050-4127, and Electronic Federal Tax Payment No. 124 in the amount of \$660,970.67 dated May 31, 2013; and

c. Adopt Resolution No. 10-2013 on first and final reading for the surplus of city property.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Administration Reports.**

a. **Community Farmers Market.** City Manager Merlin MacReynold reported the 2013 Community Farmers Market will be opening on Tuesday, June 11, at noon, with a ribbon cutting ceremony at 11:00 a.m.

5. **Council Reports.**

a. **Update From Councilor Spahr.** Councilor Spahr reported he attended the 37<sup>th</sup> Anniversary of the Sunbird Shopping Center, noting it was a nice event and they had a great turnout.

Councilor Spahr reported the Cowlitz-Lewis Economic Development District Board has a new executive director. He noted they had a meeting coming up on the 18<sup>th</sup> and hoped to find out more about the new director and what's going on in that area.

b. **Update From Councilor Pope.** Councilor Pope reported the Children's Justice Task Force held their annual conference in Seattle a couple of weeks ago, with a follow up meeting this week in Spokane. He noted one of the issues discussed was homeless youth. Councilor Pope reported the Columbia Legal Counsel recently put out a guide book for homeless youth. He noted, in the next few months, there is going to be a push to help homeless kids and hoped Chehalis would consider participating.

c. **Update From Councilor Harris.** Councilor Harris reported he and Administrative Assistant Caryn Foley sat in on a webinar hosted by the Association of Washington Cities regarding the implementation of the new lodging tax regulations. He reported they still have one question they need clarification on, having to do with whether the council can give more than what the committee approves. Councilor Harris stated his understanding was that the council could give up to the original amount requested, but no more. He noted that was the only thing that changed in the new regulations, other than there was no sunset date attached to it.

Councilor Harris reported he also attended the PARC Resources meeting on June 5, noting a lot of the people were in attendance to ask what PARC could do for us relating to several Renaissance projects. He stated the answers they received were not all good, but not all bad.

Councilor Harris reported the holiday decorations committee met recently and formed letters to send out to the residents and businesses in the areas they hope to decorate this year. He noted they also want to find out if the businesses are going to help light the poles downtown, until the city can get the electrical fixed. Councilor Harris stated they would be working with the residents in the Cascade Avenue area, from city hall to Recreation Park, to get that area lit up with lights over the next few years.

d. **Update From Councilor Taylor.** Councilor Taylor asked the council if they had any recommendations or comments they want carried forward to the Twin Transit Board concerning the city's position on what we want transit to look like in our community. He stated he can normally carry the council's wishes forward without having to come to them, but felt the



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recent information presented on the lower forecasted revenues was a little more significant, and could affect some of the routes in our community.

Mayor Ketchum stated if anyone had any concerns, they should respond to Councilor Taylor before the next transit meeting.

Councilor Dawes stated he appreciated the information that was provided and felt very strongly that he wanted to see our transit system stay as local as possible. He noted it was great to have the add-ons, but given the current economic situation, Twin Transit needs to do everything they can to make sure they keep our routes open before looking elsewhere.

Councilor Dawes stated concerns about the Grand Mound route because of the low ridership. He noted people are not going to want their fares raised and he didn't feel comfortable even suggesting they consider raising sales tax. Councilor Dawes stated he hoped the rest of the council felt the same and would instruct Councilor Taylor to convey those wishes to the other board members.

e. **Update From Councilor Dawes.** Councilor Dawes reported the next Riverside Fire Authority Regional meeting was scheduled for Wednesday, at 6:30 p.m., in the Fords Prairie Fire Station.

Councilor Dawes noted he also had a chance to go to the Centralia College Foundation gathering last week. He stated the College may be located in Centralia, but it was a jewel for the entire Lewis County community.

f. **Update from Mayor Ketchum.** Mayor Ketchum congratulated the W.F. West High School spring sports teams, noting they did tremendous this year. He reported the boys' baseball team took first place at state; the girls' fastpitch team took 5<sup>th</sup> at state; Brady Calkins placed 2<sup>nd</sup> at state in golf; and one of the tennis duo teams also did well at state this year.

6. **Ordinance No. 910-B, Second and Final Reading – Providing for a Change in Time of Regular City Council Meetings.** City Manager MacReynold reported the council took action and voted unanimously at the previous meeting to pass Ordinance No. 910-B on first reading. He noted Councilor Pope was the initiator of the request and they were both available for questions.

Councilor Spahr moved to pass Ordinance No. 910-B on second and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

7. **Resolution No. 9-2013, First and Final Reading – Adopting the 2014-2019 Six-Year Transportation Improvement Program (TIP).** Public Works Director Herta Fairbanks reported, at the last council meeting, they held a public hearing and presented the proposed TIP for the city of Chehalis for the next six years. She noted there was no public comment, so no changes were made to what was previously presented.

Councilor Harris moved to adopt Resolution No. 9-2013 on first and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Executive Session.** Mayor Ketchum closed the regular meeting at 6:39 p.m. and announced the council would be in executive session pursuant to RCW 42.30.110(1)(b) – purchase or acquisition of real estate for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session and reopened the regular meeting at 7:04 p.m. There being no further business to come before the council, the meeting adjourned immediately.

Anthony E. Ketchum, Mayor

Judith A. Schave, City Clerk

Approved: June 24, 2013; Initials: JS

June 24, 2013

The Chehalis city council met in regular session on Monday, June 24, 2013, in the Chehalis city hall. Mayor Pro-tem Harris called the meeting to order at 5:00 p.m. with the following council members present: Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Chad Taylor. Mayor Ketchum and Council Dawes were absent (excused). Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Jim Walkowski, Fire Chief; and Eva Lindgren, Finance Manager. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Introductions.** Fire Chief Jim Walkowski introduced the city's newest firefighter/engineer Pennie McCarty. He stated the department appreciated the council's willingness to fill the vacancy, adding it would help them to provide a higher level of service to the community.

Chief Walkowski reported Firefighter McCarty started employment with the department last month and would be assigned to her current shift for the entire year of her probationary period. He noted Firefighter McCarty is the first career female firefighter in the 120 year history of the organization, and is also the first paramedic that the city of Chehalis has ever hired. Chief Walkowski reported Firefighter McCarty had been in the fire service for six and a half years, and a paramedic since 2010.

Firefighter McCarty provided a brief bio and thanked the council for the opportunity.

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

- a. Minutes of the regular meeting of June 10, 2013; and
- b. Claim Vouchers No. 106301-106452 in the amount of \$1,089,331.01 dated June 14, 2013.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Administration Reports.**

a. **May Financial Report.** Finance Manager Eva Lindgren reported on the May financials, noting they were pretty much on track. She stated the total tax revenues were exceeding the estimates by almost two percent; however, the non-tax revenues were not quite up to what was projected. Ms. Lindgren reported, earlier in the day, she sent out the latest sales and use tax report, adding the numbers continue to be up, but noticed a downward trend.

Ms. Lindgren reported the general fund expenditures had a positive 1.8 percent variance, which is in line with what was budgeted. She noted a couple of the negative variances would be addressed in the budget amendment to follow.

b. **Council Goal Work Session.** City Manager MacReynold reported the administration was looking at a couple of dates for the council goal work session. He suggested meeting on July 15 or 22. The consensus of the council was to meet on July 15, at 5 p.m.

c. **Update on Tacoma Rail Acquisition.** City Manager MacReynold reported the attorneys involved have made significant progress on the purchase and sale agreement. He stated, since Lewis County is the lead agency at this point, Commissioner Bill Schulte is the lead contact.

City Manager MacReynold reported there were a lot of positive things happening as they move forward. He stated they were currently working on the details of a business plan, public information, and organizational structure.

4. **Council Reports.**

a. **Update From Councilor Spahr.** Councilor Spahr reported he attended the Cowlitz-Lewis Economic Development District (CLEDD) meeting, noting they have a new executive director, Scott Patterson. He stated Wahkiakum County is talking about coming into the group, adding a lot of their time was spent on what they might call themselves if they did.

Councilor Spahr suggested the CLEDD might be an avenue for the city to get some help for the purchase of the railroad.

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Councilor Spahr reported on the Regional Fire Authority Planning Committee meeting. He provided the council with a copy of the status and recommendations that showed all of the work they are studying and the timeline in which they expect to get the work done. Councilor Spahr stated it was interesting to see how each agency does so many things differently. He felt there was a benefit to all of the work they are doing, even if they never consolidate.

Councilor Spahr reported the committee felt it would be timely for Chief Walkowski to come and talk to the council, to bring them up to date. Chief Walkowski stated he believed Councilor Dawes was proposing to have that discussion at the first meeting in July.

b. **Update From Mayor Pro-tem Harris.** Mayor Pro-tem Harris reported he attended the Chehalis Community Renaissance Team meeting last week, adding they continue to work hard and are getting things done. He noted Public Works Director Herta Fairbanks made the announcement about going out to bid on the Chehalis Avenue project and everyone was very excited about it. Councilor Harris reported he was appointed to the committee to work on the beautification of the planters and rain gardens as part of the Chehalis Avenue project.

5. **Ordinance No. 911-B, First Reading – Amending the 2013 Budget.** Ms. Lindgren addressed an earlier question regarding the interfund loan noted in the budget amendment. She reported, in July 2012, they did a budget amendment for \$1.2 million for an interfund loan. At that time, Public Works Director Herta Fairbanks worked with the Washington State Department of Ecology and got concessions that allowed the city to not have to keep our reserves at such a high level, which meant we didn't have to borrow as much money.

Ms. Lindgren reported they didn't receive the concession until very late in the year and, at the time, she was not comfortable doing a revision to the 2012 budget. She stated, instead of borrowing the \$1.2 million and paying it off in three years, they would only be paying off \$250,000. Ms. Lindgren reported the budget amendment would reduce the budget to reflect what the amortization schedule shows, and will be paid later in the year.

Ms. Lindgren talked briefly the additional items in the budget amendment, including:

- Expenses for Tacoma Rail negotiations
- New copier/printer - municipal court
- Chehalis Foundation dollars for landscape supplies
- New state building code books
- New computer - finance department
- Capital asset software (second request)

Ms. Lindgren stated she expected additional items to be added to the budget amendment when it comes back before the council on second and final reading.

Councilor Taylor moved to pass Ordinance No. 911-B on first reading.

The motion was seconded by Councilor Spahr and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 5:28 p.m.

Terry F. Harris, Mayor Pro-tem

Attest:

Judith A. Schave, City Clerk

Approved: July 8, 2013

Initials: JS

July 8, 2013

The Chehalis city council met in regular session on Monday, July 8, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Herta Fairbanks, Public Works Director; Dennis Osborn, Community Development Director; Eva Lindgren, Finance Manager; and Peggy Hammer, Human Resources Administrator. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Citizen Business.** Lynn Ford from Growing Places Farm and Energy Park updated the council on their new location behind the Salvation Army in Centralia. Growing Places Farm and Energy Park is a non-profit organization that employs and mentors at-risk youth. Ms. Ford reported they also decided to open a second thrift store because they were running out of space at their Centralia location. She stated the new store is located at the Sunbirds Complex on National Avenue, and invited the council to attend the ribbon cutting ceremony on July 15.

2. **Update on Veterans Memorial Museum.** Director Chip Duncan reported the Veterans Museum has been very busy, noting they had over 16,000 visitors in 2012. He felt this was partly due to the additional programs they're now providing. Some of the museum's upcoming events include:

- Civil War Battle "Battle of Chehalis" – July 20-21
- Veterans Tree of Life Program
- Vietnam War Era Veterans Remembrance Day – August 3
- Korean War Veterans & POW/MIA Remembrance Day – September 21
- Pearl Harbor/WWII Veterans Remembrance Dinner – December 8

Councilor Spahr inquired about the 16,000 visitors, wondering how many came from outside the area. Mr. Duncan estimated about 38 percent came from outside Lewis County.

3. **Update on Lewis County Historical Museum Events.** Interim Director Andy Skinner talked briefly about some of their upcoming events, to include:

- 8<sup>th</sup> Annual Pioneer Pie Social (*Claquato* Church) 1:30 to 4:30 – July 14
- Pancake Breakfast – July 27 (serving hotdogs in the afternoon)

Mr. Skinner reported the city council has been a great supporter of the museum and too often they don't get the recognition they deserve. As a small token of their appreciation, Mr. Skinner presented a name plate that will be featured on the donor wall at the museum, to thank the council for their support throughout the years.

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

- a. Minutes of the regular meeting of June 24, 2013; and
- b. Claim Vouchers No. 106453-106567 and Electronic Funds Transfer No. 520131 in the amount of \$149,732.90 dated June 28, 2013; and Payroll Vouchers No. 36605-36694, Direct Deposit Payroll Vouchers No. 4128-4204, and Electronic Federal Tax Payment No. 125 in the amount of \$706,823.77 dated June, 28, 2013.

The motion was seconded by Councilor Spahr and carried unanimously.

5. **Administration Reports.**

a. **Regional Fire Authority Planning Committee Report.** City Manager MacReynold reported, for the record, a request was made to pull the Regional Fire Authority report because Chief Jim Walkowski had to leave town. He noted the report will be presented at the August 12 council meeting.

b. **Council Goal Work Session Reminder.** City Manager MacReynold reminded the council about the upcoming work session on Monday, July 15, at 5:00 p.m., to talk about the 2014 budget.

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6. **Council Reports.**

a. **Update From Councilor Spahr.** Councilor Spahr reported he spent the weekend at the 50<sup>th</sup> Annual Lewis Pacific Society Schwingfest in Frances, Washington, adding he had a wonderful time.

b. **Update From Councilor Dawes.** Councilor Dawes reported he was looking forward to the update on the regional fire planning process, adding Chief Walkowski will be able to give them some detailed information in a concise manner.

7. **Ordinance No. 911-B, Second and Final Reading – Amending the 2013 Budget.** Finance Manager Eva Lindgren stated the agenda report detailed all of the changes made to the budget amendment since it was first presented on first reading.

Councilor Harris moved to pass Ordinance No. 911-B on second and final reading, as amended.

The motion was seconded by Councilor Spahr and carried unanimously.

8. **Ordinance No. 912-B, First Reading – Amending the Chehalis Municipal Code (CMC) Providing for Regulations of All Land Disturbing Activity.** Public Works Director Herta Fairbanks reported the only change to the CMC was identifying who has the ultimate permitting authority for fill and grade permits, noting it currently rested with the public works department.

Ms. Fairbanks reported there were two components to grade and fill permits: environmental concerns with regards to SEPA; and most are done on private property, both of which fall outside the purview of what public works usually does. She noted public works' focus was primarily on city right-of-way and utility infrastructure.

Ms. Fairbanks reported, after meeting to discuss the issue, it was decided that it made more sense for the permitting authority to rest with community development, since that department is the city's environmental arm and focuses primarily on private property. She noted they scoured the CMC for any reference to "public works and fill and grade permits," and made changes to reflect community development as the department with permitting authority. Ms. Fairbanks noted three sections of the code were affected, including: 15.28 (Land-Disturbing Activity); 12.04 (Engineering and Development); and 17.09 (Organization and Enforcement).

Councilor Spahr moved to pass Ordinance No. 912-B on first reading.

The motion was seconded by Councilor Taylor and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 5:22 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: July 22, 2013

Initials: JS

July 15, 2013

The Chehalis city council met in a work session on Monday, July 15, 2013, 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; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Dale McBeth, Chehalis Municipal Court Judge; Becky Fox, Court Administrator; Dennis Osborn, 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. **Work Session to Review 2013-2015 Financial and Organizational Strategies.** City Manager MacReynold started the work session by covering the 2013-2015 financial and organizational strategies. He reported the following information with reference to the long-range options:

- Determine need for building official position (changed from strategic planning position) in the community development department based upon recommendation of new director: The administration will determine need in the future and funding feasibility. Projected cost for the position would be \$71,840.
- Implementation of Regional Fire Authority: On-going task. The Council and Regional Fire Authority Planning Committee will consider start of the functional consolidation in July 2013. Planning Committee to determine cost/benefit and feasibility of engaging in a functional consolidation. 2012-2014 analysis phase and council, board and citizen possible considerations. Implementation of consolidation, if approved by voters, possible in 2015. The council approved an interlocal agreement with Riverside Fire Authority for Fire Chief Administration and Management Services effective April 24, 2013.
- Sale of mitigation credits on National Avenue property: On-going task. \$1.2 million projected benefit, but do not expect any revenue until the end of 2013-2014. Sale of mitigation credits will begin before the end of the year and the city is the first in line to receive revenue from the sale according to the agreement. City recently signed amendment to the agreement making it current.
- Evaluate building space needs to identify potential savings on electricity and/or natural gas: Ongoing task. Based upon changes in administration needs. Consideration may need to be given to space needs based upon changes in service needs and staffing. Will be looking at other funding sources, such as grants.
- Police department gambling funding ends with \$90,000 needed to maintain existing positions through 2013: Loss of gambling funds was covered in 2013 budget through general fund revenues. Projected additional impact in 2014 is approximately \$170,000. This increase to the General Fund is very significant considering all other cost increases that are taking place with benefit coverage for employees and three union negotiations taking place.
- Consideration of fee increases to cover actual costs to the city: A committee has been formed to put a proposal together for consideration in the 2015 budget.
- Airport Ownership: City and Lewis County workgroup are currently evaluating the possible transfer of the county's interest in the airport to the city. Legal transfer documents have been completed. Property and title issues have been researched and completed. Financial audit by the State Auditor's Office is complete with no findings of significance. Documents, timeline and organizational structure need to be completed in preparation for presentations to the Lewis County Commission and the Chehalis City Council. City Manager will be developing a proposed organizational structure for the airport should the county commission be willing to transfer ownership to the city.
- Annexation: Community Development Director is working with City Manager to develop a five-year strategy plan to begin to implement in 2013. Once strategy plan is developed, a briefing with the city council will take place.

Councilor Taylor asked if it wouldn't be prudent to have someone attending the Airport Board meetings to answer any questions that might come up and to back up the decisions of the council. City Manager MacReynold suggested it wouldn't hurt to have representation there. He noted two of the city's representatives have recently dropped off, so we really only have two representatives on the board at the moment. This includes the rotating position that expires at the end of 2013.

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Councilor Dawes stated it was really up to the city and county to decide on the future ownership of the airport. He didn't believe there was any real value in attending the board meetings because they wouldn't have any authority to do anything, and it might send the wrong signal. Councilor Dawes suggested they just let the process play out, adding he had confidence in the people who are working on it.

Councilor Harris inquired as to how difficult it would be for the accounting department to close out one year and start the next year taking over another department. City Manager MacReynold reported he and Finance Manager Eva Lindgren have had some discussions about the transition, adding she was clearly in support of the concept of having it take place at the beginning of next year. He noted, if it does move forward, they would need to spend more time analyzing it and would need to get with the county because they are the ones who have done the yeoman's part of the financing.

Councilor Dawes thought it was important to note that it would not happen unless both parties agree.

City Manager MacReynold reported, with regards to annexation, the urban growth area was approved by the county and is basically ours for future annexation. He suggested they take a little different approach and stair-step their way out and work with the parties impacted to try and minimize the impact.

## **2. Discuss 2014 Projects and Issues.**

City Manager MacReynold briefly discussed the 2013 goals and objectives of the Council, which included:

- Continue to maintain fiscal viability of city - accomplished
- Continue street maintenance throughout the city – accomplished
- Continue downtown aesthetics and infrastructure improvements - accomplished
- Continue working cooperatively with other fire districts to explore feasibility of a Regional Fire Authority - accomplished
- Continue improvements to city parks and explore ongoing funding - accomplished
- Continue to cooperatively work on regional flood issues - accomplished

Other major projects started in 2013:

- Improvement of the swimming pool, including new pool building funded by the Chehalis Foundation
- Possible transfer of County's partial ownership for the Chehalis-Centralia Airport to the city of Chehalis
- Possible Tacoma Rail ownership
- County-Cities cooperation and service study
- Louisiana Avenue connection to Airport Road and the Mellen Street Project in Centralia
- Louisiana Avenue lift station improvement and funding agreement with the Chehalis-Centralia Airport
- Ownership of Stan Hedwall Park
- Successful completion and awarding of the bridge scour grant for the Salzer Creek Bridge on National Avenue

City Manager MacReynold provided the following report regarding the city's current financial and operational situation for 2013 -2015:

"Revenues - Since presenting the first strategy plan in 2011, the revenue situation has stabilized and recently we have seen an improvement in our sales and use tax, which is our largest source of revenue for the General Fund. All other General Fund revenues have remained relatively flat, including our property taxes, which is our second largest source of General Fund revenue. City permit fees continue to be low, from approximately \$390,000 in 2007 to approximately \$50,000 in 2012.

The council-approved utility rate increases over the next three years will help our Wastewater, Water and Storm Water Funds remain sound, but will not provide enough to do any major rehabilitation in the short-term. With the apparent loss of state funding for local infrastructure, the issue of funding infrastructure improvements or rehabilitation becomes problematic for not only our city, but all local governments. The wastewater debt service and reserves continue to put a significant strain on the wastewater fund, even with the concessions by the Washington State Department of Ecology.

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Funding for local streets continues to be an ever present challenge and state funding for local streets also appears to be diminishing, if not totally disappearing. This too is problematic for us locally. At the same time the cities of Chehalis and Centralia have been having an ongoing discussion about local funding options and plan to follow up with those discussions in early 2014.

City permits and fees are an area that has not brought in significant funds to the city over the past four to five years. At this time, and in most cases, the cost of providing the service in these areas is not being covered by the current fees and that needs careful review administratively and then a follow up discussion and consideration by the council.

Expenses - Local governments, and Chehalis is no different, provide services and it makes sense that the single biggest expense for the city is employee wages and benefits. Approximately 73 percent of the General Fund expenditures consist of wages and benefits. Over the last several years a variety of measures have been taken to control employee related expenses. These include furloughs and a significant increase in medical insurance cost sharing for the non-represented employees, a move to a High Deductible medical plan by our IAFF employees and no wage or COLA increases in any of our current bargaining agreements for our three union groups. While all of these steps have helped to control costs, during the same period of time the cost of medical insurance has steadily each year, ranging from a 5% to as much as a 15% increase in a single year, depending upon the medical plan.

Even with the reduction of force of approximately 20 percent over the past four years through lay-offs and not filling vacant positions, costs have continued to rise much faster than revenues. Further, with the last of the one time only Gambling Funds being exhausted; the Police Department will place an additional impact on the General Fund of approximately \$170,000 annually to cover wages and benefits. These challenges present a seriously significant issue to the city financially, operationally, organizationally and personally for citizens, employees and the city council.

Additionally, over the past five years the city has had to defer equipment replacement and facilities maintenance in order to contain costs. We are beginning to see the down side of that effort as increasing equipment and facilities work will have to be done in the near future, and some of it will have significant costs.

The city continues to face a significant unfunded liability associated with our LEOFF1 and pre-LEOFF1 retirees, which on its own could require the city to lay-off existing employees or cut services. This year we are projecting to spend approximately \$420,000 for required supplemental pension payments, medical premiums and reimbursement of out-of-pocket medical expenses. While none of our retirees is currently in an assisted living facility, should the situation change over the next year to five years, the city could easily be paying well over \$1 million annually just for their coverage. There are cities in Washington that are already laying employees off to cover their LEOFF1 and pre-LEOFF1 medical costs and it is only a matter of time before we may be in that same boat.

Operations - So what does the above mean when it comes to providing services to our citizens and community when the city has not stopped providing any services? With 20 percent fewer employees, and the same or more work to be done, it means that things get done slower, less often, or only as needed or requested. Overtime is higher in those service areas where 24/7 service is provided and applies to the Police, Fire, and Public Works Departments because of call backs and type of service. The impact on city employees from the limited training and advancement opportunities, the stress of more work and fewer resources, and no wage or salary incentive over the past two to four years has taken its toll. Additionally, more and more time and funds are being used to deal with repairs and maintenance of equipment and facilities. The wear and tear on facilities decreases their appearance and functional life in most cases. In the end, the approach the city has taken, and understandably so, is not sustainable operationally or civically in the long run.

What's next - The hope of providing the above information is that it will prompt thinking and discussion by the city council and administration about how best to move forward next year on existing goals, projects, funding, and policy and administrative approaches. The plan and hope is that the discussion at the council workshop will set the stage for the administration to develop a two year strategy update for 2014 and 2015, and have policy guidance for development of the 2014 proposed budget that will be developed over the next few months."

City Manager MacReynold reported it's amazing when you think about all we've managed to do in these difficult economic times, but we're starting to feel the strain. He felt it was an opportunity, adding he had complete confidence in the



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council and the administration based on the last five years with what we've done in spite of all of it.

Councilor Taylor inquired about the current number of the city's LEOFF1 and pre-LEOFF1 retirees. City Manager MacReynold believed they had a total of 18. He noted this includes 3 or 4 pre-LEOFF1 employees who are funded through the additional 22.5 cent Firemen's Pension Fund funding that was reinstated a couple of years ago, and 13 or 14 LEOFF1 employees, which is where the majority of the costs are coming from.

Councilor Pope asked what the age range was for the LEOFF 1 and pre-LEOFF1 retirees. Human Resources Administrator Peggy Hammer reported the city had some LEOFF1 retirees in their mid-fifty's and believed the oldest was in his 80s. She noted the city is required to cover all their medical costs, including: Medicare Part "B" premiums; medical insurance premiums; and anything that isn't covered by insurance.

Councilor Spahr asked if the 22.5 cents being collected for the pre-LEOFF1 was strictly for the pre-LEOFF1 retirees, or could it be set aside for LEOFF1 retirees.

Finance Manager Eva Lindgren stated it was her understanding that the money is 100 percent earmarked for the pre-LEOFF1 retirees. She noted should there be any funds available once there are no longer any pre-LEOFF1 retirees, the council could take action on the remaining balance and probably put it aside for use by the LEOFF1 retirees being paid for out of the general fund.

Councilor Dawes reported the tax was instituted to cover employees before LEOFF1 was established. He noted once they no longer have any pre-LEOFF1 retirees, the council could set it aside for other use. Councilor Dawes stated if he's still on the council at such time, he would lobby to use the money for the LEOFF1 general fund expenses. He suggested the tax was something the council might want to consider leaving in place as long as they have retirees that qualify.

City Manager MacReynold reported one project they spent significant time on during the prior year was the Federal Emergency Management Administration (FEMA) mapping. He noted, last Friday, FEMA released their new methodology for how to deal with the levees. He stated in FEMA's announcement they identified that they were selecting 13 communities in the United States to use as Pilots in 2013, to determine how the methodology would work.

City Manager MacReynold reported he immediately contacted Ted Perkins, our regional contact, to find out what it meant for us. He read the following statement received via email from Mr. Perkins: "FEMA has only started with pilot projects so far. I am working to get more details as this was released from our HQ, but I think we are still a little ways off (possibly years) from starting in Lewis County. No new funding was provided with this new release by Congress. I will let you know when I know more." City Manager MacReynold stated this was very good news for us, adding our fight over the map was very intense for about a year and a half.

3. **Next Steps.** City Manager MacReynold asked if there were any projects on the list that the council would like the administration to stop doing, add, or take a different approach on. He noted as they go through the budget process with the budget committee they will work some of those issues out, but would like to get feedback from the council as a whole.

Councilor Dawes stated if they are serious about continuing on with the Regional Fire Authority a big component would be tied to annexation, adding one cannot happen without the other. He noted if the functional consolidation works well, we need to be ready to implement the next phase, which is taking it to the voters. Councilor Dawes reported they need to be able to present a program showing that it's possible and that there is funding for it, annexation being a big part of it.

Councilor Spahr felt our public works department really took a beating over the last couple of years, as all of the departments have. One of his concerns is the record keeping and mapping program. He asked if there was anything the council could do to help improve the situation.

Public Works Director Herta Fairbanks reported their mapping program had definitely suffered, along with getting their infrastructure paper documents into their computer system. She stated it would be a significant undertaking to get it up to date because things change all the time and they don't have the staff to do the input.

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Councilor Spahr stated that was one of his concerns, adding once you get too far behind you'll never catch up. He felt they needed to address the issue and get some help in that area if they can.

Councilor Taylor inquired about the permitting process, wondering if there was something they could do to improve the speed in which things are dealt with. Ms. Fairbanks reported, through the layoff process, they lost two of their three engineers and one sign technician. She noted the one engineer now handles the workload for all of those positions. Ms. Fairbanks reported the only good news was that the permits they've had to process have gone down considerably. She suggested as things pick up they are going to see even more delays in trying to get the permits out the door.

City Manager MacReynold reported nine people were cut from the engineering and community development departments. He noted it was going to be a challenge to stay on top of it as things begin to gradually increase.

Councilor Lund asked if it wouldn't make things go faster if we trusted staff to make decisions. City Manager MacReynold stated he felt that we already do that.

Councilor Harris suggested they look hard and serious at what kind of financial motivation the city can offer for businesses wanting to come to our area.

Mayor Ketchum suggested they see what the budget committee comes up with during the budget process, adding the biggest struggle would be to figure out how to put \$170,000 into the police department when there isn't any money.

4. **Unused City Property.** Councilor Pope brought up the issue of unused city property. Councilor Dawes stated the city sold a lot of its unneeded property over the last few years, which helped stem the tide and kept things afloat. He felt what property the city owns now is probably necessary, outside the hazard mitigation buyout property.

5. **McFadden Park Timber Project.** Councilor Pope reported the Chehalis Foundation would not be taking the lead on the McFadden Park timber project, but would be asking the city to take that on. He didn't know if that was feasible or not, but suggested there was money to be had there.

City Manager MacReynold stated that was something the city has been talking about for a number of years. He reported the real challenge is how to get the logs off the hill. City Manager MacReynold reported they would need to spend a lot of time figuring out the ingress and egress and working with the neighbors to be able to do it. He noted the opportunity is still there, but it would be a very big project for the city.

6. **Chehalis Pool Project.** Councilor Pope reported he spoke with City Manager MacReynold about the process and protocol for naming the pool and spray park. He noted the city council was the only body that can make those decisions, and to his knowledge, he didn't believe the Foundation had gone through that process. Councilor Pope suggested they ask the Foundation to provide the necessary paperwork, so the council can take action on it at the next regular meeting.

Mayor Ketchum stated he wasn't too pleased to find out about the naming of the pool through the newspaper, noting that is a council decision; and, even though it was deserved, giving out the key to the city is also a council decision.

Councilor Harris agreed that they were all well-deserved and thought they would be fully supported, but it would have been nice to follow protocol.

Councilor Dawes stated he agreed, adding if we have protocol it needs to be followed. He noted he was fully supportive of the action and didn't believe anyone wanted to throw water on their efforts, adding they certainly appreciate everything the Foundation has done. Councilor Dawes suggested we do what needs to be done to show we're very supportive.

City Manager MacReynold stated protocol obviously needs to be followed and the administration would follow up on it.

There being no further business to come before the council, the meeting adjourned at 6:13 p.m.

July 15, 2013

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: August 12, 2103

Initials: JS

July 22, 2013

The Chehalis city council met in regular session on Monday, July 22, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 4:46 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; Judy Schave, City Clerk; Herta Fairbanks, Public Works Director; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 4:56 p.m. and announced the council would take a four minute recess before opening the regular meeting at 5:00 p.m. Additional staff included: Bill Hillier, City Attorney; Glenn Schaffer, Police Chief; Eva Lindgren, Finance Manager; Dennis Osborn, Community Development Director; and Lilly Wall, Recreation Manager. Members of the media included Kyle Spurr from *The Chronicle*.

2. **Interview Applicant for Chehalis Planning Commission Vacancy.** The council interviewed Craig Steepy who submitted an application to be considered for appointment to the Chehalis Planning Commission.

3. **Proclamation – Chehalis Babe Ruth.** Mayor Ketchum presented Jim Thomas with a proclamation in recognition of the 60<sup>th</sup> Anniversary of the Babe Ruth League and its participants.

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

- a. Minutes of the regular meeting of July 8, 2013;
- b. Claim Vouchers No. 106568-106733 and Electronic Funds Transfer No. 62013 in the amount of \$230,823.79 dated July 15, 2013; and
- c. Authorize the city manager to execute the FAA grant offer for AIP Project No: 3-53-0012-015 in the amount of \$91,200 for runway rehabilitation/touchdown markings, and construction of a snow removal equipment building.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Administration Reports.**

a. **Second Quarter and June Financial Report.** Finance Manager Eva Lindgren briefly reviewed the second quarter financial report.

Councilor Taylor asked what the current liability was for the compensated absences fund. Ms. Lindgren reported the concept was to set aside money to help cover the cost of employee cash outs as they leave employment with the city. She reported the compensated absences liability for the general government employees alone was in excess of \$1 million.

Ms. Lindgren reported the general fund was very close to what was expected at the end of June. She noted the only item in excess was the operating transfers in, which is driven by the Federal Emergency Management Administration elevation grant.

Ms. Lindgren talked briefly about the general fund expenditures, noting most of the negative variances were addressed in the budget amendment and would be reflected in the July financial report.

Ms. Lindgren reported there was nothing terribly exciting to report about the enterprise funds, but offered to address any questions the council might have.

b. **Quarterly Sales and Use Tax Report.** Ms. Lindgren reported we are still seeing an uptick in sales tax revenue compared to last year, but in comparison to previous months it was still trending downward. She stated the Department of Revenue released a very happily worded email about the phenomenal recovery they were seeing in the sales and use taxes.

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c. **Update on Code Amendments.** Community Development Director Dennis Osborn reported the Chehalis Planning Commission held two work sessions on the code amendments relating to accessory dwelling units, right-of-way vacations, the binding site plan, and the 2012 building code updates. He noted they were holding off on moving forward with the marijuana issue, adding they were waiting for it to vet itself out. Mr. Osborn reported the commission would be holding a public hearing on the code amendments, and he expected some formal recommendations to come before the council for their consideration at a later date.

Mr. Osborn reported the commission was also serving as a Citizen's Advisory Committee for the Shoreline Master Program update, adding they've already had one discussion with the consultant. He noted the county is the lead on this program and has retained a consultant to do the work. Mr. Osborn didn't expect anything to come before the council until 2014.

Councilor Pope asked if the Shoreline Master Program update was to standardize everything for all three agencies. Mr. Osborn indicated it would not.

Councilor Dawes reported, for a number of years, our city has been compared with other jurisdictions and we've always rated very high. He hoped that wasn't going to slip to where we become more difficult. Mr. Osborn stated he didn't believe that was the intent, noting the code updates had to do with things they've already discussed with council. He reported there should be no surprises, adding the 2012 building code updates are mandated by state statute. Mr. Osborn reported the action is to put the enforcement section into our code. He reported most of the amendments were just housekeeping items.

d. **2014 Budget Preparation Schedule.** City Manager MacReynold provided a copy of the 2014 budget presentation schedule to the council. He confirmed the budget committee still included Councilor Dawes, Mayor Pro-tem Harris, and Councilor Spahr.

## 6. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes reported he attended the ribbon cutting ceremony at the new Growing Places Thrift Shop on National Avenue, and the Business After Hours event for the Visiting Nurses.

7. **Ordinance No. 912-B, Second and Final Reading – Revisions to the Chehalis Municipal Code for Fill and Grade Permitting.** City Manager MacReynold reported the ordinance was brought before the council for first reading at the last meeting requesting to change the responsible department for fill and grade permits.

Councilor Harris moved to pass Ordinance No. 912-B on second and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Authorize City Manager to Execute Interlocal Agreement Between the City and Lewis County Establishing a Cost Sharing Partnership for Licensed Pictometry Imagery and Software Services.** Public Works Director Herta Fairbanks reported the city was approached by Lewis County Public Works to potentially partner with them on the pictometry program. She noted the county reached out to all of the jurisdictions to extend an opportunity to piggyback on their buying power, and to help mitigate some of the cost.

Ms. Fairbanks reported the program was very similar to "Google Earth," but gives enhanced capabilities that are not bound to satellite images. She noted all of the pictures they receive with the program will be current and can be updated periodically as the group designates.

Ms. Fairbanks reported the program would be helpful in laying down the city's infrastructure to show all of our water and sewer lines, manholes, fire hydrants, distances, and heights of structures. She noted it would also be helpful for our fire and police departments to gain access to property, if necessary.

Ms. Fairbanks reported the city's buy-in was just over \$13,000 for a three year term. She noted Lewis County worked real hard with the pictometry folks on getting a payment schedule set up to where we can actually pay over the three year period. Ms. Fairbanks noted the city would also have to pay \$29 a year for each "seat," or user licenses, for each computer

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the program is loaded on. She felt there was a lot of functionality to gain from the program at a reasonable price.

Ms. Fairbanks reported the county would maintain all the infrastructure and we would have a direct link to get into the program. She requested that the council authorize the city manager to execute the interlocal agreement with Lewis County to move forward with the pictometry program.

Councilor Spahr asked if the new program would help catch us up on getting our maps up to date. Ms. Fairbanks stated no, it would give us the ability to look at potential hurdles without having to organize a crew to go out into the field to measure, or to look at something.

Councilor Taylor asked if the program would reduce the amount of work or speed up the permitting process. Ms. Fairbanks reported she couldn't provide any guarantee that it would increase efficiency, but noted a lot of what they do is manually driven and they do struggle with not having good visuals and access to a lot of tools.

Councilor Pope felt the program was worth getting, noting it could be a very useful tool for future permitting in our growth management area, as well as annexation.

Councilor Lund wondered if we should start tracking how long it takes to process a building permit once someone submits an application, so we have that information in the future. City Manager MacReynold reported the city has a requirement in our code that states once a permit is turned in the city has 28 days to act on it. Councilor Lund asked, "What about requests, when people need help." City Manager MacReynold stated that would depend on the communication between the applicant and the city. Ms. Fairbanks added, sometimes it can be longer depending on what the request is and what additional information is needed.

After a brief discussion on the use, need, and future costs, it was decided by the majority of the council that it would be helpful to have Lewis County Public Works Director Tim Elsea give them a demonstration of the program at the next meeting.

**9. Resolution No. 11-2013, Adopting Procedures for Distribution of "Keys to the City."** City Manager MacReynold reported, over the last couple of years, there has been occasion where the issuing of a city key has come up. He noted, based on the discussion at the previous meeting, the city clerk put a procedure together for the council to consider. The resolution provides that written recommendations must be submitted to the City Clerk and forwarded to the City Council for consideration and final decision.

Councilor Spahr moved that the council adopt Resolution No. 11-2013 on first and final reading.

The motion was seconded by Councilor Harris and carried unanimously.

**10. Consider Application for Naming the Renovated Outdoor Pool and Interior Features of the Facility.** Mr. Osborn reported the city received a request from the Chehalis Foundation to name the community outdoor pool the "Gail and Carolyn Shaw Aquatic Center." He stated the Foundation was also looking to name different amenities within the pool, noting there was a list of available naming opportunities included in the agenda packet.

Councilor Pope moved that the city of Chehalis name the renovated pool "The Gail and Carolyn Shaw Aquatic Center," and approve the name plaques recognizing significant financial support by contributors for different elements of the renovation.

The motion was seconded by Councilor Taylor and carried unanimously.

Connie Bode gave a brief update on the pool renovation project. To date they have raised \$2 million of the \$2.2 million needed for the project. Ms. Bode reported they were looking at adding the following amenities:

- interior pool lights
- a small slide, and a turtle slide at the shallow end of the pool
- a drop-slide for the older kids at the deeper end of the pool

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- switch from the block wall to rod-iron type fencing with landscaping
- entire demolition of the old building (because of issues with the current foundation)

Ms. Bode thanked the council for honoring the contributors wish to name the pool.

Councilor Pope reported Ms. Bode had put a lot of work into keeping them organized and on task, and felt she should be commended for her work on the project.

Councilor Dawes suggested they get more information out about the upcoming "Jive & Dive" event. Ms. Bode noted the event would take place on August 10 between 4 and 8 p.m., adding they just recently got approval for the free swim.

Councilor Spahr asked what the anticipated re-opening date would be for the pool. Ms. Bode stated June 2014.

There being no further business to come before the council, the meeting adjourned at 6:05 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: August 12, 2013

Initials: JS

July 31, 2013

The Chehalis city council met in special session on Wednesday, July 31, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilors Harris and Pope were 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)(b) – purchase or acquisition of land for approximately two hours and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 7:10 p.m. 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: August 12, 2013

Initials: JS



August 12, 2013

The Chehalis city council met in regular session on Monday, August 12, 2013, 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, and Dennis Dawes. Councilor Taylor was absent (excused). Staff present included Merlin MacReynold, City Manager; Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; Randy Kaut, Deputy Police Chief; Jim Walkowski, Fire Chief; Eva Lindgren, Finance Manager; and Rick Sahlin, Street Superintendent (Acting Public Works Director). Members of the media included Kyle Spurr from *The Chronicle* and Christina Crea from *Business to Business*.

1. **Citizen Business.** Lewis County Historical Museum Interim Director Andy Skinner came before the council to thank them for helping out with the pancake breakfast. He noted they raised \$1,700 from the breakfast, almost double what they made last year. Mr. Skinner reported they also provided a hotdog luncheon this year, which helped out greatly. He hoped the council enjoyed it, adding he appreciated their support.

2. **Pictometry Demonstration.** On July 22, an interlocal agreement between the city and Lewis County establishing a cost sharing partnership for licensed pictometry imagery and software services was brought before the council for consideration. The council requested a demonstration on what the program could do in order to help them make their decision on whether or not to support the agreement.

Lewis County Public Works Director Tim Elsea and Project Manager Matt Hyatt gave a brief report and demonstration of the program showing the many uses and benefits it would provide. Mr. Elsea noted the program was originally developed for emergency services; however, after several other departments saw its uses, it was doled out to them and is used in a myriad of ways.

Mr. Elsea reported the county entered into a nine-year contract with a company and was asking for a three-year agreement with the city, with the understanding that the city does not have to agree after the three-year period if we find it's not a useful tool.

Councilor Harris asked if the layering of information would be kept in-house or if it would become available for anyone to look at. Mr. Hyatt stated the application would only be available to city staff and other staff of organizations that participate in the program.

Mr. Hyatt reported they would use city CAD files and drawings to add layers to the program, to include things such as the location of water and sewer lines. He stated there was no limit to the number of layers that can be added. Mr. Hyatt suggested if there were things the city wants added specifically for our viewing we can restrict those from the other partners.

Councilor Dawes noted one of the questions asked at the previous meeting had to do with the cost of future flyovers. He noted there may not be a need for the city to fly over as often as the county. Mr. Elsea reported they did not cost it out to include any other aerial flyover, noting it was based on what the county thought the benefit would be for the other agencies.

Mr. Elsea reported the total cost for the first three years is \$158,000. He stated the county would be picking up 60 percent of the total cost, while the partners would pick up the other 40 percent. Mr. Elsea noted they're asking the city for roughly \$15,000 to cover its 22 square miles. Other partners include the Lewis County Public Utility District, Tacoma Power, and the cities of Napavine, Centralia, and Toledo.

Councilor Lund asked if the Ports of Chehalis and Centralia were approached about partnering. Mr. Elsea stated it had been discussed and it was decided to allow the cities the opportunity to ask the Ports to participate, and perhaps to help out with some of the costs to the agency.

Mr. Elsea stated the county found the program to be a cost savings and an efficiency tool for them, adding he thought it was well worth the investment.

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

a. Minutes of the special work session of July 15, 2013, the regular meeting of July 22, 2013, and the special meeting of July 31, 2013;

August 12, 2013

b. Claim Voucher No. 106734 in the amount of \$37,049.40 dated July 16, 2013, and Claim Vouchers No. 106735-106846 in the amount of \$259,171.49 dated July 31, 2013; and

c. Award bid for the Chehalis Avenue Beautification and Overlay Project to Nova Contracting, Inc., in the amount of \$684,000 and authorize the city manager to execute the contract agreement.

Councilor Lund seconded the motion.

Councilor Dawes inquired about the difference between the engineer's estimate and the low bid, asking if the city was agreeing to the additional \$200,000. City Manager MacReynold reported the city would have to come up with the cost difference. He noted the city is expecting an additional \$40,000 to \$50,000 from the Transportation Improvement Board. In addition, some of the cost will be covered by water, wastewater and storm drain funds, which will receive a benefit from the project.

Councilor Dawes requested the council receive a report on the funding sources once all the details are worked out.

Councilor Spahr commented on the significant difference in cost and asked if traffic control was really that expensive. City Manager MacReynold reported they had to keep the street open during the project, which was going to be very expensive.

The motion carried unanimously.

#### **4. Administration Reports.**

a. **Update on the Progress of the Regional Fire Authority Planning Committee.** Fire Chief Jim Walkowski provided the council with various documents showing the progress of the Regional Fire Authority Planning Committee. He reported there was a significant amount of work being done by the members of the Chehalis Fire Department, along with the Riverside Fire Authority and their chief officers and elected officials.

Chief Walkowski reported the Planning Committee is meeting regularly and the various sub-committees are making progress. He talked briefly about the process and how the committee plans to accomplish their objective. Chief Walkowski stated they began by breaking it down into two parts to try and make it more manageable and easier to understand. The two parts include:

Phase 1: Develop a "Functional Consolidation" – Execute an interlocal agreement between the city of Chehalis and the Riverside Fire Authority to combine fire services via a "Functional Consolidation."

Phase 2: Annexation of the city of Chehalis Fire Department into the Riverside Fire Authority. Annexation must be approved by the city of Chehalis electorate.

Chief Walkowski reported the functional consolidation basically takes predetermined portions and/or sections or divisions of both organizations and blends them together to provide a mutual benefit to the community and the organizations. He noted they were able to identify a number of areas they can benefit from. This includes the execution of two interlocal agreements providing for fire marshal services and administration and management services for both entities at a reduced rate.

Chief Walkowski reported if the functional consolidation is approved, and the Council and Governance Board for Riverside Fire believe it's of value, they could look at annexing into the existing fire authority perhaps in 2015 or 2016. Their goal is to prove to the elected officials and the community that this is the right thing to do both operationally and administratively from a code management perspective.

Chief Walkowski reported the functional consolidation would only blend personnel and programs. He noted, by blending personnel, it changes the composition of everything and they benefit from each other's expertise. Chief Walkowski indicated the budgets for both organizations would continue to remain separate, as well as capital assets.

August 12, 2013

Chief Walkowski reported the natural progression, if given the green light to move forward by the elected officials, would be to form a joint governance board to deal with matters that are specific to the combined entity under the functional consolidation. He noted this type of consolidation would give them the value and benefit of working together collectively without formally moving forward to the vote of the citizens until when and if that's appropriate.

Chief Walkowski briefly reviewed the details of the work group status and recommendation forms. He noted each work group/sub-committee has equal representation and is completely voluntary. He noted the difficult thing is that everything takes a significant amount of time.

Chief Walkowski reported the two departments combined have over 100 personnel, nine fire stations and lots of apparatus, and they need to come up with a plan to bring the two together. He noted what usually takes years of development; they're trying to get accomplished in eight to ten months. Chief Walkowski stated everyone has to know how each other operate, so training, implementation and certification would take some time. He noted they are working very hard on incident management systems and felt they were getting some positive results.

Chief Walkowski provided the council with a timeline/work matrix that included information associated with each assigned work group, which they use to stay on task. Also provided was an overview of the 18+ work groups that are currently producing work product.

Chief Walkowski reviewed a few of the implementation/timeline and milestone highlights:

- April 2013 to September 2013 – Workgroup objectives
- May 2013 – Executed Interlocal Agreement for Chehalis Fire Department Administration and Management Services
- May 2013 – Hiring of firefighter/paramedic
- July 2013 – Acquired Homeland Security grant for radio equipment to transition Chehalis Fire Department to Lewis County Fire (frequency #2)
- October 2013 – Propose functional consolidation and draft interlocal agreement submitted to Chehalis and Riverside elected officials for consideration
- November 2013 – Functional consolidation launched

Chief Walkowski reported a lot of work still needs to be done, but everyone is all in and they are getting an incredible amount done as they go through the process.

Councilor Pope asked what the bottom-line cost was going to be, or if they were figuring that out as they go. Chief Walkowski stated the benefit of functional consolidation is that each entity maintains their current budget for fire and EMS services. Because each of the taxing entities remains separate, there are no increases for the implementation of Phase 1. Chief Walkowski reported they had done some preliminary forecasting on Phase 2; however, with things changing all of the time, it's not that accurate. He noted Phase 2 will be based off of costs at the time it's done.

Councilor Dawes stated he wanted to make sure the entire council was up to date with the same information that the Planning Committee had. He stated the whole idea is to make sure that when it launches into the consolidation phase that everyone on the council has the information they need.

Councilor Dawes suggested the reason for the functional consolidation is to see what things are duplicated that they can do away with, as well as making sure the two entities can work together. He applauded the staff from both departments who have been doing a lot of work behind the scenes.

## **5. Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reported on the Jive 'n Dive event that took place on August 10 at the Chehalis outdoor pool. He noted they had a great turnout, including a couple of people who attended a similar event at the pool back in 1973. Councilor Pope stated both of the bands were very good and they served a lot of hamburgers and hotdogs. He felt the event was a real success.

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Councilor Dawes asked if they had ever thought of making it an annual event to help out with future upkeep of the pool. Councilor Pope stated it had not been discussed.

Councilor Harris stated, in talking with staff and other folks later in the evening, they actually discussed having an event every year. He noted everyone who attended seemed to have a great time.

b. **Update From Councilor Dawes.** Councilor Dawes reported he attended the ribbon cutting ceremony for the Flood Valley Homebrew on Chehalis Avenue. He also helped out at the annual blueberry pancake breakfast at the Lewis County Historical Museum along with Mayor Ketchum, and Commissioners Bill Schulte and Lee Grose.

Councilor Dawes stated he had to compliment Councilor Pope for the "Concert on the Green" event at the Riverside Golf Course. He was glad he was able to attend, adding it was probably one of the nicest events he's attended and looked forward to going again in the future.

Councilor Dawes stated he also attended the Jive 'n Dive event, adding they had a lot of people working behind the scenes to raise money for a pool project, which was phenomenal. He stated the citizens and those who have put the big seeds in and the ones who have cultivated other seeds to raise \$2 million said a lot for the community. Councilor Dawes believed the new aquatic center would be a definite mark of beauty at the entrance to the city.

c. **Update from Councilor Lund.** Councilor Lund reminded everyone that Tuesday was opening day of the Southwest Washington Fair and he hoped to see everyone at the 6 p.m. grand opening ceremony.

6. **Interlocal Agreement Between the City and Lewis County Establishing a Cost Sharing Partnership for Licensed Pictometry Imagery and Software Services.** City Manager MacReynold reported the administration was seeking authorization to proceed with the agreement.

Councilor Harris moved that the council authorize the city manager to execute the interlocal cooperative agreement between the City and Lewis County establishing a cost sharing partnership for licensed pictometry imagery and software services.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 5:58 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: August 26, 2013

Initials: js

August 26, 2013

The Chehalis city council met in regular session on Monday, August 26, 2013, 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; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Dennis Osborn, Community Development Director; and Herta Fairbanks, Public Works Director. Members of the media included Kyle Spurr from *The Chronicle* and Christina Crea from *Business to Business*.

1. **Citizens Business.** Ron Munson (246 SW 2<sup>nd</sup> Street) stated he had a problem with the city water department and how they handle extension requests. He noted he gets paid on the 5<sup>th</sup> of each month and they had already used their two extension requests for the year. When he called to ask for an additional extension city staff told him they couldn't help him and hung up.

Mr. Munson stated he contacted Councilor Dawes with his concerns, and asked that he be allowed an extension to the 5<sup>th</sup> of the following month, and to have the water left on until that time.

Mr. Munson reported they get billed on the 20<sup>th</sup> of the month and if it's not paid by the 21<sup>st</sup> they're hit with a \$40 fee and then another fee if the water gets shut off.

Mayor Ketchum apologized for Mr. Munson being hung up on, adding that would be looked into. He also suggested Mr. Munson contact City Manager MacReynold and have a conversation with him to see what can be worked out.

Councilor Dawes reported he spoke with City Manager MacReynold earlier about the issue and was a little concerned that there was a change in policy with regard to the number of extensions customers can be granted. He stated he would like to have it looked at, especially if a customer is only looking for a six day extension.

City Manager MacReynold reported he and Public Works Director Herta Fairbanks would be happy to meet with Mr. Munson and his wife. He noted they had already looked into the situation and the reason for changing to two extensions per year was because in years prior, when the city had unlimited extensions, people were building up huge utility bills and there were issues trying to collect it.

Councilor Taylor inquired about how the billing cycle worked. Ms. Fairbanks reported the city bills at the end of the month and bills go out no later than the last business day of the month. She noted utility customers have until the 21<sup>st</sup> of the following month to pay the bill; otherwise, a late fee is assessed on the 21<sup>st</sup>. Ms. Fairbanks reported, after the late fee is assessed, the customer has an additional seven days to make arrangements for payment before being disconnected. She noted the disconnect date is usually the last business day of the month and is a full 30 days after the bills have gone out.

Councilor Taylor stated he didn't know how to fix the situation for Mr. Munson, or others with the same issue. City Manager MacReynold stated they originally fixed it by providing unlimited extensions, but that only created a huge financial burden in which people ended up owing thousands of dollars. By limiting it to two extensions per year they've eliminated that burden, and for the most part, it seems to have worked.

Mr. Munson didn't know what the problem was with allowing someone more time, especially if they're a homeowner and have paid their bill for the last 20 years. He wondered why the city couldn't give that courtesy to anyone who needs it.

Mayor Ketchum suggested Mr. Munson call first thing in the morning to set up a meeting.

2. **Interview Applicant for Chehalis Planning Commission Appointment.** The council interviewed Charles Pollock who submitted an application to be considered for appointment to the Chehalis Planning Commission.

3. **Update on Chehalis-Centralia Airport Activities.** Airport Manager Allyn Roe reported he brought Lewis County Representative John Spears along, since neither city representative was able to attend the meeting.

Mr. Roe stated they were primarily focused on capital projects and general day-to-day operations. Capital projects included:

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- Construction of a new garage facility to house the FAA funded snow removal equipment and a new fuel truck to be purchased later this year (building is 60% FAA funded)
- Levee Improvement Project (on-going)
- Received a \$92,000 FAA grant to fund the garage and new markings on the runway (approved by city and county)
- Four-year FAA inspection (everything approved)

Mr. Roe reported they've had to make some changes in their capital funding projects in order to not have to dip into their reserve funds. He noted they've had a lot of unexpected capital projects, including the sewer lift station project along Louisiana Avenue, and the installation of an entryway to serve the properties around the Home Depot site. Mr. Roe reported they also had to return the deposit from Taco Time that was received in 2012, which also impacted their 2013 budget. He noted by shuffling things around they should be able to accommodate the extra in their budget and not really see a large impact.

Mr. Roe reported they were also working with Ms. Fairbanks on getting traffic counts on Louisiana Avenue near Walmart, noting the information was necessary to show prospective tenants how much traffic goes through that area. He suggested 100 percent of the traffic that passes through, less business employees, is there specifically for retail purposes.

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

- a. Minutes of the regular meeting of August 12, 2013; and
- b. Payroll Vouchers No. 36695-36782, Direct Deposit Payroll Vouchers No. 4205-4283, and Electronic Federal Tax Payment No. 126 in the amount of \$664,442.85 dated July 31, 2013; and Claim Voucher No.106847-106993 and Electronic Funds Transfer No. 72013 in the amount of \$442,498.35 dated August 15, 2013.

The motion was seconded by Councilor Lund and carried unanimously.

5. **Administration Reports.**

a. **July Financial Report.** Finance Manager Eva Lindgren stated the July financial report included the budget amendment approved by council at the first meeting in July. She reported the general fund revenues were on track, adding she just received an update on the latest sales and use taxes and they were up again in the 4 percent range.

Ms. Lindgren stated they had a 1.1 percent variance in the general fund expenditure totals, with a net budget/income variance of negative 0.6 percent. She noted the significant cash out at the beginning of the year was the biggest component of the variance.

Ms. Lindgren reported the utility funds were pretty much on track, noting she included explanations in the report regarding the debt service and capital outlays that are not made evenly throughout the year.

6. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes reported he attended the opening of the Southwest Washington Fair and had a chance to work a couple of shifts in the Lewis County Historical Museum's booth. He also worked a couple of shifts at the Chehalis Garlic Fest & Craft Show, as well.

Councilor Dawes reported the Riverside Fire Authority Planning Committee was continuing to make progress, adding regardless of what happens, the work being done was going to be a tremendous benefit for everyone. He noted one of the more notable situations where there's a vast difference between the four local departments, including: Riverside Fire Authority, Chehalis Fire Department, and Lewis County Fire Districts No. 5 and 6, is with incident command. Riverside and Chehalis have been training together on the incident command system and there's been interest by Fire Districts 5 and 6 to attend some of those trainings. Councilor Dawes hoped it might light the fire of common sense and desire, and perhaps everyone can get back on board and look at what they were looking at before. In the meantime, he felt the training was a tremendous benefit for all taxpayers.

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Councilor Dawes reported Fire Chief Jim Walkowski is very pleased with the progress that's being made and with the spirit of all of the employees. He noted they've been very dedicated towards the goal.

Councilor Spahr reported the departments would be doing hose evolutions at the fairgrounds on Tuesday, August 27, if anyone was interested in watching how they stack fire hose on the trucks. He agreed there was a lot more interest by the outlying fire departments to train with Riverside and Chehalis, which will be extremely useful when working together.

b. **Update From Councilor Spahr.** Councilor Spahr reported he also attended the opening of the Fair and Garlic Fest, which had some great after-hours entertainment. He noted the lead singer of one of the bands got started in Lewis County through the Miss Lewis County Pageant.

Councilor Dawes added, Garlic Fest is one event that really puts heads-in-beds, noting in talking with a number of people a lot of them were staying in hotels in Chehalis. He reported Garlic Fest also donates a certain amount of money to a number of charitable organizations, noting the donations are based on the hours worked by volunteers, and each volunteer gets to choose the charitable organization they wish to donate to.

c. **Update From Councilor Lund.** Councilor Lund reported one of the nice things they learned was that Riverside Assistant Chief Mike Kytta received a grant to update our fire department's radio system, so we're on the same frequency as Riverside. He was impressed with the way the new system will work and was glad to see that we're finally getting into the 21<sup>st</sup> century.

There being no further business to come before the council, the meeting adjourned at 5:35 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: September 9, 2013

Initials: JS

September 9, 2013

The Chehalis city council met in regular session on Monday, September 9, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Peggy Hammer, Human Resources Administrator; and Dennis Osborn, Community Development Director.

1. **Proclamation.** Mayor Ketchum presented Mareta Boes and Chris Thompson with a proclamation declaring September 21, 2013, as Health and Wellness Day in the city of Chehalis.

2. **Update on Flood Authority Activities.** City Representative Arnold Haberstroh stated the process was a little overwhelming, but the city representatives before him did a great job and everything was coming together. He noted the projects in the works were moving along, adding they recently combined monies they received for the Mary's River project to provide bank erosion protection for the saw mill site and to protect the wastewater treatment plant in Montesano, WA, from structural damage from high river flows. Mr. Haberstroh stated it was important to show the Legislature that the money they are receiving isn't just sitting there, and that they are making an impact.

Mr. Haberstroh thanked the council for the opportunity, adding they may not hear from him a lot, but he had their best interest at heart. He stated it was good to be involved with a group that's finally doing something.

Commissioner Edna Fund provided statistical information used to analyze the allocation of payment for the flood gauges. She stated they took into consideration the basin population and the historical damages reported by the National Flood Insurance Program. Commissioner Fund reported Lewis County had 90 percent of the action and felt we needed take responsibility for that.

Commissioner Fund reported Chehalis was being asked to pay \$4,000 towards the gauges, and suspected it might be less money in 2015. She stated it was up to each county to decide how much each city involved with the Flood Authority will pay towards the gauges.

Mayor Ketchum asked if our portion increased because Grays Harbor said they were not going to pay for the gauges. Commissioner Fund stated no, adding the increase was due to analyzing what actually happened in the basin. She noted it was previously based on population only, and now it's based on population and flood insurance payments. Commissioner Fund stated Grays Harbor County does not have the flood damage that we have in Lewis County, and we'll benefit the most from them.

Commissioner Fund reported the Flood Authority is going to make a more concerted effort to communicate with all of the elected officials in the basin. She noted elected officials would be receiving emails from the Flood Authority that are of the highest priority, as well as a summary of each meeting.

Commissioner Fund invited the council to attend the next Flood Authority meeting on Thursday, September 19, at the Adna Grange. She noted the regular meeting starts at 9 a.m., lunch at noon, and at 1 p.m. they will be touring of some of the gauges, critter pads, and the levees at Chehalis-Centralia Airport and Adna.

Councilor Harris inquired as to who is taking care of the gauges. Commissioner Fund reported USGS and West Consulting are taking care of them. She noted, with regard to the gauges, Scott Boettcher with the Flood Authority, is doing a lot of research to make sure they are using their money wisely.

J. Vander Stoep from the Governor's work group thanked Mr. Haberstroh and Commissioner Fund, adding it's really turned into a great team. He noted even Grays Harbor has leadership that's very much on the same page as us now.

Mr. Vander Stoep spoke briefly on the allocation of expenses for the gauges, noting if Lewis County is receiving 90 percent of the damage, it only made sense that we should pay more proportionately than anyone at the bottom of the pipe when it comes to flooding. He noted the proposal made by Lewis County shows active leadership and that we're in this together, and we need Grays Harbor to continue to participate.



September 9, 2013

Mr. Vander Stoep reported the Governor's office passed a \$28 million package that was requested by the Flood Authority and the Governor's work group. He noted the Flood Authority is primarily focused on the local project piece that includes \$10.7 million to construct priority local flood protection projects. Mr. Vander Stoep reported \$9.2 million was designated for design alternatives for large capital flood projects for basin-level water retention and Interstate 5 protection.

Mr. Vander Stoep provided a PowerPoint presentation that outlined the following strategy elements:

- Dam feasibility
- Hydrology and hydraulics
- Scenario of small flood damage reduction projects
- Survey of floodplain structures
- Comparison of alternatives
- Aquatic species enhancement plan
- Identification of aquatic species underway
- Assess wildlife
- Overview of the first six months and the second six months
- Elements of process
- Upcoming workshops
- Budget summary

Mr. Vander Stoep reported there would be several hundred people doing the work, adding it wasn't a small operation. He stated the work is expected to be complete by August 31, 2014, and all options were on the table. Mr. Vander Stoep reported, in September or October of next year, the work group would meet and make a recommendation to the Governor on all of the pieces. The Governor would then have to recommend, or not recommend going forward with permitting. Mr. Vander Stoep reported under the proposed timeline the Governor is to make that decision in December 2014.

Mayor Ketchum stated he appreciated all of their hard work and thanked the representatives for the update.

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

- a. Minutes of the regular meeting of August 26, 2013; and
- b. Claim Vouchers No. 106994-107099 in the amount of \$100,786.45 dated August 30, 2013; and Direct Deposit Payroll Voucher No. 4284 dated August 23, 2013; Payroll Vouchers No. 36783-36863, Direct Deposit Payroll Vouchers No. 4285-4363, and Electronic Federal Tax Payment No. 127 in the amount of \$651,218.90 dated August 30, 2013.

The motion was seconded by Councilor Spahr and carried unanimously.

4. **Administration Reports.**

a. **Briefing on Code Amendment Recommendations by the Chehalis Planning Commission.** Community Services Director Dennis Osborn reported this item had been piecemealed together over time, starting with the procedures to vacate city right-of-way. Added for review were: the new state building code updates, new state SEPA exemptions, sale and use of marijuana, binding site plan amendments, and the Accessory Dwelling Unit (ADU) conflicting code issues. Also added during Planning Commission discussion was the topic of tent camping within the city. He noted they packaged everything up through the text amendment process and presented it to the Chehalis Planning Commission for their review and recommendations. Mr. Osborn stated he would be looking for feedback and direction from the council on all of recommendations made by the Planning Commission.

Mr. Osborn reported the SEPA process had been delayed and was pulled because the state is still working on some modifications to the rules. Also withdrawn is the marijuana issue because the federal government has backed off on its position of enforcement in Colorado and Washington, and the State Liquor Control Board has come out with some new rules.

September 9, 2013

Mr. Osborn stated he would be getting together with the City Attorney and City Manager to figure out the next steps on the marijuana issue, based on what came out last week.

City Manager MacReynold reported he and City Attorney Hillier had talked about the marijuana issue and felt it would be good to have an executive session to get direction from the council on how they want to approach it.

Mr. Osborn briefly reviewed the following text amendments and recommendations by the Planning Commission:

- State Building Code Updates: (Already passed by the Legislature. The Legislature did not pass the section on requiring sprinkler systems in homes, so it will not be in our building code.) Recommend legislative action to adopt the new 2012 State Building Code Regulations.
- Capital Improvement Plan (CIP): (Housekeeping item to deal with financing issues.) Recommend legislative action to update the CIP, as proposed.
- Binding Site Plan (BSP): Recommend legislative action to amend the Chehalis Municipal Code (CMC) to remove the one year approval limit for a BSP and follow state law.
- Accessory Dwelling Unit (ADU): (Language conflicts within CMC.) Recommend each unit have its own water meter.

Councilor Dawes stated he would like to get some additional information on the ADU issue. He reported he had been working with a resident who purchased a home with an ADU, noting they ended up having a very difficult time while going through the city's process.

Councilor Dawes stated he had a concern with someone other than the council making changes on how things are done. He stated when policies get changed and they find out about it when a constituent comes to them upset, that's hard to take. Councilor Dawes stated there are certain things that the council needs to have input on, and this is one of them.

City Manager MacReynold believed the situation Councilor Dawes talked about was an on-going discussion that has taken place over the years. He stated the policy has remained the same, but there is disagreement about it. City Manager MacReynold reported this is an opportunity for the council to give guidance, which is what the administration is seeking. He noted, procedurally, the administration is going through the right process to bring these issues to the council to get some clarification.

Councilor Dawes stated that was correct for tonight, but if we have a situation where our ordinances are being met and staff are throwing out additional requirements, that's changing the process and that's what he has concerns about. He hoped we would have some kind of grandfather clause within the code that would take care of that issue for previously built homes.

Councilor Lund inquired as to the definition of a "unit." Mr. Osborn reported it was defined in the CMC, Title 13 as: "Premises - means a private home, building apartment house, condominium, trailer court, mobile home park, a group of adjacent buildings, or property utilized under one ownership and under a single control with respect to the use of water and responsibility for payment thereof."

Councilor Lund asked the question, if someone turned their basement into living quarters for a family member, would they need a separate sewer and water hookup? Mr. Osborn stated, under what was being proposed, yes. Councilor Lund stated that was wrong and he had a big problem with that.

Councilor Taylor asked if the Planning Commission made the recommendation on the ADU issue, or was it recommended by staff to the Planning Commission.

Mr. Osborn reported the issue was first brought to council when they had an issue with an ADU. He noted, back in December 2013, the hearings examiner rendered an opinion for that ADU and imposed the condition that they had to have a separate water meter. The resident missed the appeals period and the city ended up spending a lot of time with the resident to get things hammered out.

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Mr. Osborn stated staff's job is to follow the code. He noted, on one hand, CMC 13.04.060 states, "Water services for a premise - each premise shall have a separate water service or services." As noted earlier, the definition of a premise included more than one unit, such as "a group of adjacent buildings." Appendix Chapter F under Definition of Words, Terms, and Uses, states, "Accessory Dwelling Unit (residential) is any dwelling unit converted from an existing accessory building, or within an existing single family residents on a residentially zoned lot for the purposes of accommodating live-in domestic help, or family members, such unit receiving it's utilities from the same source and metering as the principal dwelling unit. He stated that was how it came forward and they took it to the Planning Commission to resolve the conflict.

Mr. Osborn stated he felt public works did their homework and believed in order to be compliant with state law we have to require a separate water meter, which was what they shared with the Planning Commission. Based on that information, the Planning Commission made their recommendation to the council to have separate water meters.

Councilor Dawes wondered why the state would care, or why the city should care as long as the rest of the zoning ordinances are followed and the residents are not circumventing the meter. He noted, with the way things are economically, it's become more necessary for people to have a separate unit for other family members. Councilor Dawes stated requiring a separate meter was asinine and reeked of bureaucracy, which is what we fight every day at the state and federal level.

Councilor Harris stated his recommendation echoed what the rest of the council members were saying.

City Attorney Hillier stated the council was absolutely right, but what's happening is, after the relatives move on, homeowners are turning the extra space into rental units and basically running a business. He noted if they change the policy too far in that direction they could end up having several people building ADUs in their basements and end up with rentals all around town.

Councilor Pope suggested they add language for the "use" of an ADU. He felt if the homeowner is renting the space they should have to pay for the additional hookups, and perhaps be required to have a business license.

Councilor Taylor stated it bothered him that staff would think this is a good idea. He would hope staff would bring things forward that would make it easier and "more friendly" to live and do business in the city; however, what was being proposed was just the opposite.

City Manager MacReynold stated he understood Councilor Taylor's concerns, but noted there was clearly a conflict in the code, and at the staff level this discussion had been going on for as long as he's been here.

Councilor Dawes stated he thought the concerns brought up by the city attorney regarding renting out ADUs was taken care of.

City Attorney Hillier reported the initial use has been fine, but after the initial use terminates they start using it as a rental unit. He suggested the council include the words "initial use" in their policy and that would take care of the issue.

Councilor Dawes stated he did not want the code changed, adding it wasn't fair for someone who buys an existing home with a separate living unit to have to buy a separate service. City Attorney Hillier stated the city would only approach them when it changes from a separate living unit to a rental unit. Councilor Dawes stated he didn't have a problem with that.

After discussing the matter, it was decided that a work session was needed to come to agreement on how the code should read with regard to ADUs.

- Text Amendment – Tent camping: Recommend that Planning Commission restricts tent camping within the city to back yards within the residential zone for a period not to exceed 14 days within any 30 day period. The tent must be on private property and located in the rear or side yard. Tent camping is prohibited in all other zones except for approved RV Parks, in which case shall comply with the appropriate provisions of the CMC.

September 9, 2013

Councilor Harris brought up the issue of the RV situation in the Yard Birds parking lot. He felt it was something that should be looked at again to see how that situation can be addressed. The consensus of the council was to have it looked at. Mr. Osborn stated he and staff would take a look at the situation and bring it back as a separate study item.

- Proposed right-of-way vacation ordinance – Recommend adoption of draft ordinance.

Councilor Harris felt a lot of the issues regarding right-of way vacations had already been addressed, but he liked the draft ordinance being proposed.

Mr. Osborn stated, other than the ADU issue, he would come back after working with legal counsel and the city manager to get the other items in the appropriate adoptable format for council's review and consideration at a later date.

## 5. Council Reports.

a. **Update From Councilor Spahr.** Councilor Spahr reported he attended the W.F. West football game in Port Angeles, Washington, adding it was a long drive, but a good game. He noted the Bearcat's won the game with a final score of 41-6.

b. **Update From Councilor Harris.** Councilor Harris reported he and staff had been working on the new regulations for distribution of lodging tax funds. He stated the biggest challenge is when the Lodging Tax Advisory Committee (LTAC) comes back with recommendations for the council to consider, and all the council can do is agree with the recommendations being presented for each entity, or give an entity zero dollars.

Councilor Harris reported Assistant City Attorney Mark Scheibmeir gave them a legal interpretation of the legislation; however, as part of the same bill, if the council wants to do something different, it would have to go back to the LTAC and they would have 45 days to review it. He felt that the legislators don't understand what they are writing when writing legislation, adding, in this case, they've given the LTAC the ability to make decisions and have taken away the council's authority.

Councilor Harris suggested there are going to be a number of issues because the requirement for tracking heads-in-beds will put the onus on the individual entities. He noted the hoteliers are trying to build a format where they can ask guests why they are there and what they'll be visiting, but even they note conflicts in the accuracy of that information.

Councilor Harris reported the hoteliers were very much in favor of sun-setting the legislation, noting they wanted the 4 percent bed tax to go to them because the state closed down the state tourism fund. He noted, throughout the state, the hoteliers make up all but 1 vote of the majority of every LTAC. Councilor Harris felt some hoteliers will only be looking at what benefits them, and unfortunately, we may see them try to force it back in front of the Legislature again.

Councilor Harris stated he and City Manager MacReynold would be meeting with the city attorney later in the week to get an interpretation on the process. He noted the LTAC would be meeting on October 7 to review the applications for funding requests, adding it would be nice to know what they are doing right or wrong.

Councilor Lund asked if there had been any discussion on the policy regarding the number of years an agency can receive lodging tax funding from the city. He suggested, at some point organizations should be expected to operate without the use of lodging tax funding. Councilor Lund stated it's been discussed before, and asked if any of the others felt they should make a new policy that organizations can only receive money for so long.

Councilor Harris stated that was why they have an advisory committee, and they take those things into consideration. He noted it's important that they have agencies and organizations that continue to put heads-in-beds. Councilor Harris believed the promotion of the organizations seems to be what's working for them, and the LTAC continues to fund them. He noted they've had organizations in the past that they no longer fund because they don't meet those standards.

Councilor Dawes suggested Municipal Research or the Attorney General's Office might be able to help out. Councilor Harris reported they can't seem to get anything from the Attorney General or the State Auditor's Office on this issue, which he found very interesting.

September 9, 2013

c. **Update From Councilor Dawes.** Councilor Dawes reported, on September 5, he attended the “Fiddler on the Roof” event, which was an event for the Foundation at Centralia Community College.

d. **Update From Councilor Taylor.** Councilor Taylor gave a brief update on Twin Transit, noting they held several public meetings on the issue of changing bus routes and expanding service to Olympia. He reported he was successful in not raising taxes, but was unsuccessful on the city's position of not offering commuter service to Olympia.

Councilor Taylor reported the routes between Chehalis and Centralia would be changed to improve the efficiency of the routes. The issue of expanding service to Olympia was supported by the city of Centralia and Lewis County, adding they believe the people riding the bus north will be using it to get to work and felt it was valuable for that purpose.

6. **Executive Session.** Mayor Ketchum closed the regular meeting at 6:23 p.m. and announced the council would be in executive session pursuant to RCW 42.30.110.(1)(i) – potential litigation for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 6:44 p.m. There being no further business to come before the council, the meeting adjourned immediately.

Dr. Isaac Pope, Chairman Pro-tem

Attest:

Judith A. Schave, City Clerk

Approved: September 23, 2013

Initials: js

September 23, 2013

The Chehalis city council met in regular session on Monday, September 23, 2013, in the Chehalis city hall. Councilor Pope called the meeting to order at 4:46 p.m. with the following council members present: Daryl Lund, Chad Taylor, and Dennis Dawes. Mayor Ketchum, Mayor Pro-tem Harris and Councilor Spahr were absent (excused). Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; and Dennis Osborn, Community Development Director.

1. **Appoint Chairman Pro-tem.** With Mayor Ketchum and Mayor Pro-tem Harris both absent, Councilor Dawes nominated Councilor Pope to oversee the meeting as Chairman Pro-tem. The nomination was seconded by Councilor Taylor and approved unanimously.

2. **Executive Session.** Chairman Pro-tem Pope closed the regular meeting at 4:47 p.m. and announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Chairman Pro-tem Pope closed the executive session at 5:04 p.m. and announced the council would take a short recess and reopen the regular meeting at 5:07 p.m. Members of the media included Kyle Spurr from *The Chronicle*.

3. **Citizen Business.** Celeste Avy, (1017 W. Main Street) from Possibilities Pregnancy Center, invited the council and community to attend their Mystery Dessert Theater event on Saturday, October 5 from 6:30 to 9:00 p.m., at the Centralia Community Church. She noted the proceeds would go to support the needs of women and children in the community.

4. **Louisiana Avenue Roundabout.** Heidi Pehl (1950 NW Louisiana Avenue) reported, when the city started the construction of the Louisiana Avenue roundabout near I-5 Toyota, Airport Manager Allyn Roe suggested she approach the city to talk about the landscaping of the roundabout. She approached city staff to let them know I-5 Toyota would like to take on the design, installation and maintenance of the landscaping in the roundabout in exchange for the use of the roundabout for advertising purposes. Ms. Pehl stated, as part of their proposal, they would ask that the city consider changing its ordinance to allow for advertising on city right-of-way.

Ms. Pehl reported she recently met with city staff and was informed that the city had already designed the landscape for the roundabout. She appreciated that the city asked her to look at the design; however, she is not a landscape person and it would be a waste of city time and hers to say whether it was a good design, or not.

Councilor Lund stated he was the one who asked Ms. Pehl to attend the meeting because he loved her idea. He also loved that we have businesses that care enough about the city that they want to work together to help us save where we can. Councilor Lund believed I-5 Toyota did a lot for our community and he was supportive of Ms. Pehl's proposal.

Councilor Dawes reported he had responded to Ms. Pehl's original email and was under the impression that city staff would be working with I-5 Toyota on it. He was very disappointed that staff didn't.

Councilor Dawes stated he wasn't totally in favor of allowing carte blanche advertising on city property; however, he believed there was a precedent already set with the traffic circle on West Street that advertises the Westside neighborhood. He felt the city would be very short-sided if we didn't do something with Ms. Pehl's proposal, adding we would be shooting ourselves in the foot if we didn't work with people who are willing to invest in our city. Councilor Dawes stated if the city wants to do it themselves, he does not want to hear from staff that we have more work than we have people during the budget presentations this year.

Councilor Dawes reported the city is receiving a direct benefit from the development in that area and didn't want the message to be, "Don't come to Chehalis to development because the city isn't willing work with you." He noted we've had the reputation of being the easiest to work with in this area for a long time, and he did not want that to change. Councilor Dawes stated he supported the concept proposed by Ms. Pehl, as he would with anyone who invests as much as our businesses do.

Ms. Pehl stated, if the city is interested in pursuing it, they would be happy to review their plans with city staff to make sure they meet the city's approval.

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Chairman Pro-tem Pope asked, "What would prevent someone else from doing the same thing somewhere else in the city?"

City Attorney Hillier stated the administration needs direction from the council because staff can't make the decision to arbitrarily let a business take over public property. He noted up until this discussion, staff has been under the direction that we take care of our own property; however, if the council wants to lease out a public right-of-way for the purpose of maintenance and beautification they can direct staff to bring back a proposal to amend the ordinance to do that. City Attorney Hillier suggested it could be done through a lease agreement or license to use public property.

Chairman Pro-tem Pope stated the rules need to be stated very clearly on how it will be done and what the consequences will be. He indicated he thought Ms. Pehl's idea was a good one.

Councilor Taylor asked if the city could work with Ms. Pehl on putting together a concept of what the roundabout could potentially look like.

Ms. Pehl suggested I-5 Toyota could design it, and if the council decides it isn't something they want, the city could design it and I-5 Toyota could install and maintain it in exchange for signage that's acceptable to the city. She noted they would be agreeable of having parameters on the type of signage the city is comfortable with.

Ms. Pehl stated they originally wanted to install flags along the street to welcome people to I-5 Toyota, but were told by city staff that it would violate the city ordinance of advertising on the city's right-of-way.

Councilor Taylor stated he wanted to get the issue handled a lot faster than it's been handled.

City Manager MacReynold stated they first needed to look at the code and bring something back to the next meeting for the council to consider. In the meantime, it sounded like Ms. Pehl already had a plan and the city could introduce that into the process to look at how it might match up with what the administration brings back.

Chairman Pro-tem Pope reported there were other businesses in that same area and asked what would happen if they all want to put something in the roundabout.

City Attorney Hillier stated if they create a license process, it would be no different than having the ability to name Century Link Field anything other than Century Link.

Ms. Pehl stated it was her understanding that it would be limited to the roundabout. Mr. Hillier stated that was correct, adding they would create a license to have exclusive rights to maintain, create, and operate it. Ms. Pehl asked if the city would need to put a term on the license. City Attorney Hillier suggested they would all need to meet and talk about it.

Councilor Lund stated he had heartburn over making Ms. Pehl go through all of this, adding he could probably go through town and find a number of signs on city right-of-way that staff's not doing anything about. He was kind of glad that we don't enforce it because the realtors who are trying to sell homes need to have their signs out where they can be seen. Councilor Lund stated it appears the city is letting everyone else just do it, while making Ms. Pehl go through a process to do it.

Ms. Pehl stated she didn't get that impression.

Chairman Pro-tem Pope stated he somewhat disagreed with Councilor Lund.

Councilor Taylor stated at one time they looked at having hardware installed on the light poles for banners and flags. He noted the city of Centralia did something similar that was paid for by donations from businesses. Councilor Taylor stated it would be nice to see if we can figure out how to get something similar done here.

Councilor Dawes agreed, noting it would be a great thing for the community.

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Ms. Pehl thought the banners in Centralia were really nice and believed business owners would be very supportive, especially when talking about youth and community pride.

Councilor Dawes stated the message he would like to see come out of the discussion is that when we get good ideas that make sense, rather than just saying it conflicts with our ordinances, maybe we can look at how to make it work.

City Manager MacReynold thought it was important to recognize that the council tends to only hear about the times when staff says "no," and not so much about all of the times we work with people to get things done. He believed city staff works very hard and tries to get things done with a positive attitude. City Manager MacReynold also recognized there are times when perhaps we're not as responsive, and that's when the council gets the calls.

Chairman Pro-tem Pope thanked Ms. Pehl for attending the meeting.

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

- a. Minutes of the regular meeting of September 9, 2013; and
- b. Claim Vouchers No. 107100-107214 and Electronic Funds Transfer No. 82013 in the amount of \$385,379.54 dated September 13, 2013.

The motion was seconded by Councilor Taylor and carried unanimously.

6. **Administration Reports.**

a. **August Financial Report.** City Manager MacReynold reported, with the exception of property taxes, the August financials were looking good. He noted the city tends to get a large payment for property tax from the county in November.

b. **Shorelines Update.** Community Development Director Dennis Osborn reported the Chehalis Planning Commission met the previous week on the shoreline work, and on Tuesday the Technical Advisory Committee met. He noted the consultant doing the facilitation for all of the jurisdictions in Lewis County would be starting the public meeting process with the people who have interests within the shoreline.

Mr. Osborn reported the open house for Chehalis is scheduled for Tuesday, October 8, at 6 p.m., in the Chehalis city hall. He noted they would primarily be going over the shoreline inventory that the consultant has done, adding a mailing regarding the meeting would be sent to property owners within a day or two.

7. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes reported he attended the Olympia Master Builders Candidates Night last week, noting it was the first time he met with that group. He stated the highlight of the meeting was sprinkling systems. Councilor Dawes let them know that Chehalis is probably not going to be looking at residential sprinkling, which met with a lot of positive comments.

Councilor Dawes reported he attended the Business After Hours at the Chamber of Commerce, sponsored by Costco. He also had a chance to attend the ARTrails gala event last Friday, adding they had some interesting art on display.

Councilor Dawes reported the Regional Fire Authority Planning Committee meeting had been cancelled because the draft interlocal agreement was still in the attorney's office. The next committee meeting is scheduled for October 16.

b. **Update From Chairman Pro-tem Pope.** Chairman Pro-tem Pope gave a brief report on the Lewis County Autism Coalition. He noted there was a group of agencies in our community that have come together to try to do something about autism and other behavioral issues that kids in our community are dealing with. Chairman Pro-tem Pope reported they would be having their 3<sup>rd</sup> Annual Conference here in Lewis County on October 11 at the Bethel Church in Chehalis.



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c. **Comments From Councilor Lund.** Councilor Lund thought Chairman Pro-tem Pope did a wonderful job running the meeting and looked forward to the next time he runs it.

8. **Lodging Tax Advisory Committee (LTAC) Membership Appointment.** Chairman Pro-tem Pope stated the city was recently made aware of a vacancy on the LTAC. He noted, in order to comply with state law, the vacancy must be filled prior to the LTAC meeting on October 7 to review the 2014 tourism funding applications. Chairman Pro-tem Pope noted the city received an application from Michel Rey from the Best Western, requesting appointment to the committee.

Councilor Taylor moved that Michel Rey be appointed to the city's Lodging Tax Advisory Committee.

The motion was seconded by Councilor Lund and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 5:36 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: October 14, 2013

Initials: js

October 14, 2013

The Chehalis city council met in regular session on Monday, October 14, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 4:00 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; Eva Lindgren, Finance Manager; Dennis Osborn, Community Development Director; Becky Fox, Court Administrator; and Rick Sahlin, Interim Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

**1. Work Session – Review Chehalis Municipal Code (CMC) on Utility Connections for Accessory Dwelling Units (ADU) and Use of City Right-of-Way for Flags, Signage, and Banners.** The council held a work session to review the city's code on accessory dwelling units and the use of city right-of-way for flags, signage, and banners. City Manager MacReynold stated the administration was hoping to get clear policy direction from the council on both issues.

Community Development Director Dennis Osborn talked briefly about the problem the administration is having with how the city's current code addresses the issue of utilities for ADUs. He provided the following options for council consideration:

1. As part of the conditional use permit application for an ADU, the application would require the homeowner to sign a covenant that would be recorded and would run with the land, so as to require all future owners of the property to recognize that the only use for an ADU would be for family members only and not for commercial purposes in any fashion. If, down the road, the owner were to desire using the ADU for any purpose other than for family, the owner would then have to install separate utility connections to the ADU, or remove the ADU since the purpose on the conditional use permit is no longer in effect.
2. Remove the current requirement for a conditional use permit by making an ADU a permitted use and revise Chapter 13 of the CMC to reflect an exemption for separate utilities for ADUs.
3. Define "ADU" to clarify that it cannot be a fully self-contained single-family residence complete with kitchen and laundry facilities and receives utilities through the same source as the main residence.
4. Define "ADU" to be a fully self-contained single-family residence that receives its utilities through its own utility connections, separate from the main residence.

After a brief discussion, the consensus of the council was to go with Option 1.

Mr. Osborn reported the administration was also asked by the council to look at allowing commercial signage within the right-of-way. He reviewed the current code and provided the following options for council to consider:

1. Currently the sign code allows off premise signs within 300 feet of Kresky Avenue and National Avenue. Simply amend the code to state the following: "and within the roundabouts on Louisiana Avenue."
2. Utilize the right-of-way permit section of the CMC to review applications of signs in the right-of-way and establish clear policy direction for review.
3. Prohibit signs in the right-of-way.

The council stated their concerns and provided the administration with information on what they would like to see in the code. The consensus of the council was to go with Option 1.

Mayor Ketchum closed the work session at 4:39 p.m. and announced the council would take a 20 minute recess before reopening the meeting at 5:00 p.m.

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

- a. Minutes of the regular meeting of September 23, 2013; and

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b. Claim Vouchers No.107215-107334 in the amount of \$175,247.93 dated September 30, 2013; and Payroll Vouchers No. 36864-36936, Direct Deposit Payroll Vouchers No. 4364-4442, and Electronic Federal Tax Payment No. 128 in the amount of \$674,641.06 dated September 30, 2013.

The motion was seconded by Councilor Pope and carried unanimously.

### 3. Administration Reports.

a. **Update on City Wellness Program.** Committee Chair Becky Fox gave a brief update on the city's wellness program. She reported the Wellness Committee meets monthly to go over the different programs promoted by the Association of Washington Cities Insurance Authority, and to think of ways to get employees and their spouses more involved in their health.

Ms. Fox provided information on some of the activities to date, to include: an Employee Needs and Interest Survey; on-site health screening; corporate gym membership discount; two brown-bag health and wellness seminars to promote weight management coaching; health questionnaire; and the Walk Across Washington campaign. She talked briefly about the campaign, noting the city's goal is to do a virtual walk of 1,500 miles in 42 days.

Ms. Fox reported the health questionnaire is the main promotion right now, adding we need to achieve a 50 percent participation rate by November 1 in order to receive a two percent rate discount. She noted we are currently at 33 percent, and encouraged the council to take the time to fill out their questionnaires.

b. **Annual General Obligation (GO) Bond Compliance Update.** Finance Manager Eva Lindgren reported, when the city issued the limited tax GO bonds in 2011, it was clearly stated that the city council is responsible for compliance and oversight. She noted the agenda report included two confirmations that the city's 2012 unaudited financial statements and the statistical information had been uploaded as required. Ms. Lindgren reported she would report back to the council in November to provide confirmation that the audited 2012 financial statement has also been uploaded.

c. **Update on Chehalis Outdoor Pool Project.** Community Development Director Dennis Osborn reported the pool project was moving forward. He stated they were ready to go out to bid, and for the most part, the permits for the project are up and out the door. Mr. Osborn reported he and City Manager MacReynold met last week with the project architect and construction manager to discuss matters having to do with the project. He also had a broader meeting with the Chehalis Foundation a few weeks ago to talk about the timing of the project.

Tim Saylor, President of the Chehalis Foundation, reported the state of the new pool is excellent. He noted their funding expectations were not quite where they want them to be, but they have every expectation that they will achieve their goals. Mr. Saylor stated they really couldn't suffer any more delays, adding timing was critical. He noted they discovered a few soils issues after they started digging into things, but the real wild-card is what the bids will come in at.

Mr. Saylor stated their fundraising efforts continue and they hope and expect to arrange for another \$250,000 towards their goals. This would include some cushion for future maintenance and other things on the wish list. Mr. Saylor stated they were pushing really hard to get the pool open by next summer.

J. Vander Stoep reported they originally thought construction would start right after Labor Day, but they were held up by the federal grant and were not allowed to touch anything on the site until the grant was nailed down. He stated they do have some risk of bad weather to deal with, and possible construction cost issues, but based on their best estimate, the pool should open up sometime mid-summer.

d. **Briefing on I-502 – Regulations for Marijuana Sales and Production.** Mr. Osborn reported, with the passage of I-502, voters of the state made it legal to sell, grow and process marijuana. He noted the state has drafted some rules and regulations, but there's still the question of what municipalities should do. Mr. Osborn stated, even though the initiative passed, there are still federal laws out there that create a bit of a quandary. He reported this administration has basically backed off of trying to go after folks who are operating within I-502, but the question we face is what happens when there's a new administration, or when there are changes at the Justice Department?

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Mr. Osborn reported the administration came up with the following options for the council to consider:

- A. Do nothing (allow under current rules – the licensing would be by state, we change no laws to allow or deny)
- B. Ban sale, growing and processing (since the federal position is based on presidential direction as opposed to federal law, a new president could change the federal direction)
- C. Ban growing and processing, but allow sale (allow sales per state law, but ban growing and production as it may conflict with another state law)

**Option A:** Under this option retail sales for marijuana would fall under the allowed use of retail sales in the zoning code and would be allowed in the general commercial (C-G) zone subject to the state rules of 1,000 feet from places where kids are and the state sign requirements. Production and processing would be allowed under the current code that allows for hemp production and manufacturing in the light industrial (I-L) zone.

Under this option, the city would neither be in violation of state law by prohibiting sales, production and processing of marijuana, nor would the city be in violation of federal law by passing laws that allow the sale and production.

Under Option A, the city would just be interpreting the municipal code that already exists and allows retail shops in the C-G and hemp production in the I-L zone. Under state rules, one retail facility is allowed within Chehalis and would be regulated by state rules and regulations.

**Option B:** Under this option the city would not permit production, processing or sale of marijuana. This would place the city in a position of taking the opposite stand than the state and the voter approved initiative. The flip side is the city would not be exposed or in violation of federal law. The Justice Department has stated they will not prosecute, but the federal position is by this presidential administration and does not change the federal laws since Congress did not vote and change law. A new president may take a different approach.

**Option C:** Under this option the city would allow retail sales the same as in Option A, but prohibit production and processing by taking the position that this falls under agricultural land of long term significance. Washington State's Growth Management Act only allows agricultural lands of long term significance within rural areas and not within cities.

Mr. Osborn noted the city currently has a moratorium in place and would be seeking direction from the council on that matter, as well.

Councilor Dawes stated the way the federal law is written, all marijuana sold in Washington would have to be grown or manufactured here. He tended to lean towards Option C, and fight off the potential of anyone wanting to come after us saying we have to allow one retail shop just because we've been given one.

City Attorney Hillier reported if they do nothing and follow the rules and regulations in place at the state level, by default, Option C would be part of Option A.

Councilor Dawes stated he was just trying to do the minimum so we don't have to spend taxpayer money defending ourselves. He noted if Option A works to get the point across, that was fine with him.

City Attorney Hillier reported with the current statutes that are in place, no one will be able to process or grow marijuana in Chehalis. He noted Option A would allow us to roll with the state and they would impose the laws and oversee it. If there is a violation, our law enforcement will be informed through the Liquor Control Board and we'll enforce it.

Councilor Spahr stated he was concerned with Option A because generally when you do nothing and have someone else overseeing it, you end up with no control over what happens.

City Attorney Hillier reported our existing zoning would stay in place and as far as retail marijuana sales for pleasure

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purposes, they cannot take place within 1000 feet of critical areas, such as libraries, schools, etc. He suggested the council read the state regulations to get an idea of how restrictive they are. City Attorney Hillier stated the administration felt very confident that the regulations were going to be hard to overcome, and there are very few places they will be able to locate in Chehalis.

Mr. Osborn reported, for the most part, the downtown area will not be able to accommodate a retail facility. He stated, if they had one, it might be somewhere along National Avenue and would have to be a stand-alone facility that only sells marijuana.

Councilor Harris noted he looked at the maps provided in the agenda report and wondered if we were being prohibitive and if that was legal. City Attorney Hillier reported for medical marijuana it would be an issue, but for retail sales it can be banned. He noted the city of Kent recently got a legal opinion from their counsel stating they have the absolute right to ban everything, and they did. City Attorney Hillier suggested we could do that as well, but if we just do nothing, we're only susceptible to one retail outlet if they can fit it in here.

Mr. Osborn reported, under Option A, the city would simply go by state rules and regulations.

The consensus of the council is to go with Option A.

Mr. Osborn reported by going with Option A the only action needed by the council would be to lift the city's current moratorium.

Councilor Dawes wondered what would happen if the moratorium was extended. He suggested the council extend it to see if anyone challenges us.

City Attorney Hillier stated the council could do that, but the administration was trying to put some finality to the situation.

After a brief discussion, the consensus of the council was to extend the moratorium.

City Manager MacReynold stated he was informed by the city clerk that the current moratorium is good through March 11, 2014.

e. **State Audit Exit Conference.** City Manager MacReynold reminded the council about the upcoming 2012 exit conference with the State Auditor's Office on Wednesday, October 30, at 3:00 p.m. He stated, based on what we know, there are no findings, but there were some management recommendations.

f. **Lewis County Commission Decision on Airport.** City Manager MacReynold reported the Lewis County Commissioners would be dealing with the ownership of the airport property on Monday, October 21, at 10:00 a.m.

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

a. **Update From Councilor Spahr.** Councilor Spahr reported he attended the Lewis County Economic Development Council Board meeting, noting they have some very interesting client activity, but couldn't talk about it at this time.

b. **Update From Councilor Harris.** Councilor Harris reported he and David Hartz met with the Chehalis Foundation to request funding for holiday decorations and was happy to report that, before they walked out, the Foundation cut them a check for \$10,000. He thanked the Foundation for their generosity.

Councilor Harris reported the Lodging Tax Advisory Committee (LTAC) met to review the funding requests for 2014. He noted Michel Rey from the Best Western was appointed to the committee to replace Natalie Ketchum. Councilor Harris reported, because of the new legislation, there was a lot of trepidation and concern about how the meeting was going to go; however, it turned out much better than he thought it would. He felt the committee did a great job and believed the council would get the committee's recommendations at the next regular meeting.

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c. **Update From Councilor Pope.** Councilor Pope asked Architect Norm Pfaff if he had any additional comments about the pool project, since he was not present during the discussion earlier.

Mr. Pfaff reported the advertisement for bids would go out on Thursday, October 17, with the bid opening on November 14. He noted they also had a pre-bid conference scheduled for November 5, at 1:00 p.m. Mr. Pfaff stated everything is going very smoothly, noting all of their documents were up to date. He noted the city did a wonderful job in their review and providing permits for the project. Mr. Pfaff reported, if they receive successful bids, work will start on or about December 1 and be done in time to do a grand opening in August 2014.

Councilor Lund stated he was approached by some members of the Foundation who let him know there were some problems. He noted he spoke to City Manager MacReynold about the issues, and when the city manager contacted them, the individuals told him there were no problems. Councilor Lund suggested if Mr. Pfaff is having any difficulty with staff in moving things along that he should go directly to City Manager MacReynold.

Mr. Pfaff stated he was not aware of any problems with staff, adding he and City Manager MacReynold have an agreement about who to contact if there are any issues. He apologized that Councilor Lund got raked over the coals. Mr. Pfaff reported the only challenge they've had is with the soils report, noting when they built the freeway they distributed seven feet of spoils into the ground where the pool currently sits. He noted the foundation for the existing pool goes down seven feet and if they remove anything or add any new structure it all has to be dug out and replaced with new fill.

d. **Update From Councilor Dawes.** Councilor Dawes reported he attended the Tea Party meeting at Candidates Night last week. He noted Councilor Taylor was there and did an eloquent job speaking, as he always does.

Councilor Dawes reported the next Regional Fire Authority Planning Committee meeting was scheduled for Wednesday, adding they would be reviewing the draft interlocal agreement. He indicated they were getting very close to presenting it for functional consolidation.

e. **Update From Councilor Lund.** Councilor Lund reported the Chehalis-Centralia Railroad and Museum's pumpkin steam train ride was coming up on October 26-27. He noted they were also set up to start selling tickets for the Polar Express steam train rides, noting tickets could be purchased on-line. Councilor Lund reported the organization seemed to be moving forward in a positive direction. He noted they recently received \$15,000 from a local gentleman to do a strategic plan, so they'll be eligible to apply for federal funding to rebuild one of the engines next year.

5. **Ordinance No. 913-B, First Reading – Amending the 2013 Budget.** Ms. Lindgren reported the budget amendment was being driven by the city's grant activity and pool renovation project. She reviewed the expenses and grant funding for the pool project, noting there would be a lot of timing issues with what is spent and received before the end of the year.

Ms. Lindgren reported on the FEMA Elevation Project, noting when they put the original budget together they anticipated they would be half way through the grant in 2012, which did not happen. She noted the budget amendment would increase the appropriations and the related revenues to reflect the entire grant being done in 2013.

Ms. Lindgren talked briefly about the \$500,000 transfer increase, noting it was basically being done to deal with cash flow.

Councilor Taylor moved to pass Ordinance No. 913-B on first reading.

The motion was seconded by Councilor Lund and carried unanimously.

6. **Executive Session.** Mayor Ketchum closed the regular meeting at 5:48 p.m. and announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 6:08 p.m. and there being no further business to come before the

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council, the meeting immediately adjourned.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: October 28, 2013

Initials: js

October 28, 2013

The Chehalis city council met in regular session on Monday, October 28, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator, and Patrick Wiltzius, Acting Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Quarterly Report on Chehalis-Centralia Airport Activities.** Airport Manager Allyn Roe reported they spent most of the summer working on their capital projects. Earlier in the year they were awarded an FAA Airport Improvement Program grant that paid for a new building for the snow removal equipment and some new markings on the runway for instrument approach. He noted the building project is about 25 percent under budget due to their ability to submit force account labor against the project.

Mr. Roe reported, in working on a long-term solution for traffic counts along Louisiana Avenue, they found a traffic radar device that can count several lanes of traffic at a time. He noted the device is located near Walgreens and they are getting anywhere from 16,000 to 20,000 vehicle movements per day. Mr. Roe stated the primary use of the information will be for marketing, to attract new tenants in the retail sector. He noted the radar device can also be moved to different locations if they need to obtain data in other areas.

Mr. Roe reported they wrapped up the new entryway along Arkansas Way that serves their properties that surround Home Depot. He noted the entryway would allow for future development in that area.

Mr. Roe reported the levee project was also wrapping up for the year, noting Lewis County found a new location to haul material from, which sped up the project considerably.

Mr. Roe indicated they have some budget adjustments that need to be made prior to the end of the year for some capital expenditures primarily related to the sewer lift station.

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

- a. Minutes of the regular meeting of October 14, 2013;
- b. Claim Vouchers No.107335-107474 in the amount of \$377,913.03 dated October 15, 2013; and
- c. Adopt Resolution No. 13-2013 on first and final reading for the surplus of city property.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Administration Reports.**

a. **Third Quarter and September Financial Report.** Finance Manager Eva Lindgren reported the general fund is covering the cash flow from the grant funds while we wait for reimbursement. She noted once the money is received for the FEMA home elevation project and pool project, the general fund would be replenished. Ms. Lindgren noted we will also be receiving a property tax payment from Lewis County sometime in November.

Councilor Pope stated it was his understanding that the city would not lose any money with the pool project. Ms. Lindgren reported the city was not losing money, adding it was just a timing issue. She noted we want to go through the grant funds first before we start taking money from the Chehalis Foundation.

Councilor Harris asked if the reimbursement for the FEMA home elevation project would be received by the end of the year. Ms. Lindgren reported she tries to bill for reimbursement every other month. Councilor Harris asked if they were quick to respond once the city submits for reimbursement. Ms. Lindgren stated there have been some hiccups, and sometimes she's had to call to inquire.

Ms. Lindgren briefly reviewed the September financial report, noting a large variance in the general fund attributed to



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the general property taxes. As noted earlier, payment from Lewis County should be received in November. Ms. Lindgren reported the operating transfers-in were also a little behind, but that would change once we receive reimbursement from the state grant agencies.

Ms. Lindgren stated she didn't have any highlights to report for the utility funds, but offered to answer any questions.

b. **Quarterly Sales and Use Tax Report.** Finance Manager Eva Lindgren reported, at the end of the second quarter, the sales and use tax revenue showed an increase of 7.9 percent over last year. She noted through September 2013 the increase shrunk to 7.1 percent, but was cautiously optimistic that it would hold through the end of the year.

c. **Update on Chehalis-Centralia Airport Ownership.** City Manager MacReynold reported on Monday, October 21, the Lewis County Commissioners unanimously passed a resolution in favor of transferring ownership of the Chehalis-Centralia Airport to the city. He noted, administratively, we plan to have a similar resolution and organizational proposal to the council relatively quickly.

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

a. **Update From Councilor Dawes.** Councilor Dawes reported the Regional Fire Authority Planning Committee met on October 16 and reviewed the proposed interlocal agreement. He noted they were working on the last bit of training and hoped to have something very soon for the agencies to consider. Councilor Dawes stated if the agreement is met with positive results from both sides, they would be looking at a target date of January 1 to start the functional consolidation stage.

Councilor Dawes reported he also attended the Business After Hours event on October 17, the Centralia College Foundation Kick-off on the 19<sup>th</sup>, and the Lewis County Commissioners meeting on October 21.

b. **Update From Councilor Taylor.** Councilor Taylor stated he's had several residents ask him if there's a way the city can look at a utility customer's annual use and come up with an average monthly amount to pay, rather than paying every two months. City Manager MacReynold stated the administration could certainly look at it and report back.

c. **Update From Councilor Lund.** Councilor Lund reported once they get to the functional consolidation stage, the Chehalis fire department will have an on-duty paramedic for the first time. Councilor Dawes stated one of the increased benefits the city would see is having a paramedic on duty, 24-hours a day, every day of the year. He noted the city currently has one firefighter/paramedic that's still going through training, and that's going very well.

5. **Chehalis Avenue Beautification and Overlay Project.** City Manager MacReynold reported the council authorized the low bid for the project at a prior meeting; however, after looking at it more carefully, the administration has some concerns primarily around the cost.

City Attorney Hillier reported, early on, the matter was presented to the council for consideration and the council said in general terms to go with the low bid; however, after taking time to look at it, the administration feels we can do better for the citizens. City Attorney Hillier stated, if the council takes it under reconsideration and rejects all bids, we can go back out to bid this winter and get a much more favorable bid. He reported the administration ran it by the Washington State Department of Transportation and they are fine with the city rebidding the project.

Councilor Harris moved that the council reconsider acceptance of the bid from Nova Contracting Inc., reject all bids previously received and direct the administration to rebid the Chehalis Avenue Beautification and Overlay Project.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Ordinance No. 913-B, Second and Final Reading – Amending the 2013 Budget.** Ms. Lindgren highlighted some of the items added to the budget amendment, including eight new Windows 7 laptops for the police department. She noted Microsoft recently made a decision to stop supporting Windows XP effective April 2014, which raised security issues with the computers used by the police officers. Ms. Lindgren reported rather than purchasing the very expensive indestructible

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laptops, the Police Chief decided to purchase laptops off the shelf. She noted they've tried the less expensive laptops and have had a very good experience with them.

Ms. Lindgren reported the amendment also addresses the grant issues previously mentioned, and other operational type issues.

Councilor Taylor inquired about the K-9 and K-9 transport purchases noted in the amendment. Ms. Lindgren stated the expenses were for the partial cost of the K-9, and full cost for the equipment for transporting the K-9 in the vehicle.

Mayor Ketchum asked if the repairs to the Chamber Way overpass (located above the railroad tracks) would be reimbursed. Ms. Lindgren indicated the max we would be reimbursed is \$10,000.

Councilor Spahr moved to pass Ordinance No. 913-B on second and final reading, as amended.

The motion was seconded by Councilor Taylor and carried unanimously.

**7. Resolution No. 12-2013, First and Final Reading – Adopting an Interlocal Agreement Between the City and the Association of Washington Cities (AWC) Benefit Trust Authorizing the City to Jointly Participate in a Self-Insured Health Care Program Administered by AWC Trustees and Authorizing the City Manager to Execute the Same.** Human Resources Administrator Peggy Hammer reported, in January 2014, AWC is making a change to move to a self-insurance method. She indicated there would be no change as a member of the AWC "Pool," other than the process of adopting the interlocal agreement. Ms. Hammer stated the selection of the various medical programs and the items covered does not change, adding the city will continue to get billed the same way and employees can continue to see their same doctors.

Ms. Hammer reported AWC's Advisory Board believes they can do as well, if not better, by maintaining the required reserves and paying the claims themselves. She noted the process is regulated by the RCWs and stipulates that all parties that are part of the "Pool" need to have a formal agreement, which is what is being presented to the council for consideration.

Ms. Hammer reported, in 2014, the rates will go down a couple of percentage points for the LEOFF1 Retirees on the Medicare Advantage Program, while all of the other plans will have a zero percent increase.

Councilor Harris asked about the reserves AWC is required to have. Ms. Hammer reported AWC's beginning program for 2014 is \$15.4 million, and after projected contributions and expenses, their year-end balance will be about \$15.7 million.

Councilor Taylor moved to adopt Resolution No. 12-2013 on first and final reading.

The motion was seconded by Councilor Spahr and carried unanimously.

**8. Lodging Tax Advisory Committee (LTAC) 2014 Recommendations.** Councilor Harris noted their new member Michel Rey, owner of the Best Western, was in attendance, while Rick Burchett from the Chehalis-Centralia Railroad and Museum was unfortunately unable to attend.

Councilor Harris thanked Administrative Assistant Caryn Foley for organizing everything for the committee, noting she is the backbone of the program and does 99 percent of the labor. He also thanked the organizations who came and made presentations.

Councilor Harris reported the LTAC would really like to see the entities and programs that have been around for a while be more self-sustaining, and from some, they would like to see more positive results. He noted the Committee is willing to look at those who are willing to grow and expand, and those that are mostly sustaining. Councilor Harris felt it ended up being a pretty good budget by the time they were all done.

Councilor Spahr inquired about the \$45,000 allocation for the City Manager's Office. City Manager MacReynold noted \$5,000 was for actual advertising, and the other \$40,000 was a request from the Chamber of Commerce to expand their services to Sundays and do improvements to their website.

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Councilor Spahr stated he had a lot of faith in the LTAC and absolutely trusted what they do.

Councilor Lund wondered why the Chamber's request came through the City Manager's Office. City Manager MacReynold stated it's been done that way forever and they've just continued that practice. Councilor Harris noted the Chamber has a contract for their services with the city.

Penny Mael representing the Lewis County Historical Museum thanked the council for considering funding for the museum. She noted they hoped to continue to expand their budget by doing more fundraising events.

Councilor Harris reported the historical museum is one that the Committee wrestles with each year, and they do so positively. He stated by law the programs have to demonstrate heads-in-beds and it's difficult for the museum to produce those kind of numbers. Councilor Harris noted the LTAC also supports the museum because they understand what an empty building would look like in the downtown area.

Councilor Lund stated the museum also put on a model train show this year that brought in a lot of out of town vendors. He felt the event was a big start for them in trying to get more heads-in-beds.

Ms. Mael extended an invitation to the council to attend their annual dinner on November 10, at 5 p.m. She noted the cost was \$10.00 and assured the council the dessert would be divine!

Councilor Harris stated Interim Director Andy Skinner is doing an outstanding job in expanding the whole net of what the museum brings. He noted that was one of the reasons the LTAC is willing to support them.

Councilor Spahr moved that the council approve the candidates and funding amounts of the LTAC for use of lodging tax funds for 2014.

The motion was seconded by Councilor Lund and carried unanimously. Both Councilor Pope and Taylor abstained from voting.

Councilor Spahr moved that the council reappoint the memberships of Todd Chaput, Michel Rey, Satpol Sohal, Rick Burchett, and Chip Duncan, and the official appointment of Alicia Bull to the LTAC.

The motion was seconded by Councilor Lund and carried unanimously.

Councilor Pope insisted that organizations receiving the money should be required to get an audit. He noted it would be an embarrassing situation if we have another incident where the money has been misused or misappropriated. Councilor Pope stated if organizations can't afford it, they need to figure out a way to be able to afford it.

Mayor Ketchum noted the Chamber of Commerce has an audit every year.

Councilor Lund stated Councilor Pope was right, adding audits are not that expensive.

City Manager MacReynold believed it would be a policy decision and direction from the council would be needed. He suggested if the council wants to move in that direction he would encourage them to make a motion.

Councilor Pope moved that organizations that receive funds from the city's tourism tax fund over an extended period greater than five years be required to have an audit every five years, effective immediately.

Councilor Spahr seconded the motion.

Councilor Spahr stated it not only protects the city, it also protects the organizations and the people within the organizations.

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Councilor Dawes stated he didn't have any concerns with requiring audits, but does have a concern if taxpayer money is going to be used for the audits. He felt it was something that should be coming out of their allotment of money and not tax money received from the city.

The consensus of the council was to start the requirement next year. Mayor Ketchum stated the organizations would need to have it done before they apply for 2015 funding.

City Attorney Hillier asked if the council might want to hear from the organizations before they make their decision. Councilor Pope stated this is something that he's been asking for, for several years.

Councilor Harris stated he understood what City Attorney Hillier was saying, but didn't think they were asking too much. He noted there were probably going to be some hardship cases, but they can look at those as they come up.

Councilor Spahr suggested the policy could be changed accordingly, but this is the way the council wants to go.

Councilor Dawes stated he didn't know of anyone that receives government money that doesn't have to go through an audit. Attorney Hillier stated Councilor Dawes' point was well taken.

City Manager MacReynold stated the administration would send out a letter putting everybody on notice about the situation for next year.

Councilor Harris stated all of the entities are required to provide a breakdown of how the money is spent, and if any of them show part of the funds received paying for an audit, he could guarantee what will happen.

The motion carried unanimously.

There being no further business to come before the council, the meeting adjourned at 5:58 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: November 12, 2013

Initials: js

November 12, 2013

The Chehalis city council met in regular session on Tuesday, November 12, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 4:30 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, 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; Randy Kaut, Deputy Police Chief; Jim Walkowski; Fire Chief; Dennis Osborn, Community Development Director; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; Rick Sahlin, Interim Public Works Director/Street Superintendent; Patrick Wiltzius, Wastewater Superintendent; and Dave Vasilauskas, Water Superintendent. Members of the media included Kyle Spurr from *The Chronicle* and Christina Crea from *Business to Business*.

1. **Work Session to Review Chehalis-Centralia Airport Organizational Structure Options.** City Manager MacReynold stated city and county representatives have been in discussions regarding the airport for approximately one year. He noted on September 21, Lewis County passed a resolution to transfer ownership of the airport to the city of Chehalis.

City Manager MacReynold reported there were really only three options with regard to the organization and structure of the airport. He stated it clearly made better sense to have the airport as a free-standing department rather than a division within a department. City Manager MacReynold reported the decision the council will need to make is whether the airport will have an advisory board to the council, or not. He stated the airport has a long history of having a board, but recommended the council not pass that authority on to anyone else.

City Attorney Hillier stated the real concern was in Title 14 of the RCWs, noting it sets up the presumption that if a board is put in place by the entity that owns it, the board would make the decisions that are usually made by the council. In his opinion, there were very few things that the board would do that are not decisions that should be made by the city council.

Councilor Dawes stated he was under the assumption that a governing board is created when you have multi-jurisdictional ownership of an airport. City Attorney Hillier stated you can also have a board in a single ownership situation.

City Manager MacReynold reported, should the council take action to proceed, there are still some things that need to be cleaned up, such as:

- Approval with FAA; certify that the city is a legal entity that has the ability to take on the responsibility of ownership of the airport
- Deeds to the property
- Personnel issues
- Changes to city code
- Incorporating the airport budget into the city's 2014 budget
- Insurance
- HR and union issues

City Manager MacReynold stated he didn't see a need to make any personnel changes at this time. He noted two of the employees would need to be in the union, but they would sort those things out over the next month and a half.

Councilor Spahr inquired about the transfer of real estate to the city. City Attorney Hillier reported Lewis County would sign a quit claim deed releasing the property to the city. Councilor Spahr asked, "What interest does Lewis County and the City of Centralia have if down the road the city has an opportunity to sell the property?" City Attorney Hillier stated if there is equity in the airport after repayment of all of the FAA grants, the proceeds from the sale would be split according to the agreement that was entered into by the three agencies prior to Centralia pulling out.

Councilor Dawes reported Chehalis and Lewis County owned the property when Centralia was allowed to sign on and the only gain they would see would be on any property purchased after they came on board in the early 1960s. He noted there was still quite a chunk on the Walmart lease, so if we did own it we wouldn't be able to do anything for quite a while; otherwise, we could potentially go into debt by going back on the leases.

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Councilor Spahr noted 50 years from now the capital gain could be a lot of money and asked if all of the gain would have to be split. City Attorney Hillier stated, if the sale price exceeds the debt limit, it would be split between the county and the city in accordance to what was agreed upon when Centralia left. Councilor Spahr stated that didn't seem very equitable to him.

Councilor Spahr stated he had concerns about the council's lack of knowledge of running an airport. He asked how the available property would be managed and marketed. City Manager MacReynold stated things would change, but the current manager has done a good job marketing the property. The advantage of it being a city department will be the working relationship between our community development department, public works and the airport. City Manager MacReynold stated with the change in the economy we need to be thinking about the future, and positioning ourselves to be competitive. He felt the opportunity for further economic development would be significantly improved.

Councilor Harris felt they needed an advisory board until they learn more about the capacity of the board. He suggested the council didn't know a thing about airports, and future councilmembers may not know anything about them either. Councilor Harris reported he would like to have a board to do nothing more than advise and give the council the information they need to make good decisions. He stated, in this case, rather than give up their authority they'll need to trust the airport manager to do exactly that.

Airport Manager Allyn Roe stated his interpretation is that the RCWs allow for an advisory board that can help the council and the airport manager on the aeronautical uses and advise on the operation of the airport. He noted they would have no governance related to the airport. Mr. Roe noted the statute also allows for an Airport Commission, which would be similar to the current governing board.

City Attorney Hillier stated Mr. Roe was correct in that the statute allows either one to take place, but the statute doesn't differentiate between what we're creating and what authority they have. He noted they would have to go back to the statutes and set out in the appointing document what specific authority the board would have. His point being, why go to all that effort when you have a professional manager that can make the reports to council, and if he needs help they can talk about it.

Councilor Pope stated it was his understanding that decisions were made by the airport board and manager based on information presented to the council for consideration. Mr. Roe reported the information presented to council was fairly limited; primarily the council had oversight on their budget and appointment of members on the board. He noted the day-to-day policy items were at the direction of the governing board.

City Attorney Hillier noted, essentially, the governing board would be supplanting a lot of the authority that the city manager has, especially with regard to personnel matters.

Councilor Taylor thought the airport governing board acted similar to the city council. City Manager MacReynold stated that was correct, noting the challenge with an advisory board is that they create something that's advisory to the council. City Manager MacReynold stated the council needs to decide if they want that kind of relationship, or if they want a direct relationship, as with other departments in the city.

Councilor Dawes stated he knew a little about airports after serving on the board, but not that much about community development or public works and had to rely on staff's input. He stated he was not comfortable in setting a precedence that's different from what they have with the other enterprise funds.

Councilor Dawes reported he was somewhat concerned and a little disappointed in the current governing board's involvement in an action that was to be left at the legislative level at the county and city. He wondered if they would be setting themselves up for the exact same thing by having an advisory board. Councilor Dawes felt the airport has staff that is highly capable of providing the same level of expertise and information to the council, much like the other directors in the city.

City Attorney Hillier added that the council's opportunity to create a board or commission never goes away. He noted if things start to go south and the airport feels they need guidance from people in the aeronautic field, they can create a board at any time. City Attorney Hillier stated it was the administration's position that we don't need a board up front.

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Councilor Harris stated he trusted the people on the city council, the administration, and Mr. Roe. He noted he could see where they could operate without a board right now, and wouldn't have any problems supporting it under those terms.

Councilor Lund inquired about Donahoe Field, wanting to know when it was given to us. City Attorney Hillier reported it was provided to us from the federal government as a joint ownership between the county and the city of Chehalis. He noted the only thing we've acquired since then are some avigational rights, and the Blaser Property.

Mr. Roe provided the following information about the airport property:

- The city of Chehalis bought the property from the Donahoe family pre-1941
- Lewis County and Chehalis came together and bought additional property in 1941
- In 1941, the property was handed over to the Navy who did a lot of improvements to the property
- In 1945, the property came back to Lewis County and Chehalis
- In 1961, the city of Centralia came on board and the current airport board was formed
- Property acquisitions were made in 1981
- Between 2003-2004 they purchased the 100 acre Blaser Farm
- The city of Centralia withdrew in 2005

Councilor Lund asked about the small piece of property between the dike and I-5, currently owned by the county. Mr. Roe reported that was not part of the airport property, adding it was more adjacent to the old Barnes property. Councilor Lund suggested the county should throw it in with the transfer. City Attorney Hillier stated we could talk to the county about it, but it was not part of the description that we currently have.

Councilor Dawes believed the county purchased that piece of property to have access to work on that section of the dike. Councilor Taylor stated that didn't mean we might not need access to work on the dike.

City Attorney Hillier stated the more appropriate way to handle it would be to request a vacation of that parcel from the county at such time we feel it's necessary to acquire ownership.

Mr. Roe added FAA has jurisdiction over the airport land and wouldn't want to mix it in with the airport property.

Councilor Lund asked if we were getting the entire Blaser Farm. Mr. Roe stated yes, except for the west portion that was sold off a couple of years ago to National Frozen Foods.

Councilor Lund stated he agreed with the suggested motion.

Mayor Ketchum closed the work session and opened the regular meeting at 5:00 p.m.

**2. Public Hearing on the 2014 Proposed Budget and Revenue Sources, Taxes and Levies.** Prior to taking public comment, City Manager MacReynold and Finance Manager Eva Lindgren reviewed some of the highlights, revenues and taxes from the proposed 2014 budget.

City Manager MacReynold reported the council had before them a balanced budget. He noted the administration and the city council have worked very hard over the years to make sure that happens.

City Manager MacReynold highlighted the proposed 2014 beginning and ending fund balances for the general fund and the enterprise funds. He noted the overall budget had a beginning fund balance of \$7,374,683, and an ending fund balance of \$7,750,457. City Manager MacReynold stated the numbers clearly reflect that the council and the administration are being very fiscally responsible to the public and will continue to do so.

City Manager MacReynold reviewed some of the highpoints of the budget, to include:

- Construction and completion of the Gail and Carolyn Shaw Aquatic Center - \$1.2 million
- Implementation of ownership of the Chehalis-Centralia Airport - should the council take action

November 12, 2013

- Partnering with Lewis County to purchase a portion of the Tacoma rail line extending from Chehalis to Maytown
- Bringing back Music in the Park – three (3) events scheduled
- Building maintenance on the Chehalis public works building
- City Manager search
- Replacement of monitors and software in the council chamber
- Implementation of video arraignment for municipal court
- Functional consolidation of Chehalis and Riverside Fire Departments
- Continue chip-seal program
- Annexation of the south industrial area in our urban growth area
- Ownership of Stan Hedwall Park

Ms. Lindgren reviewed the general fund revenues, noting there were very minor changes to this section of the budget. She stated the property taxes were increased based on the data she received from Lewis County, and the sales and use taxes were cautiously optimistic. Ms. Lindgren projected an increase in sales and use tax of \$100,000 in 2014.

Ms. Lindgren briefly reviewed the general fund and enterprise fund summaries. She also reviewed how the “contra expenditures” fit into the budget.

Ms. Lindgren talked briefly about the supplemental information regarding transfers, capital expenditures, loan schedules, and the 2014 salary schedule. She noted the only change to salaries is in the temporary and seasonal hourly rates because we’re hitting up against the state’s minimum wage. Ms. Lindgren pointed out that a recreation aide position and a tournament director position were added to the 2014 schedule, should the city have to hire out for recreational services.

Councilor Spahr inquired about the loan schedule, wanting to know if the SRFL loans were all related to the sewage treatment plant. Ms. Lindgren reported SRFL #3A and 3B were definitely for the wastewater treatment plant, but couldn’t say for sure if #1 and #2 were.

Mayor Ketchum closed the regular meeting at 5:23:20 p.m. and opened the public hearing.

There being no public comment, Mayor Ketchum closed the public hearing at 5:23:46 p.m. and reopened the regular meeting.

3. **Shorelines Plan Update.** Brad Medrud, with AHBL, reported he was hired as the consultant project manager to do the Shoreline Master Programs (SMP) update. He reported Lewis County and the cities of Chehalis, Centralia, Morton, and Winlock are working together to update their SMP together as the “Lewis County Coalition.”

Mr. Medrud reported the Coalition is required by state law to update their SMP, and received a grant from the State Department of Ecology (DOE) to support the work. He noted the city is responsible for making sure the SMP is updated and complete.

The presentation outline included an overview of the SMP update process, shoreline inventory findings, and next steps. He noted the SMP is what the city uses to manage development within its shorelines. Mr. Medrud reported the SMP requirements do not apply retroactively and does not affect existing development.

Mr. Medrud reported the city currently has an SMP in existence that’s been around since the mid 1970s, known as the Lewis County Plan. He indicated the update is pretty extensive because they’re taking a new look at things and there are a host of new regulations, to include:

- New requirements for “no net loss” and restoration
- Preservation and enhancement to public access
- Giving preference to “water-dependent uses”
- Public input throughout update process



November 12, 2013

Mr. Medrud briefly reviewed the different phases of the process, to include:

- Phase 1 – Shoreline Jurisdiction
- Phase 2 – Inventory & Analysis
- Phase 3 – Draft SMP
- Phase 4 – Restoration Plan
- Phase 5 – Adoption

Mr. Medrud reported they hoped to bring back a final draft to the various agencies for formal adoption by summer 2014. He noted DOE would have final review and approval, and once that's done the plan would formally be in place.

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

a. Minutes of the regular meeting of October 28, 2013;

b. Claim Vouchers No.107475-107595 and Electronic Funds Transfer Nos. 92013 and 102013 in the amount of \$147,964.35 dated October 31, 2013; Payroll Vouchers No. 36937-36997, Direct Deposit Payroll Vouchers No. 4443-4520, and Electronic Federal Tax Payment No. 129 in the amount of \$627,517.10 dated October 31, 2013; and

c. Confirm city manager's reappointment of Dale McBeth as municipal court judge for a four-year term expiring at the end of December 2017.

The motion was seconded by Councilor Lund and carried unanimously.

5. **Administration Reports.**

a. **Update on Right-of-Way Signage Code.** Mr. Osborn reported the proposal being presented was based on several conversations with council on how to navigate signage on city right-of-way, in particular, the roundabout on Louisiana Avenue near I-5 Toyota. He noted the general direction the administration took is to amend the current code that allows off premise signs within 300 feet of Kresky Avenue and National Avenue. Mr. Osborn proposed to add, "And within the roundabouts on Louisiana Avenue," to the current code, as noted in Option 1 of the agenda report.

Mr. Osborn reported the administration discussed with council, and legal counsel, the use of a lease agreement that would include compensation for use. He indicated the administration came up with some standard language that would be incorporated into the agreement to capture the traffic safety issues raised by council.

Mr. Osborn reported they would need to amend Chehalis Municipal Code (CMC) Title 12.56.060 that deals with the use of right-of-ways. He suggested they also modify CMC Title 12.56.030(b) for short-term temporary sign use in the right-of way that would allow for small community event signs.

City Manager MacReynold reported the administration was looking for some guidance with reference to which of the options the council feels most comfortable with.

Councilor Taylor inquired about the licensing for right-of-way use of the Louisiana Avenue roundabout. City Attorney Hillier stated, based on the proposed amendments to the ordinance, users would need to reapply for the use annually. He noted this would allow the city to move that use around to other businesses if they have an interest.

Councilor Dawes stated it appeared that the recommended changes would take care of the issues previously brought forth by the council.

Councilor Spahr stated he didn't want the city's roundabouts to become cluttered with placards and signs, and hoped the amendments would allow the council to control that in the future.

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Mr. Osborn suggested the administration could add some additional controls for tighter constrictions, if the council so desired. City Attorney Hillier stated the intended use of the roundabout would be for a single licensee.

Councilor Taylor noted concerns regarding the aesthetics of the signage. City Attorney Hillier stated applications for use would have to go before the city's Development Review Committee for review, and they would make recommendations to the council.

The consensus of the council was to have the administration bring back an ordinance for their consideration with the proposed changes.

b. **Clarification on Audits for Lodging Tax Recipients.** City Manager MacReynold asked for clarification and guidance on a motion made at the previous meeting requiring recipients of lodging tax funds to have an audit every five years.

Councilor Pope stated his intention was to have it apply to the 2015 funding cycle. He noted the decision for funding the organizations in 2014 was already done. Councilor Pope stated organizations that have received funding for the last five years will need to have an audit turned in before the 2015 cycle.

## 6. Council Reports.

a. **Update From Councilor Dawes.** Councilor Dawes reported he attended the city's exit audit on October 30, noting things seemed to go very well and there were no findings. On November 4, he attended a flood presentation at Centralia Community College, adding it was well received and they had good answers for a lot of the questions asked.

Councilor Dawes reported, on November 6, he attended the Association of Washington Cities regional meeting in Olympia, noting their legislative priorities were liquor tax revenue sharing and the public works trust fund. He predicted, as the marijuana issue comes on board, we'll be hearing more arguments about them not wanting to share the marijuana tax revenues with the cities.

Councilor Dawes stated he also attended the Lewis County Historical Society's dinner, adding it was very nice. He reported it seems they've turned things around, noting their endowment fund is up to \$35,000. In addition, he noted the museum is looking for volunteers and members.

Councilor Lund reported the Lewis County Historical Society also appointed Andy Skinner their full-time director.

b. **Update From Councilor Lund.** Councilor Lund reported the Chehalis-Centralia Railroad and Museum recently added five additional Polar Express trains, noting they've already sold out the original 16 scheduled for this year. He stated they only have a couple hundred tickets left for the "Santa" steam train ride that runs during the day. Councilor Lund was sure that a lot of the people buying tickets were coming from out of town.

7. **Resolution No. 14-2013, First and Final Reading – Authorizing the Removal of Lewis County From the Chehalis-Centralia Joint Operating Agreement and Approving the Transfer of Lewis County's Interest in the Airport to the City of Chehalis, and Authorizing Execution of the Transfer Agreement and the Assignment and Assumptions Agreement.** City Manager MacReynold stated he would encourage the council's approval of the resolution.

Councilor Harris moved that the council adopt Resolution No. 14-2013 on first and final reading and authorize the Transfer Agreement and Assignment and Assumptions Agreement to be executed by the city manager. Further, the council supports the administrations recommendation that the airport be a separate department within the city administration and that the council shall provide policy, legislative and budget authority over the airport.

The motion was seconded by Councilor Pope and carried unanimously.

8. **Ordinance No. 914-B, First Reading – Determining and Fixing the Amounts of Revenue to be raised by Ad Valorem Taxes during 2014; Ordinance No. 915-B, First Reading – Stating the Dollar Amounts and Percentages of**

November 12, 2013

**Change in Property Tax Levies for 2014; and Ordinance No. 916-B, First Reading – Adopting the 2014 Budget.** Councilor Taylor moved to pass Ordinance Nos. 914-B, 915-B, and 916-B on first reading.

Councilor Lund seconded the motion.

Councilor Taylor thanked the budget committee and the city administration for doing such a good job on the budget this year. He noted it seems that the budget continues to get easier to read and understand for people like him that don't have an accounting degree.

The motion carried unanimously.

9. **Ordinance No. 917-B, First Reading – Amending Sections of the CMC Providing for Accessory Dwelling Units (ADU).** Mr. Osborn reported the administration modified the ADU definition to clarify the language discussed by council. He noted Section 2 of Title 13.04.060 was also modified to take out conflicting language where it may say, "More than one meter." Mr. Osborn stated conflicting language was also taken out of Title 13.04.100. Mr. Osborn felt the amendments made met the intent and direction that the council gave to the administration.

Councilor Dawes brought up the issue of the "Affordable Housing Act" passed in the early 1990s. He suggested the administration do some research before the second reading to make sure we're not violating any federal laws by having residents sign a covenant. Councilor Dawes thought the city might fall under the population threshold regarding that issue.

Councilor Dawes moved to pass Ordinance No. 917-B on first 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 6:07 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: November 25, 2013

Initials: JS

November 18, 2013

The Chehalis city council met in special session on Monday, November 18, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:01 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Dennis Osborn, Community Development Director; and Peggy Hammer, Human Resources Administrator.

1. **Ordinance No. 918-B, First and Final Reading – Amending Ordinance No. 908-B to Include the Retail Sale, Growing and Processing of Recreational Marijuana.** City Manager MacReynold reported as the city receives more questions about our moratorium, and what the situation is in our city with reference to marijuana use for both medical and recreational, we found out that our current moratorium didn't do quite what we thought it did.

Dennis Osborn reported the administration thought we had a moratorium in place that covered the recreational use of marijuana; however, the current moratorium specially states "Medical Marijuana Collective Gardens and Dispensaries." He noted after reviewing the previous council meeting, from the administration's perspective, it was pretty clear that the council wanted a moratorium across the board to include recreational and medical marijuana.

Mr. Osborn reported the administration prepared an amendment to the moratorium that would cover recreational and medical, if that's the council's intent.

City Attorney Hillier stated it fell on his lap because he assumed that the original moratorium said "Marijuana" specifically. He stated he should have gone back to review it after at the last meeting just to make sure it didn't need to be adjusted.

Mr. Osborn stated nothing had been vested and no one has come in to try and do a permit.

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

The motion was seconded by Councilor Spahr and carried unanimously.

Councilor Taylor moved to pass Ordinance No. 918-B on first reading and final reading amending the medical marijuana moratorium to include recreational marijuana facilities.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 5:04 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: November 25, 2013

Initials: JS

November 25, 2013

The Chehalis city council met in regular session on Monday, November 25, 2013, in the Chehalis city hall. Mayor Pro tem Harris called the meeting to order at 4:30 p.m. with the following council members present: Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope arrived at 4:45 p.m. and Mayor Ketchum arrived at 4:52 p.m. Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Jim Walkowski; Fire Chief; Dennis Osborn, Community Development Director; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; Rick Sahlin, Interim Public Works Director/Street Superintendent; Patrick Wiltzius, Wastewater Superintendent; Dave Vasilauskas, Water Superintendent; and Allyn Roe Airport Manager.

1. **Work Session on Regional Fire Authority Planning Committee.** Councilor Dawes, Chair of the Regional Fire Authority Planning Committee, reported over the last couple of years, he and Councilors Lund and Spahr have been meeting with three of the Riverside Fire Authority (RFA) Commissioners to study the potential prospect of annexing the City of Chehalis into the Riverside Fire Authority. He noted the Committee was continuing to review the proposed interlocal agreement, which they hope to take action on at their December meeting. Councilor Dawes stated based on the discussion at the meetings, and his meeting with City Manager MacReynold, he believed they had all of the language in the agreement that was discussed. He noted there were still a couple of loose ends that need to be tied in, the most critical being the dispatch center. Councilor Dawes hoped the Council and Commission will act affirmatively and enter into an agreement that would start January 1.

Fire Chief Jim Walkowski provided a brief overview of the two phases: Phase 1 – Functional Consolidation of the two entities; and Phase 2 – Annexation of the city of Chehalis fire department into the Riverside Fire Authority, which will require city council and voter approval. (Riverside would not vote on it because they're already a fire authority.)

Chief Walkowski reported the functional consolidation allows the two entities to continue to exist separately, but combines certain functions into a common resource, or division. He noted they believe the functional consolidation will segue into greater levels of cooperation and will provide the framework for Phase 2, which would combine the two entities into one. Chief Walkowski stated the functional consolidation will be accomplished through the interlocal cooperation agreement between the two entities.

Chief Walkowski reported on the status of the various workgroups, as follows:

Completed workgroups:

- Hose evolutions and hose loads
- Tender operations
- Compressed air foam systems
- Monthly training requirements
- Ground ladder evolutions
- Apparatus standardization (engines)

Workgroups nearing completion (anticipated completion by end of 2013):

- Incident management system
- Radio communications/MDC
- ERS records management
- Deployments
- BLS/ALS integration

Workgroups to be completed during 1<sup>st</sup> Quarter 2014:

- Aerial ladder operations
- Special operations/Technical rescue
- Apparatus standardization (Aerial ladders)
- Joint fire investigation
- Company level inspections

November 25, 2013

Chief Walkowski reported the RFA Planning Committee has approved the draft language for the functional consolidation Interlocal Agreement. He stated it's anticipated that the functional consolidation would take place on January 1, 2014, with operational deliverables being implemented when appropriate, pending approval from both bodies of elected officials.

Councilor Spahr brought up the issue of being able to communicate with other departments when responding together, noting in the past that didn't seem to be a big deal. Chief Walkowski stated there are a lot of rules they have to follow now, one being you have to work under an integrated incident management system.

Chief Walkowski reported most of the fire districts in Lewis County participated in the fire training, so they're all on the same system now. He noted Olympia and West Thurston Fire Authority follow this same system which is a huge success.

Councilor Lund stated he was glad Chief Walkowski mentioned that they all use the same system now, adding that was great to see.

Mayor Ketchum closed the work session at 4:55 p.m. and announced the council would be in recess for five minutes before opening the regular meeting at 5:00 p.m.

2. **Update on the Gail and Carolyn Shaw Aquatic Center Project.** Chehalis Foundation President Tim Saylor thanked everyone involved for getting them to this point. He noted the Foundation was very excited as well, and looked forward to starting construction of the new facility.

3. **Continue Public Hearing on the 2014 Proposed Budget and Revenue Sources, Taxes and Levies.** City Manager MacReynold reported there were no proposed tax increases in the proposed 2014 budget. He noted, over the years, the administration and the council budget committee have continued to work hard to make our financial situation better.

Finance Manager Eva Lindgren briefly explained two minor adjustments made to the proposed budget since first reading. She noted the first change was the addition of the airport budget, and the second was a request from Chief Walkowski to have the money for the bay floor repairs moved to the 2014 budget. Ms. Lindgren reported the money for the repairs would be removed from the 2013 budget in the upcoming budget amendment.

Ms. Lindgren followed up on a question from Councilor Spahr regarding the EMS levy rate. She stated, in comparing this year to last year, there was a slight difference for the general levy and if you add the two together, it's the exact same amount. She noted it was just a rounding difference in the calculation.

Councilor Dawes asked where the 22.5 cents was contained for the firemen's pension fund. Ms. Lindgren reported it was blended into the general levy. She noted we're not allowed to separate it out for purposes of issuing the levy. Ms. Lindgren reported each year she has to certify that we have a pension trust fund and Lewis County takes that into account when calculating our banked capacity.

Mayor Ketchum closed the regular meeting at 5:07:58 p.m. and opened the public hearing.

There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 5:08:32 p.m.

4. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:
- a. Minutes of the regular meeting of November 12, 2013, and the special meeting of November 18, 2013;
  - b. Claim Vouchers No.107596-107735 and Electronic Funds Transfer No. 112013 in the amount of \$348,715.58 dated November 15, 2013;
  - c. Pass Ordinance No. 922-B on first reading - creating and establishing an airport department; and

November 25, 2013

d. Award contract for the Gail and Carolyn Shaw Aquatic Center Renovation Project to Schwiesow Construction, Inc., in the amount of \$2,086,560 and authorize the city manager to execute a contract agreement.

The motion was seconded by Councilor Taylor and carried unanimously.

##### 5. **Administration Reports.**

a. **October Financial Report.** Ms. Lindgren reported on the property tax, noting the city received over \$450,000 from Lewis County in early November. She noted the general fund property tax received a total of \$409,046 and the balance went to the firemen's pension trust fund. Ms. Lindgren stated the total collected for the year for property tax was over \$1.2 million.

Ms. Lindgren talked briefly about the 'donations/contributions' in the general fund budget. She noted money would be coming into the general fund from the tourism fund, once the billings are sent out for the tournaments.

Councilor Spahr inquired about the "other taxes" in the amount of \$32. Ms. Lindgren believed that was for timber tax.

b. **Report on Upcoming Inflow and Infiltration (I&I) Rehabilitation Project.** Wastewater Superintendent Patrick Wiltzius reported, approximately two years ago, the council was briefed on the city's I&I Strategic Plan. He noted I&I was basically leakage into our sewer pipes, which causes problems and costs money to pump and treat.

Mr. Wiltzius reported the first project, officially titled "Basin 1022 I&I Rehabilitation Project," would include the rehabilitation of approximately 5,300 feet of sewer line at the north end of town. Mr. Wiltzius used a large diagram to show what they want to do, and where. He noted the project would start near Staples, Inc. and go north towards the city limits.

Mr. Wiltzius reported they would be using a 'trenchless' method that requires minimal digging and very little impact to the public. He noted the benefit is that it's environmentally friendly, and cheaper to do.

Mr. Wiltzius stated the administration is the process of putting a funding application together through the Department of Ecology (DOE). He projected the project design, construction management and construction would be about \$1.4 million. Mr. Wiltzius reported they've completed the SEPA analysis and have a determination of non-significance for the project, which they needed to have before submitting the funding application.

Councilor Harris asked if the \$1.4 million was in 2016 dollars, or today's dollars. Mr. Wiltzius stated the estimate was based on what it would cost today. He noted they haven't completed the design yet, but had to assign a number for the funding application. He suggested the actual phasing of the project could start in July 2014, with a projected construction date of 2016.

Councilor Harris inquired about the interest rate on the loan. Mr. Wiltzius reported they were submitting for hardship, which should put it below one percent. He noted they are requesting both grant funding and a 20-year low interest loan.

Councilor Spahr asked if any I&I had ever been done near Bishop Road or Snively Avenue. Mr. Wiltzius thought the Snively area was in the plan, but just not high on the priority list at this time.

Councilor Spahr inquired as to how they measure the amount of I&I coming through the plant. Mr. Wiltzius reported, back when they did the general sewer plan in 2000, the engineering firm Gibbs & Olson did a massive flow monitoring study to come up with the initial I&I. He noted that data was used in their strategic plan. Mr. Wiltzius stated it's basically determined by how much the pump station comes on and off, which he can chart out at the treatment plant. He noted they could also put a flow meter on it, but right now there were no plans for that.

Mr. Wiltzius believed the previous public works director factored the loan debt service into the most recent rate increase, so there should be no impact to the rate payers.

c. **Tacoma Rail Interlocal Agreement.** City Manager MacReynold reported, on November 26, at 5:00 p.m., the city of Tacoma is considering passage of an interlocal agreement between, the city of Tacoma, Lewis County and the city of Chehalis for the sale of a portion of the Tacoma rail line from Maytown to Chehalis.

November 25, 2013

6. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes reported he attended two ribbon-cuttings and a Business After Hours event last week. He noted all three events were well attended.

7. **Ordinance No. 914-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be raised by Ad Valorem Taxes during 2014; Ordinance No. 915-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2014; and Ordinance No. 916-B, Second and Final Reading – Adopting the 2014 Budget.** City Manager MacReynold encouraged the council's support and positive approval.

Councilor Taylor moved to pass Ordinance Nos. 914-B, 915-B, and 916-B on second and final reading, as revised and amended.

Councilor Lund seconded the motion.

Councilor Spahr inquired about the debt service for the airport fund. Ms. Lindgren reported the balloon payment on the Lewis County general obligation bond for the airport was slightly more than \$1.5 million. She noted the administration was looking at a couple of different approaches on how that would be handled.

The motion carried unanimously.

8. **Ordinance No. 917-B, Second and Final Reading – Amending Sections of the Chehalis Municipal Code Providing for Accessory Dwelling Units (ADU).** Councilor Dawes reported at the last meeting that he inquired about the potential of violations regarding the Fair Housing Act (FHA). He stated he was assured by Community Development Director Dennis Osborn that he checked with the state and there appears to be a population threshold of 20,000 where accessory dwelling units are required under the FHA. Councilor Dawes strongly urged that the council pass the ordinance.

Councilor Dawes moved to pass Ordinance No. 917-B on second and final reading.

The motion was seconded by Councilor Harris and carried unanimously.

9. **Ordinance No. 919-B, First Reading – Revision of Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2014.** Mr. Wiltzius reported they were looking at hiring a consultant to develop a better rate structure, noting the administration has heard concerns in the past about how the rate calculation has been working. He noted after the new rates are developed and approved, they will look into updating the contracts with both Lewis County Water & Sewer District #4 and Napavine.

Mr. Wiltzius reported on the 2014 rates, noting Napavine would be paying \$9,924 per month, down \$55 from 2013; and Lewis County Water and Sewer District #4 would be paying \$5,262 per month, down \$848 from 2013. He noted the rates are primarily based on the function of the flows at the treatment plant. Mr. Wiltzius stated the overall rate of inflation over the past 10 years has been 5.8 percent for Napavine, and 5.2 percent for Lewis County Water & Sewer District #4.

City Manager MacReynold reported this issue did come up as part of the discussions with the Council Budget Committee. He stated the Committee was very supportive that we need to take a serious look at making some changes.

Councilor Spahr moved to pass Ordinance No. 919-B on first reading.

Councilor Lund seconded the motion

Councilor Harris asked if the percentage the city pays could be adjusted if we did a significant reduction in the city's I&I, versus what the other owners pay. Mr. Wiltzius suggested that would probably be addressed in a new contract, or interceptor agreement which stipulates who owns what percentage in the plant and/or certain sewer lines. He stated it was obvious that Chehalis has been bank-rolling most of the capacity, upwards of around 85 percent.



November 25, 2013

The motion carried unanimously.

10. **Ordinance No. 920-B, First Reading – Amending the 2013 Budget.** Ms. Lindgren briefly reviewed the amendments to the 2013 budget. She noted, as mentioned earlier, the budget would be reduced for the bay floor repairs at the fire department. Ms. Lindgren reported a good portion of the remaining budget amendments had to do with the allocations for the utility billing. She stated the reallocation was a fairer reflection of what the costs should be and how they should be allocated between water, wastewater, and stormwater.

Ms. Lindgren reported the departments also looked at their activity through the end of the year and made adjustments to their budgets accordingly.

Councilor Spahr moved to pass Ordinance No. 920-B on first reading.

The motion was seconded by Councilor Harris and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 5:37 p.m.

Anthony E. Ketchum, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: December 9, 2013

Initials: js

December 9, 2013

The Chehalis city council met in regular session on Monday, December 9, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 4:45 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; Jim Walkowski, Fire Chief; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.140(4)(a) – collective bargaining for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 5:06 p.m. and announced the council would take a five minute recess before reopening the regular meeting at 5:11 p.m. Additional staff included Brian Kelly, Assistant City Attorney; Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; Eva Lindgren, Finance Manager; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; Rick Sahlin, Interim Public Works Director/Street Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Kyle Spurr from *The Chronicle*.

2. **Swearing in of Municipal Court Judge.** Assistant City Attorney Brian Kelly administered the oath of office to Dale McBeth, appointed by the city manager on November 12 to serve as the city's municipal court judge for a four-year term expiring at the end of December 2017.

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

- a. Minutes of the regular meeting of November 25, 2013;
- b. Claim Vouchers No.107736-107829 and Electronic Funds Transfer No. 1120131 in the amount of \$97,746.65 dated November 27, 2013; and Payroll Vouchers No. 36998-37052, Direct Deposit Payroll Vouchers No. 4521-4598, and Electronic Federal Tax Payment No. 130 in the amount of \$612,416.89 dated November 27, 2013; and
- c. Pass Ordinance No. 922-B on second and final reading - creating and establishing an airport department.

The motion was seconded by Councilor Lund and carried unanimously.

4. **Administration Reports.**

a. **National Avenue Salzer Creek Bridge Scour Project Update.** Interim Public Works Director/Street Superintendent Rick Sahlin reported, in 2012, Sargent Engineers, Inc., prepared an application for the city for a bridge scour grant through the Washington State Department of Transportation (WSDOT) and the Federal Highway Bridge Program. He noted, in December 2012, the city was notified that we received the grant to do scour work on the National Avenue Salzer Creek bridge.

Mr. Sahlin reported, in March 2013, they had a kick-off meeting with local programs to talk about the project. Since that time, the project has been on the backburner. Mr. Sahlin met with City Manager MacReynold in October to discuss moving forward with the project, adding he felt they really needed to get it done.

Mr. Sahlin reported in November the city placed an ad requesting qualifications (RFQ) from consulting firms interested in managing and overseeing the project. The city received statements of qualifications from seven firms. Mr. Sahlin stated he and an engineer from WSDOT would be meeting the following day to start the review process to narrow it down to three firms to interview.

b. **Update on Annual General Obligation (G.O.) Bond Compliance.** Ms. Lindgren reported, in order to be compliant with the bond covenants for the 2011 G.O. bond issuance, the city is required to file its financial information through the Electronic Municipal Market Access System. She reported the State Auditor's Office uploaded the city's audited financials on November 25 and on November 27 she uploaded them to the Municipal Securities Rulemaking Board.

Ms. Lindgren reported Standard and Poor's (S&P) also added some additional requirements in order for the city to

December 9, 2013

keep our bond rating.

Councilor Spahr asked what our current bond rating was. Ms. Lindgren believed it was "AA," but she would double check and get back to the council with that information.

c. **Recommendation to Cancel December 23 Council Meeting.** City Manager MacReynold reported the administration did not have any further business that would require a second meeting in December and suggested the council cancel the meeting of December 23.

Councilor Spahr moved to cancel the December 23 council meeting.

The motion was seconded by Councilor Taylor and carried unanimously.

d. **Update on the City's Wellness Program.** Wellness Committee Chair Becky Fox was pleased to report that they reached the 50 percent participation needed on the health questionnaire to qualify for the 2% rate discount in 2015. She thanked those who participated and the council for their support and encouragement. Ms. Fox talked briefly about the Walk Across Washington campaign that took place earlier this year, noting the city participants as a group logged over 2,000 miles.

Ms. Fox reported a 'chili feed' for all city employees was scheduled for December 12 from 11 a.m. and 2 p.m. at the VR Lee building, to celebrate the goals accomplished, and the end to their first year in the wellness program.

Mayor Ketchum thanked Ms. Fox and the committee for their hard work and congratulated them for meeting the goals they set out to accomplish. Ms. Fox stated it was a group effort.

## 5. **Council Reports.**

a. **Update From Councilor Harris.** Councilor Harris reported the city's Christmas decorations were up and there were a lot of people to thank, including all of the volunteers and city staff from community development. He also thanked Cascade Tax Service, Security State Bank, and Darris McDaniel for allowing the city to use their electrical outlets for some of the poles along Chehalis Avenue that are not electrified.

Councilor Harris stated the decoration committee did a wonderful job this year. He also noted none of it would have been conceivable if it had not been for the generous donations given to the city by the Chehalis Foundation.

Mayor Ketchum reported the Mayor of Toledo and his wife were really impressed with the decorations this year.

b. **Update From Councilor Pope.** Councilor Pope reported he attended the Chehalis Community Renaissance Team (CCRT) meeting, adding it was very encouraging and inspiring. They set goals for the next year and reviewed their accomplishments to date. Councilor Pope suggested having the CCRT chair give an update to the full council.

Councilor Pope reported he also attended the Chehalis Foundation meeting, noting they were very excited about the pool project. He stated the city was going to be surprised by some other things the Foundation has planned for 2014.

c. **Update From Councilor Spahr.** Councilor Spahr reported he would be attending the Lewis County Economic Development Council regular meeting and planning session on December 12, as well as an economic exposition on December 13.

d. **Update From Mayor Ketchum.** Mayor Ketchum reported he was notified earlier in the day that the state finally finished all of their paperwork and the city is now the proud owner of Stan Hedwall Park.

e. **Update From Councilor Dawes.** Councilor Dawes reported, on December 5, he attended a United Way and Business After Hours event at the Holiday Inn Express. He also attended the annual Santa parade, adding they had a good turnout, even with the cold weather.

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6. **Ordinance No. 919-B, Second and Final Reading – Revision of Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2014.** City Manager MacReynold reported this was the second reading of the ordinance and staff was present to answer any questions the council might have.

Councilor Harris moved to pass Ordinance No. 919-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

7. **Ordinance No. 920-B, Second and Final Reading – Amending the 2013 budget.** Finance Manager Eva Lindgren briefly reviewed the changes made to the budget amendment since first reading. She noted the sales and use tax was increased by \$70,000, adding it was a very conservative estimate. Ms. Lindgren indicated the gas tax wasn't anywhere near what was estimated, so she reduced the budgeted revenue by \$30,000. She reminded the council that the gambling enforcement fund would be fully depleted at the end of 2013, and at the rate the expenditures were coming in, the general fund would have to absorb some of the activity that's already been recorded.

Councilor Spahr suggested people know that when they spend a dollar in Chehalis a certain percentage of that dollar stays here. He brought up the gas tax revenue and asked how it was distributed. Ms. Lindgren reported the state bases the distribution on population size. Councilor Spahr stated the problem with that is as cities grow, or when they become municipalities, they make the pool a little smaller for everybody else.

Councilor Harris moved to pass Ordinance No. 920-B, as amended, on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

8. **Ordinance No. 921-B, First Reading – Amending Right-of-Way Signage Code.** Community Development Director Dennis Osborn reported the ordinance would authorize one free-standing sign in the Louisiana Avenue roundabout, (identified by the parcel number). He noted the use of the right-of-way would be done and approved by council through an annual license agreement. The license agreement would include some basic language and would outline the compensation for the use.

Mr. Osborn reported he removed "signage" out of the long-term use section of the code to remove any conflict, and added temporary uses for sandwich board type signs within the temporary or short-term use of the right-of-way.

Councilor Taylor moved to pass Ordinance No. 921-B on first reading.

The motion was seconded by Councilor Lund and carried unanimously.

9. **Authorize City Manager to Execute the Interlocal Agreement Between the City and Riverside Fire Authority for the Provision of Functional Consolidation of Fire Suppression, Emergency Medical Services, Rescue, and Prevention Services.** Councilor Dawes reported the interlocal agreement (ILA) was a culmination of over two years of work by the Regional Fire Authority Planning Committee. He noted the lion's share of the work has been done by the members of the Chehalis fire department and Riverside Fire Authority. Councilor Dawes stated the ILA spoke for itself and hoped they will get the chance to put it to work to see if it's going to be something that looks to be in the best interest of both Riverside Fire Authority and the city of Chehalis.

Fire Chief Walkowski reported they looked forward to executing the ILA for functional consolidation to really measure and detail out what efficiencies they can provide collectively together. He felt this was a significant event from the perspective that this has been attempted before, but never gained enough traction between the entities to make it come to fruition. Chief Walkowski stated they appreciated the hard work and assistance of everyone in making this happen. He anticipated the Riverside Fire Authority Governance Board of Fire Commissioners to approve the ILA on December 18.

Councilor Spahr moved that the council authorize the city manager to execute the ILA between the City and Riverside Fire Authority for the provision of functional consolidation of fire suppression, emergency medical services, rescue, and prevention services.

December 9, 2013

Councilor Lund seconded the motion.

Councilor Spahr stressed to the people of Chehalis that this does not mean this is going to merge our fire departments. He noted the functional consolidation will allow them to find out how it's going to work and it will be up to the council to elect to put it to the voters to make the final decision. Councilor Spahr indicated they didn't know what it was going to cost or how it would affect the city financially, adding this is what they need to find out during the next 12 to 18 months.

Councilor Lund stated, in addition, it used to be when they had a fire they had three or four departments show up and everyone did things differently. Now, with the training they've received, everyone including other jurisdictions in Lewis County has things set up the same and they are performing more effectively for the betterment of the citizens in our communities. He felt that was a big plus for everyone, no matter what happens in the end.

The motion carried unanimously.

There being no further business to come before the council, the meeting adjourned at 5:41 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: January 13, 2014

Initials: js