

2014	Harris	Ketchum	Lund	Pope	Dawes	Spahr	Taylor
Meeting Date							
January 13	P	P	P	P	P	P	P
January 27	P	A(ex)	P	P	P	P	A(ex)
February 10	p	P	P	P	P	P	P
February 24	p	P	P	P	P	P	P
March 10	p	P	P	P	A(ex)	P	P
March 24	p	P	P	P	P	P	P
April 14	p	A(ex)	P	P	P	P	P
April 28	P	P	P	A(ex)	P	P	P
May 12	P	P	P	A(ex)	P	P	P
May 27	P	P	A(ex)	P	P	P	P
June 9	P	P	P	A(ex)	P	P	P
June 23	p	A(ex)	P	A(ex)	P	P	P
July 14	p	P	P	P	P	P	A(ex)
July 28	p	P	P	P	P	P	P
August 11	P	A(ex)	P	A(ex)	P	P	P
August 25	p	P	P	A(ex)	P	P	P
September 8	p	P	P	P	P	P	P
September 22	P	P	P	P	P	A(ex)	A(ex)
October 13	P	P	P	P	P	P	P
October 27	P	P	P	P	P	P	P
October 27 (Special)	P	P	P	P	P	P	P
November 10	p	A(ex)	P	P	P	P	P
November 17 (Special)	P	A(ex)	P	P	P	P	P
November 18 (Special)	P	P	P	P	P	P	p
November 24	P	P	P	P	P	P	P
December 8	P	P	P	P	P	P	P
December 22-cancelled							

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

January 13, 2014

The Chehalis city council met in regular session on Monday, January 13, 2014, in the Chehalis city hall. Mayor Tony 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; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Ketchum announced that 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 4:59 p.m. and announced the council would take a two minute recess and reopen the regular meeting at 5:01 p.m. Additional staff included Dennis Osborn, Community Development Director; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; and Allyn Roe, Airport Manager. Members of the media included Kyle Spurr from *The Chronicle*.

2. **Citizen Business.** Chip Duncan, Director of the Veterans Memorial Museum, requested clarification from the council on the audit requirement for organizations who receive lodging tax funds from the city of Chehalis. He noted every year they do an internal audit using a system approved by local Certified Public Accountant (CPA) Ben Kostick. After a brief discussion, it was clarified that all recipients are required to have a GAS standard audit by a "licensed" CPA once every five years.

3. **Swearing-in of Re-elected Council Members.** Municipal Court Judge Dale McBeth administered the oaths of office to Chad Taylor, District No. 2 At-large; Dennis Dawes, District No. 1 At-large; and Robert (Bob) Spahr, District No. 3 At-large.

4. **Election of Mayor and Mayor Pro-tem for 2014-2015.** City Clerk Judy Schave called for nominations for Mayor.

Councilor Pope nominated Dennis Dawes, and Councilor Taylor nominated Tony Ketchum.

There being no further nominations, Ms. Schave declared the nominations closed and asked for a show of hands for those in favor of Councilor Dawes for Mayor. Councilor Dawes received the majority vote from Councilors Harris, Pope, Spahr and himself.

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

Councilor Spahr nominated Terry Harris.

There being no further nominations, Mayor Dawes declared the nominations closed. The council voted unanimously to re-appoint Councilor Harris as Mayor Pro-tem.

5. **Council Committee/Board Appointments.** Mayor Dawes asked that the council review the committee/board appointments and get back to the city clerk regarding any changes.

6. **Update on the Chehalis Renaissance Plan.** Chehalis Community Renaissance Team (CCRT) Chair David Hartz provided a brief overview of the 2013/2014 key projects and goals, to include:

- Business Incubator Project – \$66,000 grant was received to conduct feasibility study, which determined that the focus on the thin film technology would not work; Project is on hold until the right match can be found; LC Economic Development Council (EDC) is still looking into the idea
- Discover! Children's Museum – Pilot project closed December 29; Plans progressing for a permanent museum; Advisory board will meet on February 3 to begin planning for the new facility
- Chehalis Avenue Enhancement - The Renaissance is committed to providing the trees and plantings for this project when it's revived in 2014

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- Marketing Campaign – Applied to the Washington State “Main Street” program that focuses on downtown revitalization; Mobile version of the city website launched, including the Historic Downtown Walking Tour; Received \$11,000 in Chehalis lodging tax funds for marketing projects in 2014, including reprinting of the visitor brochure and event rack card and the Downtown Chehalis Historic Walking Tour booklet; Continuation of the Experience Chehalis Facebook and E-newsletter, and photography to create a pool of tourist-type marketing photos. 2014 priorities include:
  - Complete revisions, printing and installation of wayfinding signs
  - Partner with the Chamber to design and implement a “Think Local – Shop Local” campaign
  - Utilize new membership in the Main Street Program to focus on downtown revitalization
  - Maintain awareness of closing/moving businesses and empty buildings and seek proactive ideas
  - Seek opportunities to implement a “Storefront Art Project” in empty buildings
  - Build database of businesses
- PUD Park at Main Street – Determining the best materials for constructing the concrete planter and bench; Design for electronic reader board in the process; Meet with PUD to seek input and approval; Complete project over the next two years
- Steam Train – Have Strategic Plan completed by March 2014; Start audit of 2013 financials; Work with PARC to start the process of identifying grant opportunities to meet the substantial projected capital needs being identified
- Litter Patrol – Continue to partner with Reliable Enterprises to hire their services for litter removal on the exterior streets of the city (on an as-needed basis and typically done 2 to 3 times a year)
- Holiday Decorations – Chehalis Foundation provide \$10,000 in 2013 to improve and expand the city’s holiday decorations; Committee will meet January 15 to review progress and start to finalize a five-year plan to present to the Chehalis Foundation seeking their continued partnership
- Downtown Plantings – Intend to expand public participation in both the plantings and hanging baskets for Market Boulevard and eventually Chehalis Avenue
- Chehalis Theater – Explore creative options for this facility; Looking for ways to keep the marquee lit
- Local Business Development/Community Outreach – A partnership with Dick Larman (EDC), and Alicia Bull (Chamber), and the CCRT Marketing Committee is embryonic and just getting formed; Goal is to provide education to employees and business owners on how to improve business practices and marketing efforts that enhance all entities

Mr. Hartz thanked the council and the city for their continued support. He also thanked the city manager for allowing his administrative assistant Caryn Foley to work closely with them, adding she’s good at making sure they get done the things they need to get done.

Mayor Dawes thanked Mr. Hartz for the work he’s done on the CCRT, adding the city is very fortunate to have that group, as well as the Chehalis Foundation and a lot of other groups that are doing great things for the city.

7. **Update on Garbage Rate Increase.** District Manager Tom Rupert from LeMay Enterprises, Inc. reported they were notified in October that Lewis County Solid Waste Disposal District #1 and the Board of Lewis County Commissioners voted unanimously to approve a 9.76 percent tipping rate increase (\$90 per ton) at the Lewis County transfer station, to go into effect on February 1, 2014. He noted pursuant to Section 8 of the contract between the city and LeMay Enterprises, Inc., they are allowed to pass the increase on to the rate payers, less four percent. Mr. Rupert stated, depending on the type of service, residents would see an increase from ½ percent to 3.1 percent. He noted their most utilized service is the 65 gallon tote, which is picked up every other week. The increase for that particular service would be 1.68 percent.

Councilor Harris noted he and Mr. Rupert were both on the Solid Waste Advisory Committee, adding the rates were \$94 per ton in 1994, and were reduced in 1997 to the current rate. He noted they’ve been able to keep the rates down for quite some time because they run a very tight ship. Councilor Harris thanked Mr. Rupert for his work on the committee.

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

- a. Minutes of the regular meeting of December 9, 2013;

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b. Claim Vouchers No. 107830-107969 and Electronic Funds Transfer No. 1120132 in the amount of \$999,178.00 dated December 13, 2013; Claim Vouchers No. 107970-107978 in the amount of \$182,277.81 dated December 19, 2013; Claim Vouchers No. 107979-108071 in the amount of \$184,603.40 dated December 31, 2013; and Payroll Vouchers No. 37053-37108, Direct Deposit Payroll Vouchers No. 4599-4677, and Electronic Federal Tax Payment No. 131 in the amount of \$658,615.82 dated December 31, 2013; and

c. Approve collective bargaining agreement between the city and Teamsters Union Local #252 – Police Uniformed Personnel Unit and authorize City Manager to execute agreement.

Councilor Pope seconded the motion.

Mayor Dawes noted one correction to the minutes under the discussion regarding consolidation of the city fire department and Riverside Fire Authority. He requested the word “not” be added to the fifth paragraph to read as follows: “Councilor Spahr stressed to the people of Chehalis that this does not mean this is going to merge our fire departments.”

Councilor Taylor moved to approve the consent calendar, as amended.

The amended motion was seconded Councilor Pope and carried unanimously.

#### 9. Administration Reports.

a. **Update on New Rating for Bond Issuance.** City Manager MacReynold reported, in spite of the economic downturn and the struggles we still face in Lewis County with high unemployment, the fact that we as a city improved our financial rating is a reflection on the city council’s oversight and the management’s ability to watch our pennies. The city has received notice that Standard and Poor’s (S&P) has upgraded the city’s rating to an “A+” from and “A,” effective December 16, 2013. It was stated in the report from S&P that, “We view the city’s management conditions as strong.” City Manager MacReynold noted the new rating would be in place for two years.

b. **Update on Use of Credit Cards at the Airport.** City Manager MacReynold reported, based on the council’s discussion in the past regarding use of credit cards, the administration thought it was important to bring the council up to speed on the use of credit cards at the airport. He noted, for those using credit cards to purchase fuel at the airport, an additional three percent fee has been figured into the cost. City Manager MacReynold thought the airports procedure is adequate and will meet the state auditor’s requirements.

Councilor Spahr noted he had a concern about the agenda report, which stated, “At this time, the administration is requesting approval for continuing the Airport’s existing credit card practices, although they do not follow the City’s Council existing direction.” City Manager MacReynold stated, based on prior council discussion, it was the administrations belief that the way the airport processes their credit cards is outside the way the city currently charges for credit cards use.

City Attorney Hillier stated the direction of the council was to make certain that the use of credit cards would never reflect any impact financially on the city. He noted the cost of fuel at the airport is set and the cost of using a credit card is above that rate, so the user of the fuel absorbs the cost of using the credit card. He felt the use of credit cards at the airport met the direction of the council.

Airport Manager Allyn Roe reported they incorporate the credit card fee into their equation when factoring the pump price.

#### 10. Council Reports.

a. **Update From Councilor Lund.** Councilor Lund reported he attended a meeting of the Lewis County Historical Society, adding things are going well with them.

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b. **Update From Councilor Ketchum.** Councilor Ketchum reported he would be attending the Chamber Banquet on Friday at the Great Wolfe Lodge. He noted he was going to be appointed as the Chamber's "Chair of the Board of Directors" that night and hoped everyone would be there.

c. **Update From Mayor Dawes.** Mayor Dawes reported he attended an open-house at the Discover! Children's Museum, adding he looked forward to what they come up with in the future. He noted, on December 30, he along with other councilmembers attended the groundbreaking ceremony for the Gail and Carolyn Shaw Aquatic Center.

Mayor Dawes reported the Regional Fire Authority Planning Committee will hold their next meeting on Wednesday, January 15, at Riverside Fire Authority.

d. **Update From Councilor Pope.** Councilor Pope reported they had to remove one tree near the pool project site, noting it was unfortunate, but it had to be removed.

Councilor Spahr stated he was amazed at the number of comments he's received about the old pool building being torn down, noting a lot of people didn't realize the building was going to disappear.

11. **Ordinance No. 921-B, Second and Final Reading – Amending Right-of-Way Signage Code.** Councilor Ketchum moved that the council pass Ordinance No. 921-B on second and final reading as presented.

The motion was seconded by Councilor Taylor and carried unanimously.

12. **Ordinance No. 923-B, First Reading – Granting a Franchise Agreement to LightSpeed Networks, Inc. (LSN), to Construct, Operate and Maintain a Telecommunications Network within the City of Chehalis.** City Manager MacReynold reported the ordinance before the council was for a Franchise Agreement between the city and LSN.

Robin Smith, Legal and Compliance Director for LSN, reported LSN is a competitive carrier that provides broadband telecommunications in rural areas. She stated they work mainly with major wireless carriers, and their customers are generally hospitals, schools, medical facilities and government offices. The Franchise Agreement would allow LSN to build on the city's right-of-ways to create 4G coverage, improved bandwidth, internet, and network access.

Ms. Smith stated the benefits to the city are that we would receive the six percent utility tax and a one-time payment from LSN to reimburse the city for the costs of the Franchise Agreement. The city would also get connectivity for government offices.

Councilor Pope hoped the services provided by LSN would broaden the capability to have Telehealth services in our area. Ms. Smith stated Telehealth was where they were going.

Councilor Spahr asked if most of their telecommunications were fiber optic, and if they would be using existing poles. Ms. Smith stated yes to both, adding if there isn't room on the poles they would go underground; however, going underground adds eight times the cost.

Mayor Dawes asked if the technology could be used in residences too. Ms. Smith reported they do not provide that last mile, but anyone providing internet and network connectivity may find that they want to connect with LSN as a whole-seller to provide faster internet to residences.

Councilor Taylor asked if there was any other fiber optic currently in Chehalis. City Attorney Hiller noted Rainier Connect has some.

Councilor Ketchum moved that the city council pass Ordinance No. 923-B on first reading.

The motion was seconded by Councilor Spahr and carried unanimously.

13. **Authorize City Manager to Execute Interlocal Agreement for Shared Services.** City Manager MacReynold reported this project has been a long-standing work in progress that started about a year and a half ago. He noted the county January 13, 2014

took the lead to work with the cities throughout Lewis County to figure out what kind of shared services we can provide to save the public and our taxpayers money.

City Manager MacReynold reported the county has created a website where certain employees and department directors in all cities that sign off on the agreement will have access to see what kind of services others can provide them if needed. He stated it was a pretty drastic first step and the county did a lot of work to get it up and running.

City Manager MacReynold reported Lee Napier, the county's new community development director, was given the assignment not having any history of what it was supposed to be. He felt she and the county did a good job in moving it forward.

City Manager MacReynold reported the committee would continue to move forward and explore other ways that the cities and county can work together. He suggested it was a very significant and important move, and the county should be given a lot of credit for how they moved forward on it.

Councilor Ketchum stated the shared services idea was a brain-child of City Manager MacReynold and himself, adding they did a lot of work at the beginning before the county took it over and moved it to the next step. He stated he was proud of the work they did on getting the idea started.

City Manager MacReynold stated Councilor Ketchum deserved a lot of the credit, adding it really went back to a meeting they both attended and they began to have a conversation about how to begin to share services with other agencies.

Councilor Spahr moved to authorize the city manager to execute the Shared Services Interlocal Agreement.

The motion was seconded by Councilor Taylor and carried unanimously.

Mayor Dawes thanked those on the council for supporting him and giving him the opportunity to serve as the mayor for the next few years. He stated he would work hard to do a good job.

There being no further business to come before the council, the meeting adjourned 5:59 p.m.

Dennis L, Dawes, Mayor

Attest:

Judith A. Schave City Clerk

Approved: January 27, 2014

Initials: js

January 27, 2014

The Chehalis city council met in regular session on Monday, January 27, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:32 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, and Daryl Lund. Councilors Taylor and Ketchum were absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; and Dennis Osborn, Community Development Director.

1. **Executive Session.** Mayor Dawes announced that the council would be in executive session pursuant to RCW 42.30.110(1)(h) – evaluate qualifications of applicants, and RCW 42.30.110(1)(b) – acquisition of real estate for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 4:54 p.m. and announced the council would take a short recess and reopen the regular meeting at 5:00 p.m. Additional staff included Bill Hillier, City Attorney; Glenn Schaffer, Police Chief; Eva Lindgren, Finance Manager; and Rick Sahlin, Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

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

- a. Minutes of the regular meeting of January 13, 2014;
- b. Claim Vouchers No. 108072-108164 in the amount of \$142,657.89 dated January 15, 2014;
- c. Approve 2014 council committee/board appointments;
- d. Confirm city manager's re-appointment of Ed Stanton to the Civil Service Commission for a six-year term expiring December 31, 2019; and
- e. Confirm the Mayor's re-appointment of Scott Blinks and Jeff Mecca to the Chehalis Planning Commission for four-year terms expiring December 31, 2017.

The motion was seconded by Councilor Harris and carried unanimously.

3. **Administration Reports.**

a. **Quarterly, November and December Financial Reports, and Quarterly Sales and Use Tax Report.** Finance Manager Eva Lindgren provided the council with an update on the quarterly and December financial reports. She indicated the quarterly report was preliminary and pending final year-end journal entries. Ms. Lindgren reported on the gambling enforcement fund, noting it would effectively be closed out. She talked briefly about the federal and state grant fund, which is used to pay expenditures for some of our major grant projects.

Ms. Lindgren reported the general fund revenues and expenditures both came in less than what was budgeted; however, the end result was to the good. She noted the general fund had an ending balance of \$871,276, but there were still a few year-end adjustments to make. Ms. Lindgren reported most of the ending fund balances came in higher than budgeted, primarily because she did not do a budget amendment to reflect increased revenues, or decreased expenditures. She noted the ending fund balance for all funds combined was approximately \$7.6 million.

Ms. Lindgren reported on the December financial report, noting sales and use taxes exceeded the budgeted revenue by almost \$40,000. The total tax revenue collected for the general fund was 99.4 percent of the budgeted amount, leaving a variance of (\$509,845). Ms. Lindgren reported the general fund expenditures came within budget with a variance of \$563,732. Most of that was attributed to the non-departmental transfers-out that didn't happen.

Councilor Harris inquired about the telephone tax revenue, noting it continues to decline even though phones are still utilized a lot. Mayor Dawes suggested one solution might be that a lot of people are dropping their traditional land-line phones.

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Ms. Lindgren reminded the council about the lawsuit in which the argument was made that we were not entitled to collect taxes on certain types of telephonic communications. She stated the telephone industry prevailed in that court case and City Attorney Bill Hillier helped the city settle the matter.

City Attorney Hillier stated that was correct. He noted, additionally, the cost of the new style of phone use has gone down significantly (e.g., unlimited minutes). He reported texting is no longer taxable, as well as a lot of other things.

Councilor Pope suggested long-distance calling has also changed, adding a lot of people are using cell phones, or going through a computer.

Ms. Lindgren briefly reviewed the utility funds, noting the departments worked very close with her to do some tighter budgeting. She reported she would like to see the wastewater fund balance grow faster because of the debt service the city pays.

Mayor Dawes stated he was under the impression that the rate increases were supposed to adequately take care of those concerns. Ms. Lindgren stated they are, but we're only dealing with a step up each year.

Councilor Lund stated they were told the rates were being raised because that state required a certain amount of money in the fund. He noted the council was also told by the wastewater superintendent in a report a few weeks back that the public works director included extra in the increases to help pay for the inflow-infiltration (I&I) work. Councilor Lund suggested if they would have been told that when they were discussing rate increases, it might have been easier for the citizens to stomach.

City Manager MacReynold didn't believe that was true, noting the I&I study had been long-standing. Councilor Lund stated it had been a long time, but it wasn't mentioned when they were voting on raising the rates. City Manager MacReynold believed they had projects built in for what they would be doing in the future.

Ms. Lindgren reported the preliminary numbers for the water sales were slightly exceeding what was budgeted, and the expenditures came in less than budgeted. She noted the fund ended with an increased balance of over \$200,000. Ms. Lindgren reported the storm fund was looking strong, and the small fund balance would be useful for some upcoming projects.

Ms. Lindgren talked briefly about the sales and use tax report, adding the city definitely improved upon the previous year. She stated the total increase over last year was a little over 6 percent.

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

a. **Update From Councilor Spahr.** Councilor Spahr reported he would be attending the Southwest Washington Economic Development Commission meeting on January 30, in Castle Rock.

b. **Update From Mayor Dawes.** Mayor Dawes reported on the January 15 Riverside Fire Authority Planning Committee meeting. He noted they were brought up to date on the situation at Riverside Fire regarding the sudden devaluation of TransAlta. Mayor Dawes stated the potential for tax proration could decimate the department from what it looks like today, but they would have to wait and see. The Committee was informed that Chehalis plans to continue with the functional consolidation to identify where we're at. He noted once we see what we're dealt with, we'll make the call.

Mayor Dawes reported he attended the annual Chamber banquet along with Councilor Ketchum, adding it was a nice event. He and Councilor Spahr also attended the annual Lewis County EDC banquet at the Hotel Washington.

**5. Ordinance No. 923-B, Second and Final Reading – Granting a Franchise Agreement to LightSpeed Networks, Inc., to Construct, Operate and Maintain a Telecommunications Network within the City of Chehalis.** City Manager MacReynold reported this was the second reading of the ordinance. He noted Robin Smith, Legal & Compliance Director for LightSpeed Networks, Inc., attended the previous meeting to present what they are proposing to do. City Manager MacReynold encouraged the council to approve the ordinance.

Councilor Harris moved that the council pass Ordinance No. 923-B on second and final reading.



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The motion was seconded by Councilor Pope and carried unanimously.

6. **Resolution No. 1-2014.** Mayor Dawes reported Resolution No. 1-2014 would be pulled from the agenda regarding the execution of an interlocal agreement with Lewis County in regards to the City of Tacoma. He noted the county is the lead agency and the administration felt it would be more appropriate for the county to be the first to approve the resolution, as opposed to the city.

7. **Ordinance No. 924-B, First Reading – Amending Section 17.12.330 of the Chehalis Municipal Code (CMC) Dealing with Binding Site Plan.** City Manager MacReynold reported Ordinance Nos. 924-B through 927-B are part of the ordinance code recommendations the administration briefed the council on in September 2013. He suggested the council review the updates and vote on the ordinances at the same time.

Community Development Director Dennis Osborn stated he was still working on an ordinance for the Capital Facilities Plan that would be brought before council at a later date.

Mr. Osborn reported the current code for dealing with the binding site plan has a one-year requirement that expires. The new ordinance proposes to make it a five-year timeframe that would put it in line with state statute in terms of preliminary approval of major subdivisions.

Councilor Spahr asked, "If they can't get it done in five years is there a way to extend the timeframe?" Mr. Osborn stated an extension could be requested in one-year increments.

8. **Ordinance No. 925-B, First Reading – Adopting the 2012 Building Code and Appendices and Repealing Previous Sections to the CMC.** Mr. Osborn reported this item is one that the State Legislature passed and the city operates within its guidelines. He stated the city is not required to adopt all of the appendices, such as sprinkling of homes, which is not being proposed. Mr. Osborn stated it would simply adopt the International Building Code and Appendices C, I and J; and the International Residential Code and Appendices G and H.

9. **Ordinance No. 926-B, First Reading – Creating and Adopting Section 12.32 of the CMC Dealing with Street and Alley Vacations.** Mr. Osborn reported this is a new section to the CMC that will give the city procedural steps to follow for the vacation of a right-of-way, adding it basically mirrors the state statute.

Councilor Spahr inquired about the procedures the city currently uses. Mr. Osborn reported we currently follow state statute. He noted we're not required to adopt it; it just came up a few months ago when the city had an issue regarding a street vacation. Mr. Osborn stated the council had a lot of questions at the time it was discussed regarding the city's process and procedures.

City Manager MacReynold stated the administration received direction from council to do nothing new, but to put it all in one place so when we have someone come in they can see exactly what the process is versus looking up the state statute.

10. **Ordinance No. 927-B, First Reading – Amending Section 17.81.010 of the CMC Dealing with Tent Camping.** Mr. Osborn reported the tent camping issue came up during a code enforcement issue the city's been dealing with. He noted Sections A, B, and C are currently in the CMC, and D is the new section dealing with tent camping. Mr. Osborn stated it was his understanding that there was a concern whether someone could put a tent up in their front yard for the weekend. He stated the way the code is currently written, the answer would be no. Mr. Osborn stated he didn't believe that was the intent of the code, noting the proposed ordinance would give a 14 day period in which a tent would have to be taken down. He suggested they could put something in the code allowing tents in a front yard for the weekend or two day period, but it would then become an enforcement issue if it wasn't taken down. Mr. Osborn felt they were just looking for a little bit of discretion if a tent pops in a front yard.

Mayor Dawes stated if they make it too stringent then it wouldn't allow the STP riders to camp in the park. He indicated he had proposed some language regarding 'city sanctioned events' to City Manager MacReynold. Mayor Dawes stated he also didn't want our police department going after kids that want to spend the night out in a tent during the summer, but his biggest concern was the STP riders.

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Mr. Osborn reported 17.93.080 has a section for use of public places and special event permits. He stated that permit would allow the STP to still move forward. Councilor Spahr noted STP riders also use private property. Mr. Osborn stated the tent would then need to be located on the side, or rear yard. He suggested they could tighten the ordinance up to say "front yards are allowed for a weekend," but by the time the city starts the enforcement process it would probably be taken down.

Mr. Osborn noted his thought process when drafting the ordinance was to take into consideration safety, as well as the esthetic component. Councilor Harris asked if language could be added stating no visibility from the street. Mr. Osborn stated they could simple say "not visible from the street," but there are so many variations in the lots within the city.

Councilor Pope felt they were wording it to death and didn't believe it was a serious problem. He stated they've had the STP coming through for years and other people camping out in their yards, and they're usually gone within a couple of days. Councilor Pope suggested they leave the proposed ordinance the way it is, adding they can always come back and change it at a later date if a problem develops.

Councilor Spahr inquired about the language in Section B, noting it didn't make sense. Additionally, he and several others keep their motor homes on their property, or in garage to keep them plugged in for refrigeration purposes. Mr. Osborn suggested the ordinance was drafted so if you have power to the unit it's a way for the city to have cause to knock on the door to see if in fact you're living in it.

Mayor Dawes stated his only concern with Section D is when you have an ordinance that specifically says nothing and conflicts with another ordinance. He suggested they add language to permit it for a city sanctioned event.

City Attorney Hillier indicated they could add language to the ordinance between first and second reading.

Mr. Osborn reported he would add language that states, "Except for events that are compliant with Section 17.93.080. He noted he would also clean up the language in Section B, as well.

Councilor Spahr moved that the council pass Ordinance Nos. 924-B, 925-B, 926-B and 927-B on first reading.

The motion was seconded by Councilor Pope and carried unanimously.

11. **Authorize City Manager to Execute Contract Amendment with HDR Engineering, Inc., for the Chehalis Beautification and Overlay Project.** City Manager MacReynold reported the city ended up going out very late last year to solicit bids for the project and only received two. Both bids were significantly over the projected cost of the project and were eventually rejected by the council. City Manager MacReynold stated the administration is planning to go back out to bid; however, some of the documents need to be amended. Additionally, project management costs need to be added to the project.

Councilor Spahr asked, "If we had accepted the higher bid, what would we have done with the additional construction management costs." City Manager MacReynold stated the city would still have to add the additional amount for the construction management.

Councilor Spahr moved to authorize the city manager to execute Amendment No. 1 to the agreement for engineering services for the Chehalis Avenue Beautification and Overlay Project with HDR Engineering, Inc., for an additional amount of \$80,813.

The motion was seconded by Councilor Pope and carried unanimously.

12. **Lewis County Law Enforcement Memorial Statue Unveiling.** Mayor Dawes reported he received an invitation to attend the unveiling of the Lewis County Law Enforcement Memorial Statue "The Guardian," at the entry way of the Lewis County Law and Justice Center on January 30.

13. **Port of Chehalis.** Mayor Dawes reported he recently read an article about the Port of Chehalis looking at some administrative changes. He noted, after speaking with one of the Port Commissioners at the Lewis County EDC Banquet, he had concerns about what was being discussed.

January 27, 2014

Mayor Dawes asked if the other council members would be interested in having the Interim Port Director and/or one of the Port Commissioners come and discuss the changes being proposed. He stated the city does a lot of things in concert with the Port, and development at the Port is certainly tied into the direction of the city. Mayor Dawes reported he had concerns that some of the changes may affect that relationship and what we'll be able to do at the Port in the future.

Councilor Lund noted there were a lot of people in town who think they need to hire a new director and move forward in providing jobs for people. He stated they're using the fire consolidation as an example for how they can do it, but that's a totally different situation.

The consensus of the council was to have representatives from the Port of Chehalis attend an upcoming city council meeting. Mayor Dawes asked City Manager MacReynold to set it up for the next meeting, if possible.

There being no further business to come before the council, the meeting adjourned 5:47 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave City Clerk

Approved: February 10, 2014

Initials: js

February 10, 2014

The Chehalis city council met in regular session on Monday, February 10, 2014, in the Chehalis city hall. Mayor Dawes 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 Tony Ketchum. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Peggy Hammer Human Resources Administrator.

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

Mayor Dawes closed the executive session at 4:59 p.m. and announced the council would take a short recess and reopen the regular meeting at 5:02 p.m. Additional staff included Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; Rick Sahlin, Public Works Director; and Allyn Roe, Airport Manager. Members of the media included Kyle Spurr from *The Chronicle* and Christina Crea from *Business to Business*.

2. **Port of Chehalis and Centralia Discussion Concerning Executive Director and Combining of the Ports.** City Manager Merlin MacReynold reported, at the previous meeting, council thought it would be good to have a discussion with the Interim Port Director and the Port of Chehalis Commissioners about what's happening at the port.

Mayor Dawes first thanked Commissioners Mark Giffey, Ken Kostick, and Mark Anders and Interim Director Dave Muller for attending the meeting. He noted he had read something in the newspaper and was hearing things in the community regarding the port, and wanted to hear from the Port Commission on the matter.

Commissioner Giffey reported, for the record, the Port of Chehalis is in session because all three Commissioners are in attendance.

Commissioner Giffey admitted he was the one who got things started when he heard former Executive Director Jim Rothlin was leaving to take a position with the Port of Bremerton. He noted it has been the desire of the Port to consider some type of joint management with the Port of Centralia for over a decade. Commissioner Giffey briefed the council on the history of the ports, noting there was never a thought that the ports should never be together; they just wanted to make sure the Chehalis community had a port for economic development purposes.

Commissioner Giffey stated when you have a port of their size you end up spending a significant amount of money on administrative overhead. He reported they were trying to find out if there was a more cost effective way of managing the Port of Chehalis businesses. Mr. Giffey stated he took on the task of contacting the Port of Centralia to see if they had any interest in some type of management relationship. He noted the Port of Centralia provided a very enticing draft proposal that would have saved them a significant amount of money in operation expenses.

Commissioner Giffey reported the Port of Centralia was not running at full capacity, but had enough staff to be able to manage both ports at the same time. He stated, as things progressed, questions were being asked about combining the ports together. He noted they've received a number of calls regarding this matter, adding some people are very supportive, while others are very opposed to it.

Commissioner Giffey reported, on February 8, they received a letter from the Port of Centralia stating the current time may not be the best timeframe, but they are still interested in proceeding forward at some time in the future.

Commissioner Giffey suggested people are seeing that the Friday night football mentality of competing between local municipal corporations isn't the best or most cost effective way to service taxpayers.

Councilor Taylor stated he talked with Commissioner Giffey in the beginning about the concept, noting he is always looking for ways to save the taxpayers money. He noted it's very sad to see ideas ruined because of personalities, adding it's more than about the person sitting in the chair. Councilor Taylor reported the savings they would see could be put back into economic development. He hoped someday down the road they will look at it again, as well as other services we provide.

February 10, 2014

Commissioner Giffey stated the word on the street was that they would concede the governing of the Port of Chehalis to the Port of Centralia. He noted there was never talk of giving up the legislative authority about how the port would be ran, they were simply looking at what was best for the taxpayers.

Councilor Ketchum felt the atmosphere was right and they should leave it on the table. He suggested they need to continue their investigation because it's the right thing to do.

Councilor Spahr stated he didn't totally disagree, but didn't agree either, adding it was something that could be looked at, but the decision would ultimately be made by the voters.

Mayor Dawes reported there has been things done in the past, or thought to have been done, that have created a real issue of trust. He suggested the only thing that will heal the situation is time and a track record to show they want to cooperate. Mayor Dawes stated the time for cooperation to build trust is now.

Councilor Pope thought the idea of forming some kind of partnership is good; however, timing and personnel is everything, and right now the time is not good. He noted there are people who will throw a monkey-wrench into everything regardless of what you're trying to accomplish, which is totally inappropriate. Councilor Pope agreed that we need to do whatever we can to lessen the burden for our citizens and improve our surroundings. He stated he hoped they would keep it on the table, but that they take a hard look at it first.

Mayor Dawes thanked the Commissioners again, noting the council appreciated their input. He stated the city valued the partnership they have with the Port, adding they are vital for our local area.

Commissioner Giffey announced that the Port meeting was adjourned.

**3. Flood Authority Outreach and Education Presentation.** City Manager MacReynold introduced the city's Flood Authority representative Arnold Haberstroh to briefly speak on the presentation.

Mr. Haberstroh stated the committee would be giving an update on where they're at and what they've made headway on, noting there's been a lot of work done locally and at the state level. He noted the Flood Authority members are also coming together and moving forward in a positive direction. Mr. Haberstroh reported one of the important things to him was to have some type of billboard/sign for people to see the results of the Flood Authority. He was pleased to announce that they recently installed a sign on Louisiana Avenue that provides information on the airport levee project.

Lewis County Commissioner Edna Fund reported J. Vander Stoep has really done a lot for the Flood Authority at the state level, adding he's a good leader and gets things done. She noted one thing he encourages them to do is to keep telling their story. Commissioner Fund noted there's no one currently in the Legislature that was there back then, but the lobbyists have stayed the same.

Flood Authority staff person Scott Boettcher reported the key message to take away from the presentation is, for the first time in a century, they have Board agreement on the next steps to reduce flood damage and enhance salmon and aquatic species; they have an action-oriented, multi-phased basin-wide strategy to protect communities along the river and enhance aquatic species; and, they have collaboration and partnerships. Mr. Boettcher gave a PowerPoint presentation that provided information on the following:

- Action – New signage showing projects
- Active Groups – The Governor's Chehalis Basin Work Group, and the Chehalis River Basin Flood Authority
- Background information on previous flooding events
- Solutions - Basin-wide approach
  - Basin-wide relationships
  - Hydraulic understanding
  - Large capital projects
  - Smaller-scale local projects
  - Land use, floodplain management

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- Enhancement of salmon (aquatic species)
- Early flood warning system
- Outreach, education and communication

Mr. Boettcher provided the council with some additional information and resources, including website links to the Flood Authority, Ruckelshaus Center, and the flood warning system.

Mayor Dawes stated it was certainly nice to see some progress other than another study.

Councilor Harris thanked Mr. Boettcher for showing the small pieces, as well as the big pieces. He reported right after the 2007 flood, city representatives went to the Legislature and testified against the Governor wanting to throw in money to do the levee project to save I-5. City representatives let them know that we were more concerned about a holistic approach to the entire Basin, not just Chehalis. Councilor Harris suggested the Flood Authority is actually performing what the city envisioned, to mitigate as much flooding as we can. He thanked the Flood Authority for continuing to do what they do.

Mr. Vander Stoep echoed what Councilor Harris had to say, adding he remembered being here in January 2008, looking at the Army Corp of Engineer's plan. He stated the city was right from the beginning, that the Corps plan wasn't the right plan. Mr. Vander Stoep reported it's taken a lot of time to get rid of the bad plan and on to looking at something that will make a difference for our families and communities. He stated he could point to at least 100 people who have helped them get to where they are today.

4. **Discover! Children's Museum Update.** Chehalis Librarian Corine Aiken reported she has been heavily involved in the Discover! Children's Museum project for the last four years. She stated they've met extensively, taking the project from being the dream, to actually having an 11-month pilot project that closed at the end of December. Ms. Aiken noted the reports are in and the pilot project was simply a major success. She reported they exceeded every expectation by putting their focus on education through play. Ms. Aiken stated their attendance was strong right up to and including their last month of operation.

Executive Board Member Larry McGee thanked the council, noting each of them have been supportive of the Renaissance. He suggested the children's museum has been one of their key projects for about five years.

Mr. McGee reported before they started the pilot, they spent hours on the phone interviewing people. One of the firm messages they received was, "Run a pilot so you really learn about your community." They also acquired the services of David Plotz to do a very detailed feasibility study for them. Mr. McGee suggested they've done their homework and they are now committed to move forward to build an 18,000 sq. foot facility. He noted the council would be in charge of some of the key decisions, such as the location of their new facility.

Mr. McGee reported they need a location that has high visibility, high traffic, green space, and adequate parking. He indicated the committee felt the best site that met those requirements is a 1.3 acre lot near the entrance to Home Depot, and it just so happened that the adjacent lot has been designated a "green space." Mr. McGee proposed a notice of intent to lease that space from the city, noting they are looking at a 20-year term with a 50-year term option. He stated they were looking to rent the space for \$30,000 annually (market base in that area) with payment starting at the time they open their doors to the public.

Mr. McGee talked briefly about the appraised value of the land, which is based on the land not being filled. He noted the good news is, nobody paid to fill it. Mr. McGee requested that the city use the "unfilled" appraisal value.

Mr. McGee reported they envision using a relatively small part of the green space from the adjacent lot for some outdoor exhibits and a play area for the museum, and the rest of the green space would be open to the public. He noted they proposed to develop, improve and maintain the green space, and provide parking that would be open to the public, as well.

Mr. McGee asked that the city consider waiving the latecomer fee that is currently in place, adding it would be approximately \$150,000 for the various utilities. He noted they are not a profit making organization and never would be.

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Mr. McGee believed the children's museum will be one of the best things they do in the whole Renaissance program, even if they're still doing it 20 years from now. Based on their data and experience with the pilot project, they expect 22,000 paid guests annually, with approximately 20 percent coming from out of town.

Mr. McGee believed the focus on education first and not entertainment is the right way to go. He noted they were in discussion with some key people in the area that do things for children. Mr. McGee stated they are committed to doing things that are meaningful for the schools, especially with regard to some STEM related exhibits that the schools probably can't afford.

Mayor Dawes asked if they were asking for a lease agreement. Mr. McGee stated they wanted to submit an official notice to lease (first right of refusal) that would give them time to put a financial plan together.

Councilor Spahr stated he wondered if the museum would be out of place in the location they were proposing. Mr. McGee stated after talking with Executive Director Chip Duncan at the Veterans Memorial Museum, visibility is everything. He noted they would not build in a location that's not sustainable.

Councilor Ketchum moved that the council direct staff to work with the Discover! Children's Museum group and draft an agreement that would allow the museum to lease the property for placement of their new facility.

Councilor Taylor seconded the motion.

Councilor Harris indicated it quickly became very evident that a high traffic area was one of the key points in the museum's success. He noted when they first started talking about the children's museum they were looking at how to create something in our community that our citizens could utilize. Councilor Harris stated he would have rather had it inside our community; however, knowing that it will be successful at the proposed site made it very easy to support.

Mayor Dawes stated one of the things he liked about the location is that it's based off information provided during the trial period, adding you can't argue with success. He noted it would have been nice to have it closer to the downtown area, but there's absolutely no parking at this time. Mayor Dawes reported there would also be programs that will come into play making it very convenient for parents to drop their children off while they shop. He urged the council to support the request.

The motion carried unanimously.

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

- a. Minutes of the regular meeting of January 27, 2014;
- b. Claim Vouchers No. 108165-108174 in the amount of \$1,378.24 dated January 15, 2014, Claim Vouchers No. 108175-108233 in the amount of \$337,025.11 dated January 15, 2014; and Claim Vouchers No. 108234-108249 and Electronic Funds Transfer No. 122013 in the amount of \$39,389.26 dated January 17, 2014.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Administration Reports.**

a. **Marijuana Moratorium Discussion.** City Manager MacReynold reported the city's current moratorium would expire on March 11 and requested guidance from the council on how they would like to proceed.

City Attorney Hillier stated there's a significant amount of information on the Association of Washington Cities (AWC) Legislative Bulletin. He noted there were a number of bills in the hopper dealing with discussion of whether medical and recreational marijuana should be merged together as one, so that sales are consistently placed in a retail market area.

City Attorney Hillier noted there was also significant language in I-502, to include a mandate that cities cannot control their own destiny, and if someone wants to place a retail or growing operation in the city we couldn't turn them down. He noted

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that language is being highly contested by AWC. City Attorney Hiller stated AWC is asking people to contact their Legislators to express their opinions because within the next two weeks there's going to be some decisions made that will have a significant impact. He noted there's also legislation before the Legislature promoting that we would lose our liquor sales tax revenues if we don't agree to allow marijuana to be sold.

Councilor Harris stated he read an email from the Attorney General stating cities can control their own destiny. City Attorney Hillier stated that was correct; however, legislation can change that by adding language to the Initiative.

Councilor Ketchum moved to extend the city's current moratorium on medical and recreational marijuana for an additional six months.

The motion was seconded by Councilor Spahr and carried unanimously

**7. Council Reports.**

a. **Update From Mayor Dawes.** Mayor Dawes reported he attended the law enforcement memorial unveiling at the Lewis County Law and Justice Building. He also attended the "Support A Scout" dinner last week.

**8. Ordinance No. 924-B, Second and Final Reading – Amending Section 17.12.330 of the Chehalis Municipal Code (CMC) Dealing with Binding Site Plan; Ordinance No. 925-B, Second and Final Reading – Adopting the 2012 Building Code and Appendices and Repealing Previous Sections to the CMC; Ordinance No. 926-B, Second and Final Reading – Creating and Adopting Section 12.32 of the CMC Dealing with Street and Alley Vacations; and Ordinance No. 927-B, Second and Final Reading – Amending Section 17.81.010 of the CMC Dealing with Tent Camping.** Councilor Ketchum moved to pass Ordinance Nos. 924-B, 925-B, and 926-B on second and final reading, and pass Ordinance No. 927-B on second and final reading, as amended.

The motion was seconded by Councilor Pope and carried unanimously.

**9. Money Received by Mayor.** Mayor Dawes reported he recently received an envelope from Jack Underbody (402 Sincere Lane, Chehalis) that included a photo of Mayor Dawes and \$1 in cash. He noted he had an idea of who sent it to him, but would be giving the dollar to the Chehalis Foundation to go towards the pool project.

There being no further business to come before the council, the meeting adjourned 6:20 p.m.

Dennis L, Dawes, Mayor

Attest:

Judith A. Schave City Clerk

Approved: February 24, 2014

Initials: js



February 24, 2014

The Chehalis city council met in regular session on Monday, February 24, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:45 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Chad Taylor, and Tony Ketchum. Councilor Lund arrived at 5:07 p.m. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Dennis Osborn, Community Development Director.

1. **Executive Session.** Mayor Dawes announced that the council would be in executive session pursuant to RCW 42.30.110(1)(b) – acquisition of real estate for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 4:57 p.m. and announced the council would take a short recess and reopen the regular meeting at 5:00 p.m. Additional staff included Glenn Schaffer, Police Chief; Rick Sahlin, Public Works Director; Don Schmitt, Street Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Kyle Spurr from *The Chronicle*.

2. **Lewis County Sports Commission Presentation.** Local business representatives Jenni Bodnar and Tom Alderson presented information to the council regarding the concept of creating a Sports Commission in Lewis County. Ms. Bodnar stated the idea is to create an alliance to build a successful sports industry throughout Lewis County. She noted a development team was put together to discuss the concept of bringing bigger and larger events to our area, with the goal of stimulating the economy.

Ms. Bodnar reported the goal of the Commission is to help develop sports venues throughout Lewis County and the state. Their mission is to have a positive impact on the economy and quality of life of the greater Lewis County region by attracting and promoting amateur sporting events.

Mr. Alderson talked briefly about the formula for success and the key components identified by the team, to include:

- Community Identity Development: Engage community in identity, make them part of the team
- Venue & Infrastructure Development: Identify deficiencies and set priorities for improvements needed to attract events and increase usage
- Sports Hospitality Bureau: Coordination of site tours of sports venues, hotels, restaurants, and attractions
- Strategic Marketing Plan: To be developed

Some of the challenges:

- Clearly Communicating the need for this organized county-wide effort
- Securing funding sources
- Regional competition

Game Playbook:

- Secure non-profit status
- Establish Board of Directors
- Develop strategic plan
- Secure funding support from partner organizations
- Hire staff and work the plan

Mr. Alderson stated they were asking for the support of the council to endorse the concept. He also asked that city staff be allowed to work with them as they further develop the concept.

Councilor Lund asked who the other agencies were that supported the idea. Mr. Alderson stated this was only their second presentation, their first was to the city of Centralia and the council voted unanimously to support the concept.

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Councilor Lund inquired as to whether they would be presenting the information to the Lewis County Economic Development Council (EDC) and the Chamber of Commerce. Ms. Bodnar noted they planned to make formal presentations to both the EDC and the Chamber.

Councilor Pope inquired as to what type of support they were asking for. Ms. Bodnar stated at this point they were just asking for council support on the concept and to be able to gather information from staff regarding city facilities. Councilor Pope stated if the idea moved forward, he hoped there would be some effort and coordination in developing facilities in Chehalis, so we don't start duplicating things.

Mr. Alderson suggested if the concept does move forward, one of the first things the group would do as a marketing arm would be to identify the existing facilities and propose what's needed. He felt the Commission would be a great resource to keep duplication from happening.

Councilor Spahr stated we have several local sporting associations and recreation programs that work well together to bring in tournaments and it seemed they were just putting another level on top of what we're already doing. He asked if the Commission would be taking over the jobs of our recreation staff. Mr. Alderson stated the idea was not to take over their jobs, but to expand the opportunities available year-round. Councilor Spahr noted he would need to read more about it before he could offer a consensus himself.

Councilor Ketchum stated he agreed with the concept, adding anything that helps promote our area can't be bad. He suggested this was just the first step and that it will be interesting to see what kind of information comes out for the next step.

Mayor Dawes reported a while back he had a discussion with Ms. Bodnar and others about the need of this type of organization. He suggested the city's recreation staff and our counterparts in Centralia have been working together for years to do the very same thing and he saw the concept of a Sports Commission as a chance to mold it all out. Mayor Dawes stated the hotels and motels would also benefit greatly from these types of events, adding he thought it was a great idea to work on.

Councilor Taylor stated he had an opportunity to attend a couple of the meeting and thought it was a good idea to keep moving forward. He stated, as a parent involved in sports with his own kids, it is a nice boom for businesses on the weekends, and it would be great if we could get more events in town.

Mayor Dawes stated, understanding that some of the detail work hasn't been provided yet; he thought the council could certainly come up with a consensus to endorse the concept and request that they move forward.

City Manager MacReynold thought it was a worthwhile concept to explore, adding the city would certainly want to partner with them if the council gives thumbs up to move forward.

Councilor Ketchum moved that the council endorse the concept presented and allow city staff to work with them to put a better package together, so they can come back at a later date and provide a bigger picture.

The motion was seconded by Councilor Taylor.

Councilor Spahr stated he couldn't endorse it because he really didn't know anything about it. He stated he would be in favor of looking into it to find out more information.

Councilor Ketchum stated they were only endorsing the concept, not the project itself. Councilor Spahr stated that made sense.

The motion carried unanimously.

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

a. Minutes of the regular meeting of February 10, 2014;

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b. Claim Vouchers No. 108250-108373 in the amount of \$177,743.23 dated January 31, 2014, Claim Vouchers No. 108374-108524 in the amount of \$465,760.04 dated February 14, 2014; Payroll Vouchers No. 37109-37111 dated January 10, 23, and 24, respectively; Payroll Vouchers No. 37112-37170, Direct Deposit Payroll Vouchers No. 4678-4756, and Electronic Federal Tax Payment No. 132 dated January 31, 2014 in the amount of \$691,147.09;

c. Adopt Resolution No. 2-2014 on first and final reading for the surplus of city property; and

d. Award 2014 rock and gravel bid for various materials to Dulin Construction, Inc.

Councilor Pope seconded the motion.

Councilor Harris made a point of clarification regarding the February 10 minutes. He noted, for the record, in the discussion with the Flood Authority representatives, he stated the funding number that was declined from the Governor's Office was \$50 million for the levy project with a matching federal amount of \$76 million.

Councilor Lund reported there could be some interest in the fuel truck by the Chehalis-Centralia Railroad and Museum. He wondered if the city could give them some time to see if they're interested in it.

City Manager MacReynold stated the most important thing would be for the council to first surplus the vehicle and then the city can take the time to see if the truck would meet their needs. He noted Airport Manager Allyn Roe would be happy to meet with them if they're interested; adding he would keep the council informed as to what they come up with.

The motion carried unanimously.

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

a. **January Financial Report.** Interim Finance Manager Judy Schave provided the council with a brief update on the January financial report. She noted because it was very early in the year the numbers didn't really tell much at this time.

Ms. Schave reported on the general fund expenditures, noting they still had to allocate out the annual Washington Cities Insurance Authority billing to the various departments. She hoped to have that allocation in the system by the end of the first quarter.

Ms. Schave reported on the wastewater, water and storm and surface water funds, adding they were all pretty much in the ballpark for what was expected at this time. She talked briefly about the new airport fund, noting they were anticipating some FAA grants later in the year totalling approximately \$265,000. Ms. Schave reported the city also received a capital contribution for the airport from Lewis County in the amount of \$164,142, which was the balance in the fund after the \$1.5 million was taken out by the county and put into a debt service fund for the balloon payment due June 1, 2017. She noted they still needed to set up the contra-funds for the airport and would work on getting those in the system as soon as possible.

Mayor Dawes asked if everything was going okay with the transfer of the airport. City Manager MacReynold stated it's been a very smooth transition and seems to be working very well.

b. **Update on Utility Billing Issue.** Public Works Director Rick Sahlin reported they had some issues with the recent upgrade to their utility billing software. He noted they discovered that the server at public works was too small to handle the upgrade, so they had to take it down and install a new one. They also discovered after the late fee/delinquent letters went out that they system incorrectly applied payments received from customers who pay on multiple accounts using one check. Mr. Sahlin reported staff contacted the 27 customers whose accounts were affected to explain what had happened and that corrections to the accounts were being made.

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

a. **Update From Councilor Taylor.** Councilor Taylor reported the Twin Transit Board has been working to re-do some of their routes to make them more beneficial for residents. He stated one issue they're having is at the Vintage At

February 24, 2014

Chehalis, noting when the big buses drive out of the parking lot they bottom out to the point of almost getting stuck. Councilor Taylor indicated the Board will be suggesting at the next meeting that they not service the Vintage at their front door anymore, but rather at the bus stop located at Staples, Inc. He noted the downside is there are no sidewalks for the residents to use in order to get to that bus stop. Councilor Taylor stated he didn't know how or why they started servicing them at their front door, adding public transportation is supposed to be done on right-of-ways. He stated he wanted to make the council aware of the situation.

Councilor Pope asked if they could put a bus stop on the property across the street from the Vintage on Coal Creek Road. Councilor Taylor reported they've been looking at that, but they're not there yet. Councilor Pope suggested National Avenue is a very busy street to cross and people could get hurt. He stated our senior citizens should not have to do that.

Twin Transit General Manager Rob LaFontaine reported he had yet to speak with the management at the Vintage, but they are aware of the struggles Twin Transit is having. He indicated this is their busiest route and they need to use their biggest "low-floor" bus, which is producing all sorts of operational issues for them.

Mr. LaFontaine reported he put a request before the Transit Board last week that they could discontinue servicing the Vintage at their front door until they can get a more permanent solution in place. He noted Twin Transit does offer a para-transit service for residents who have mobility challenges, but it's an expensive service.

Mayor Dawes asked if it was possible for the Vintage to redo their entryway, so the buses could go in and out easier. Mr. LaFontaine stated Twin Transit has a goal of getting out of private property pickups all together because of liability issues, and this would be a chance for them to look at doing something different.

Councilor Taylor reported, in the two years Mr. LaFontaine has been with the company, he's done a really good job of evaluating what they have and what they need, and he's fought hard to make transit something that works for as many people as possible. He thanked Mr. LaFontaine for all the work he's been doing.

Mr. LaFontaine thanked Councilor Taylor for his comments. He stated he was sure there are folks in the community that question the need for a Transit Authority, and he respected that. Mr. LaFontaine reported they have a strong market for transit service in Lewis County and his efforts have been toward improving it and overcoming the challenges.

b. **Update From Councilor Spahr.** Councilor Spahr reported he attended the EDC Board meeting and gave them a report on some of the things going on, including the discussion on the railroad. He stated there is some interest in the railroad, and as a result they have a dog and pony show going around giving reports to the different organizations about what's going on and why.

c. **Update From Mayor Dawes.** Mayor Dawes reported he had a chance to attend Councilor Taylor's mixer at I-5 Toyota, noting there were a lot of folks there and they had a good kick-off for their fundraiser. He stated it was nice that one of our local businesses took the lead, adding a number of communities will benefit from it.

Mayor Dawes reported he attended Councilor Pope's gala and thought it was a very successful night for them.

Mayor Dawes also attended the Business After Hours at the Riverside Golf Course. He stated he had a chance to chat with a few people about the Tacoma Rail matter, suggesting there appeared to be a little more interest in the concept than what some folks might believe.

Mayor Dawes reported they plan to discuss going turnkey with the functional consolidation at the next Regional Fire Authority Planning Committee meeting. He noted they would also discuss how to get the Joint Consolidation Board up and running next month.

6. **Ordinance No. 928-B, First Reading – Extending the Moratorium on Recreational and Medical Marijuana and Dispensaries for an Additional Six Months.** City Manager MacReynold reported, at the last council meeting, the administration walked the council through some options regarding the city's moratorium that was due to expire next month. He

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noted the direction from the council was to continue the moratorium for another six months. City Manager MacReynold reported the ordinance before the council would formally do that, and offered to answer any questions the council might have.

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

The motion was seconded by Councilor Harris and carried unanimously.

Councilor Spahr moved to pass Ordinance No. 928-B on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

7. **Update on Amendments to the Capital Improvement Plan (CIP)**. Community Development Director Dennis Osborn noted this item was part of last year's amendment package, but was tabled while he worked on a few other issues. He noted the extended time allowed him to add the airport's capital improvement projects to the CIP, since the city is now the sole owner of the airport.

Mr. Osborn reported, in order to receive state grant funds, you are required to have a CIP with a list of projects to include estimated costs. He noted projects that may be listed further down on the priority list could slide up the list pretty quickly simply because of when grant funds become available.

Mr. Osborn reported the public works department added some projects that are on the short-term horizon, and the parks department added a couple to include the pool project.

Mayor Dawes thanked staff, adding he knew how difficult it is to do the CIP. He noted it's kind of like having a wish list for projects that you're never going to get the money for, and something that you repeat several times during the course of a career.

Councilor Ketchum inquired as to where they were on the airport pump station project. Wastewater Superintendent Patrick Wiltzius reported they've begun the upgrade to the pump station, adding the agreement stated they have until December 2014 to complete the project. He noted they anticipate the project to be complete within a month or two.

Councilor Ketchum moved that the administration bring back the appropriate documents to adopt the Capital Improvement Plan.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Authorize City Manager to Execute Agreement with HDR Engineering, Inc., for Engineering Services to Conduct an Operations and Capacity Assessment of the Chehalis Regional Water Reclamation Facility (CRWRF)**. Mr. Wiltzius reported it's been eight years since the treatment plant was built, and the administration felt it was a good time to do an overall evaluation for numerous reasons as stated in the agenda report. Mr. Wiltzius stated they wanted to assess where they are at with capacity to see if they have room for any large-scale customers. He noted they've had some issues meeting permit compliance that need to be worked on, as well.

Mr. Wiltzius reported they want to formulate a game plan for the future. He stated they know that phosphorous limits may be coming down the pike and it would be nice to know ahead of time what that might involve.

Mr. Wiltzius stated he would like to have HDR Engineering, Inc., to do the operations and capacity assessment. He added this would also play into an update of their general sewer plan that's already 14 years old.

Councilor Harris moved to authorize the city manager to execute the agreement for engineering services to conduct an operations and capacity assessment of the CRWRF with HDR Engineering, Inc., for an amount not to exceed \$49,806.

The motion was seconded by Councilor Pope and carried unanimously.

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9. **Good of the Order.** Former Community Development Director Bob Nacht stopped by to say hello to everyone, noting he would be in town until the following morning. He thanked the council again for the last 35 years, adding he would see them again on his next trip.

There being no further business to come before the council, the meeting adjourned 6:03 p.m.

Terry Harris, Mayor Pro-tem

Attest:

Judith A. Schave City Clerk

Approved: March 10, 2014

Initials: js

March 10, 2014

The Chehalis city council met in regular session on Monday, March 10, 2014, 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, Chad Taylor, and Tony Ketchum. Mayor Dawes was absent (excused). Staff present included: Merlin MacReynold, City Manager; Assistant City Attorney Brian Kelly; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; and Peggy Hammer, Human Resources Administrator. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Update on American Behavioral Health System (ABHS).** Program Manager Tony Prentice provided an annual update on the ABHS facility. He noted they continue to house up to 180 male clients and have up to 16 more in their Specialty Services Program. Mr. Prentice reported they've had two complaints since July 2013: the first involved clients looking out one of the windows; and the second was a noise complaint due to a fire alarm going off at 11:00 p.m. and the clients had to exit the building. He noted both issues had been resolved.

Mr. Prentice reported all of their clients come from the Department of Corrections (DOC), adding they receive no private or Division of Behavioral Health and Recovery funding. They've had 1,114 clients discharged from the facility, and 932 of those completed the program. Mr. Prentice noted 8.4 percent aborted the program and the DOC and Police Department had to be notified. He stated they had an 88 percent completion rate in 2013 and were running right about 90 percent for 2014.

Mr. Prentice reported the facility continues to employ 85 full-time employees. He noted they recently adopted a new therapeutic community model program, which is a DOC model for drug offenders. Mr. Prentice stated the program puts a little more emphasis on the community as a whole, and teaches the clients pro-social skills versus individual treatment. He suggested the program will effectively help clients help each other to get better.

Mr. Prentice reported a couple of their staff went to a recent "Free and Clean Weekend" event and saw over 15 of their ex-clients, and they were still clean. He stated it's encouraging to see they are having an effect in this fight.

Councilor Pope inquired about the age groups at the facility. Mr. Prentice stated they range from 18 to 62.

Mayor Pro-tem Harris thanked Mr. Prentice for coming and talking to the council, adding it was a much different situation than two years ago. He stated it was great to see their facility as a positive part of the community, adding the job they do is wonderful and necessary.

Councilor Spahr asked how ABHS followed up with clients who complete the program to see how successful they are down the road. Mr. Prentice reported DOC usually does that because they're under their supervision when they leave.

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

- a. Minutes of the regular meeting of February 24, 2014;
- b. Claim Vouchers No. 108525-108633 and Electronic Funds Transfer No. 12014 in the amount of \$116,079.31 dated February 28, 2014; and Payroll Vouchers No. 37171-37225, Direct Deposit Payroll Vouchers No. 4757-4839, and Electronic Federal Tax Payment No. 133 in the amount of \$655,649.79 dated February 28, 2014; and
- c. Adopt Resolution No. 03-2014 on first and final reading for surplus of city property.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Administration Reports.**

a. **Discuss Combining Chehalis Planning Commission and Historic Preservation Commission (HPC).** Community Development Director Dennis Osborn reported, a few weeks back, he and the council had a discussion about the HPC and Planning Commission possibly becoming one. He felt it would be best to have someone from the state come and talk to the council about things that would need to be addressed if they decide to move in that direction.

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Mr. Osborn introduced Megan DuVall from the Department of Archaeology and Historic Preservation to talk about the requirements of having a HPC.

Ms. DuVall reported the city passed an ordinance in 1986 to establish an HPC, and in January 1987 the city became a certified local government (CLG). She noted the National Historic Preservation Act of 1966 initially set up the statewide program; however, in 1980 the National Park Service amended the Act to create the CLG program.

Ms. DuVall reported they have a partnership between their office and the National Park Service to certify that local programs meet certain requirements, such as:

- Having an HPC
- Keeping a local register of historic buildings
- Do design review of changes to locally listed historic properties
- Hold open public meetings
- Participate in any national register nominations that come from the community

Ms. DuVall reported they have a couple of cities in Washington State that have combined their Planning Commission with their HPC. She noted it wasn't her preferred method, but if it's going to keep the HPC meeting regularly, she would prefer that over not having a Commission at all. Ms. DuVall stated it has worked, but you still have to maintain a system for surveying and inventory of historic properties and the Commission needs to meet regularly and have public participation. She talked briefly about the benefits of being a CLG, which include: the ability to offer special tax valuation to locally listed buildings; competitive grant programs; and scholarships for national and state-wide conferences.

Ms. DuVall reported a lot of their annual funding comes from the federal government, and 10 percent of it has to get passed through to the CLG. She stated there was no match required and the money could be used for things like education, planning, surveying/inventory work, national or local register nominations, and professional HPC consultant services.

Councilor Lund inquired about the 40 percent match on grant funding for city projects. Ms. DuVall stated they didn't have enough money to give construction type grants, noting they usually try to give enough to get things moving, such as planning and surveying services.

Ms. DuVall stated the biggest issue for the city is we don't have an active HPC. One of the requirements is that they must meet at least quarterly and it's been two solid years since they've met.

Councilor Lund suggested, if they had been meeting regularly, the members might have been interested in continuing to meet. Ms. DuVall agreed, adding giving them something to do would keep them interested. She stated she talked with Mr. Osborn about applying for a grant to hire a staff person or consultant to do survey and inventory work as a way to get the commission engaged again.

Councilor Pope reported there was a building downtown that he felt was unsafe that was put on the historical registry. He suggested if they're going to put such buildings on the registry they should have a plan on how to rehabilitate them and not let them continue to deteriorate to a point of having to be concerned about fire and human life.

Councilor Pope stated it was encouraging to have grant programs, but like most federal programs, they make you feel good until it comes time to get the money. Ms. DuVall stated she receives calls daily from people seeking grants to rehabilitate properties. She noted their job is to make sure they are recognized as historic buildings. She wished there was money available because they want to see them rehabilitated as well.

Ms. DuVall reported one of the requirements of the HPC is they all have to have a demonstrated interest, or experience in preservation. She noted they ask that you have two professionals on the Commission, which can be an architect, historian, or something of that nature. Ms. DuVall stated if the city plans to combine its HPC and the Planning Commission she would still have to have statements from everyone on the Commission that they are interested in preservation.



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Mayor Pro-tem Harris stated he knew that our HPC has been very functional in the past and thought one of the things that might have slowed things down is the economy. He suggested nobody is doing any developing, so getting together every month to talk about nothing is probably why we're in the position we're in now.

Councilor Spahr stated, as a realtor, he's had people concerned about buying a home on the historic registry because the restrictions put on them can hinder anything they might want to do to it. Ms. DuVall stated the job of the HPC is to protect the features that make it an historic building. She noted most HPCs have very broad guidelines and they're there to work with the property owners. Ms. DuVall suggested if someone went through the process they would be very surprised by the ease of it.

Councilor Ketchum asked if the main reason for combining the two was lack of interest in the community. Mr. Osborn stated that was correct, adding it's been that way for the Planning Commission for some time. He stated if the council is interested he could bring back a more focused discussion on what the code requires, what the current function is, and what the HPC would look like combined with the Planning Commission.

Councilor Ketchum stated he didn't think it was a bad idea, but didn't want to lose the historic part because that's what makes Chehalis unique. He stated the downside of combining the two is that we lose the uniqueness of both groups and their thought patterns.

City Manager MacReynold thought Ms. DuVall was being very kind in the fact that it's probably been more than two years since the HPC has met. He stated this is an opportunity to revisit the issue, adding the administration is looking for some guidance from the council.

Mr. Osborn reported the grant Ms. DuVall mentioned earlier is for \$10,000. He noted in order to launch the program the city would need to get up to speed on its requirements, whether it's a single Commission or joint with the Planning Commission.

City Manager MacReynold noted one of the long standing issues is staffing, adding four years ago the community development department had five or six employees, and now they have two.

Mayor Pro-tem Harris suggested it might be wise to touch base with the current Commission members to find out what their anxieties might be, and perhaps use a consultant to reenergize the program.

City Manager MacReynold stated if the council wants to keep the HPC a free-standing Commission, that's all the administration needed to know at this time.

Councilor Taylor suggested the HPC was probably successful in the past because they had Joanne Schwartz kicking it in the rear. He asked if the city had the staff to make it successful again. Mr. Osborn stated the lack of staff was part of the problem. He noted they have a lot on their plate right now just trying to keep up on the daily work, as well as meeting state and local requirements, undertaking the Shorelines Plan update, and the Comp Plan update that's due in a couple of years. Mr. Osborn didn't know how much more they could put on their plate if staffing remains the same.

Mr. Osborn suggested in the short-term they need take advantage of the grant, so they can get the program going again. He noted over the next year they can look into it further to figure out a long-term strategy for the program.

Councilor Spahr stated he thought the program offered by the Department of Archaeology & Historic Preservation was wonderful; however, the city has mountains of regulations and mandates that we have to meet, and as noted earlier, the city has gone from five employees down to two. He reported, over the years, programs have been set up to give staff the opportunity to work them, and if they can't, they go to the wayside which is probably what happened. Councilor Spahr stated historic preservation is important, and even though it's not a high priority in his book, he would be in favor of getting a grant for a consultant.

Councilor Pope stated, given what they are doing in the city right now, this would be an appropriate time to revitalize the HPC. He suggested they go for the grant.

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Councilor Ketchum felt they should reengage the HPC. He suggested the administration talk with the current members to see if they still have any interest, adding if they don't it would be futile to keep it going.

Mr. Osborn stated what he was hearing from the council is, they would like to hold the course of the Commission. He noted he would meet with the current members and work with Ms. DuVall to get things moving again, and if the feedback from the members is not favorable, he would come back and report that to the council so they can look at other alternatives.

Councilor Spahr suggested Mr. Osborn talk with the Chehalis Community Renaissance Team as well.

Councilor Taylor thought it might be good for Mr. Osborn to engage Ms. Schwartz to find out what she did to make it so successful. City Manager MacReynold stated she staffed it with her incredible talent.

Councilor Taylor suggested Ms. Schwartz might be a good consultant. Mayor Pro-tem Harris stated her position on the Chehalis Foundation helps in that review process as well.

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

a. **Update From Councilor Ketchum.** Councilor Ketchum gave a shout out to the W.F. West Bearcat Girls Basketball Team for taking the State 2A Title. He noted Julie Spencer from Chehalis was also named MVP of the tournament.

City Manager MacReynold reported the administration was asked to prepare a proclamation for the next meeting, and they would try to get the team here for the presentation.

Councilor Ketchum reported the Lewis County Economic Development Council was holding a breakfast meeting on Thursday, March 13, at 7:00 a.m. at the Holiday Inn.

b. **Update From Councilor Spahr.** Councilor Spahr reported he attended a ribbon cutting ceremony at Adolphsen Real Estate last Friday, adding they were open again for business and happy to have the old name back.

c. **Update From Councilor Pope.** Councilor Pope reported Jim Vander Stoep passed away and the family was planning a memorial service on Saturday, March 15.

There being no further business to come before the council, the meeting adjourned 5:44 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: March 24, 2014

Initials: js

March 24, 2014

The Chehalis city council met in regular session on Monday, March 24, 2014, in the Chehalis city hall. Mayor Dawes 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 Tony Ketchum. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; and Allyn Roe, Airport Manager. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Presentation of Proclamation.** Mayor Dawes presented Coach Henri Weeks and the Chehalis Girls Basketball Team with a proclamation declaring the team District and State 2A Champions.

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

- a. Minutes of the regular meeting of March 10, 2014;
- b. Claim Vouchers No. 108634-108779 and Electronic Funds Transfer No. 22014 in the amount of \$424,269.34 dated March 14, 2014; and
- c. Adopt Resolution No. 05-2014 on first and final reading authorizing the investment of City of Chehalis monies in the Local Government Investment Pool.

Councilor Pope seconded the motion.

Council Spahr suggested a change be made to Resolution No. 05-2014 to simply state "City Manager" as our designee rather than "Merlin G. MacReynold," so it doesn't have to be updated in the future. City Manager MacReynold stated that would be a much better approach.

Councilor Spahr moved to amend the motion by inserting the words "City Manager" and taking out the individual's name.

The motion to amend the motion was seconded by Councilor Pope and carried unanimously.

The main motion, as amended, carried unanimously.

3. **Administration Reports.**

a. **Update on Outdoor Pool Project.** Community Development Director Dennis Osborn reported he thought it would be timely for the council to receive an update on the status of the pool project, now that they're past the demolition phase. He introduced Architect/Engineer Norm Pfaff to give a brief update on what's going on and what they can expect over the next few months.

Mr. Pfaff stated they were making wonderful progress on the project. He believed 95 percent of the excavation was complete, adding the only thing left were the footings for the two slides in the back. Mr. Pfaff reported you really don't get a good feel until you go on site to see how big the pool really is. He noted he gave the mayor and city manager a tour of the site last week.

Mr. Pfaff reported, with regard to the concrete work, they finished all of the foundation with the exception of the slide. He noted the slab had been poured in the building, which has allowed them to move on to the block.

Councilor Harris stated it was interesting to see that the doors are up, but not the walls. Mr. Pfaff stated the doors are completely welded metal frames that are painted on the inside with a special material, so they don't rust. He noted they go up first because they have to butt the block up to them. Mr. Pfaff reported the block work will be done in two colors using split face blocks, and once they finish the exterior they will start on the interior with regular gray block. After that, they can begin to set the trusses and plywood the roof, so it will be weathered in.

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Mr. Pfaff reported they'll be installing a brand new five-inch deck around the pool rather than just skim coating it, as previously planned. He was happy to report they've had one change order to date for zero dollars.

Mr. Pfaff reported the building project was on schedule and they were about one week behind on the deck area. He noted they've had wonderful weather and it's been great working with Schwiesow Construction on the project, as well as city staff.

Councilor Pope stated he is overjoyed with the progress of the project. He thought it looked wonderful, particularly with the trees starting to bloom. Mr. Pfaff stated it's an exciting project when you get on site, adding he would be happy to take any of the council through on a tour.

Councilor Dawes stated he would like to tour the site and suggested setting up a couple of dates when Mr. Pfaff is available.

Councilor Harris stated he's been taking himself on a self-guided tour every weekend, adding it's amazing what happens from week to week.

Councilor Pope stated the Chehalis Foundation still needs a little more money to reach their fundraising goal. He noted if anyone would like to help raise the final \$50,000 it would be greatly appreciated. Mr. Pfaff stated part of that could be raised by anyone who would like to be the first person down the slides.

b. **Introduction of New Finance Manager.** City Manager Merlin MacReynold introduced Judy Pectol, the city's new Finance Manager. He noted the city was very fortunate to get Ms. Pectol from the Port of Chehalis, adding she brings a wealth of government and private sector experience.

Ms. Pectol stated she was very excited to be a part of the City of Chehalis. She noted she's worked for a couple of cities in Washington State and one in California. Ms. Pectol reported she also works well with the State Auditor's Office and felt her experience would be a benefit to the city.

c. **February Financial Report.** Ms. Pectol reported there were still a number of variances throughout the report that relate to the fact that we estimate revenues and expenditures will come in equally during the year, which really doesn't happen. She noted in some instances the city only receives money at certain times of the year, such as the bulk of our property tax which isn't received until May and November. Ms. Pectol reported she didn't see any major concerns in any of the funds at this time.

Councilor Harris inquired about the new airport fund, asking Airport Manager Allyn Roe if the numbers and percentages appear to be what they expect at this time. Mr. Roe reported they looked pretty good from a budget standpoint. He noted one of the key items he looks at as far as operations is the capital lease receipts and the total expenses. Mr. Roe reminded the council that part of the money in their capital contribution was left with the county to cover the bond payment as part of the transfer agreement. He noted once Ms. Pectol is settled he would work with her on a budget amendment to take care of some of the balances.

d. **Update on Loans Received for City Projects.** Public Works Director Rick Sahlin reported on the three loans the administration applied for earlier this year. He stated two are for the water division through the Department of Health from the Drinking Water State Revolving Fund. The first loan is for \$900,000 to add a second redundant flocculation basin at the water filter plant. It has a one percent loan fee and an interest rate of one and one-half percent for 20 years. It's his understanding that we have up to four years to build the project and payment on the loan wouldn't start until after the project was built.

Mr. Sahlin reported the second loan for the water division is to replace the high reservoir at McFadden Park. The loan amount is for \$550,000 with a one percent loan fee and an interest rate of one and one-half percent for 10 years. He noted the same terms apply in that the loan payment wouldn't start until the project is completed.

Mr. Sahlin reported the third loan they applied for was through the Department of Ecology for inflow and infiltration projects at the wastewater treatment plant. He noted the city ranked eighth out of 89 projects submitted. Mr. Sahlin indicated

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the loan hasn't been finalized yet, but there's a draft report out with the final draft due date of July 1. The loan amount requested was for \$1.4 million. He noted we qualified for a hardship determination, so they're looking at giving the city \$301,850 in Centennial grant funds; and \$75,000 from the revolving grant fund, which the city would not have to repay. The total loan would be for \$1,033,150, at 2.4 percent for 20 years.

Mr. Sahlin reported, with regards to the loans for the water division, there were 21 projects funded and the city received two of them. He noted the city has already received the contracts and he hopes to bring them to the council for their consideration at the first meeting in April.

Councilor Spahr inquired about the high reservoir project, wondering where it was currently located and how many gallons it holds. Mr. Sahlin stated it was about three quarters of the way up on the backside of the hill near McFadden Park, and believed it held about 80 gallons that feeds the north end of town.

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

a. **Update From Councilor Ketchum.** Councilor Ketchum reported last weekend he attended the Home and Garden Show, adding the weather was good and the event was well attended. He noted this was the first year they charged admission and people didn't seem to be bothered by it.

b. **Update From Mayor Dawes.** Mayor Dawes reported he attended the open house at Adolphsen Real Estate, noting it was a very nice function. He stated he's also been doing a number of rail presentations with Lewis County Commissioner Bill Schulte and Larry McGee. He indicated they still had a couple more presentations to do; one at the Chamber Board meeting on Wednesday, and one at the Port of Chehalis on Thursday. He also attended a Business After Hours event at the Southwest Washington Fairgrounds.

Mayor Dawes reported the Joint Oversight Board for the Regional Fire Authority was scheduled to meet for the first time this month; however, Fire Chief Jim Walkowski didn't have anything for the agenda because it's so new, so the meeting was postponed until Wednesday, April 23.

**5. Resolution No. 01-2014, First and Final Reading – Adopting an Interlocal Agreement (ILA) Between the City, Lewis County, and the City of Tacoma, Outlining the Terms and Conditions of a Potential Purchase of Railroad Right-of-Way Running From Maytown to Chehalis.** Mr. McGee reported one of the things they've worked hard to make clear is they are not saying this purchase should be made right now. He noted there's some significant evidence that this could make economic sense, as well as evidence that they may want to maintain control over the line. Mr. McGee stated they want to use this time to study it correctly.

Commissioner Schulte first thanked Mr. McGee, adding he's put in a lot of his own time and effort to look at the proposal and analyze whether or not it was something they should pursue. He also thanked Mayor Dawes for coming and testifying at their Commission meeting earlier that day, noting the Commissioners passed a resolution 3-0 in favor of continuing the exploration.

Mayor Dawes stated it was not a done deal by any stretch of the imagination. He reported they first need to make sure it makes sense; second, that the funding is there; and third, that there are local tie-in opportunities, which is what the study will tell them. Mayor Dawes encouraged anyone with questions to come to one of their public presentations. He felt *The Chronicle* did a good job on reporting and getting the story out that this is something that's being studied, and not a done deal.

Mayor Dawes stated it was a tough time economically and in their roll of representing the people they have to look outside the box. He submitted that our community is well worth taking a look at this to see if it makes sense.

Commissioner Schulte stated they would also be doing a presentation for the Women's Republican Club on Thursday morning at Woodland Estates. He also noted the ILA has a clause that states they are in negotiations with Western Washington Railroad, LLC (WWR) whose contract with Tacoma expired January 17, 2014. Commissioner Schulte reported that agreement has been negotiated to include a five-year extension on their lease and the Commissioners plan to go back to amend the ILA.

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Mr. McGee reported he had a conversation with Toby Van Altvorst, owner of (WWR) and he stated by the end of April they will have spent \$40,000 on replacing some rail and ties that needed to be replaced. He stated that spoke to him as someone pretty serious about the economic activity.

Councilor Spahr moved that the city council adopt Resolution No. 1-2014 on first and final reading.

Councilor Pope seconded the motion.

Councilor Spahr reported he's still a little skeptical, but is glad to have two years to look at it and develop a business plan. He reported there are several things that will need to be looked at, such as: environmental impacts and risks; the condition of the rail and bridges associated with maintenance and operation costs; and how to go about doing it.

City Manager MacReynold believed we will have to acquire the skills of someone to do that for us. He noted currently WWR maintains the line, adding they have knowledge and expertise in the actual rail line, but obviously not in the environmental side. City Manager MacReynold stated he suspected we would utilize WWR since they have a financial and business commitment to the rail line. Additionally, a work group would need to be put together to determine what needs to be done, but the first item of business had to be the business plan. City Manager MacReynold stated if it doesn't make good sense financially, there would be no reason to continue.

City Manager MacReynold reported they have a commitment for federal funding for \$50,000 to conduct the business plan. He noted at some point they will need to do a Request for Qualifications to get someone to do the business plan for us.

The motion carried unanimously.

**6. Resolution No. 04-2014, First and Final Reading – Revising the Chehalis Capital Improvement Plan (CIP).**

Mr. Osborn reported a few meetings back, the administration presented the proposed updates to the CIP and the council gave direction to bring back a resolution for their consideration. He thanked Hillary Hoke, noting she spend a lot of time entering the data for the CIP.

Councilor Harris inquired as to where the other half of the funding was coming from for the replacement of the sweeper. He noted he could only find half of the replacement cost (\$125,000) listed in the street fund. Mr. Sahlin reported it was in the storm fund, but in the future it will all come out of the storm fund.

Councilor Spahr moved that the city council adopt Resolution No.4-2014 on first and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

**7. Questions Regarding Tacoma Rail Line.** Larry G. Boothby (541 Tausher Road) inquired about the purpose of the railroad and what the economic sense of it was.

Mayor Dawes noted, about eight or nine years ago, Tacoma Rail bought the line and there was great concern over having grain trains coming through town several times a day tying up traffic. He noted it would have affected Centralia more than Chehalis because they have more at-grade crossings then we do. Mayor Dawes believed there was a group in Centralia that looked at a proposal to purchase the line at a cost of \$7 million; however, when they went to the state to look for funding, the funding wasn't available and the idea was dropped.

Mayor Dawes reported WWR has an agreement with the city of Tacoma to operate on the line. They currently provide transloading for some local businesses, and they also provide storage which makes the City of Tacoma between \$50,000 and \$70,000 a year.

Mayor Dawes stated if there's a chance to purchase the line for \$3 million it would allow us to exercise some local control over what goes through. He reported if the City of Tacoma were to sell the line to a private entity, Tacoma would have to pay back FEMA and other governmental agencies for any funding they received, much like if we tried to sell the airport we would

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have to pay back a number of FAA grants. But, if they sell it to another municipal agency, they wouldn't have to pay the funding back, which is why they can sell it to us for \$3 million.

Mr. Boothby stated the people he's talked with are wondering why the city would have any interest in railroad tracks, and asked where the money would come from if the deal goes through.

Mayor Dawes reported the county has certain funds that are dedicated for this type of transaction. He noted anything they use out of that fund would be paid back making it a zero net cost. Mayor Dawes noted the other \$2 million would have to come from grant funding.

City Manager MacReynold reported the agenda report identified the potential economic development opportunities that were identified by the research done by Mr. McGee. He noted there's a possibility for freight service, transloading, trackage rights, and car storage.

Mayor Dawes stated there are fail-safes within the ILA to make sure we have options out, such as: if the business plan doesn't make sense, then we're not going to do it; and, if we don't get the \$2 million in grant funding, we're not going to do it. He noted there's also a possibility that someone could come out of nowhere and offer the City of Tacoma \$20 million for the line. He noted the city would have first right-of-refusal, but he could guarantee they're not going to come up with that kind of money to do it.

There being no further business to come before the council, the meeting adjourned 5:46 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: April 14, 2014

Initials: js

April 14, 2014

The Chehalis city council met in regular session on Monday, April 14, 2014, in the Chehalis city hall. Mayor Dawes 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 Chad Taylor. Councilor Ketchum was absent (excused). Staff present included: Merlin MacReynold, City Manager; Erin Hillier, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; and Dave Vasiluskas, Water Superintendent. Members of the media included Kyle Spurr and Dameon Pesanti from *The Chronicle*.

#### 1. **Citizen Business.**

a. **Private Water System Billing Issue.** Norm Goodbla (122 Armstrong Road) reported the residences on Armstrong Road have a small private water system that is supplied by the city. He noted up until about two years ago they received regular bills from the city for their water use. In February 2012, things changed when the city couldn't find a copy of the agreement that was made between the original water system owner and the city. Mr. Goodbla noted the city decided that it would be easier to just read the check meter at the intersection of Logan Hill and Jackson Highway and divide the bill among the seven residences. He stated they didn't really like that approach, but didn't know what they could do about it.

Mr. Goodbla indicated they all have their own city meters that were granted to them back in the 1950s. He stated the residents didn't receive a letter from the city until February 15, 2012, which was after the changes had been made.

Mr. Goodbla reported, more recently, one of the customers on the system hasn't paid their bill and the city is sending threatening letters to everyone stating if it doesn't get paid the water will be shut off to all of the residences on that system.

Mr. Goodbla stated their main concern right now is the threat to shut their water off on April 24 if payment is not received. He reported he didn't see anything in the city code that gave the public works department the authority to do something like that. Mr. Goodbla requested that the threatening letters stop until the situation can be resolved.

After some discussion, Mayor Dawes directed City Manager MacReynold to meet with staff and the residents to work on a solution, and to report back. In the meantime the water was to be left on.

b. **Retroactive Water Assessments on Condemned Properties.** Julie Japhet (6245 Murray Court NW, Olympia) provided the council with some background information and a before and after photo of one of the two properties they own that took part in the home elevation program.

Ms. Japhet reported, in the spring of 2010, A Plus Properties LLC bought two condemned flood damaged properties located on NW Prindle Street, and SW Riverside Drive. She stated they were at the end of the line on the Federal Emergency Management Administration (FEMA) home elevation projects and no rehabilitation activity on the properties could begin until late 2013 when the properties were lifted by the FEMA contractor. Ms. Japhet reported, after multiple communications with city staff, it was determined that they had until the end of May to complete the two projects because of the FEMA deadline.

Ms. Japhet reported they received an assessment from the city to hookup their water at both locations, which was over \$8,600 as of the end of March. She noted the \$700 hookup fee and back assessment for the storm runoff seemed reasonable; however, having to pay assessments for a time when they didn't own one of the properties, and having to pay the current year rates and not the rates that were in place at the time is amounting to thousands of dollars for utilities they couldn't legally have access to.

Ms. Japhet reported Erin Hillier, Chehalis FEMA Hazard Mitigation Grant Program Administrator, suggested they come to the city council since they are the only ones who can make an adjustment to the bill.

Mayor Dawes asked, "If a person wanted to do work and simply have the water turned off and turned back on months later, would they be assessed a turn off and turn on fee, or would a hookup fee apply as well?" Public Works Director Rick Sahlin reported, if the water was shut off in June and turned back on in August, there would be base charges assessed against the account until the water was turned back on. He noted the ordinance states that in order to keep an account active they have



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to be charged a base rate; however, once an account has been inactive for four months the meter is subject to be pulled. Mr. Sahlin reported the way the connection fees are reinstated is to charge the lesser of what it would cost for a new water/sewer connection versus what the back base charges would be. Ms. Hillier indicated that process was consistent with state statute.

Councilor Taylor thought when property is sold any assessments attached to the property would have to be paid prior to closing through a title company. Ms. Hillier stated that was correct.

Councilor Spahr noted liens don't show up on title reports.

Ms. Japhet reported they purchased the homes through a private owner.

Ms. Hillier reported, as part of the FEMA program, you have to end up with a "Certificate of Occupancy" at the end of the project, and to have occupancy you have to have utility services. She noted the city's code doesn't give any latitude to waive the fees, and it states the fees are to be charged at the current rate.

Councilor Taylor reported the issue of base charges has come up before when people wanted to have their water shut off while living out of state during certain times of the year. He stated the decision of the council at that time was everyone has to pay base charges, no matter what.

Ms. Hillier reported this particular FEMA grant is a voluntary program, adding they originally had 25 homes that qualified to take part in the elevation program and only 16 opted to participate. She noted they've only had one other home that's had to reconnect to water as part of the program and they paid all of the fees.

Councilor Spahr inquired as to how far back the accounts were being charged. Mr. Sahlin reported the fees go back to when the meters were pulled and the services were disconnected.

Councilor Pope felt it was important to have the properties rehabilitated. He suggested it was punitive for people who couldn't work on their homes because they were waiting on FEMA guidelines.

Councilor Spahr stated if they give leeway here, then they're going to have to nudge all kinds of directions. He suggested they needed more information before they can make a decision.

Councilor Harris stated it seemed to him that the liability should be with the previous owners up until the time they were purchased, and suggested it could be a civil situation. He too thought it would open up a can of worms that they don't want to get into until they find out what's happening.

City Manager MacReynold stated there are obviously lots of questions and he would like to take some time to meet with the property owners and staff, and would report back to the council.

Mayor Dawes stated he was concerned about going back to a point in time when the Japhet's didn't own the property. He asked that that issue be added to the mix as part of the discussion.

City Manager MacReynold reported the city has always sought to get payments covered when someone moves out, which in most cases ends up falling on the new owners. He stated this has been a long-standing process of the city.

Councilor Taylor asked if there is a way to file liens differently, so they show up when someone moves out. City Manager MacReynold reported part of the problem is that title companies and banks don't always know what prior bills are attached to the property. He noted the city recently started taking a different approach and are informing people about all prior bills when they call to inquire about a piece of property.

2. **Presentation of Proclamation.** Mayor Dawes presented Human Response Network Executive Director Tara Leno with a proclamation declaring the month of April as "Sexual Assault Awareness Month" in the city of Chehalis.

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

a. Minutes of the regular meeting of March 24, 2014;

b. Claim Vouchers No. 108780-108924 in the amount of \$183,522.24 dated March 31, 2014; and Payroll Vouchers No. 37226-37284, Direct Deposit Payroll Vouchers No. 4840-4922, and Electronic Federal Tax Payment No. 134 in the amount of \$683,843.75 dated March 31, 2014; and

c. Authorize the city manager to execute two loan agreements with the Drinking Water State Revolving Fund, the first in the amount of \$909,000 for the design and construction of a second redundant flocculation and pre-sedimentation train at the water filter plant, and the second in the amount of \$555,500 for the design and construction of a new high level reservoir located in McFadden Park.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Administration Reports.**

a. **City Manager Annual Evaluation.** City Manager MacReynold reported his annual evaluation was coming up in May and the city clerk would be distributing the evaluation forms to the council on April 17. He asked that the forms be filled out and returned to the city clerk by May 1.

5. **Council Reports.**

a. **Update From Councilor Lund.** Councilor Lund reported the Lewis County Historical Museum is starting to receive funds from people in the community and there's been some discussion by the Board on what they want to do with the money.

Councilor Lund reported the museum was told by an auditor that they couldn't put the money in an endowment fund because it isn't considered to be endowment funds. He stated there are some who want to be able to get to the money if the museum were to get into trouble again. Councilor Lund stated he had concerns and referred to what happened in the past, noting even though the money was put where they couldn't get to it, it happened anyway. He stated he was in support of setting up a real endowment fund where they can't get to the money, and all they can use is the interest off of the fund.

Councilor Harris suggested the Board go back to their by-laws to find out what the 501c3 allows them to do. He noted the by-law should state that it takes multiple people to approve before anyone is allowed to remove any of the money. Councilor Lund stated that's the problem they had before, adding who wants to donate to something when they know the money is going to disappear.

Mayor Dawes stated his response when asked about it was pretty much the same, adding it could only be done in a meeting and with a super-majority vote. He stated he certainly understood Councilor Lund's concern, noting he wouldn't want to see the situation repeated.

Councilor Taylor asked if something could be set up so people can specify where they want the money to go. Mayor Dawes stated anything you donate can certainly have strings attached to it.

Councilor Lund believed they were going to set up an endowment fund where they can only use the interest and have a small rainy day fund in case something does happens and they need money. He stated if they run it right the community will support it.

b. **Update From Councilor Spahr.** Councilor Spahr reported they have a Regional Fire Authority Joint Oversight Board meeting scheduled for April 23, noting it was going to be very interesting now that Fire Chief Jim Walkowski has resigned his position. Mayor Dawes noted he was contacted by Chief Walkowski regarding some agenda items for discussion.

c. **Councilor Pope.** Councilor Pope reported last weekend the Chehalis Eagles held a fundraiser for Oso, Washington, that raised \$3,000. He noted the event was well attended.

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d. **Update From Mayor Dawes.** Mayor Dawes reported he recently received some information that the city of Chehalis was rated No. 6 on a list of most livable cities. He stated he didn't know what the criteria was, but was glad to see we made the list. Mayor Dawes also attended a ribbon cutting at the Lewis County Public Utility District to highlight their new bill-pay system.

Mayor Dawes reported they've done a number of Tacoma Rail presentations, noting they've received some very good questions and are seeing a good level of interest. He indicated they were still waiting to do one more presentation for the Lewis County Economic Development Council.

Mayor Dawes reported he had a chance to tour the pool construction site, adding it was very interesting. He noted he was away for one week and the progress they made during that time was just amazing.

Mayor Dawes reported, at the last mayor's meeting, they had a conference call with a gentleman from Congresswoman Jaime Herrera Beutler Office who gave them an update on the FEMA mapping and insurance issues. He reported they've been directed that they are supposed to be working in consort with the municipalities.

Mayor Dawes reported, through the hard work of the city's Wellness Committee led by Municipal Court Administrator Becky Fox, the city received the "Well City" status, which means the city will get a two percent reduction on health insurance. He noted it may not seem like a big deal, but two percent of health insurance is getting to be a significant amount of money. Mayor Dawes stated Ms. Fox and the Committee need to be congratulated on their work.

Mayor Dawes reported the Regional Fire Authority was moving from one committee over to the Joint Oversight Board, noting with the chief leaving it would certainly throw a wrench into it.

There being no further business to come before the council, the meeting adjourned 5:47 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: April 28, 2014

Initials: js

April 28, 2014

The Chehalis city council met in regular session on Monday, April 28, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:00 p.m. with the following council members present: Terry Harris, Bob Spahr, Daryl Lund, Chad Taylor, and Tony Ketchum. Councilor Pope was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Dennis Osborn, Community Development Director; Rick Sahlin, Public Works Director; and Allyn Roe, Airport Manager.

1. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(b) – acquisition of land, and RCW 42.30.110(1)(i) – potential litigation for approximately one hour and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 4:59 p.m. and announced the council would take a short recess before opening the regular meeting at 5:03 p.m. Additional staff included: Glenn Schaffer, Police Chief; Judy Pectol, Finance Manager; and Don Schmitt, Street Superintendent.

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

- a. Minutes of the regular meeting of April 14, 2014;
- b. Claim Vouchers No. 108925-109097 and Electronic Funds Transfer No. 32014 in the amount of \$563,466.76 dated April 15, 2014; and
- c. Authorize city manager to execute agreement with HDJ, PLLC, for project management services for the National Avenue Salzer Creek Bridge Scour Project in the amount of \$39,750.

Councilor Lund seconded the motion.

Councilor Harris asked if the agreement with HDJ covered all of the costs, including the permitting fees. Public Works Director Rick Sahlin reported the agreement only covered the management of the project itself, adding the grant would cover all of the permitting fees, design work and the construction of the project. He noted the grant would cover their cost and also left an opening in the length of time for the project to go back and ask for more money from the Federal Highways, if necessary.

The motion carried unanimously.

3. **Administration Reports.**

a. **Quarterly and March Financial Report and Quarterly Sales and Use Tax Report.** Finance Manager Judy Pectol reported the beginning fund balances stated in the quarterly report were still preliminary, noting they still had some interest allocations for the year ending December 2013. She stated some funds had larger beginning balances than expected, but overall, everything looked good and they were still on track for the year.

Mayor Dawes stated the sales tax was still showing a gradual increase, which was good to see. Ms. Pectol agreed.

b. **Update on Chehalis Avenue Road Improvement Project.** Mr. Sahlin reported bids were opened on March 27 for the Chehalis Avenue Road Improvement Project. He noted the city received six bids and all were lower than the lowest bid from the previous bid process in 2013. Mr. Sahlin stated the administration is working with the consultant to get everything approved through the Washington State Department of Transportation, and hoped to be back before the council on May 12 with a recommendation to award the bid to the lowest responsible bidder.

c. **Update on Citizen Comments from April 14 Council Meeting.** City Manager MacReynold reported, at the last council meeting, Norm Goodbla talked about his concerns with reference to a private water system on Armstrong Road. A meeting was set up to meet with Mr. Goodbla and Jim Holding, another resident on the private water system. City Manager MacReynold reported they had a very productive discussion and identified some options for the residents to consider.

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City Manager MacReynold reported the public works department would be drafting a letter for his signature that will be sent to the residents on the private system, laying out the options discussed. He indicated Mr. Goodbla and Mr. Holding really liked the option of a hold-harmless agreement and having the city begin to read the individual meters. City Manager MacReynold stated the administration will look at upgrading the meters and, in the long-term, work with the residents to do a Local Improvement District and have it become part of the city's system. He indicated they would be meeting with all of the property owners to discuss the options identified.

City Manager MacReynold reported he would be meeting with Mark and Julie Japhet on Thursday to discuss the retroactive water assessments on their two properties with regard to the Federal Emergency Management Administration home elevation program requirements. He stated he would report back on their discussion at the next council meeting.

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

a. **Update From Councilor Lund.** Councilor Lund reported he attended the monthly Regional Fire Authority Joint Oversight Board meeting.

b. **Update From Mayor Dawes.** Mayor Dawes stated he attended a traffic safety meeting where there appeared to be a move that may conflict with the actions we're taking with regard to the rail line acquisition. He reported Genesee & Wyoming Railroad gave a presentation at the meeting and talked about rail line corridor improvements from Blakeslee Junction out to Grays Harbor. He noted it didn't appear to impact us that much until they started talking about wanting to increase their speed through that corridor. Mayor Dawes believed there was only one way for them to do that, which is to either look at purchasing the line that we're looking at, or do some large improvements on the 5 mph curve that would most likely involve buying a lot of property in order to straighten out the track.

Mayor Dawes reported he asked City Manager MacReynold to set up a meeting with Genesee & Wyoming to have them come and give the same presentation to the council, so they can ask some questions. He noted Genesee & Wyoming was asked if they had seen the grant application to see what it involved. They stated they had not. Mayor Dawes indicated the grant application had to be turned in by 5:00 p.m. last Friday.

Mayor Dawes reported he attended the Business After Hours at Dick's Brewery. He also attended a ribbon cutting at the new Texas BBQ Grill, adding the samples tasted pretty good.

Mayor Dawes reported the Riverside Fire Authority Joint Oversight Board is moving forward, but things will be slowing down a bit as both Chehalis and Riverside Fire Authority go through the process of replacing their chiefs.

5. **Continue Executive Session.** Mayor Dawes announced the council would reconvene back into executive session pursuant to RCW 42.30.110(1)(b) – acquisition of land, and RCW 42.30.110(1)(i) – potential litigation for approximately one hour and there would be no decision following conclusion of the executive session.

There being no further business to come before the council, the meeting adjourned 5:57 p.m.

Dennis Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: May 12, 2014

Initials: js

May 12, 2014

The Chehalis city council met in regular session on Monday, May 12, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:30 p.m. with the following council members present: Terry Harris, Bob Spahr, Daryl Lund, Chad Taylor, and Tony Ketchum. Councilor Pope was absent (excused). Staff present included: Merlin MacReynold, City Manager; and Judy Schave, City Clerk.

1. **Executive Session.** Mayor Dawes 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 Dawes closed the executive session at 5:01 p.m. and announced the council would take a four-minute recess before opening the regular meeting at 5:05 p.m. Additional staff included: Bill Hillier, City Attorney; Glenn Schaffer, Police Chief; Judy Pectol, Finance Manager; Dennis Osborn, Community Development Director; Rick Sahlin, Public Works Director; and Don Schmitt, Street Superintendent. Members of the media included Dameon Pesanti from *The Chronicle*.

2. **Introductions.** Bryon McConaughy (3130 South 38<sup>th</sup> Street, Tacoma) introduced himself as the new Senior Local Government Affairs Representative for Puget Sound Energy.

3. **Bakken Oil Train Traffic.** Rick Straw (439 NW Prindle) reported he owns a business on Prindle Street, which sits about 150 feet from the railroad tracks. He noted last week the Washington State Department of Transportation (WSDOT) issued a statement stating railroads need to provide notice when running 35 or more cars containing Bakken oil on their line at one time. Mr. Straw reported he had concerns about this because the oil is extremely flammable. He suggested the council adopt a resolution to encourage the people who are producing the oil to make it safer for transport.

Mayor Dawes reported he was presented with some of the same questions by another gentleman and he referred him to the city manager and fire chief and they were able to address a number of his concerns. He stated Mr. Straw could do the same and suggested he call and make an appointment to speak with them. Mayor Dawes noted the council has shared the same concerns for a long time, since hazardous materials have been transported through the area for a number of years.

4. **Briefing on the Dillenbaugh Creek Realignment.** Bart Gernhart, Assistant Regional Administrator for Engineering, reported WSDOT is not actively pursuing or pushing the idea of realigning Dillenbaugh Creek, noting there are a number of different issues that need to be addressed before any decisions are made. He stated the only active concept WSDOT is pursuing for I-5 is levees and floodwalls.

Mr. Gernhart talked about some of the concepts, and briefly described the challenges that have to be addressed. He noted the two biggest challenges with realigning Dillenbaugh Creek are the effects to the wetlands and the Burlington Northern Santa Fe tracks. Mr. Gernhart suggested if WSDOT could address those two issues they could save about \$10 million by not having to replace several of the bridges that currently flood in that area during major flood events.

Mr. Gernhart reported WSDOT was in support of continuing to look at realigning Dillenbaugh Creek, but they will not take the lead on the project. He noted the Chehalis Flood Authority has it on their list of small projects, but there's no proponent at this time.

Mayor Dawes suggested City Manager MacReynold work with the city's Flood Authority Representative Arnold Haberstroh regarding the matter.

City Manager MacReynold asked Mr. Gernhart if things had changed since they first started looking at the project, noting he seemed to be more comfortable talking about it now. Mr. Gernhart stated no, adding they still don't know how to address the issue with the four bridges on the south side of Highway 6. He noted they still have a lot of outstanding issues and concerns that need to be addressed with all of the concepts, which is why they are still investigating it.

Mayor Dawes suggested City Manager MacReynold be the first contact and anything having to do with the Flood Authority should go through the Mr. Haberstroh.

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

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- a. Minutes of the regular meeting of April 28, 2014;
- b. Claim Vouchers No. 109098-109205 in the amount of \$146,737.90 dated April 30, 2014; and Payroll Vouchers No. 37285-37345, Direct Deposit Payroll Vouchers No. 4923-5005, and Electronic Federal Tax Payment No. 135 in the amount of \$701,127.07 dated April 30, 2014;
- c. Set date and time of May 27, 2014, at 5:05 p.m. for a public hearing on the 2015-2020 Six-Year Transportation Improvement Program; and
- d. Award bid for the Chehalis Avenue Beautification and Overlay Project to Titan Earthwork, LLC, of Sumner, Washington, in the amount of \$519,104.75 and authorize the city manager to execute the contract agreement.

The motion was seconded by Councilor Lund and carried unanimously.

#### **6. Administration Reports.**

a. **Update on Citizen Comments from April 14 Council Meeting.** City Manager MacReynold reported he and staff met with Mark and Julie Japhet the previous week to outline some options on how to take care of the retroactive water assessments on their two condemned properties. He noted he would be meeting with the Japhets one more time to see if they would like to consider one of the proposed options.

#### **7. Council Reports.**

a. **Update From Mayor Dawes.** Mayor Dawes reported he assisted on a community panel to interview the four candidates for the Port of Chehalis executive director position. He believed the Port Commissioners would be making an announcement on their selection before the end of the month.

Mayor Dawes brought up the TIGER grant application recently submitted by the Port of Centralia to do some improvements on the rail line owed by Genesee & Wyoming, from Blakeslee Junction to the Port of Grays Harbor. He reported there's language in the grant that states the money can be used to "buy" property. Mayor Dawes had concerns that the Port could be looking to buy the same stretch of track that we're looking to buy from the City of Tacoma.

Mayor Dawes reported the Port has not been forthcoming in providing information on the grant and what their plans are for the money. He stated he talked with some folks from Genesee & Wyoming at the Traffic Safety Council meeting last month and they indicated they knew nothing about what was in the grant.

Mayor Dawes noted the council was unanimous in their decision to proceed with a due diligence study and have been very upfront and public with the process we're following. He stated with the council's concurrence he would like to have a letter drafted and sent to the Port of Centralia to ask if their plans include the purchase of the same piece of rail that we're looking at. A majority of the council agreed.

Councilor Lund asked if we should use the Freedom of Information Act to try to obtain a copy of the TIGER grant application from the Port. City Attorney Hillier stated a request could be made, but he didn't know if the information is considered confidential or privileged. City Manager MacReynold believed a straightforward letter asking the question is a more collegial way to deal with a fellow jurisdiction.

**8. Ordinance No. 929-B, First Reading – Repealing Surcharges and Latecomer Fees for Roads and Utilities in the Airport District.** City Manager MacReynold reported, in their research in looking at the binding site plan and future economic development at the airport, the administration realized there was really no reason for the latecomer agreement since the utilities have been reimbursed for the utilities built. He stated, for that reason, the administration is requesting the council consider amending the ordinances to do away with the latecomer agreement at the airport.

Councilor Spahr moved to pass Ordinance No. 929-B on first reading.

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The motion was seconded by Councilor Harris and carried unanimously.

9. **Community Rails Committee**. Councilor Harris reported the Association of Washington Cities is looking for members for a Community Rails Committee. He stated he would like the blessing of the council to try to get on that committee. The council was in agreement that Councilor Harris should submit his name if he's interested.

10. **City Chip Seal Program**. Councilor Lund reported, in a recent conversation he had with Public Works Director Rick Sahlin, the condition of Kresky Avenue was brought up. He noted Mr. Sahlin indicated he talked with City Manager MacReynold about chip sealing Kresky Avenue to get more life out of it, but it was going to use up more than half of the chip seal budget for the year. Councilor Lund suggested they consider using some of the extra sales tax revenue received this year to expand the chip seal program, so they don't lose any ground on the streets that have been let go.

Councilor Ketchum stated he supported Councilor Lund's suggestion, but would like to see what area Councilor Lund is looking at and what it would cost.

Councilor Lund stated he wasn't looking at any specific area, he just wanted to add some additional money to the budget to make up for what they're using to do Kresky Avenue.

City Manager MacReynold stated he greatly appreciated the council's approach, adding he's been working with Mr. Sahlin and Street Superintendent Don Schmitt on some alternative approaches for additional funding for our streets and roads. He stated we cannot expect the state or the feds to do anything more than what they have been doing, which is basically reducing the amount of money we get for local streets and roads. City Manager MacReynold noted they are looking at a couple of long-term options to direct money to, and will go after some additional funding for local street and road projects.

City Manager MacReynold believed Councilor Lund was asking the administration to pick a dollar amount and come back with a report on what we can do and how it will be funded. He encouraged the council to look at it as part of a bigger discussion, which the administration will bring back to them in July. City Manager MacReynold asked if the council was interested in having him bring back a proposal for this year, and stay on track to come back and brief the council on possible alternative funding.

Mr. Sahlin reported each year they budget for 90 tons of oil for their oiling program, adding the Kresky Avenue project will take about 60 tons. He noted they still have a couple of small areas they plan to chip seal this year, and would do some crack sealing as well.

Councilor Spahr suggested they're basically looking at a budget amendment, not really taking anything away from what they plan to do.

Mr. Sahlin reported originally they were going to continue to chip seal from where they stopped last year in the Prospect Street area and keep moving south; however, because Kresky Avenue is a main arterial and it needs to be preserved, they decided to go ahead and chip seal that area and do some crack sealing on the other arterials.

Mr. Sahlin stated it would be nice to get more done, but didn't know if they would have the time or manpower to do more area this year, but they could try.

Mayor Dawes suggested staff get together with City Manager MacReynold and report back to the council. He stated they could certainly look at doing some catch up work next year, noting it all has to do with planning.

City Manager MacReynold stated he would report back at the next meeting and provide the council with a proposal.

11. **Appointment of City Representative to the Lewis County LEOFF Disability Board**. Mayor Dawes asked if there was any word on who was appointed as "city representative" on the Lewis County LEOFF Disability Board. City Clerk Judy Schave reported Centralia Mayor Bonnie Canaday was reappointed to that position.

There being no further business to come before the council, the meeting adjourned 6:04 p.m.



May 12, 2014

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: May 27, 2014

Initials: JS

May 27, 2014

The Chehalis city council met in regular session on Tuesday, May 27, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Chad Taylor, and Tony Ketchum. Councilor Lund was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Judy Pectol, Finance Manager; Dennis Osborn, Community Development Director; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; Don Schmitt, Street Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Citizen Business.** Mark Japhet (624 Murray Court NW, Olympia) reported he was previously before the council to request a waiver on the assessment fees to hook up water utilities on two of his homes that participated in the Federal Emergency Management Administration (FEMA) Home Elevation Program. At the recommendation of the city council, he and his wife Julie met with city staff to discuss options for taking care of the assessed fees. Mr. Japhet stated one of the options provided by city staff was to come back before the council to obtain a waiver, in part or whole, of the fees owing.

City Manager MacReynold reported the administration had a good discussion with the Japhets and laid out some options for their consideration. He noted they were very candid that the situation created a serious cash flow problem for them. City Manager MacReynold stated he would not recommend the council waive the charges, noting the Japhets received a significant amount of federal monies to complete the work. He felt the administration had been very fair in working with the applicants, adding they went in knowing what the situation was.

Councilor Pope reported, after looking at the information provided, he agreed that the Japhets should be made to pay the full amount. He suggested if council were to waive the fees they could end up hurting the utilities, or having to transfer monies from the general fund to cover it and didn't believe they should put themselves in that position.

Councilor Harris agreed, adding the Japhets had already received roughly \$95,000 in grant monies for their projects. He noted they also signed for the packet of information in 2012 that stipulated the fees would have to be paid to connect to public utilities.

Councilor Spahr stated he concurred, and suggested they would be opening up Pandora's Box if they start waiving fees. He noted if they give certain individuals breaks it would end up costing the other utility customers more in the long run.

Mayor Dawes stated the only red flag raised with him was the unknown charges from the previous owners, which he requested staff take a look at. He noted, after reviewing the materials provided, it was his understanding that everything that was to be paid was known up front.

Julie Japhet stated that was not true, adding they were not aware of any outstanding bills from the prior owners. Mr. Japhet indicated the title search did not show anything owing on the properties.

City Attorney Hillier stated, under the city's current code, meters are pulled after four months of delinquency. He noted if a meter is pulled all of the prior fees go away and a new connection fee is required if the owner wants use of the home. The alternative is to pay the back base charges for the time there's been no use, which in this case is less than a new connection fee.

Ms. Japhet stated they proposed to city staff to have a reduced rate for red-tagged homes. She suggested it would be wise of the council to consider creating incentives for potential investors to purchase the homes to renovate.

City Manager MacReynold indicated Ms. Japhet proposal was included in the written response.

Mayor Dawes stated it appeared from the comments of the council that they were not inclined to make any reductions to the assessed fees. He noted opening that door could inundate the council with similar requests, which would not be good for the city. Mayor Dawes suggested if there was any further discussion on the matter the appropriate place to do that would be outside the meeting.

Ms. Japhet inquired about the number of red-tagged homes in Chehalis that could potentially come back to the city to ask for money back.

May 27, 2014

City Manager MacReynold stated he didn't know. He reported the Japhets are in the business of rehabbing and renting houses and didn't know if the city would draw that distinction as an organization.

Mayor Dawes stated he appreciated the Japhets bringing up the issue and suggested they continue to look at the options provided by the city administration.

2. **Public Hearing on the 2015-2020 Six-Year Transportation Improvement (TIP) Program.** Mayor Dawes closed the regular meeting at 5:15 p.m. and opened the public hearing.

Public Works Director Rick Sahlin reported the city had two projects on the statewide transportation list, to include the Chehalis Avenue Beautification and Paving Project, and the National Avenue Salzer Creek Bridge Scour Project. He noted Street Superintendent Don Schmitt put together 11 other projects for the TIP that they felt were important to pursue funding for.

There being no public comment, Mayor Dawes closed the public hearing and reopened the regular meeting at 5:17 p.m.

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

- a. Minutes of the regular meeting of May 12, 2014; and
- b. Claim Vouchers No. 109206-109355 and Electronic Funds Transfer Nos. 42014 and 420141 in the amount of \$681,260.58 dated May 15, 2014.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Administration Reports.**

a. **April Financial Report.** Finance Manager Judy Pectol reported on the general fund revenues. She noted May is generally when the city receives the largest payment of property tax from Lewis County, adding those numbers will look a lot better on the May financial statements. Ms. Pectol reported, based on the permits that have been approved, they should see a big increase in June's revenues. She noted some of the items that don't appear to be meeting expectations should start looking better on future statements, as well.

Ms. Pectol reported on the general fund expenditures, noting the large deficit in the non-departmental fund was due to the grant expenditures for the FEMA Home Elevation Project and the Pool Project. She noted as the grant reimbursement monies come back in, that fund will start to look better.

Ms. Pectol reported the revenues and expenditures for the utility funds look good at this time. She noted she was still working out some things with the airport fund, but overall it looked good.

b. **Briefing on Coal Creek Failing Septic Systems.** Wastewater Superintendent Patrick Wiltzius reported on a residential area along Coal Creek Road just east of the Vintage at Chehalis that has 10-12 homes with failing septic systems. He noted this issue has been going on for several years and Lewis County would like to see it corrected.

Mr. Wiltzius noted the county will be sending a letter to the residents to let them know their septic systems are failing and they need to do something. Mr. Wiltzius reported a public meeting has been set for June 18, at 6:00 p.m., to meet with the property owners to discuss options. He noted the city's participation will be to help get funding and to provide our expertise.

Mr. Wiltzius reported he's working with the county to get a general cost estimate for what the work might involve, should they decide to hook up to the city's sewer line. He noted hooking up to the city's line appears to be the only option at this time.

Councilor Ketchum inquired as to how far away the city's sewer line was from the homes. Mr. Wiltzius stated it was about 800 feet.

May 27, 2014

City Attorney Hillier noted the other consideration the council needs to be aware of is that the homes are within the city limits. He noted one solution could be to do a Local Improvement District, which the city will have to sponsor and oversee. City Attorney Hillier stated they wouldn't make any decisions until after they find out what the property owners want to do.

c. **Update on Additional Funding for 2014 Chip Seal Program.** City Manager MacReynold reported, based on the discussion at the last council meeting, Mr. Schmitt put together an outline of the city's 2014 street and stormwater projects. He noted the program was very aggressive compared to previous years and it didn't appear that they can do much more than what they already have scheduled for this year. City Manager MacReynold stated the administration does not recommend making any changes to the 2014 schedule at this time.

5. **Council Reports.**

a. **Update From Councilor Harris.** Councilor Harris reported, due to other conflicts, he was not going to be able to attend the Association of Washington Cities (AWC) Annual Conference in June. He noted he was still in the process of trying to get on the Community Rails Committee, even though their first meeting was scheduled at the AWC conference.

Councilor Harris thanked Mr. Wiltzius and Airport Manager Allyn Roe for completing the upgrades to the airport pump station.

Councilor Harris reported on the Downtown Revitalization Group (DRG) meeting. He noted the DRG is working with the downtown businesses and building owners to see if they can help revitalize the area. Councilor Harris reported they recently started working with Stan Foster from PARC, who sent a team down to look at some of the facilities. He stated one of the issues brought to their attention was, if we can do some work on our ordinances it might make it easier and more profitable for building owners who want to do some redevelopment to their properties.

City Manager MacReynold felt the discussion was very encouraging, adding there are a lot of possibilities. He noted the team from PARC met with Community Development Director Dennis Osborn prior to the meeting and had a very positive conversation about options to deal with the historic buildings in Old Town.

b. **Update From Mayor Dawes.** Mayor Dawes reported the next Joint Oversight Board meeting was scheduled for Wednesday, June 28, at 6:30 p.m.

6. **Ordinance No. 929-B, Second and Final Reading – Repealing Surcharges and Latecomer Fees for Roads and Utilities in the Airport District.** There being no questions or comments, Councilor Spahr moved to pass Ordinance No. 929-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned 5:31 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: June 9, 2014

Initials: js

June 9, 2014

The Chehalis city council met in regular session on Monday, June 9, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Bob Spahr, Daryl Lund, Chad Taylor, and Tony Ketchum. Councilor Pope was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Judy Pectol, Finance Manager; Dennis Osborn, Community Development Director; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; and Don Schmitt, Street Superintendent.

1. **Remembering Gail Shaw.** Mayor Dawes reported the community lost a local icon over the weekend when Gail Shaw passed away. He noted Mr. Shaw was very instrumental in a number of projects too numerous to mention. Mayor Dawes stated Mr. Shaw was a very intelligent, savvy businessman and was always thinking about working on a project that would make Chehalis a better place to live. Mayor Dawes requested a moment of silence in honor of Mr. Shaw.

2. **Lewis County Historical Museum Update.** Museum Director Andy Skinner was pleased to announce that the museum received a significant donation to their endowment fund in the amount of \$149,000 from the estate of June Clare. He noted the total amount in the endowment fund was now \$180,700.

Mr. Skinner reported they recently launched their new project, "Digital Museumous." He noted the project will include more on-line items, such as photographs, postcards, and a research library. The idea behind the project is to peek interest just enough to get people to come into the museum. Mr. Skinner talked briefly about two of their annual upcoming events:

- July 13 - Annual Pie Social at the Claquato Church
- July 26 - Annual Pancake Breakfast at the Lewis County Historical Museum

3. **Update on Chehalis Renaissance and Main Street Designation.** Chehalis Community Renaissance Team (CCRT) Chair David Hartz thanked Mayor Dawes for recognizing Mr. Shaw earlier, adding he was one of the most amazing men he's ever had the privilege of knowing and to work with. He believed the CCRT was in existence because of Mr. Shaw's vision and leadership, adding the community was indebted to him.

Mr. Hartz provided the council with handouts and reported on the various programs the CCRT is working on, to include:

- Washington Main Street Program Designation – State approved on 5/29/14
  - Eligible for B&O tax credit incentive program
  - Opens resources to Chehalis – historic revitalization will be important
- Downtown Revitalization Group
  - Awaiting consultant's report of downtown historic building inspections
  - Preparing a proposal for Community Development Director Dennis Osborn's review to consider a change in city code requirements to provide an incentive for building restoration
- Steam Train
  - Strategic Plan completed – implementation stage
  - Facility activity:
    - 2014 monthly transactions entered into Peachtree Software by Ben Kostick, CPA
    - Audit – awaiting quote and engagement letter from Blue Golding (Winlock)
- Decorations Committee
  - Refining a 3-5 year city plan
  - Presenting a request for funding to the Chehalis Foundation on June 17, 2014
- New Chehalis Brochure and 2014 Events Card

June 9, 2014

Councilor Lund asked if there was any mention of our Historic Commission working with them on some of the Main Street Program projects. Mr. Hartz stated it had not been mentioned yet, adding the Main Street Program has been undergoing a leadership change at the national level. He noted the next step will be to invite State Director Sara Hansen to meet with the CCRT, so they can start asking those types of questions.

Mr. Hartz reported, thanks to Councilor Lund, he met with one of the principals from The Artifacts Group, a consulting group from Tacoma that was commissioned by the State Legislature to do a study on funding theater restorations. He noted during their meeting he asked if their group could identify some theaters for the CCRT to contact, to find out what they did to be successful.

Mayor Dawes thanked Mr. Hartz and the rest of the CCRT for all the work they've done.

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

a. Minutes of the regular meeting of May 27, 2014; and

b. Claim Vouchers No. 109356-109480 in the amount of \$955,293.38 dated May 30, 2014; and Payroll Vouchers No. 37346-37412, Direct Deposit Payroll Vouchers No. 5006-5089 and Electronic Federal Tax Payment No. 136 in the amount of \$667,972.85 dated May 30, 2014.

The motion was seconded by Councilor Harris and carried unanimously.

5. **Council Reports.**

a. **Update From Councilor Spahr.** Councilor Spahr reported he attended the Joint Oversight Board meeting for the functional consolidation, adding the Board decided to start meeting every other month rather than every month due to the funding situation that's pending. He noted, with everything that's gone on, Riverside Fire Authority will probably have to run another levy to fund their department. Councilor Spahr stated the committee would continue to work through the process to see how it will all work out, adding they should know more by the end of the year.

Councilor Spahr reported he attended the Chamber Forum, noting Port of Centralia Executive Director Kyle Heaton was the guest speaker. According to Mr. Heaton, all of their permits are in and they're ready to start construction on the Centralia Station Project.

Councilor Spahr reported he had a chance to talk briefly with Mr. Heaton and Port of Centralia Commissioner Dan Keahey about the Tacoma rail line. It was Councilor Spahr's understanding that when the city and county started talking about purchasing the rail line that the City of Centralia and the Port of Centralia were invited to participate. City Manager MacReynold reported the Port of Centralia as well as other stakeholders, including the City of Centralia, received an invitation to participate in the initial meetings.

Councilor Spahr inquired about the letter sent to the Port of Centralia in May from the City of Chehalis, wanting to know the purpose of the letter. City Manager MacReynold reported a letter was sent to get clarification on their TIGER grant application, to see if they were intending to use the money to purchase the same rail line that we're looking to purchase from the City of Tacoma.

Councilor Spahr stated Mr. Heaton was pretty adamant that there was a lack of communication. He suggested they set up a meeting with Mr. Heaton and Port Commissioner Keahey to discuss some of the issues.

Councilor Ketchum noted, before this whole thing even started, he and City Manager MacReynold met with Mr. Heaton to discuss the matter.

City Attorney Hillier reported he had been to all of the meetings, and Mr. Heaton was in fact at one of the major meetings at the Lewis County Courthouse. He noted Mr. Heaton attended, but did not say anything.

June 9, 2014

Councilor Spahr stated he would like to hear a little more about what Mr. Heaton thinks because he has some definite ideas on how or why it won't work.

Mayor Dawes suggested one of the easiest things to do would be to invite Mr. Heaton to attend the next rail meeting.

Councilor Ketchum suggested Councilor Spahr meet with City Manager MacReynold and Mr. Heaton, so he can get his questions answered.

b. **Update From Councilor Taylor.** Councilor Taylor reported the Twin Transit Board held a work session last week to work on getting their budget back in balance. He noted a recent change to some of the routes has forced some residents to rely more heavily on paratransit services. Councilor Taylor noted the cost for providing paratransit services runs about \$58 per ride, compared to \$3 for a bus ride. He noted the Board is looking at cutting back the commuter service to Olympia and reducing service hours on the weekends. Councilor Taylor reported the Board also talked about an increase in sales tax, which he was not in favor of and didn't believe the council would support it either. He asked if the council had any thoughts about what transit should look like in Lewis County.

Councilor Lund stated he was not in favor of raising sales tax, adding if Twin Transit is having issues with funding they should quit spending money.

Mayor Dawes thought they should be able to plan accordingly based on ridership. He also suggested services be geared towards our citizens here. Mayor Dawes stated he continues to have concerns about the commuter service to Olympia, the number of drivers they have on staff, and the potential of eliminating local weekend services.

Councilor Lund suggested Twin Transit raise fares, so the people who are using it pay for it.

Councilor Taylor noted Twin Transit did an increase last year, which accounted for roughly seven percent of their revenue. He also agreed that the commuter service to Olympia was not a good idea from the beginning and never supported it. Councilor Taylor didn't see how the general manager wouldn't request that the commuter service be cut.

Mayor Dawes believed people ride the bus because it's a necessity, and he had no problem assisting with that. He stated when things get tight, like they did with the city a while back, you have to tighten your belt and not look at increasing rates or ask someone else to pay the bills.

c. **Update From Mayor Dawes.** Mayor Dawes reported he attended the Mayors' meeting last week and talked briefly about the functional consolidation and joint response by the fire departments.

Mayor Dawes reminded the council about the ribbon cutting ceremony for the Chehalis Farmers Market on June 10, at 11:00 a.m.

Mayor Dawes reported Airport Manager Allyn Roe was honored at the Chehalis High School graduation ceremony, receiving the Board Award of Excellence for leading the charge on the restoration of the tennis courts at W.F. West High School. He indicated the project came about as a wish made by Nichole Beck, daughter of Chehalis Fire Captain Casey Beck, through Make-a-Wish.

**6. Resolution No. 6-2014, First and Final Reading – Adopting the 2015-2020 Six-Year Transportation Improvement Plan (TIP).** Public Works Director Rick Sahlin reported a public hearing was held on May 27 to receive public comment on the 2015-2020 TIP, adding no comments were received. He noted the first two projects on the list, the Chehalis Avenue Beautification/Traffic Calming/Safety project and the National Avenue Bridge Scour project, are already underway. Mr. Sahlin reported he hopes to seek funding for the other projects listed on the TIP as it becomes available.

Councilor Spahr moved to adopt Resolution No. 6-2014 on first and final reading.

The motion was seconded by Councilor Harris and carried unanimously.

June 9, 2014

There being no further business to come before the council, the meeting adjourned 5:39 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: June 23, 2014

Initials: js



June 23, 2014

The Chehalis city council met in regular session on Monday, June 23, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:15 p.m. with the following council members present: Terry Harris, Bob Spahr, Daryl Lund, and Chad Taylor. Councilors Ketchum and Pope were absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(g) – evaluate qualifications; and RCW 42.30.140(4)(a) – collective bargaining for approximately 45 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 4:57 p.m. and announced the council would take a three minute recess before opening the regular meeting at 5:00 p.m. Additional staff included Glenn Schaffer, Police Chief; Judy Pectol, Finance Manager; Dennis Osborn, Community Development Director; Becky Fox, Court Administrator; Rick Sahlin, Public Works Director; and Don Schmitt, Street Superintendent. Members of the media included Dameon Pesanti from *The Chronicle*.

2. **Well City Award.** Wellness Committee Chair Becky Fox reported the committee was very excited to receive the Well City Award for 2014. She noted the city would receive a two percent premium discount of approximately \$28,000 in 2015.

Mayor Dawes presented the Well City Award (plaque) to Chairman Fox and certificates of achievement to each of the committee members, to include: Chairman Fox, Betty Brooks, Julie Hampson, Peggy Hammer, Judy Schave, and Don Schmitt. Committee members not in attendance include: Danyell Zavodsky, Melody Guenther, and Tracey Paddock. Mayor Dawes stated he couldn't thank the committee enough for all of their hard work.

3. **Citizens Business.** Holly St. Clair (371 Zandecki Road) reported a meeting was recently held at the Matrix (Coffeehouse) to discuss the dangers of oil trains passing through our area. Some of the concerns discussed included: safety, increased rail traffic, and environmental and economic impact.

Ms. St. Clair talked briefly about her personal concerns and her concern for others living near the tracks, including the Chehalis fire department. She provided the council with a copy of a draft resolution for their consideration, noting the Safe Rails Lewis County group is trying to get the resolution passed as soon as possible.

Mayor Dawes reported there are number of issues when it comes to rail that need to be taken into consideration. He noted he and the administration would work to see if they can come up with a resolution that the council could support.

4. **TIGER Grant for Corridor Improvement/Safety Projects from Blakeslee Junction to Grays Harbor.** Donald Seil from Puget Sound and Pacific Railroad (PSAP) provided information on the TIGER grant funding application submitted by the Port of Centralia. He noted the Port worked with PSAP to develop the grant application in order to acquire funding for infrastructure and capacity improvements on the PSAP line.

Mr. Seil reported the TIGER grant had been around for about six years and provides funding for transportation investment generating economic recovery, as well as preservation of existing routes and environmental concerns. He noted the Port's objective for the TIGER grant is to provide grade crossing safety improvements; improvements toward the safety of the infrastructure, and economic factors, such as local jobs and competitive growth.

Mr. Seil reported on the improvements that the grant funding would support in Lewis County, which will include:

- Track Improvements (3,000 ties in 4.4 miles)
- Track surfacing – 5 miles
- Upgrades to the bridge over the Skookumchuck River
- Partner with City of Centralia to review quiet zone for railroad horn reduction
- Enhance two crossings' warning protection devices
- Increase speed of trains

Community benefits would include: less delays at crossings, reduced emissions, enhanced crossing warning devices, and a positive ripple effect on the passenger corridor.

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Mr. Seil noted their core purpose is to be the safest and most respected rail service provider in the world. He noted they can see growth coming and they need to be able to handle it to ensure the economic livelihood of the communities.

Mr. Seil talked briefly about the specifics of the TIGER grant application, to include:

- Seven (7) bridges - \$2 million for improvements
- Ties and Surfacing – 15 miles of ties; 20 miles of surfacing to increase speed
- Expansion of Line Capacity and Interchange Portal – Construct 8500' siding at Montesano; and, expand Blakeslee Junction three yard tracks to 8000'
- Enhance Livability – work with the City of Centralia to develop quiet zone, upgrade warning protection at two crossings, and close four passive warning crossings

Mr. Seil reported the plan fits into the long-term goals of the Washington State Department of Transportation Plan submitted two years ago to improve the track structure to the Port of Grays Harbor. He stated they see their growth in autos and grain continuing and need additional capacity. Mr. Seil suggested the city send a letter of support to the Port of Centralia for their application.

Councilor Spahr reported he was told passenger trains couldn't cross the PSAP line. Mr. Seil stated that would be a legal matter and he would have to research the answer. He noted it all has to do with their sales agreement with the railroad, and the lease agreements with their Class 1 carriers.

Councilor Spahr inquired about the possibility of oil trains running on the line. Mr. Seil reported they have three customers going through the permitting process at the Port of Grays Harbor, but he had no knowledge of what the outcome will be.

Mayor Dawes asked Mr. Seil if PSAP would be interested in the oil trains if permitted, or would they go through BNSF or Union Pacific. Ms. Seil stated PSAP would handle it because they own the line.

Mayor Dawes reported, when he first heard about the Port's TIGER grant application, he had concerns that some of the funding might be used by the Port to try to purchase the same portion of rail line that Chehalis and Lewis County are looking to purchase from the City of Tacoma. Mr. Seil stated the entire amount of the TIGER funds is to support the capacity of the PSAP railroad.

Mayor Dawes asked Mr. Seil if PSAP owned the section of rail line running from Blakeslee Junction to the Port of Centralia (that crosses Harrison Avenue). Mr. Seil noted that particular line is owned by Union Pacific, but PSAP leases it so they can service their customers at the Port.

Councilor Harris stated he was still at a loss in determining whether or not we'll be able to run passengers on the Tacoma rail line. Mr. Seil stated they would have to do some research on the agreements to find the answer to that question.

Mr. Seil reported PSAP has a matching fund of 30 percent on \$12.9 million project. He stated they hope to hear back in September on whether the grant application was successful.

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

- a. Minutes of the regular meeting of June 9, 2014;
  - b. Claim Vouchers No. 109481-109636 and Electronic Funds Transfer No. 52014 in the amount of \$640,306.85 dated June 13, 2014;
  - c. Ordinance No. 931-B, first reading – amending the Chehalis Municipal Code pertaining to firearms and panhandling;
- and

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d. Approve collective bargaining agreement between the City and the International Association of Fire Fighters Local 2510.

Councilor Harris seconded the motion.

Police Chief Glenn Schaffer reported the ordinances on the books pertaining to firearms in public and in parks and panhandling have been around for a number of years and don't pertain any longer. He noted they've either been preceded by RCW or by case law and need to be removed from our current ordinances.

The motion carried unanimously.

## 6. Administration Reports.

a. **May Financial Report.** Finance Manager Judy Pectol reported some of the general fund revenues were still lagging. She noted the electricity tax was down because the revenue normally received in May was not received until June. Ms. Pectol reported the revenue for licenses and permits was also lagging. She noted those activities were starting to increase and the numbers would look a lot better in June.

Ms. Pectol stated she still had to do a budget amendment for the airport budget. She reported on the interest revenue, noting the money being held by Lewis County for the future debt payment was in an investment that only pays interest twice a year and the first payment should be received in September.

b. **Alternative Local Funding Options for City Street and Road Improvements.** City Manager MacReynold reported the repair and maintenance of our local city streets and roads has been an on-going discussion. He noted, over the last several years, there's also been a decline in state and federal funding for smaller jurisdictions.

City Manager MacReynold stated he and staff had been meeting over the last few months to talk about what could be done with regard to funding and came up with two possible funding sources.

1. Dedicate four percent of the city's annual sales and use tax towards local streets and road repair and maintenance
2. Create a Transportation Benefit District (TBD) and establish a \$20 vehicle license fee per qualifying vehicle

City Manager MacReynold believed these were viable funding sources and suggested the two revenues combined would bring in roughly \$230,000 to \$250,000 annually.

City Manager MacReynold provided the following proposed options for the council's consideration:

Option 1: An ordinance dedicating four (4) percent of the City's sales tax for street and road maintenance and improvements; (approximately \$130,000 annually)

Option 2: An ordinance establishing a TBD; and a resolution establishing a \$20 vehicle license fee to fund street and road maintenance and improvements; (approximately \$102,000 annually)

Option 3: An ordinance dedicating four (4) percent of the City's sales tax; an ordinance establishing a TBD; and a resolution establishing a \$20 vehicle license fee to fund street and road maintenance and improvements; (approximately \$232,000 annually)

Option 4: An ordinance establishing a TBD for street and road maintenance; and

Option 5: Take no action at this time.

Councilor Taylor thought there was a city in Whatcom County that did a special one cent gas tax per gallon and wanted to know if that option was available and how much it would bring in. City Manager MacReynold stated he would look into it.

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Mayor Dawes asked if money was available, would we have the staff to get more projects done. Mr. Sahlin stated it was kind of late in the year to start changing plans for what they already have scheduled. He noted they already have about \$60,000 in projects that were not budgeted for this year.

City Manager MacReynold suggested they could build it into next year's budget, which will give them an opportunity to plan on how to implement it. He noted Councilor Lund was very kind in his proposal to give the street department more money this year; however, they already have a pretty aggressive program with some additional costs for the other unbudgeted projects.

Councilor Spahr asked if the proposed four percent would be over and above what we're currently spending. Mr. Sahlin stated it would be an additional four percent that would come from the general fund.

Councilor Spahr asked what qualified as a "qualifying vehicle" with regard to the proposed \$20 vehicle license fee. Mr. Sahlin noted the list comes from the Department of Licensing and includes vehicles such as cars and trucks, and they have to be owned by a resident of the city. Vehicles such as campers and trailers do not qualify. Councilor Spahr stated the current \$30 vehicle license fee was very popular and suggested if they start pushing that rate up it was going to be very unpopular.

Councilor Spahr inquired about the gas tax revenue received from the state. Mr. Sahlin reported it was budgeted in the arterial street fund, adding it was slowly declining each year because more people are driving hybrid vehicles and using less gas. He noted the nickel package added by the state a few years ago basically goes to the Washington State Department of Transportation for their projects and doesn't benefit the cities at all.

Councilor Spahr stated he would like to know how much gas tax we're collecting. Mr. Sahlin reported the beginning balance in the arterial street fund in 2014 was approximately \$120,000.

Mr. Sahlin noted if they decide to do a TBD it would be six months before we would see any revenue from the Department of Licensing.

Mayor Dawes stated they could also consider reducing the proposed vehicle license fee to \$10, but that would decrease the potential revenue by half. He agreed that the city streets are in serious need of repair and they need to do something. Mayor Dawes stated if the council decides to move forward he would like to build in some safeguards to make sure the money can only be used for street and road maintenance and repairs.

Councilor Taylor stated he would like to see what a one cent tax per gallon would look like. City Manager MacReynold stated he would see what they could come up with.

Councilor Harris stated he didn't like the idea of taking more money out of his pocket any more than anyone else does, but they can't continue to put it off. He suggested they consider Option 3.

Councilor Lund suggestion Option 5 since staff already said they couldn't do any more projects because they don't have the time or money. He stated he was also against imposing a \$20 vehicle license fee.

Mayor Dawes stated he would like to get a consensus from the council so he can give direction to City Manager MacReynold on which way to go. He stated he didn't like raising fees any more than anyone else either, but sometimes there comes a point when you have to do something.

Councilor Spahr stated he didn't have any problem dedicating four percent of the sales and use tax, but he would have to think hard about adding a \$20 vehicle license fee.

City Manager MacReynold reported the council has authority under state statute to charge up to \$20 per vehicle for the TBD, and beyond that a vote of the public would be required. He noted the council also has the option of having the public vote on any amount of money the TBD hopes to collect.

June 23, 2014

City Attorney Hillier stated it was important to note that they cannot put a vehicle license fee up for a vote unless they have a TBD in place. He noted they could also put a TBD in place without having any money come out of it. City Attorney Hillier reported the TBD would not garner any income until the council passes a resolution creating income, or puts a vote to the public.

Councilor Spahr stated he didn't know how many times the council raised the property tax in the last 20 years, but they might not be here talking about this if they would have taken small increments over the years. He suggested they need to take the one percent increase into consideration on an annual basis and ask themselves, "Can we really afford not to take it."

Councilor Harris suggested they put both options out there for them to vote on; noting that would give them some options to choose from and time to research the one cent per gallon fuel tax. He stated he also wouldn't mind finding out what the one percent property tax would bring in from year to year.

Councilor Harris stated the council is supposed to be the leaders in the community and they need to be able to make decisions that help the people; sometimes whether they like it, or not.

City Manager MacReynold suggested the administration could bring back a series of things for the council to consider. He noted they will obviously want to hold a public hearing to get some feedback from the public. City Manager MacReynold stated there were some sample ordinances included in the agenda packet, which could be finalized and brought back to the council for their consideration. He suggested they could also do a work session to discuss the options and ask further questions.

Mayor Dawes reported they could also have a public advisory vote and they wouldn't have to pass any ordinances. He noted the cost to do that would be about \$10,000, depending on when it goes on the ballot.

City Manager MacReynold stated the real question is the funding, which would require public input and consideration.

Mayor Dawes stated, at the very least, they could start out with a work session and a public hearing to outline the situation and provide alternatives.

Councilor Taylor suggested looking at what type of industry produces the most sales tax and go out and recruit something like it to open up shop in Chehalis.

Mayor Dawes stated its incumbent upon the city to do something, adding they can't wait for the state or feds because they're not there anymore.

Councilor Spahr asked if they could get a 10-year history on where the gas tax money has been going, so the people see that the money is disappearing slowly but surely.

## **7. Council Reports.**

a. **Update From Councilor Taylor.** Councilor Taylor reported he attended a Twin Transit meeting last week where they held a public meeting to talk about service reductions to help bring their budget back in line. He noted there were several members of the public in attendance. Councilor Taylor reported he made a motion to reduce or cut service to Olympia and to restrict transit service on Sundays. He noted General Manager Rob LaFontaine would be bringing back his formal recommendation to the Transit Board on July 1.

b. **Update from Councilor Lund.** Councilor Lund wondered if the council would let staff look into talking to Weyerhaeuser Company about their property off of Riverside Drive, to see if they would be willing to donate it to the city. He noted it might be an opportunity for them to expand the area around the Chehalis-Centralia Railroad and Museum and the Veterans Memorial Museum or possibly use it for a transloading site. The consensus of the council was to have the administration contact Weyerhaeuser to see if they would be interested in donating the property to the city.

c. **Update From Councilor Harris.** Councilor Harris reported he attended the Chehalis Community Renaissance Team meeting, noting there were a lot of remembrances about Gail Shaw. He stated Mr. Shaw would never be forgotten, or duplicated.

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d. **Update From Mayor Dawes.** Mayor Dawes reported he attended the ribbon cutting for the Community Farmers Market; a public meeting on the Chehalis Avenue Project; and the annual AWC Conference in Spokane, Washington. He noted marijuana was one of the top subjects of discussion at the conference this year. Mayor Dawes reported he also attended the "Chef's Night Out" event which raised a lot of money that would benefit United Way of Lewis County.

8. **Request to Name Little League Press Box at Stan Hedwall Park the "Virgil Bluhm Press Box and Storage Facility."** Community Development Director Dennis Osborn reported the city received a request from Rich Bunker to name the press box at Stan Hedwall Park, at the field known as Andy Sennes Field, the "Virgil Bluhm Press Box and Storage Facility." He noted the administration has no objection to the request.

Mr. Bunker reported Mr. Bluhm has been involved with Little League for nearly 50 years. He noted Mr. Bluhm wasn't in the best of health and felt it would be appropriate to recognize him for his contributions. Mr. Bunker reported there would be no cost to the city for this name change, adding all cost associated with a sign would be donated by the Bunker family.

Councilor Spahr agreed with Mr. Bunker, noting Mr. Bluhm was one of those guys who never asked for anything, he just gave. He stated it was the least they could do, adding he only wished they could do more.

Mayor Dawes stated he's known Mr. Bluhm for a number of years and thought the request was very appropriate.

Councilor Spahr moved that the Council name the press box at Andy Sennes Field the "Virgil Bluhm Press Box and Storage Facility."

The motion was seconded by Councilor Taylor and carried unanimously.

There being no further business to come before the council, the meeting adjourned 6:24 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: July 14, 2014

Initials: js

July 14, 2014

The Chehalis city council met in regular session on Monday, July 14, 2014, in the Chehalis city hall. Mayor Dawes 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, and Tony Ketchum. Councilor Taylor was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Dennis Osborn, Community Development Director; Glenn Schaffer, Police Chief; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.140(4)(a) – collective bargaining; and 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 Dawes 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 Judy Pectol, Finance Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Dameon Pesanti from *The Chronicle*.

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

- a. Minutes of the regular meeting of June 23, 2014;
- b. Claim Vouchers No. 109637-109752 in the amount of \$85,669.61 dated June 30, 2014; and Payroll Vouchers No. 37413-37487, Direct Deposit Payroll Vouchers No. 5090-5173 and Electronic Federal Tax Payment No. 137 in the amount of \$731,964.18 dated June 30, 2014; and
- c. Ordinance No. 931-B - pass on second and final reading amending the Chehalis Municipal Code pertaining to firearms and panhandling.

The motion was seconded by Councilor Pope and carried unanimously.

3. **Administration Reports.**

- a. **City Manager Search Update.** City Clerk Judy Schave reported she was working with Prothman Company on the city manager search profile development and recruitment schedule. She provided the council with a copy of the schedule and asked that they keep the highlighted dates open for the interview process.
- b. **Stan Hedwall Park Ribbon Cutting.** City Manager MacReynold announced there would be a ribbon cutting ceremony at Stan Hedwall Park on July 21, at 2:00 p.m., to celebrate the recent ownership of the park. Councilor Spahr inquired about the ribbon cutting for the Gail and Carolyn Shaw Aquatic Center. City Attorney Hillier believed it was scheduled for August 10.

4. **Council Reports.**

- a. **Update From Councilor Spahr.** Councilor Spahr reported he attended the Lewis County Economic Development Council (EDC) Board meeting to listen to the presentation given by Mayor Dawes and company regarding the possible purchase of the Tacoma rail line. He stated he was happy to see some support come from that group.
- b. **Update from Councilor Pope.** Councilor Pope reported he recently had a couple of citizens ask him why the city is using tax to dollars to support the pool project. He indicated, other than city staff time, there is no tax money being used for the pool project. Councilor Pope provided the council with a breakdown of the pool budget and funding sources. He noted, out of the estimated \$2.5 million, \$750,000 was covered by grants and the remainder would be covered by the Chehalis Foundation.
- c. **Update From Councilor Harris.** Councilor Harris reported he attended the Chehalis Community Renaissance Team meeting on July 11. He noted Community Farmers Market Manager Rachel Reiton asked individuals and entities if she could get a letter of support for their funding application through the Local Foods, Local Places Foundation. The consensus of the council was to approve the draft letter of support. Mayor Dawes stated he would be happy to sign the letter.

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d. **Update From Mayor Dawes.** Mayor Dawes reported he attended an open house on June 28 at the Greater Chehalis Food Bank, at their new facility located behind Lewis County Fire District #6.

Mayor Dawes reported he met with some bike riders from the Friendship Circle Bicycle Group that rode through town on July 1. He noted their mission is to bring awareness to special needs children. Mayor Dawes stated he answered a number of questions about our community, and provided information about the library and the new pool. He also provided information on Pope's Kids Place Respite Care Center, adding they were very impressed that a community of our size would have such a facility.

Mayor Dawes talked briefly about the train presentation at the EDC Board meeting, noting he felt very good about it. He also attended funeral services for Gail Shaw and Connie Small, noting they were both very supportive members of our community.

Mayor Dawes provided the council with copies of a draft resolution pertaining to the transport of crude oil through the city. He noted, while it was an important issue and one that they should address in some manner, he was hesitant about the city reaching out to do something that would interfere with another community, or with commerce.

Mayor Dawes stated they would continue to see oil trains whether they pass a resolution or not. He reported the proposed resolution included language to address the safety aspect of transporting crude oil. Mayor Dawes suggested if one of these trains were to derail in our area the local municipality would be the one stuck with the bill to clean it up. He stated the resolution would put on record that the council recognizes these things are going to happen, but there might be a safer way to transport it.

Councilor Spahr stated he agreed, adding he was very concerned about the trains coming through Chehalis. He noted there wasn't a lot they could do about it, but he wants them to be as safe as they can be. Councilor Spahr suggested the best way to move crude oil was through a pipeline.

Mayor Dawes asked for a consensus of the council to see if they were interested in bringing the resolution back for a vote at the next meeting, or the following meeting.

Councilor Harris reported there was a lot of pass-through information in the proposed resolution that they would be putting their signature on. He felt he could support the information on page two, but didn't know if they would need to include all of the information on page one. Councilor Harris stated the first and foremost thing is that the trains need to be as safe as possible. He suggested they're already going through our community and they don't need to add more to it.

Councilor Harris stated he would like to include language in the resolution to require that the rail lines be responsible for any hazard recovery and clean up. He stated he could support the resolution, in theory.

Mayor Dawes suggested the council could certainly offer any amendments they would like to see included in the resolution, adding he had no problem with the idea of adding language stating the rail line would be responsible for the cost of any cleanup in the event of an accident. He reported he would like to see the council either take a stand with something along the lines of the proposed resolution, or just move on.

Councilor Harris stated this was one of those rare things that he could be NIMBY (not in my backyard) on.

Mayor Dawes stated he didn't think it would be too hard to add a 'Section 4' that the railroad would be the one to cover any expenses incurred by the city as a result of an unfortunate incident or derailment causing major damage. City Manager MacReynold reported the administration could certainly add an additional section for the council to consider.

The consensus of the council was to bring the resolution back for their consideration.

**5. Ordinance No. 930-B, First Reading – Adopting Cable Television System Franchise Agreement between the City and Comcast Cable Communications Management, LLC.** City Manager MacReynold reported the city has been in negotiations with Comcast for quite a few years. He encouraged the council's consideration of the ordinance, noting the



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agreement provides for a utility tax and a franchise fee. City Manager MacReynold noted this would be an improvement to our current revenue situation, since we haven't collected a franchise fee from Comcast in the past.

City Attorney Hiller stated the report is self-explanatory and the few changes made were very minor. He noted the city has received very few complaints over the years about the service and performance of Comcast.

Councilor Ketchum suggested the reason the city hasn't received as many complaints is because people are tired of complaining and not getting anywhere. He stated he subscribes to Comcast, but doesn't enjoy them.

Councilor Spahr suggested the agreement have a provision for when someone calls with a problem that Comcast can't put them on hold for more than 15 minutes, but noted that would probably be pretty hard to administer.

Councilor Harris moved that the Council pass Ordinance No. 930-B on first reading

The motion was seconded by Councilor Pope and carried unanimously.

6. **Groundbreaking Ceremony.** Mayor Dawes reported a groundbreaking ceremony was planned for the new Fresenius Medical Care clinic (1684 Bishop Road) on July 17, at 11:00 a.m. He noted a luncheon was also planned at The Shire after the groundbreaking.

7. **Letter from the Washington State Department of Ecology (DOE).** Councilor Spahr stated he wanted to acknowledge receipt of the letter from DOE in regards to the wastewater treatment plant. He stated, "Good Job!" to Wastewater Superintendent Patrick Wiltzius and everyone else involved.

There being no further business to come before the council, the meeting adjourned 6:28 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: July 28, 2014

Initials: js

July 28, 2014

The Chehalis city council met in regular session on Monday, July 28, 2014, in the Chehalis city hall. Mayor Dawes 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 Tony Ketchum. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Rob Gebhart, Interim Fire Chief; Judy Pectol, Finance Manager; Dennis Osborn, Community Development Director; and Peggy Hammer, Human Resources Administrator. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Citizen Business.**

a. **Vietnam Veteran Recognition.** COL. Ron Averill, representing the Veterans Memorial Museum, reported on the upcoming Vietnam Era Veterans Remembrance Days taking place July 31 - August 3. He noted the Vietnam memorial traveling wall would be on site at the Veterans Memorial Museum from 12:00 p.m. on Thursday to 3:00 p.m. on Sunday. Other events will include: opening ceremony on August 1; special guest speakers SSG/MAJ John Plaster MACV-SOG and J.A. Jance on August 2; and, on August 3, a special military church service at 9:00 a.m., and the closing ceremony at 1:00 p.m.

b. **Solar Energy Workshop.** Holly St. Clair (371 Zandecki Road) reported on an upcoming solar energy workshop on August 9, at the Matrix (Coffeehouse). She noted the meeting would provide information on how solar energy works and what the advantages are to having it.

2. **Public Hearing to Consider Options on the Establishment, Location, Operation, Licensing, Permitting, Maintenance or Continuation of Medical Marijuana Collective Gardens and Medical Marijuana Dispensaries, and the Growing, Process and Sale of Recreational Marijuana.** Mayor Dawes recessed the regular meeting and opened the public hearing at 5:09 p.m. Community Development Director Dennis Osborn outlined the two options for the council's consideration:

1. Ban recreational and medical marijuana; and
2. Simply let the moratorium expire on September 11, 2014. This would allow use and the regulatory aspect would be controlled by the state in terms of requirements for those types of businesses.

Mayor Dawes invited the public to speak on the matter, asking that they be brief and to the point.

Stuart Simon (1440 Madrona Drive, Seattle, WA) spoke against the proposed ban, noting kids already have access and use it and didn't believe things would change if it were legalized. He noted one advantage of allowing it would be quality control.

Mr. Simon reported his building at 391 NW State Avenue could be rented four or five times over to people wanting to grow marijuana to sell throughout the state. He suggested it would provide a lot of jobs and believed his building alone would provide for at least 40. Mr. Simon felt the council should allow marijuana for the following reasons:

- marijuana will still be grown and sold, they'll just do it in other places that allow it
- sales tax revenue
- increase in property values
- provides jobs
- will save enforcement time by the police department
- takes money away from gangs and criminals

David Kois (Olympia, WA - I-502 Producer/Processor Applicant) stated his facilities will be located in Centralia, but he wanted to support those who are trying to locate their business in Chehalis, and the rights of patients to have safe access to the medicine they need. He suggested it was a huge mistake to treat medical and recreational cannabis as if they are the same.

Mr. Kois reported the businesses that get licenses under I-502 will be among the most heavily regulated companies in the state. He noted the Washington State Liquor Control Board (LCB) is weeding out the riffraff and those that make it through the process will have to demonstrate that they have a sound business plan, financing, and security measures in place in order to be licensed.

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Mr. Kois suggested the proposed ordinance was severely flawed because it would make it a nuisance to grow, process, and sell cannabis with a state license within the city. He cited several RCWs concerning development regulations and designations of natural resource lands and critical areas, and setting penalties for violations of the Controlled Substance Act.

Mr. Kois stated, "If you implement this ban tonight you are all but guaranteeing you will be sued. Our industry would rather work with you towards reasonable zoning; however, if we are backed into a corner our industry will fight, just ask Centralia."

Mayor Dawes stated the council received a copy of Mr. Kois' prepared statement and it would be placed in the record.

Liz Hallock (Camas, WA) reported she wanted to address the concerns outlined in a letter from the Association of Washington Cities (AWC) that was sent to the Governor and several other legislative leaders. She noted the letter was dated February 24, 2014, and signed by several mayors throughout the state, including Mayor Dawes.

Councilor Taylor asked if Ms. Hallock was an Attorney for AWC. Ms. Hallock stated no, she's the attorney for Mr. Nelson, the applicant in the city of Centralia, and one of her clients also resides in Chehalis.

Ms. Hallock talked briefly about the five biggest concerns outlined in the letter, to include:

1. Cities oversee permitting and code enforcement
2. Ensuring money and drugs stay out of criminal hands
3. Preventing distribution to minors
4. Addressing drugged driving
5. Other adverse public health consequences

Ms. Hallock provided a summary on the benefits and impacts of I-502:

- State revenue from I-502 will be used to address localities' concerns about public health for adults and youth.
- State revenue will be used to address DUI concerns by funding Washington State Patrol, Highway Safety Account, the Impaired Driver Safety Trust, and granting money to cities.
- No increase in youth use is expected after legalization according to national research. The LCB has rigorous standards to keep marijuana away from minors, including security and ID requirements, advertising restrictions, location restrictions and severe monetary and criminal penalties.
- I-502 will reduce law enforcement costs for the cities. The projected impact of I-502 implementation in Washington State over the first six years, based on projected revenue minus enforcement savings, will be \$2 billion.
- Statewide, the black market will be converted into \$1.5 billion for the state, \$180 million in reduced enforcement costs, and \$29 million in reduced incarceration costs.

Councilor Harris announced he would be leaving the meeting around 5:45 to take care of another commitment.

Jerrie Paine (21434 Zenkner Valley Road, Centralia) reported she won the lottery for the city of Chehalis. She indicated she was blindsided by the proposed ordinance recommending a ban on marijuana, noting from an earlier conversation she and her husband Dash Paine had with Community Development Director Dennis Osborn, it was their understanding that the administration would be recommending to just let the moratorium lapse. Ms. Paine noted they had an opportunity to meet with Mr. Osborn and City Manager MacReynold together and their advice was to come to the public hearing and give the council their best business case.

Ms. Paine reported she had spent her last dime trying to see this life-goal through for her family. She talked briefly about her sister-in-law who was diagnosed with cancer, and how her life expectancy was extended because cannabis helped her to eat. Ms. Paine noted it was that situation that made her a believer of the benefits of cannabis.

Ms. Paine talked briefly about the continued mentality of marijuana being a gateway drug. She noted that has not been her experience, adding people have been able to battle alcoholism and other diseases because marijuana helps them

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to function every day. Ms. Paine suggested we might be surprised by the number of people who use marijuana and don't talk about it because of the stigma attached.

Ms. Paine reported she's coming out of the closet because she's seen the destruction of what the stigma has done to people. She stated she wants to open a store in Chehalis and be a part of the business community, and asked that the council give her a chance to do that.

Ms. Paine reported they chose the name "Old Toby" to go along with the historical pride of the area. She stated she signed a lease with Mr. Simon, adding he's very aware and supportive of the type of business they want to open. Ms. Paine stated she wants to be a part of something that can help people, and plans to educate people on both the dangers and benefits of marijuana.

Ms. Paine suggested the idea of banning it for the entire city will only force people to drive elsewhere to get it, creating a situation where there will be more DUIs. She stated marijuana has been accessible for a long time and I-502 just makes it legitimate. Ms. Paine noted marijuana is optional, and in the case of their business location, you have to know it's there to find it.

Ms. Paine stated there were several things noted in the proposed ordinance that are outside the scope of the city's legal authority. She reported Section 11 of the State Constitution clearly talks about cities and counties not passing laws that are in conflict with general laws.

Ms. Paine stated if the council passes the proposed ordinance they would be putting her in a position where she'll have to file suit against the city. She stated she would be happy to sit down with each of the councilmembers to discuss the matter and answer any questions they may have before they make their final decision.

Holly St. Clair (371 Zandecki Road) asked, "If the council passes the ban, would the city also be willing to say it will not take state funding that comes from marijuana sales?" Mayor Dawes stated he didn't believe there is going to be any money coming from the state, which is one of the concerns of the cities. He reported the majority of the money generated will go to the state for programs.

Joe Goodwin (Lacey, WA) reported he has several medical conditions, including having brain surgery earlier this year. He stated he knows of people who are on at least 16 prescriptions because of the same type of surgery, but he doesn't require any because he's a user of marijuana. Mr. Goodwin stated the problem with buying marijuana from the black market is you have dust, pollen, bird waste, and mold issues. He noted he would be thankful if he could buy it from a store regulated by the state.

Dash Paine (21434 Zenkner Valley Road, Centralia) reported in the 25 years he's worked as a trauma/substance abuse nurse, he's only lost three people; one from alcohol, one from heroin, and one from prescription opiates. He noted doctors are reluctant to write adequate prescriptions to medicate pain for cancer patients, so they're turning to heroin which is whole lot cheaper and a lot stronger. Mr. Paine stated people want their pain medication and they are going to get it, even if it means getting it from the black market. He suggested it's the drug cartels that supply these drugs, adding the border patrol and police say marijuana is a big business for the cartels. Mr. Paine believed if they can cut out one profit margin from the cartel they'll move elsewhere to sell their drugs.

Mr. Paine stated he would much rather see marijuana available as an intoxicant as opposed to alcohol. He would also much rather have his children exposed to marijuana, as opposed to alcohol.

Julie Lane (Rainier, WA), reported she's a medical marijuana patient because she's allergic to pain medications. She stated she would prefer driving to Chehalis as opposed to Olympia or Tacoma to get her prescription marijuana.

Ms. Lane stated she knew the Paine's and they are very responsible business people. She asked the council to give them a chance, and not ban marijuana in Chehalis.

Mayor Dawes reported a letter was received from Michael and Linda Dailey stating they are backing the council's decision to not accept the marijuana trade in our area and are in favor of the ban.

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Mayor Dawes closed the public hearing at 6:04 p.m. and reopened the regular meeting.

3. **Update on Chamber Events.** Executive Director Alicia Bull provided the council with a packet of items, to include: the 2014 Festival and Events Guide; the 2014 Official Visitors Guide for Lewis County; and a visitor's bag. She noted the items were created using lodging tax dollars they received from various agencies, including Chehalis, to promote tourism.

Ms. Bull talked briefly about the Planes, Trains and Automobiles event that took place over the weekend, noting they did an overall marketing approach for the entire event, even though each group was in charge of their own piece. Upcoming events include: Hub City Car Show; Trick-or-Treat Trolley; Shopping Survival Kit; and the Annual Santa Parade. Ms. Bull reported the Chamber continues to be strong and growing with about 540 current members.

4. **Oil Train Briefing.** Interim Fire Chief Rob Gebhart reported he and Fire Captain Casey Beck and Firefighter Jay Birley went to Pueblo, Colorado, the second week in July to attend an oil train class. He stated the five mainline railroads in the nation were mandated by Congress to train 1,500 first responders by the end of the year. Chief Gebhart reported the training was very well presented and he felt much more comfortable on how to deal with it. He noted Burlington Northern Santa Fe (BNSF) has been very responsive and he expected that to continue.

Chief Gebhart reported City Manager MacReynold asked if he could find someone to give an objective overview on oil trains. He stated David Byers from the Washington State Department of Ecology (DOE) graciously agreed to come and give a presentation on the subject.

Mr. Byers reported he worked for DOE in the Spills Program. He provided a PowerPoint outlining emerging energy transportation risks, prevention, preparedness and response. He stated their biggest focus is on prevention.

Mr. Byers reported they work with other partners at the federal, state and local level that have a role in spill response in both oil and hazardous materials. One of those partners is the Northwest Area Committee. He noted their mission is to protect public health and safety, and the environment. They also ensure coordinated, efficient, and effective support of the federal, state, tribal, local, and international responses to significant oil and hazardous substance spills.

Mr. Byers reported BNSF is the only rail company transporting Bakken crude through Lewis County at this time with approximately 11 loaded unit trains every week. He noted a unit train can carry up to 120 rail cars, each of which contains 680 barrels of oil, or 30,000 gallons per car. Mr. Byers stated if all of the proposed and current facilities around the state who operate and receive crude by rail come to fruition, at maximum capacity, Lewis County could see up to 16 unit trains per day.

Mr. Byers reported Washington State has the lowest spill rate in the nation due its strong prevention and preparedness programs. He noted when incidents do occur they tend to be very high profile. Mr. Byers reported Bakken crude is the most volatile crude with regard to vapor pressure, adding it's very flammable and has a very low flash point and very high vapor pressure; however, it's not shipped in pressurized containers and it's less volatile than liquefied petroleum gas and propane.

Mr. Byers reported their pipeline facility, refinery and tank ship industry partners are regulated, but rail is not. He noted the overseeing entity for rail spill preparedness regulations is the Federal Railroad Administration. Mr. Byers reported DOE also oversees regulations for construction and operation of oil refineries, storage, and handling facilities; they're the SEPA lead for new proposals to construct facilities that store over 1 million gallons of liquid fuel that do not fall under the jurisdiction of the Energy Facility Site Evaluation Council; and they are the lead state agency for spill response.

Mr. Byers stated he was asked, "How will the locals be involved in a spill response." He noted, under both federal and state jurisdiction, a spill would be managed under a concept called "Unified Command." This concept allows all levels of government to participate in the spill management process, adding in the event of a local incident, the city would manage the initial life/safety phase of a spill.

Mr. Byers talked briefly about some of the gaps, one being the potential decline in revenue to support Spills Program work. He noted crude oil coming into our refineries by ship is taxed; however, the crude coming by rail and pipeline is not. Mr. Byers stated this issue will be addressed in the upcoming legislative session.

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Mr. Byers talked briefly about available resources, the geographic response plan, and risk mitigation and management. He noted the Governor has provided \$300,000 to conduct a study on the oil shipment through the state, noting the purpose of the study is to assess public health and safety, as well as environmental impacts associated with oil transport.

Mr. Byers provided some additional specific points to questions that were asked prior to the meeting.

- Number of rail incidents in the last two years - DOE receives and enters spill reports in a database tracking system. A query on rail incidents over the past two years found there were 115 reported rail incidents involving a total of 44,800 pounds of oil and chemical products that were released.
- Recent media coverage on the type of cars being used to transport crude oil - Some of the industry partners voluntarily upgraded their cars. He noted last week the US DOT announced a notice of proposed rule-making for enhanced tank cars. Within two years the older generation of DOT111 cars will be phased out and cannot be used in the US unless they are retrofitted. Federal DOT announced a notice of rule-making for spill response planning for flammable cargos, and defined terms for Bakken crude oil to make those safer.

Councilor Taylor asked if DOE had plans in place for other types of spills, such as chlorine and ammonia. Mr. Byers indicated they did not. He stated the sheer volume and probability of an event involving a Bakken crude oil train is very high.

Councilor Taylor asked if DOE has rules handed down to them by the federal government that they have to enforce. Mr. Byers stated the federal government does not have delegated authority for rules, noting Washington State has its own authority passed in statute by the Legislature.

Councilor Spahr asked how many pipeline incidents took place were during the same two-year period in which the 115 incidents were reported. Mr. Byers suggested maybe five, and they were just small drips, or very slow leaks. He noted the regulated industry is very proactive about letting them know, even if it's just a drip. Councilor Spahr asked if a pipeline was safer than transporting by train. Mr. Byers reported it's a debated issue in which both sides will point to one another and say they're safer. Councilor Spahr asked Mr. Byers how much pipeline it would take to replace all of the trains. Mr. Byers reported it would take a considerable number of trains to meet the amount of oil that's currently be transported by pipelines.

Councilor Spahr thanked Mr. Byers for coming, noting the presentation was very educational.

5. **Annual Update on Lewis County Drug Court.** Judge Nelson Hunt thanked the council for allowing him to update them on what the tax they endorsed has done for drug court. He reported, at the time he came before the council to support the passage of the one-tenth of one percent tax, they had capacity for roughly 30 people; they now have the capacity to serve 40.

Judge Hunt reported they've also started a statutorily required family dependency court with a capacity to serve the parents of approximately 20 children. He indicated there have been some interesting challenges to getting it started because the state agencies have been less than thrilled to go along with it.

Judge Hunt reported another development is they've changed their clientele. He noted the model they follow states, "Drug courts must serve high-need, high-risk individuals with a significant drug problem."

Judge Hunt stated research shows that drug court is very successful in dealing with long-term addicts, and provided the following information about Lewis County Drug Court and its participants:

- 89.6 percent of their clients had no new felonies after completing drug court
- 10.4 percent recidivated (relapsed)
- 126 total graduates
- 78 percent of individuals are unemployed at entry into the program
- Unemployment rate at graduation is 10.8 percent (All 10.8 percent were full-time students)
- The majority of program participants lack stable housing when they enter drug court
- Stable, sober housing is a requirement to graduate

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Judge Hunt reported they've had 15 drug-free babies born, saving the state millions in tax dollars. He noted the overall savings to taxpayers is about \$3.36 for every dollar invested in drug court.

Judge Hunt stated the tax money endorsed by the various cities and Lewis County has allowed them to run the program the way they want, and it works. He noted they celebrated their 10<sup>th</sup> anniversary last week with a very successful picnic and BBQ.

Mayor Dawes congratulated Judge Hunt on their success and their 10-year anniversary.

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

a. Minutes of the regular meeting of July 14, 2014; and

b. Claim Vouchers No. 109753-109915 and Electronic Funds Transfer No. 62014 in the amount of \$795,830.81 dated July 15, 2014;

The motion was seconded by Councilor Pope and carried unanimously.

7. **Administration Reports.**

a. **2<sup>nd</sup> Quarter and June Financial Reports and 2<sup>nd</sup> Quarter Sales and Use Tax Report.** Finance Manager Judy Pectol stated the 2<sup>nd</sup> quarter report provided actual numbers for the beginning fund balances, now that the year-end adjustments had been made. She reported, on July 3, she received final notice from Lewis County on the money for the airport, adding the July statement will show the \$1.5 million in contributed capital that will be used to pay the final payment of the GO Bond.

Ms. Pectol reported last week the city received \$1.1 million from the Chehalis Foundation for the pool project, which will also show up on the July report under the non-departmental fund.

Mayor Dawes stated the sales tax revenue was still creeping up, but nowhere near what it was in 2008.

8. **Council Reports.**

a. **Update From Councilor Spahr.** Councilor Spahr reported he attended the Trains, Planes and Automobiles Festival, noting they did a good job and it was a fun day. He also attended the Joint Oversight Board meeting, noting the merger is still there but on hold until they see what happens with Riverside's EMS levy.

b. **Update from Councilor Lund.** Councilor Lund reported he also attended the Joint Oversight Board meeting.

c. **Update From Councilor Taylor.** Councilor Taylor reported Twin Transit held several public meetings over the last month to talk about reductions in service and ways to balance their budget. He noted they ended up cutting the commuter service to Olympia and, for the time being, Sunday service as well.

d. **Update From Councilor Ketchum.** Councilor Ketchum reported on July 17 he attended a Business After Hours event put on by the Visiting Nurses at the Riverside Golf Course and the following Friday he helped with their golf tournament. On July 25 he attended the Music in the Park event, noting they had between 200 to 300 people show up. Councilor Ketchum reported he also cooked blueberry pancakes for 300 to 400 people on Saturday at the Lewis County Historical Museum's Annual Pancake Breakfast.

e. **Update From Mayor Dawes.** Mayor Dawes reported he attended a groundbreaking for the new dialysis center on Bishop Road, noting the new facility will replace the one currently located behind the old hospital. He also attended the Business After Hours at the Riverside Golf Course on July 17. On July 21 he attended the ribbon cutting for the formal takeover of Stan Hedwall Park; on July 25 he attended the Concert on the Green event put on by Pope's Kids Place; on July 26 he helped out with the pancake breakfast at the Lewis County Historical Museum, cooking eggs and sausage; and on July 28 he attended the entrance conference for the city's 2013 audit.

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Mayor Dawes reported the Joint Oversight Board is just hinging on what happens with the vote in Centralia.

9. **Ordinance No. 930-B, Second and Final Reading – Adopting Cable Television System Franchise Agreement between the City and Comcast Cable Communications Management, LLC.** City Manager MacReynold reported the ordinance provides for a franchise agreement between the city and Comcast. He noted this item was passed on first reading at the previous meeting.

Councilor Spahr moved that the Council pass Ordinance No. 930-B on second and final reading

The motion was seconded by Councilor Lund and carried unanimously.

10. **Resolution No. 7-2014, First and Final Reading – Expressing Concern Regarding the Current and Future Transport of North Dakota Bakken Crude Oil through the City of Chehalis.** City Manager MacReynold reported this matter was discussed at the previous meeting and minor changes were made to the proposed resolution as suggested by the council.

Councilor Spahr moved to adopt Resolution No. 7-2014 on first and final reading.

The motion was seconded by Councilor Pope.

Councilor Spahr reported, in light of the report they received earlier, he believed the resolution fit with what they are trying to say. He stated he wished they could do something about pipelines versus trains, but this is not the vehicle to do that.

Councilor Taylor reported he had concerns about singling out one thing in general, noting there are hundreds of things transported by rail and freeway every day. He stated he was in favor of making sure the lines that run through our community are safe regardless of what's being transported, and unless they change the language, he would be voting against it.

Mayor Dawes stated he's one of the people promoting the resolution, adding he believed it was a responsible way to address the situation they were presented with. He offered, as an amendment to the resolution, "If the rail line is safe for what is determined to be a highly volatile substance, it should be safe for other hazardous materials."

Councilor Spahr suggested rail lines have been shipping products for years and probably have the equipment necessary to ship it as safely as they can. He noted all they're trying to say is they want it to be safe.

Councilor Taylor stated he understood, but it still felt like they were singling out one thing. He noted if their focus is on safety it shouldn't matter what's being transported, adding it only matters that it's safe.

The motion carried 4-2 with Councilors Ketchum and Taylor voting against the motion. (Councilor Harris was absent/excused.)

11. **Ordinance No. 932-B, First Reading – Banning the Establishment, Location, Operating, Licensing, Permitting, Maintenance or Continuation of Medical Marijuana Collective Gardens and Medical Marijuana Dispensaries, and the Growing, Processing and Sale of Recreational Marijuana.** City Manager MacReynold reported this was the first reading of the proposed ordinance, and he and staff were available to answer any questions from the council.

Councilor Spahr stated the public made some compelling arguments during the public hearing; however, a majority of those who spoke were not from Chehalis. He stated he agreed with the statements made about treating medical and recreational as the same and asked City Attorney Hillier if the city would be setting itself up for a legal challenge by combing them both into one outright ban.

City Attorney Hillier stated based on their review and recommendation, the administration feels that either position being proposed is sustainable. He noted a lot of people have glossed over the defense that municipalities have with regard to banning recreational marijuana. City Attorney Hillier indicated there was also the decision regarding the City of Kent that has set a precedent, which states, "Cities have an absolute right to ban medical marijuana if they so choose." He noted the State Attorney General, who doesn't make decisions lightly, has also said cities have the right to control their own destiny.



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City Attorney Hillier reminded the council that it's their decision, and if they want to allow it they could just terminate the moratorium and allow state law to control it. He noted as long as businesses comply with state requirements and Washington State Liquor Control Board regulations they'll be here, but the council has to make that decision.

Councilor Pope stated over the years he's seen people who have benefited from using medical marijuana. He noted if they're going to consider any type of marijuana in the community he would prefer it be medical.

Councilor Taylor stated he was still grappling with the issue of state and federal laws.

Councilor Pope reported pharmacies give out medicine that is far more dangerous than marijuana. He stated if people are not going to be able to get marijuana from drug stores he would prefer that it be inspected, managed and packaged in an appropriate manner. Councilor Pope stated he was making a distinction between medical and recreational marijuana.

Mayor Dawes stated he also believed there is a valid use for marijuana and was sure there were plenty of documented cases where it has assisted and/or at least made patients' lives a little easier. He asked if they could split the medicinal marijuana from the recreational. City Attorney Hillier stated they could, suggesting the council could consider that as a third option.

Councilor Spahr stated he had an interest in separating the two, but noted the federal government doesn't distinguish a difference. City Attorney Hillier stated it was a fast moving train and there could be changes made by either the State Legislature or the feds at any time down the road and the council will need to deal with those as they come up.

Councilor Spahr asked if they could extend the moratorium again. City Attorney Hillier didn't believe they had the ability to extend the moratorium without creating further hardship on the people who have been awarded an opportunity to do business. He stated the council needed to make a decision.

Councilor Pope agreed, noting it was their job to make a decision and they should make it in light of their own conscience.

Mayor Dawes noted Councilor Harris had to leave early, but asked that his comments be read into the record, as follows:

"Daily, I listen to and talk with citizens on both sides of this issue. Here are some points, along with my responses.

- It's legal. Get over it!

Councilor Harris - It is not legal. This current administration simply chooses not to enforce its laws. Additionally, no state may pass any law that overrides or weakens any federal law.

- The sales tax will help the city!

Councilor Harris – True, however, if the one pot shop allowed in town sells \$1,000,000 worth of drugs Chehalis will see \$10,000 in revenue. Our police and emergency responders' budgets total \$4,144,513. You do the math.

- It's not as bad as alcohol!

Councilor Harris – Granted, but using alcohol, which is obviously a community and family problem, as a basis for a positive argument is like building a home on sand.

- Don't put it in my neighborhood!

Councilor Harris - I agree. If users wish to purchase an illegal drug let them go to a town where they don't mind."

July 28, 2014

Councilor Lund reported his mother had medical issues and was miserable most of her life. He stated he would hate to vote against something that would help someone enjoy life, or what's left of it. Councilor Lund suggested they just let the current moratorium expire and let the state regulate it.

City Attorney Hillier stated if that is the position of the council, the administration would bring back an ordinance in that regard for the council to consider.

Councilor Spahr asked if they needed to take action on the ordinance before them, or wait. City Attorney Hillier stated no, adding they could give the administration direction to do something else.

Councilor Spahr stated he was still wrestling with the state and federal laws that leave the city stuck in the middle. He stated he was very sympathetic to the medical aspect of marijuana, adding if they could do something to address that, he would like to cautiously explore that option.

Mayor Dawes stated he had four councilors express an opinion to look at the medical aspect of it.

City Attorney Hillier stated if the council wants to allow medical marijuana sales in the city they need to tell the administration that, and if they want to ban recreational marijuana the administration needs to know that, as well.

Councilor Spahr stated he would like some time to explore it in light of some of the things said regarding medical marijuana.

City Manager MacReynold stated the other option to consider is to just let the moratorium expire and let zoning and the state regulate it. City Attorney Hillier stated if the council takes that position, any changes at the state or federal level will point us in the right direction; however, if they ban it they take a strong stance. He suggested they might be in a better position if they allow it and let it control its own destiny.

Councilor Taylor stated he liked that idea.

City Attorney Hillier stated if that's the consensus of the council they could bring an ordinance back that would allow things to take place through state regulations and terminate the moratorium on a certain date, and that would be the end of it.

City Manager MacReynold reported the current moratorium terminates on September 11, 2014. He noted moratoriums are supposed to be an interim process in which to evaluate and determine a direction, adding you cannot continue to have a rolling situation.

Councilor Lund moved to suspend the current moratorium on July 31, 2014.

Councilor Taylor seconded the motion.

The motion failed 3-3, with Councilors Spahr, Ketchum and Mayor Dawes voting against the motion.

Mayor Dawes stated the moratorium will then run out on September 11, 2014, and at that time it will go under state guidance and jurisdiction.

Councilor Ketchum stated he was totally against it period and they have no business having it in our city. He noted it's a gateway drug and it was a gateway drug for his son that ended up killing him.

Councilor Spahr asked if they were going to explore any other avenues. City Attorney Hillier stated no, adding the direction given is to let the current moratorium expire.

No action was taken on Ordinance No. 932-B for a lack of a motion.

There being no further business to come before the council, the meeting adjourned 7:51 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: August 11, 2014

Initials: js

August 11, 2014

The Chehalis city council met in regular session on Monday, August 11, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:15 p.m. with the following council members present: Terry Harris, Bob Spahr, Daryl Lund, and Chad Taylor. Councilors Pope and Ketchum were absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Patrick Wiltzius, Acting Public Works Director/Wastewater Superintendent; and Don Schmitt, Street Superintendent. Members of the media included Dameon Pesanti from *The Chronicle*.

**1. Work Session – Discuss Funding Options for Street and Road Maintenance and Repairs.** City Manager MacReynold reported, at a prior meeting, the council discussed three possible options for funding local streets and roads, to include: utilizing a certain percentage of sales tax revenue; creating a Transportation Benefit District (TBD); and funding the TBD with a vehicle license tab fee of \$20. At the end of the discussion it was suggested they have a work session to talk about the three proposals in more detail.

City Manager MacReynold stated he continued to believe the city needs to do something locally to take care of our streets because we're just not seeing state and federal grants anymore. He suggested they take each proposal separately and get consensus on whether the council would like to move forward or not.

- Option 1 – An Ordinance dedicating four (4) percent of the city's sales tax for street and road maintenance and improvements.

Councilor Harris asked how the funding would be handled in the budget review process. City Manager MacReynold reported they would create a separate dedicated budget item and show a transfer from the general fund to the dedicated fund.

Street Superintendent Don Schmitt reported the dedicated funds would be used for different programs, such as chip sealing, asphalt repairs, and traffic control (striping materials). He noted the cost of materials have increased significantly over the last 10 years, from roughly \$3,800 per lane mile to \$10,000.

Councilor Spahr asked if they could use the four percent sales tax to fund the TBD. City Manager MacReynold stated no, adding they could only fund the TBD through a vehicle license fee, or with an increase to the sales tax. He noted the administration was not recommending a sales tax increase.

Councilor Taylor asked if the money would be in addition to what they already put in the budget for the chip seal program. City Manager MacReynold stated yes, and they would identify what the money would be used for through the budget process.

Mayor Dawes noted Councilor Lund suggested appropriating more money to the street department at a previous meeting and they were basically told that even if they did receive more money they really couldn't do more work this year because their plans were already in place. He asked if staff would be able to do more projects if they had an additional \$100,000 to \$250,000.

Mr. Schmitt reported their main labor-intense projects are chip sealing and crack sealing, which is done with the help of their seasonal employees. He stated they will make the time to do the work, but they have to plan accordingly.

City Manager MacReynold stated the proposed four percent would be used to do additional chip sealing and other maintenance; and the proposed TBD funding would be used to fund projects on the Six-year Transportation Improvement Plan (TIP). He suggested if the council were willing to do a \$20 vehicle license fee, they would put that money into a fund and let it build up to be used as a match for potential grant funding.

Councilor Taylor asked if additional full-time employees would be needed to utilize the money. City Manager MacReynold stated they were not talking about hiring any additional staff at this time, although, eventually down the road they'll need to look at hiring additional staff. He reported their focus will be to do more projects and apply for more grant money.

Councilor Lund stated he was a little confused because when staff was offered more money they said they couldn't do more because they didn't have the help to do it.

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City Manager MacReynold reported at the time of that discussion they already had their projects lined up for the year and were on a path of getting more done than what they had planned for. He suggested they were taking Councilor Lund's idea and codifying it, so they can plan for it through the budget process.

Councilor Harris reported he didn't see anything in the budget for sidewalks and/or light poles and suggested they figure out how to include those in the four percent funding. Mr. Schmitt stated he believed some of the projects listed on the TIP do incorporate replacement of street lights.

City Manager MacReynold reminded the council that sidewalks are the property owner's responsibility. He noted some jurisdictions have been able to get property owner's to become part of a ULID and they jointly fund fixing the sidewalks.

City Attorney Hillier stated even though the property owners are responsible to keep the sidewalks maintained the city is still liable for them.

Councilor Spahr inquired about the gas tax revenues. Mr. Schmitt reported over the last four years the gas tax has been relatively consistent at \$150,000 to \$155,000, with a large portion going towards salaries. He noted, in 2003, they collected roughly \$47,000 and stayed at that amount until 2006 when it jumped to \$100,000, and in 2007 they peaked at \$170,000.

Mayor Dawes asked if the four percent would have a negative impact on other functions, or other departments. City Manager MacReynold stated he didn't believe so, adding they project a six to seven percent increase in sale tax revenue and they're only asking for four percent.

The consensus of the council was to dedicate four percent of the city's sales and use tax revenue for street and road maintenance and improvements.

- Option 2 – Create a Transportation Benefit District (TBD) within the corporate limits of the city of Chehalis; and establish an annual vehicle license fee in the amount of \$20.00.

Mayor Dawes asked what the maximum fee is that they can charge, if the TBD were created. City Manager MacReynold reported the council has authority, or it can be put to the voters, to charge a vehicle license fee of up to \$20. He noted if the council wants to charge more than \$20 it would have to go to the voters.

City Attorney Hillier stated if the council decides to increase sales tax that would need to go to the voters as well.

City Manager MacReynold referred the council to the information provided in the agenda packet listing other jurisdictions that have created a TBD and took action to charge a fee. The information provided also included a list of jurisdictions that put a sales tax increase before the voters.

Councilor Taylor inquired about the special gas tax. City Manager MacReynold stated the city cannot establish a special gas tax. City Attorney Hillier noted the laws have changed since 1992 and no longer allow for a special gas tax.

Councilor Spahr asked what it would cost to put it on the ballot. City Manager MacReynold stated it would be about \$8,000 for a special election, or less if they did it in conjunction with a general election.

City Attorney Hillier stated it was important to understand that the TBD needs to be in place first since they are the only entity that can request a ballot issue for the vehicle license fee. He indicated there would be no force or effect until the council chooses to fund it, or the TBD chooses to put it on the ballot for a vote.

City Manager MacReynold indicated they were proposing the board to the TBD be the city council.

Mayor Dawes stated anytime you increase fees people are going to be negative to it immediately. He suggested if they can show a benefit in the first couple of years it would probably be more receptive. Mayor Dawes asked how long it would be before the people would see a return on their investment.

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City Attorney Hillier stated it would be a minimum of six months before the city would even start to receive any revenues. He noted, because of the size of the projects on the TIP, they were probably looking at a couple of years before it would build up enough to have an impact on grant writing capabilities.

Mr. Schmitt suggested getting grants would be key to doing some of the projects on the TIP.

City Manager MacReynold reported the four percent will have an immediate impact on getting more done and will hopefully give the administration enough time to build up a fund that will allow us to be more competitive in getting grant money, and to show a revenue stream.

Councilor Taylor asked if they could use the revenue created by the TBD for bonding capacity. City Attorney Hillier stated yes, adding that would be a quicker way to get a realization of the benefit. He noted if they have a revenue source, they can set up a loan and have a place to draw the payments from.

City Manager MacReynold suggested the council could choose to implement a lower fee, but it will take much longer to get the amount they need, and to show it as a real revenue source.

Mayor Dawes believed the state would have never allowed municipalities any kind of taxing authority if they thought they were going to be able to take care of everything from their level. He stated, at the very least, he would like to see the TBD put on the table for consideration, so they can at least have it in place for the future. Mayor Dawes suggested if they take action to move it forward he wants to make sure within a reasonable amount of time that they have something to show for their efforts. Otherwise, they should revisit the issue to see if it's really worth their while.

Councilor Taylor stated he would be in favor of creating a TBD, but would want the fee put to the voters.

Councilor Lund stated he would be in favor of setting up the TBD, as was Councilors Spahr and Harris.

The consensus of the council was to move forward on having the administration prepare the necessary documents to set up the TBD.

Mayor Dawes stated he would like to have all seven council members present when it comes time to vote on the funding options.

2. **Update on Chehalis Avenue Project.** Mr. Schmitt reported the contractor on the Chehalis Avenue project will be putting asphalt down on Tuesday and Wednesday, and should have the striping done on Friday. He noted they still have a few punch list items to take care of, including the new benches.

Councilor Spahr asked if it was still designed for two-way traffic. Mr. Schmitt stated yes, adding once they get the paving and gutter lines in place it will look wider.

Councilor Taylor noted he talked with a couple of contractors who were comparing our fees to other jurisdictions and they all said it was time for the city to start looking at charging more realistic fees to actually cover the cost of doing business. He noted they laugh at our permit fees because they're so cheap and suggested it might be time to look at the fee schedule. City Manager MacReynold stated they're just getting ready to enter the budget process, which is a perfect time to talk about it.

Mayor Dawes closed the work session at 4:59 p.m. and announced the council would take a three minute recess and reopen the regular meeting at 5:02 p.m.

3. **Advocacy Services Provided by Lewis & Mason County Crime Victim Service Center.** Steven Briggs, Lead Crime Victim Advocate for the Lewis & Mason County Crime Victim Service Center provided an overview on how the program is funded and the various crimes that they address. He noted they do not respond to sexual assault and domestic violence crimes as those services are funded through different federal and state allocations. Other programs offered by the Center include: Information and referral; legal advocacy; community outreach and education; crime victim compensation; and victim information and rights.

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Mr. Briggs reported their goals are to protect the rights of victims, increase community awareness of the Center's services, strive for excellence in service delivery, be an ally to other community organizations that serve crime victims, and be a resource for law enforcement and prosecutors and others involved in the criminal justice system.

Mr. Briggs reported, in 2013, they served over 1,200 individuals (890 from Lewis County, primarily from Centralia and Chehalis). He indicated there is no cost to anyone for their services and there are no income qualifications of any kind.

4. **Update on Twin Transit.** General Manager Rob LaFontaine provided a general update and talked briefly about their six-year financial forecast and 2014 operating budget. He noted they are sales tax funded at .2 percent, which is the lowest rate in the State of Washington for any transit authority. Mr. LaFontaine reported their financial forecast was looking encouraging and they plan to continue to be very conservative. He stated he was forecasting a 2.5 percent increase each year through 2020.

Councilor Harris inquired about their vehicle replacement program. Mr. LaFontaine reported vehicle replacement is done through the capital side of the budget.

Mr. LaFontaine reported the Board recently voted to reduce bus service levels that will take effect in the coming weeks. He noted the reduction of services will balance their budget and will allow them to forecast out for the next three years showing revenue over expenditures. Mr. LaFontaine proposed the following as part of their 2014-2019 Plan:

- Implement recently adopted service reductions (no plan to restore over the next six years)
- Enhance the application process for ADA paratransit service
- No substantial increase to revenues
- Substantial capital improvements in transit related infrastructure

Some of the challenges facing Twin Transit include:

- Insufficient revenue to meet best practices in the transit industry
- Dramatic rise in demand for ADA paratransit (30 to 40 percent increase in ridership)
- Hard-to-access destinations
- People not knowing how or where to catch the bus
- Negotiating the Kresky Avenue/Gold Street couplet
- Political apathy

Councilor Lund asked why they couldn't raise rates to ride the bus. Mr. LaFontaine reported the Board has decision authority on the fare structure. He suggested if they were offering a more useful service it would be worth more, but the cost/benefit just isn't there yet.

Other facts about Twin Transit:

- Ridership is the highest it's been in several years (+24,000 boardings in May 2014)
- Bus fare pays about 6 percent of the operating cost of public transit
- Twin Transit is not reimbursed from the Health Care Authority or DSHS for the cost of providing Medicaid transportation (ADA paratransit)

Councilor Lund asked if people can still flag a bus down, or pull the rope to get off the bus at a certain location. Mr. LaFontaine stated yes, adding they primarily operate as a flag-style transit service.

Mayor Dawes stated it was his understanding that every time someone boards the bus they get counted, which means someone could be counted more than once depending on their destination or how many trips they make per day. Mr. LaFontaine stated that was correct.

Mayor Dawes inquired about the capital fund item for the 'centrally located transit and park n' ride.' He agreed that having a centrally located transit station would be good, but didn't quite understand the park n' ride aspect.

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Councilor Taylor asked Mr. LaFontaine if they had come up with a project to make access at The Vintage at Chehalis safer. Mr. LaFontaine reported they have some utility concerns regarding a fiber optic line and have an engineering firm surveying the area. Mr. LaFontaine reported any solution they come up with will be expensive.

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

a. Minutes of the regular meeting of July 28, 2014;

b. Claim Vouchers No. 109916-110063 in the amount of \$441,215.53 dated July 31, 2014; Payroll Vouchers 37488-37559, Direct Deposit Payroll Vouchers No. 5174-5258 and Electronic Federal Tax Payment No. 138 in the amount of \$710,408.72 dated July 31, 2014; and

c. Affirm Mayor's appointment of Craig Steepy to the Chehalis Planning Commission for a four-year term expiring August 31, 2018.

The motion was seconded by Councilor Lund and carried unanimously.

6. **Administration Reports.**

a. **Update on the Gail and Carolyn Shaw Aquatics Center Project.** Connie Bode gave a brief update on the Gail and Carolyn Shaw Aquatics Center, noting there's still some electrical work that needs to be done and they're still waiting on some parts to fix the heater. She stated if they can get those two items taken care of they will be good to open on Friday, August 15. Ms. Bode reported the lifeguard staff has been training and is taking the expansion and new play center area very serious.

Ms. Bode reported, with the activity areas for younger children, the pool will have some lifejackets available for use. They also plan to allow people to bring their own life jackets, but they'll need to have them checked at the door by the lifeguard staff to make sure they meet the standards required.

Ms. Bode stated they want to make sure the public understands that the project was funded with grant money, state capital money and private donor money. She noted they've receive a lot of positive comments about the pool.

Councilor Spahr noted it's sad to see writing on the walls at Penny Playground and wished they could put a sign up stating it was a gift to the city and ask that people respect it and take care of it.

b. **2015 Budget Preparation Schedule.** City Manager MacReynold reported the council received a copy of the 2015 budget preparation schedule and asked the members of the budget review committee to let him know if they have any conflicts with the week of September 29 – October 3.

7. **Council Reports.**

a. **Update from Councilor Lund.** Councilor Lund stated the city has a great library and now a great pool. He felt it was time the city had a great parks department as well, and requested the council's support to look into fixing up our parks to enhance what we already have for ball tournaments.

Councilor Lund suggested they borrow money to fix up the parks and let the hotel/motel tax money make the payments on the loan. He asked if staff could put a funding request together for engineering, so they have an idea of what needs to be done and what it will cost to fix up Stan Hedwall and Recreation Park, and submit it to the Lodging Tax Advisory Committee (LTAC) for their consideration.

City Manager MacReynold stated the administration would put a proposal together and submit it to the LTAC. He noted once they know what the cost will be and what the projects will look like, the council can consider a long-term funding strategy and utilize lodging tax money to pay for it.



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Councilor Harris reported the LTAC has been very supportive of the city's request to do things like this, and thanked Councilor Lund for bringing it up. He stated now that the city possesses Stan Hedwall Park they can take the time to figure out the best way to utilize it. Councilor Spahr agreed that they need to take a look at it.

b. **Update From Councilor Harris.** Councilor Harris reported he attended the Chehalis Community Renaissance Team meeting on Friday, August 8. He noted one of the issues brought up regarding the new pool is finding lifeguard staff this late in the season. Councilor Harris thought it was great that Recreation/Aquatics Manager Lilly Wall and Recreation Assistant Tracey Cox both got certified, so they'll be able to help out if needed. He suggested they would have no problem staffing the pool next year.

Councilor Harris reported, on behalf of the Christmas Decoration Committee, he attended a meeting of the Chehalis Foundation to ask for some additional funding for 2014, which they graciously approved (\$17,000). He noted the Committee's primary focus will be 13<sup>th</sup> Street across from the new Aquatics Center, as well as the other entrances to the city.

c. **Update From Mayor Dawes.** Mayor Dawes reported he took an adventurous trip to New York City and upstate New York, adding he saw some interesting sights he wished he hadn't. He stated he was really excited to get back to see the progress on the pool.

There being no further business to come before the council, the meeting adjourned 5:57 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: August 25, 2014

Initials: js

August 25, 2014

The Chehalis city council met in regular session on Monday, August 25, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:30 p.m. with the following council members present: Terry Harris, Bob Spahr, Daryl Lund, Chad Taylor, and Tony Ketchum. Councilor Pope was absent (excused). Staff present included: Merlin MacReynold, City Manager; Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; Dennis Osborn, Community Development Director; Rick Sahlin, Public Works Director; and Allyn Roe, Airport Manager.

1. **Executive Session.** Mayor Dawes 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 Dawes closed the executive session at 5:04 p.m. and announced the council would take a four-minute recess before opening the regular meeting at 5:08 p.m. Additional staff included: Glenn Schaffer, Police Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; and Don Schmitt, Street Superintendent. Members of the media included Dameon Pesanti from *The Chronicle*.

2. **Public Hearing on the Establishment of a Transportation Benefit District (TBD).** Mayor Dawes closed the regular meeting at 5:08:52 p.m. and opened the public hearing.

City Manager MacReynold reported the administration received direction from the council at the previous meeting to bring back the necessary documents to establish a TBD. He noted the proposed ordinance identified the city council as the board to the TBD, to make decisions about possible funding alternatives for local streets and roads, based on the city's six-year transportation plan.

There being no public comment, Mayor Dawes closed the public hearing at 5:10 p.m. and reopened the regular meeting.

3. **Lewis County Celebration.** Lewis County Commissioner Edna Fund invited the council to attend an open house on September 10, 2014, from 3:00 to 7:00 p.m. to celebrate Lewis County's induction into the Historic State Registry.

4. **Proclamation.** Mayor Dawes presented Arnie Guenther with a proclamation expressing support of September as "Prostate Cancer Awareness Month" in the city of Chehalis.

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

- a. Minutes of the regular meeting of August 11, 2014; and
- b. Claim Vouchers No. 110064-110213 and Electronic Funds Transfer No. 72014 in the amount of \$614,454.55 dated August 15, 2014.

The motion was seconded by Councilor Lund and carried unanimously.

6. **Administration Reports.**

a. **July Financial Report.** Finance Manager Judy Pectol reported the telephone tax continued to stay below what was budgeted; however, on the positive side, licenses and permits and goods and services both had big increases. She noted they should see some additional increases in goods and services next month, now that the pool is open and doing well.

Ms. Pectol reported a majority of the expenditure accounts that are over budget in the general fund are due to some expenses that came in earlier than anticipated for the year.

Ms. Pectol reported on the utility funds, noting she was encouraged to see the connection fees up significantly. She stated the new construction should also increase their utility revenues in 2015.

Ms. Pectol reported, for the first time, the council would see revenue for car rentals listed in the budget. She noted the

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airport collected \$770 in car rental fees for the month of July.

Councilor Lund stated in fun, "It would have been nice to have been told they had car rentals at the airport because some of his friends who have Lear jets might have stopped in to visit him if they knew they could pick up a car at the airport."

## **7. Council Reports.**

a. **Update From Councilor Spahr.** Councilor Spahr stated he toured the Gail and Carolyn Shaw Aquatics Center on August 14, noting it was a great facility and a real gift to the community. He also took his grandson to Ripon, California, over the weekend to wrestle in his fourth Schwingfest, noting he came in first in his division.

b. **Update From Mayor Dawes.** Mayor Dawes reported he attended the opening day ceremonies of the Southwest Washington Fair on August 12 and had a chance to work in the Lewis County Historical Museum booth. He also toured the new pool facility and attended the opening to the public on August 15.

Mayor Dawes reported he attended the Traffic Safety Coalition meeting on behalf of Councilor Taylor, noting one of the items for discussion was how they rate traffic projects. He stated he found it odd that they listed improvements to the rail lines as the number one priority for Lewis County. Mayor Dawes believed there would be a lot more discussion on this topic at their next meeting and suggested they might see something else listed as the number one priority, such as the Chamber Way thoroughfare from National Avenue to the west side of the freeway.

Mayor Dawes reported he also attended the Chehalis Garlic Fest and Craft Show, noting it's amazing to see the number of people it brings in from out of the area.

Mayor Dawes reported he attended the donor reception for the Gail and Carolyn Shaw Aquatics Center on Sunday, August 24, adding it was very well attended and they did a good job of recognizing a lot of the donors. He stated the city can't say thank you enough to the 500 donors and the Chehalis Foundation for bringing the facility to our community.

Mayor Dawes reported the Centralia-Chehalis Chamber of Commerce is planning a membership BBQ and ribbon cutting at the Gail and Carolyn Shaw Aquatics Center on September 8, at 5:30 p.m. He wondered if it would be possible to move the starting time of the September 8 council meeting up to 4:30 p.m., so they can attend the ribbon cutting. The consensus of the council was to move the council meeting start time to 4:30 p.m.

**8. Ordinance No. 933-B, First Reading – Dedicating Four Percent (4%) of Annual Sales and Use Tax Revenue Budgeted by the City to Road Improvements, Maintenance, and Preservation Projects.** City Manager MacReynold reported the proposed ordinance was discussed at the previous meeting and was being presented for council consideration.

Councilor Ketchum moved to pass Ordinance No. 933-B on first reading.

The motion was seconded by Councilor Taylor and carried unanimously.

**9. Ordinance No. 934-B, First Reading – Establishing a Transportation Benefit District within the Corporate Limits of the City of Chehalis Specifying the Maintenance and Preservation of Existing Transportation Improvements, Providing for Additional Transportation Improvements, and Creating a New Chapter 11 of the Chehalis Municipal Code Entitled "Chehalis Transportation Benefit District."** City Manager MacReynold reported this was another recommendation from the work session that council requested be brought back for their consideration. He noted the ordinance did not include any discussion about funding, and the governing board according to the ordinance would be the city council.

Councilor Ketchum stated this has been an ongoing project for eight plus years and he was glad to finally see it before the council. He noted he would be very supportive of a \$20 vehicle license fee and believed the ordinance was a good stepping stone towards that. Councilor Ketchum thought it was a good option to consider.

Councilor Harris moved to pass Ordinance No. 934-B on first reading.

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The motion was seconded by Councilor Spahr and carried unanimously.

10. **National Avenue Salzer Creek Scour Mitigation Project Agreements.** City Manager MacReynold reported this project has been discussed numerous times. He noted it was important to remember that we received a grant to cover 100 percent of the project.

Councilor Ketchum asked if they would have to wait for the state to approve additional funding to do the actual work. Public Works Director Rick Sahlin reported during the course of the project the city is allowed to go back to the state four times to ask for additional grant funding, adding this particular request is for the design work and permitting. He stated once they get to construction and know what it will entail they'll go back to the state to ask for additional funding to get the project done.

Councilor Spahr asked if Mr. Sahlin could briefly describe what bridge scouring is. Mr. Sahlin reported bridge scour happens when you have water that washes away the soil at the pillars or the footings of the bridge. He noted the Salzer Creek Bridge on National Avenue has four or six sets of columns that the water is washing away, and eventually it will fail.

Art Schoonover, Design Project Manager for HDR Design, PLLC, reported he worked for the Washington State Department of Transportation (WSDOT) for 30+ years in both engineering design and construction, and after that he went to work for a consultant doing project management. He noted he's been involved with many bridge scour projects. Mr. Schoonover stated typically when you have high flows of water it moves the soil in such a way that it constricts or increases the velocity of the stream, which digs holes around the piers and eventually it causes the piers to fail and the bridge to fall into the water.

Mr. Schoonover stated it was very important that they move forward on this project because National Avenue is one of the city's main thoroughfares. He reported the engineering and design is necessary to open up the channels to prevent the scouring from continuing. Mr. Schoonover noted in this day and age there are a lot of environmental and permitting issues that need to be addressed, which tend to escalate the cost. He reported the National Avenue project was pretty straightforward and believed it could be done under budget.

Councilor Harris moved that the council authorize the city manager to execute the Local Agency Standard Consultant Agreement between the city and ESA Virgil-Agrimis in the amount of \$135,935 for architectural/engineering consulting services; Supplemental Agreement No. 01 between the city and HDJ Design, PLLC in the amount of \$2,016; and Local Agency Agreement Supplement No. 1 between the city and WSDOT in the amount of \$65,735, increasing the grant funding for the National Avenue Salzer Creek Scour Mitigation Project.

The motion was seconded by Councilor Spahr and carried unanimously.

There being no further business to come before the council, the meeting adjourned 5:41 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: September 8, 2014

Initials: js

September 8, 2014

The Chehalis city council met in regular session on Monday, September 8, 2014, in the Chehalis city hall. Mayor Dawes 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 Tony Ketchum. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Rob Gebhart, Interim Fire Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; and Rick Sahlin, Public Works Director.

1. **Introduction of Fire Chief Finalists.** City Manager MacReynold reported the administration was in the process of hiring a new fire chief. He noted, earlier in the day, the three finalists interviewed with three different panels and then met with the firemen for lunch and went through an interview process with them, as well.

City Manager MacReynold gave each candidate an opportunity to talk briefly about their background and why they would like to be the next fire chief for Chehalis. The three finalist include: Gary Woodson from Pendleton, Oregon; Jeff Larson from Woodbridge, California (currently working for the City of Lodi); and Joseph Sands from Billings, Montana (currently working for the City of Billings).

2. **Proclamation Presentation.** Mayor Dawes presented Chris Thomas with a proclamation declaring September 20, 2014, as "Health and Wellness Day" in Chehalis.

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

- a. Minutes of the regular meeting of August 25, 2014;
- b. Claim Vouchers No. 110214-110355 in the amount of \$405,098.30 dated August 29, 2014; Payroll Vouchers 37560-37640, Direct Deposit Payroll Vouchers No. 5259-5344 and Electronic Federal Tax Payment No. 139 in the amount of \$691,946.64 dated August 29, 2014; and
- c. Approve interlocal agreement between the city and Lewis County for cost sharing of the Chehalis River Basin flood warning system and authorize the city manager to execute the same.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Administration Reports.**

a. **2013 Audit Exit Conference.** Mayor Dawes reported the 2013 exit conference with the State Auditor's Office was scheduled for Tuesday, September 16, at 10:30 a.m. He asked if anyone other than himself and Councilor Harris planned on attending. (No one else planned on attending at this time.) Mayor Dawes suggested if something changes and they get close to four members who want to attend they will need to publish an announcement about the meeting.

5. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reported, apparently, his absence during recent months is of some interest to some people, adding he didn't know it was important for the public to know about his personal life. He reported he suffered a neck injury while serving in the military, which required some emergency surgery earlier this year, and shortly after that, his brother, Charles passed away unexpectedly and he had to attend to family matters. Councilor Pope stated this community has been a wonderful and supportive place to live and serving on the city council is a privilege. He felt that missing four or five meetings after serving for so many years was warranted.

Mayor Dawes suggested if the same had happened to anyone else on the council, they too would have probably had to miss a few meetings. He stated it was too bad that it had to become a point of contention for someone.

b. **Update From Councilor Lund.** Councilor Lund reported the downtown businesses are ecstatic to have a parking enforcement officer again and wanted to thank Police Chief Glenn Schaffer for filling the position. He also thanked Public Works Director Rick Sahlin for getting the new strobe lights installed at the crosswalk on S. Market Boulevard near Safeway, noting that was the area where former Fire Captain George Benton was hit on his scooter.

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Mr. Sahlin stated Councilor Lund could thank Human Resources Administrator Peggy Hammer for that, noting the city applied for a risk reduction grant through the Washington Cities Insurance Authority and the city was awarded \$6,400 for pedestrian safety enhancements. He noted the lights work very well and they will try for some additional funding during the next grant session.

Councilor Lund thanked Ms. Hammer for her involvement in getting the grant.

c. **Update From Mayor Dawes.** Mayor Dawes reported he attended a ribbon cutting at Washington Orthopedic in celebration of their 25<sup>th</sup> anniversary.

Mayor Dawes reported, as a result of one of the monthly mayors meeting, they had a legislative person from the Association of Washington Cities (AWC) come and speak on their effort to mobilize city officials. He noted AWC is looking for ways to get the State Legislature to work more closely with cities and respond to our needs. Mayor Dawes suggested the old way of doing things just isn't getting the answers to the problems faced by cities. He provided the council with a copy of the pocket guide that was handed out at the meeting titled, "Operation: Strong Cities," adding their hope is that it might help strengthen the voice of cities and counties.

Mayor Dawes reported cities, counties and school districts are probably three of the biggest funds that come out of state government and suggested if they don't form some sort of partnership between the three they're going to end up fighting with one another. He noted this is the second time the Legislature has had a Supreme Court finding about not adequately funding public education.

6. **Ordinance No. 933-B, Second and Final Reading - Dedicating Four Percent (4%) of Annual Sales and Use Tax Revenue Budgeted by the City to Road Improvements, Maintenance and Preservation Projects, and Ordinance No. 934-B, Second and Final Reading – Establishing a Transportation Benefit District within the Corporate Limits of the City of Chehalis, Specifying the Maintenance and Preservation of Existing Transportation Improvements, Providing for Additional Transportation Improvements and Creating a New Chapter 11 in the Chehalis Municipal Code Entitled "Chehalis Transportation Benefit District."** City Manager MacReynold reported at the last meeting the council passed Ordinance Nos. 933-B and 934-B unanimously and suggested they make a motion to pass both ordinances at the same time on second and final reading.

Councilor Harris moved to pass Ordinance No. 933-B and 934-B on second and final reading.

The motion was seconded by Councilor Spahr and carried unanimously.

Councilor Pope stated he was not present when the two ordinances were discussed and put together, but he agreed with them. He added it showed great responsibility by the council.

7. **Ribbon Cutting at the Gail and Carolyn Shaw Aquatics Center.** Mayor Dawes reminded the council about the Chamber's membership appreciation BBQ and ribbon cutting at the Gail and Carolyn Shaw Aquatics Center at 5:30 p.m.

There being no further business to come before the council, the meeting adjourned 4:54 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: September 22, 2014

Initials: js

September 22, 2014

The Chehalis city council met in regular session on Monday, September 22, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, and Tony Ketchum. Councilors Taylor and Spahr were absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Dennis Osborn, Community Development Director; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; and Rick Sahlin, Public Works Director. Members of the media included Dameon Pesanti from *The Chronicle*.

1. **Interview Jeff McCord for Consideration of Appointment to the Chehalis Planning Commission.** The city council interviewed Jeff McCord who submitted an application to be considered for appointment to the Chehalis Planning Commission.

2. **Update on the National Avenue Wetland Mitigation Bank.** Bob Sokolove with Womble Carlyle Ecology Innovations, (WCEI), LLC provided a brief update on the status of the National Avenue and Hanaford Valley mitigation sites. He indicated the Hanaford site had received full approval and they've already received preliminary approval on the National Avenue site.

Mr. Sokolove reported, shortly after they met with TransAlta, it was decided they would move forward with the Hanaford site first. He stated this decision would not affect the economics of the deal between WCEI and the city, noting the relationship between WCEI, TransAlta and the city is that the city would receive the first credits out.

Mr. Sokolove reported, a few months back, they met with representatives from the Governor's Office and Scott Boettcher, representing the Chehalis River Basin Flood Authority, who expressed interest in the National Avenue site with regard to the positive affect it could have on flood control in the region. Mr. Sokolove reported they later decided to move forward with the original design of the National Avenue site because there didn't seem to be enough interest to make it more flood control oriented. He noted they've done a lot of hydrologic studies in the interim, and whether they build the dam/levee project or not, the National Avenue site would be insignificant with regard to flood control.

Mr. Sokolove reported, based on his most recent discussions with the U.S. Army Corps of Engineers and the Department of Ecology (DOE), we should start to go through the final approval process at the end of this year, or early 2015. He indicated they've already sold a number of the city's credits to Lewis County for around \$200,000 per acre.

Mr. Sokolove suggested if flood control efforts do start occurring there will be a massive need for wetland mitigation bank credits, but believed the Washington State Department of Transportation will ultimately be the largest user of mitigation credits in the watershed.

3. **Update on County-wide Health Assessment.** Lewis County Public Health and Social Services Director Danette York reported several agencies came together to work on a county-wide health assessment. She noted they worked across the county to find out what citizens think are the biggest issues that affect our health.

Ms. York invited the council to attend a community forum on Wednesday, September 24, at Corbet Theatre, where Dr. Donna Beegle will be sharing the concerns of local residents and will discuss the trends affecting Lewis County's health. She reported they will also be having a retreat on October 8, from 9:00 a.m. to 3:00 p.m., at the Holiday Inn in Chehalis, to review the findings, prioritize the issues, and look at what can be done to address the issues.

4. **Citizen Business.** Holly St. Clair (371 Zandecki Road) invited the council to attend a Crude Oil Awakening Concert and Solar Presentation on October 11, at 7:00 p.m., at the Matrix (Coffeehouse).

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

a. Minutes of the regular meeting of September 8, 2014;

b. Claim Vouchers No. 110356-110505 and Electronic Funds Transfer No. 82014 in the amount of \$482,803.70 dated September 15, 2014;

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- c. Appoint Julie Balmelli-Powe to the Chehalis River Basin Flood Authority as the city's primary representative; and
- d. Approve Master Interlocal Agreement between the city and Lewis County for reimbursable contracted services provided by Lewis County and authorize the city manager to execute the same.

The motion was seconded by Councilor Lund and carried unanimously.

Mayor Dawes thanked Ms. Balmelli-Powe for her willingness to step up in the roll again as the city's representative. Ms. Balmelli-Powe stated she was glad to be back.

Councilor Harris stated he heard there was going to be a two-day policy workshop next week involving the Flood Authority and asked if Ms. Balmelli-Powe could report back to the council. Ms. Balmelli-Powe stated she would be happy to.

#### 6. Administration Reports.

a. **August Financial Report.** Finance Manager Judy Pectol reported the property tax numbers were low, but reminded the council that November is always the second highest month for property tax revenue. She also reported, in the short time that the pool was open they received \$13,468 in revenue (for roughly half the month of August).

#### 7. City Council Reports.

a. **Update From Councilor Pope.** Councilor Pope reported, at the last meeting of the Chehalis Foundation, they discussed changing their structure to include two committees: one for education and one for the city. He stated he had reservations about the new structure because city projects have to be approved by the council before any action is taken. Councilor Pope asked if City Manager MacReynold could invite someone from the Foundation to come and explain the new process.

City Manager MacReynold stated if the council wished for that to happen the administration would certainly follow through. Mayor Dawes suggested it be put on the schedule.

b. **Update From Councilor Harris.** Councilor Harris reported he recently took a tour of the Central Transfer Station and got to see a lot of the new, reuse and recycle programs that they've been able to enact. He noted they used Stan Hedwall Park's yard waste site as a model for collecting yard waste at the transfer station.

Councilor Harris reported they are starting to work on Christmas decorations, noting they will have a couple of weekends where they'll be doing some painting projects.

Councilor Harris reported the Chehalis River Basin Partnership would be meeting on Friday, adding Wendy Buffet from DOE would be giving a report on Ecology's oil spill response.

Councilor Harris reported the Lodging Tax Advisory Committee would be having their annual meeting on September 23 to review the applications received from various agencies and city staff requesting tourism funding for 2015.

c. **Update From Mayor Dawes.** Mayor Dawes reported he attended the open house at the Lewis County Courthouse on September 10. He noted those who toured the courthouse and completed their trivia passports received a free copy of the historical book, "These Walls Can Talk," written by local historian Julie McDonald Zander. Mayor Dawes stated, if anyone is interested in getting a copy of the book they could probably purchase it at Book 'n Brush, or at the Lewis County Historical Museum. He noted it's a good \$10 spent on some local history.

Mayor Dawes reported he attended the Transportation Strategic Council meeting on September 15, noting the Chamber Way overpass from National Avenue over to the freeway, and National Avenue from the city limits north into town was placed in the top five on the list of countywide priorities.



September 22, 2014

Mayor Dawes reported, on September 16, he and Councilor Harris attended the city's 2013 audit exit conference. He noted the city received a clean/no letter audit thanks to Ms. Pectol and the efforts of the entire city staff.

Mayor Dawes stated he attended the Business After Hours at Pope's Kids Place on September 19, noting they were able to see some of the items bought as a result of the funds raised at the last gala, adding it was pretty impressive.

Mayor Dawes reported he also attended the ARTrails kick-off at the Centralia Railroad Depot, noting it was a nice event and they had a lot of great art on display from local artists.

**8. Resolution No. 8-2014, First and Final Reading – Adopting Public Defense Standards and Requesting the City Manager to Provide Updates Regarding Changes in the Underlying Adopted Standards in Conjunction with the Annual Budget Report.** Municipal Court Judge Dale McBeth reported the Supreme Court issued new standards for public defenders stating they need to do certain things when representing a person on a public defense. He noted it's the Federal Court's opinion that courts are not investigating or following through to make sure clients are getting a fair shake. Judge McBeth stated the city needs to make sure that the contracts we have with our two public defenders meet the new standards.

Mayor Dawes inquired as to what would happen if they implement the new standards and the public defenders don't do their job. Judge McBeth stated the court would essentially find a new public defender.

Councilor Harris noted the resolution basically states the public defenders will be professional and do their job to represent people. He stated, "I thought that was what they are supposed to do when they take their oath." Judge McBeth stated the new standards are a lot more specific in terms of meeting, investigating, and hiring outside resources, if necessary.

Court Administrator Becky Fox reported it also puts new case load limits on how many clients they can represent on an annual basis. Judge McBeth reported they follow the standards of the Supreme Court which say they can't have more than 400 cases total in one year. (This includes other courts and private clients, as well.)

Councilor Ketchum inquired about the increased work load and wondered how they will track it. Ms. Fox reported the Washington Cities Insurance Authority did some training on how to prevent it. She noted the court would be updating the public defense contracts and will implement a complaint process. Ms. Fox noted the public defenders are also required to provide quarterly certifications stating they are complying with the standards. She stated she'll need to develop a process to start tracking compliance, adding it's a work in progress and the resolution was the first step in the process.

City Attorney Hillier stated once the certification is given by the attorney and he misrepresents any part of it, he could lose his ability to practice law in the State of Washington. He noted the attorneys have a proactive duty to report to the courts they work for, the number of cases they have, time spent with clients, and any incidental costs they run up. City Attorney Hillier reported the courts job is to deal with the two defense attorneys we currently have and to make sure they're reporting information for all of the courts they work in.

Councilor Harris inquired about other resources should one of our public defenders reach the limit. Judge McBeth stated there are five to 10 local attorneys that do public defense through District and Superior Court. He noted they can inquire to see if they would be willing to take on some of our cases. Judge McBeth noted it's been done in the past when they've run into a conflict and had to hire a third public defender.

Councilor Ketchum moved to adopt Resolution No. 8-2014 on first and final reading and authorize the city manager to enter into a new contract for public defense services for the Chehalis Municipal Court.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned 5:39 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: October 13, 2014

Initials: js

October 13, 2014

The Chehalis city council met in regular session on Monday, October 13, 2014, in the Chehalis city hall. Mayor Dawes 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 Tony Ketchum. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief/Interim Fire Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Dennis Osborn, Community Development Director; Rick Sahlin, Public Works Director; and Dave Vasilauskas, Water Superintendent. Members of the media included Dameon Pesanti from *The Chronicle*.

1. **Citizens Business.**

a. **Dogs Running Loose and Panhandling.** Darrin James McGowan (Centralia) expressed concern about people letting their dogs run loose within the city, noting in the last month he's been chased twice by dogs that were not on a leash. Mayor Dawes asked if Mr. McGowan called dispatch to report the incidents. Mr. McGowan stated he did not; however, he did stop by the police department to report it.

Mr. McGowan stated he also wanted to speak out against allowing panhandling, noting it's getting out of hand in the area near Walmart. He reported the city of Centralia recently banned it and suggested Chehalis do the same. City Manager MacReynold stated he would meet with the police chief to explore the issue and would report back to the council.

b. **Water Taste Test.** Kim Ashmore (118 Blanchard Road, Centralia) provided a brief report on the 9<sup>th</sup> Annual Chehalis Basin Watershed Festival held in Aberdeen, Washington. He stated the water taste test has turned into a friendly competition between local agencies, noting Centralia has won most of the time. Mr. Ashmore reported they had four participants this year, including Centralia, Chehalis, Montesano, and Napavine, and out of the four Chehalis came out on top.

Mayor Dawes stated the water department works hard to make sure we have good clean water to drink, adding it's nice to see them get recognized for that effort.

2. **Proclamation Presentation.** Mayor Dawes presented Human Response Network Executive Director Tara Leno with a proclamation declaring the month of October as "Domestic Violence Awareness Month" in the city of Chehalis.

3. **Update on Port of Chehalis Activities.** Mayor Dawes first asked Port of Chehalis Executive Director Randy Mueller how his 90-day plan went. Mr. Mueller reported the 90 days were up about two weeks ago, noting it was a mad hustle towards the end to check some of the things off the list. He indicated the biggest problem he ran into was the number of people he ended up meeting with, adding each time he met with one they had to add two more names to the list, which made the list quite long by the end of the process.

Mr. Mueller talked briefly about his background and provided an update on some of the projects he's currently working on, to include: rail spur project for Conrad Industries; potential land sale to the Willamette Valley Co.; and making Port properties more shovel ready.

Mr. Mueller talked briefly about the types of jobs they want to bring to the Port. He suggested if you advertise cheap land you're going to get the people looking for the cheapest deal, which may not necessarily be the best.

Mr. Mueller reported there are 75 port districts in the State of Washington that provide 75 flavors of economic development based on what they see as a vision for their community. He stated he's currently looking at all of their options and seeking input from everywhere in order to provide the best options for the Commission to consider.

Mr. Mueller reported his short-term priorities are to make the Port more profitable. He noted their current line of business includes sale and leasing of Port land and buildings. Mr. Mueller stated the Port receives most of their money from their lines of business.

Mr. Mueller reported his long-term goal is to provide jobs that pay a decent wage with decent benefits. He would also like to see more high quality jobs, so when our children graduate from college they can come back to professional career opportunities.

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Councilor Harris stated he would like to see them talking with larger well-known companies, including international companies, adding there might be some opportunities there that they haven't looked at yet.

Councilor Lund asked if they were going to do anything with the Port sign along I-5. Mr. Mueller stated the sign is sorely in need of an update, noting the phone number listed doesn't even go to the Port. He reported he has a couple of drafts on his desk for the redesign that include their web address rather than a phone number. Councilor Lund stated he would be happy if they left the sign the way it is, but put the correct phone number on it.

Councilor Spahr stated he appreciated Mr. Mueller's enthusiasm and goals. He agreed that the person looking for the cheapest land and labor force is not the person we really want, adding we need to up our goals.

4. **Shorelines Master Program Update**. Community Development Director Dennis Osborn introduced Brad Medrud with AHBL to provide an update on the Shorelines Master Program (SMP).

Mr. Medrud reported he was before the council last November to provide an update, noting the updates are required by the Department of Ecology (DOE) who established the guidelines and rules of what needs to be included in the documents. He stated the new SMP will be an update of the existing program, which has been in place since 1974.

Mr. Medrud reported on some of the new requirements passed down by DOE, to include: no net loss in restoration; public access; allowing for water dependent uses; and actively seeking public input throughout the process. Mr. Medrud reported they were at step 3 of 5 of the process and hopes to finish by June 2015.

Mr. Medrud reported they would start meeting with the Chehalis Planning Commission in July, noting the Commission acts as the Citizens' Advisory Committee. He stated their job is to review the documents and provide input and direction on the community's wishes before they get to the formal hearing and adoption process.

Mr. Medrud reported, at their next meeting, they will be discussing specific use policies within the shoreline environment designations and the specific regulations tied to recreation and commercial development. He noted they would also be introducing shoreline modifications and talk about how to administer the SMP.

Mr. Medrud reported, at their November/December meeting, they expect to talk about the critical area regulations that will be enacted within the shoreline jurisdiction. He stated DOE has a rather large hammer when it comes to addressing critical areas and there are going to be some procedural things that will need to be addressed.

Mr. Medrud reported sometime between December 2014 and March 2015 they will finish the accumulative impacts analysis. This will include the no net loss report for the entire process, as well as the restoration plan. Mr. Medrud stated the Chehalis Planning Commission will hold the initial public hearings, and the council will review the process and pass their recommendations on to DOE who will have final say. He believed they would have the final SMP ready for adoption in late 2015.

Councilor Spahr asked Mr. Medrud to describe a shoreline and explain how it affects the average citizen. Mr. Medrud stated you essentially start with 200 feet off of any waterway considered of the state. He noted in Chehalis that would be the Chehalis River, the Newaukum River, and some of the smaller creeks. Mr. Medrud reported if there are any floodways or wetlands associated, then the areas starts to expand. He suggested it wouldn't have much effect on industrial based business because it doesn't touch a lot of that, but it will have an impact on the public side.

5. **Update on Chehalis River Basin Flood Authority Policy Workshop**. City Representative Julie Balmelli-Powe reported this was the third workshop since the Flood Authority started the new studies, and the final workshop before they make a recommendation to the Governor's Office in November. She provided an overview on some of the alternatives that are still on the board:

- Flood Proofing – would provide a great benefit, but it doesn't cover a lot of area
- Habitat Restoration - low and high enhancement habitat restoration would manage flooding if the natural process is restored; and would help compensate for some damage caused by a dam

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- I-5 Project - cost benefit ratio is not viable for this project even though it does protect I-5 and would be a lot less expensive
- Raising the Airport Levee - would be included in either combination
- Flood Only Water Retention - will shut the dam during storm events and release the water slowing over a two week period versus having the reservoir behind the dam
- Water Retention with Storage – would have a reservoir year round that could be used during the summer months

Ms. Balmelli-Powe talked briefly about the multipurpose alternatives, noting in the short-term the multipurpose alternative with a reservoir actually shows potential to help fish, especially the spring Chinook and possibly the Coho, whereas the 'flood only' alternative doesn't benefit the fish at all. She noted this is because it doesn't have the water to cool or to add oxygen to the water in the summer when it's needed.

Ms. Balmelli-Powe reported, over the long-term, if they do high enhancement with the 'flood only,' the cost benefit ratio would actually get higher than the multipurpose with high enhancement. She noted the way they explained it is the reservoir wouldn't be needed as much because of the shading and cooling of the stream, so in the end the benefits of the enhancements will outweigh the benefits of the summer flow augmentation. Ms. Balmelli-Powe reported she questioned their philosophy, noting in order to get full benefit from the enhancement project it will take 100 years and they're basing a lot of the benefit from the effects of the dam over a 50-year period.

Councilor Taylor asked if anyone questioned why they didn't compare them to the same number of years. Ms. Balmelli-Powe stated she asked, but they basically said they needed more information.

Ms. Balmelli-Powe reported they looked at each alternative individually, but couldn't come up with the solution they were looking for, so they just kept trying to find different combinations. She noted it's only in the last combination that provides for water retention, the airport levee, flood proofing, and high enhancement that they get the results they want and still had a cost benefit.

Ms. Balmelli-Powe reported she needed to get direction from the council on which option to support.

Councilor Ketchum stated if they do the reservoir with enhancements without doing anything to control flooding it could end up wiping out all of the enhancements. He felt it was important to have water storage no matter what.

Councilor Pope asked what the difference was between this study and all of the studies done in the past.

Ms. Balmelli-Powe stated she's excited with the new studies, noting they've done a lot more with the effects on fish. She reported it was very encouraging, but there's still more questions to be answered and they still have a long way to go. Ms. Balmelli-Powe stated with the information they have they'll be able to make a recommendation and move forward on a few more in-depth studies, but they have to get the go-ahead from the Governor's Office first.

Ms. Balmelli-Powe reported they did a really great study on flood proofing, noting they have much better maps of the terrain to where they can actually see the water level and know which homes will receive damage. Ms. Balmelli-Powe reported the problem with flood proofing is you can't flood proof all commercial buildings because of access problems. She suggested this is another barrier to why flood proofing isn't the only solution.

Councilor Harris stated he was under the impression that the water would be held until low flow periods, rather than draining it over a two week period.

Ms. Balmelli-Powe reported, because of the fish, they have to let it out at a gradual pace over a period of about 12 days. She stated once all the water is let out, the streams will flow naturally.

Ms. Balmelli-Powe suggested the 'flood only' approach is better than having no dam at all, but if they're going to be putting that much money into it, it makes better sense to have an approach that prepares more for the future and protects the citizens of the basin.

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Councilor Harris asked if they discussed the areas they're considering for water and river enhancements. Ms. Balmelli-Powe reported they stated the high enhancement would go from the Wynoochee River up to the dam and the low enhancement would start near Porter. She noted the restoration enhancements would include barrier removal, stream bank enhancements, and trees to create more shade along the river.

Councilor Taylor reported when he attended the Flood Authority meetings the council's direction was along the lines of having a dam/reservoir to benefit the summer flows. The consensus of the council was to continue down that same path.

Mayor Dawes reported this was the first time he's heard of them talking about a dam that releases all of the water after a flood event, adding he thought the whole idea of the retention dam was to hold the water and release it during the summer months as the river gets low. Mayor Dawes also thought the thing that brought the Chehalis Tribe on board was the fact that there was a chance to enhance the waters and make it better for fish.

Ms. Balmelli-Powe suggested the 'flood only' dam is more of a compromise, noting the science really promotes the multipurpose dam. She suggested the compromise might be that they can give a little to build the dam, as long as it keeps the river as natural as possible.

Mayor Dawes stated, based on the discussion, the preference of the council is to have the full dam.

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

- a. Minutes of the regular meeting of September 22, 2014;
- b. Claim Vouchers No. 110506-110627 in the amount of \$165,314.87 dated September 30, 2014; Payroll Vouchers No. 37641-37716, Direct Deposit Payroll Vouchers No. 5345-5430 and Electronic Federal Tax Payment No. 140 in the amount of \$740,092.51 dated September 30, 2014;
- c. Award engineering contract for the high level reservoir at McFadden Park to HDR Engineering, Inc., in an amount not to exceed \$250,000 and authorize the city manager to execute the contract agreement; and
- d. Award engineering contract for a second flocculation pre-sedimentation train at the water filter plant to HDR Engineering, Inc., in an amount not to exceed \$420,000 and authorize the city manager to execute the contract agreement.

Councilor Lund seconded the motion.

Councilor Spahr inquired about the engineering costs for the second flocculation pre-sedimentation train. Public Works Director Rick Sahlin reported the contract includes \$20,900 for project management, \$94,000 for the Department of Health project report, as well as other permit and review fees. He stated it's not just the design of the project, adding it will take them all the way through the audit process for the loans.

The motion carried unanimously.

7. **Administration Reports.**

a. **Update on Annual Debt Compliance.** Finance Manager Judy Pectol reported the financial information on the city's bond debt has been reported as required. She stated there will be more requirements for reporting in the future; for example, when any bonds are redeemed that information will need to be reported as well.

8. **City Council Reports.**

a. **Update From Councilor Lund.** Councilor Lund reported he and Mayor Dawes and Councilor Spahr attended the monthly Joint Oversight Board meeting.

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b. **Update From Councilor Spahr.** Councilor Spahr reported he received a copy of the 90-day plan that the Lewis County Economic Development Council is putting in place, adding he hoped to see good things come out of it.

c. **Update From Councilor Harris.** Councilor Harris reported they've been working on Christmas projects for the last couple of months, noting Ms. Balmelli-Powe, as well as two of her children and a bunch of others, came out to the airport to help out. He stated he also attended a Chehalis Community Renaissance Team meeting, noting it was very good.

d. **Update From Councilor Taylor.** Councilor Taylor reported he and his wife have been walking on the side streets up on the hillside and noticed a lot of the sidewalks closer to the north end of town are getting overgrown with ivy. He stated he understood that it's the responsibility of the property owner to maintain the sidewalks, but asked if there is anything the city can do to encourage or help clean them up.

Councilor Ketchum stated he's noticed it too.

Councilor Pope reported when he built his office on Market Boulevard he was made to put in new sidewalks, but when he wanted to do something with the sidewalks or on the right-of-way he couldn't because it's city property. He stated if the landowner is responsible for the sidewalk, the city shouldn't have anything to say about what they do with it.

Councilor Lund reported he had to put in a new sidewalk, as well.

City Manager MacReynold reported in all of the jurisdictions he's ever worked, sidewalks have always been an issue.

Councilor Ketchum stated when he first moved into his house he received a notice from the city that he had to replace the sidewalk. He suggested the city has sent out notices more than once in the past.

City Manager MacReynold stated he would prefer to have a conversation with the public works department to see if there's some sort of middle ground, and follow up with some specific areas that may need to be looked at.

Mayor Dawes reported he and his wife do a lot of walking as well. He noted his wife has contacted public works in the past and they've been very good about coming out and taking care of the growth over the sidewalks.

e. **Update From Mayor Dawes.** Mayor Dawes reported on September 27 he attended a luncheon with a Korean Consulate from the Seattle office. He noted the Korean Government presented Korean War Veterans with medals at the ceremony held at the Veterans Memorial Museum.

Mayor Dawes reported the budget committee has a couple of meetings coming up to tie up some loose ends on some budget recommendations that will be made to the full council at a later date.

Mayor Dawes reported he attended the Centralia College Foundation kick-off event, noting it was a nice evening.

Mayor Dawes attended the Association of Washington Cities regional meeting in Centralia on October 7. He noted they continue to stress that we contact our Legislators using different approaches other than what's been done in the past.

Mayor Dawes reported on the Joint Oversight Board meeting, noting they're at a point where they need to sit down and review where they've been, where they're going, and what the timeframe is for that. He noted cooperation has been very good and both departments speak highly of it.

9. **City Manager Search Recruitment Schedule.** City Manager MacReynold asked that the council take a look at the updated recruiting schedule they received to make sure they're available on the dates that were highlighted. He noted those were critical times for both selecting the finalists and for the interview process.

10. **Approve Candidates and Funding Amounts of the Lodging Tax Advisory Committee (LTAC) for Use of Lodging Tax Funds for 2015 and 2014; and Reappoint the Memberships of Todd Chaput, Michel Rey, Satpal Sohal, Alicia Bull, Rick Burchett, and Chip Duncan to the LTAC.** Councilor Harris reported he would first like to make sure none of

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the council have any particular conflicts before putting a motion on the floor.

Councilor Taylor stated he would be recusing himself from voting.

Councilor Harris reported the LTAC received \$445,630 in requests and they recommended a total of \$222,000, which went slightly into their expected \$50,000 reserve for items that might come up during the course of the year. He stated none of the seven Committee members completely agreed with anything as far as the original requests. Councilor Harris noted, as chair, he has obligated himself to support what the Committee has sent forward.

Councilor Pope reported he noticed there was no funding being recommended for the Bridal Show and asked why. He also brought up the recommended funding for an electronic kiosk at the Chamber of Commerce, noting he didn't think they should be in the business of funding equipment of that nature.

Councilor Harris reported there's a new facility on Jackson Highway called the Red Barn, and apparently it's bringing in tons of weddings from outside the city at a cost of about \$3,000 per day to rent the facility. He noted the rural setting is very appetizing to Seattleites and it puts lots of heads-in-beds. Councilor Harris reported the Chehalis Bridal Show was started by the city to help develop a revenue stream for lodging tax, but suddenly the Committee decided that wasn't enough.

Councilor Harris reported the new regulations for distributing lodging tax funds only allows the council to give what the Committee recommends, or they can give zero dollars. He stated that's one of the issues he has with the new regulations because it gives the Committee more power than the council.

Councilor Ketchum stated he still didn't understand why they didn't give any funding for the Bridal Show.

Councilor Harris stated at least four members decided not to give any funding, including the three hoteliers and one other committee member. He reported most of the revenue for the Bridal Show went to the radio station for advertising, and there's a mindset by several LTAC members that the way of the future is the internet. Councilor Harris stated the hoteliers shared with the Committee that most of their revenue comes from internet reservations.

Councilor Ketchum reported they've had the discussion before that, outside of the tournaments, this organization is the next highest at putting heads-in-beds.

Councilor Harris stated the Committee has had many discussions about the businesses they fund, adding it's really difficult at times to try to figure out how far they should go in telling them how to operate. He noted there have been suggestions in years past about getting Premier Broadcasters (Rick Petty) more involved in social media and other forms of advertising, other than just radio. Councilor Harris indicated the request from Premier Broadcasters came in higher this year, but according to Mr. Petty, that was just so they could start advertising earlier in the season. He stated the Committee just wasn't enamored with the way Mr. Petty wanted to operate.

Councilor Taylor suggested it was a different kind of sell in that market, noting Mr. Petty is selling the future and the hoteliers are selling this weekend. He felt Mr. Petty's approach worked well for creating interest in our community, and when people do find an interest, they usually go on-line to book their hotel.

Councilor Pope stated the council's position has always been that lodging tax is supposed to serve as an incubator to help businesses get started, and not a resource for sustaining them.

Councilor Harris stated Councilor Pope was right, noting a lot of the requests have diminished over the years because of that philosophy.

Councilor Spahr stated he agreed with Councilor Pope that they're in the business of putting heads-in-beds, not buying equipment. He didn't see the kiosk as a way to put heads-in beds, adding most people have aps on their phones that do the same thing as a kiosk would.



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Councilor Harris reported there was discussion by the Committee regarding the kiosk, adding Chehalis would be the only entity funding the project.

Councilor Spahr moved that the council approve the candidates for reappointment to the LTAC and approve the funding amounts of the LTAC for use of lodging tax funds for 2015 and 2014, with the exception of Item No. 7 (the electronic kiosk) for a total of \$202,000.

Councilor Lund seconded the motion.

Councilor Harris noted the Committee has always been very supportive of giving all they can to city projects; however, the city in its requests did not receive everything they asked for. He reported a lot of revenue from the city manager's office is revenue that goes to the Chamber for the city's portion of county-wide advertising promotion.

The motion carried 5-1 with Councilor Ketchum voting against the motion. (Councilor Taylor abstained from voting.)

City Manager MacReynold reported, with reference to the Bridal Show, the council can request that the Committee reconsider its decision on not funding it and ask that they meet and review it again.

Councilor Spahr suggested, if Mr. Petty isn't doing the advertising the way they would like it done, perhaps they should have him come back to the Committee and sell his product. He stated he would like to see it addressed, noting it seemed funny to him as well that two years ago it was one of the biggest events that put heads-in-beds.

Councilor Spahr moved that the LTAC reconsider the Bridal Show funding request from Premier Broadcasters and report back to the council at the first meeting in November.

Councilor Lund seconded the motion.

Councilor Harris stated he would like to first talk with Mr. Petty to see if there would be a reason for the Committee to meet, noting Mr. Petty was very discouraged when he was notified about the Committee's recommendation.

The motion carried unanimously. (Councilor Taylor abstained from voting.)

Mayor Dawes inquired about the \$45,000 for the city manager's office wanting to know if it all goes to the Chamber for advertising. City Manager MacReynold reported \$40,000 will go to the Chamber for the tourism services contract and the additional \$5,000 will be used for marketing and promotion.

Mayor Dawes stated he would be interested in knowing the amount of tourism funding that other governmental agencies are providing to the Chamber. City Manager MacReynold stated, based on what's been reported, Centralia has committed \$21,000 and the Chamber did not seek funding from Lewis County for 2015.

11. **Special Meeting Rescheduled.** Mayor Dawes reported the special meeting set for Tuesday, October 14 was rescheduled to Tuesday, October 28, at 5:00 p.m.

12. **Stan Hedwall Park Committee.** Councilor Lund stated, since the city received some tourism funding to do the engineering study on Stan Hedwall Park, he thought it might be good to set up a council committee to work with staff on the project. He noted a few weeks ago he talked about fixing up our parks and suggested they consider going out for a bond for the project, and if the LTAC is willing, they could use tourism funding to make annual payments on the bond.

After a brief discussion, Councilors Lund, Pope, and Harris volunteered to be on the committee.

There being no further business to come before the council, the meeting adjourned 5:49 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: October 27, 2014

Initials: js

October 27, 2014

The Chehalis city council met in regular session on Monday, October 27, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:15 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Tony Ketchum. Staff present included: Merlin MacReynold, City Manager; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; and Dennis Osborn, Community Development Director.

1. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately 45 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 4:57 p.m. and announced the council would take a short recess before opening the regular meeting at 5:01 p.m. Additional staff included: Bill Hillier, City Attorney; Glenn Schaffer, Police Chief/Interim Fire Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Dameon Pesanti from *The Chronicle*.

2. **2015 Festivals and Community Involvement.** Ammie Hague (Everett, WA) reported she and others will be hosting a few events next year at the Yard Birds Mall, to include a Fairy Blossom Festival in June and a Renaissance Fair in September. She stated they would like to do a Royalty Program that will draw from the community to create a royal court who will serve as ambassadors for community service, education, and other positive outreach programs in the community. Ms. Hague asked if the city would be interested in sponsoring a Royalty Program.

Mayor Dawes suggested she contact the city manager, noting he could fill her in on what departments she will need to speak with.

3. **Chehalis Foundation Progress Report.** Chehalis Foundation President Tim Sayler reported the Foundation has had some pretty busy years since the renovation of the Lintott/Alexander Park in 2005. He noted, after much planning and fundraising, ground was broken on the Gail and Carolyn Shaw Aquatics Center in December 2013. Mr. Sayler stated sadly Mr. Shaw is gone now, but the pool is officially done.

Mr. Sayler reported the Foundation continues to support the city in many ways, such as: holiday decorations; maintenance of the Lintott/Alexander Park; the Chehalis Police K-9 Program; W.F. West tennis court renewal and maintenance; and work on various city ballfields and park facilities. He stated their newest effort is the maintenance and management of Connie Small's dream in the Penny Playground, which now falls under their guidance.

Mr. Sayler reported, through generous donations from various local families, they've branched out into the education field. He stated because of that effort they have made a change in the way the Foundation is fundamentally structured. Mr. Sayler reported the Foundation will now consist of three committees: City Projects; Education; and Promotions and Fundraising.

Mr. Sayler reported there are still lots of projects to do and there always will be. He noted the city's new ownership of Stan Hedwall Park is very interesting to all of them. He stated over time the Foundation will develop a plan for the city and for education on how they can help and how to get there.

Mr. Sayler thanked the city council and the administration for all of their help. He also thanked the Chehalis School District and their employees, as well as all of their generous donors. Mr. Sayler stated, "The spirit of cooperation that Mr. Shaw and his friends created back in the 1950s continues on through the Foundation, Experience Chehalis, and the list goes on and on."

4. **Update on Discover! Children's Museum.** Board Vice-President Larry McGee reported on the structure they will be using to fund the new Discover! Children's Museum. He stated they are still on track, noting it will take about \$3 million for the project. He noted, based on the activities that a number of them have been involved with and the pilot project, they should have between \$500,000 and \$600,000 worth of in-kind. Mr. McGee reported the \$3 million will pay for the building, exhibits, site improvements, improvements to the green space on the adjacent lot, and capital for one year of operating expenses.

McGee reported the funding plan includes: 1/3 from the State Legislature; 1/3 from major grantors; and 1/3 from community fundraising. He reported Lowell Wood has been employed to help with the fundraising efforts for this project.

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Mr. Wood reported, as part of the feasibility study, he will be interviewing several people to see if they feel the project is doable and if they like the location that's been selected. He stated, although they are not asking for money at this time, they've already received some pledge money for the project. Mr. Wood stated this is meant to be a Chehalis/Centralia project and will include committee members from both cities. He noted several from Centralia have already stepped up to the plate, as well as those from Chehalis. Mr. Wood reported he would be glad to come back and help out with the campaign if the city can't find anyone else to do it.

Mr. McGee reported, with the help of Mr. Wood and others, \$450,000 of the communities \$1 million is already committed. He stated it will mean a lot to our legislators to be able to say the community has stepped up to that degree already.

Mayor Dawes stated the council certainly appreciates what Mr. McGee and Mr. Wood are doing, noting they've stepped up time and time again to do things that benefit everyone in the community. He stated the fact that this will be a joint effort by both cities speaks tremendous volumes for the future success of this project.

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

- a. Minutes of the regular meeting of October 13, 2014;
- b. Claim Vouchers No. 110628-110781 and Electronic Funds Transfer Nos. 92014 and 920141 in the amount of \$415,915.38 dated October 15, 2014; and
- c. Authorize the City Manager to execute the interlocal agreement (ILA) between the city and Riverside Fire Authority for the utilization of the emergency communications system.

The motion was seconded by Councilor Harris and carried unanimously.

6. **Administration Reports.**

a. **3<sup>rd</sup> Quarter and September Financial Report and 3<sup>rd</sup> Quarter Sales and Use Tax Report.** Finance Manager Judy Pectol reported on the general fund, noting the city recently received a check from the Chehalis Foundation in the amount of \$478,000 for reimbursement of expenses for the Gail and Carolyn Shaw Aquatics Center. She noted the city will also be receiving some Transportation Improvement Board grant money related to the Chehalis Avenue Project, which will help the ending fund balance, as well. Ms. Pectol indicated she will be asking for a budget amendment at the second meeting in November for the two items.

Ms. Pectol reported they were also working on the final closeout for the Federal Emergency Management Administration Home Elevation Program, noting the city will receive about \$70,000 for work that's already been done.

Councilor Pope inquired about the interest earnings in the wastewater fund, noting it looked as though they were flip-flopped. Ms. Pectol reported some of the interest was allocated incorrectly. She noted the October report will include a reallocation of the interest based on how much cash each fund has.

Councilor Pope stated the sales and use tax was looking good this year.

7. **Council Reports.**

a. **Update From Councilor Spahr.** Councilor Spahr reported he attended the Lewis County Economic Development Council meeting where Executive Director Matt Matayoshi filed his 90-day plan. Councilor Spahr stated he also attended the Regional Fire Authority Joint Oversight Board meeting.

b. **Update From Mayor Dawes.** Mayor Dawes reported the Joint Oversight Board decided to start meeting on a quarterly basis starting the first of the year. He stated their focus will be on cooperative efforts to assist each other, adding the radio maintenance ILA was just one of those items. Mayor Dawes stated, given the financial situation that they are faced with, this is probably the mode they will stay in for a while.

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Mayor Dawes reported he attended the Business After Hours event at Tires, Inc., noting a representative from the Goodyear Tire Company presented them with a plaque for being in business for 60 years.

Mayor Dawes reported he had a meeting with Mr. Wood to discuss the fundraising for the Discover! Children's Museum. He stated it was nice to hear from Mr. McGee about the commitment level being as high as it is already.

Mayor Dawes reported, on October 24, he had a chance to see a local rail car stopped at the Chehalis-Centralia Railroad and Museum with a load of poles that are being transported to Nova Scotia. He noted the logs came from the McFarland Cascade Pole and Lumber Co, which is a business located on land owned by the Port of Chehalis out near Curtis. Mayor Dawes stated this relates to the reason why the city and county are looking into purchasing the local rail line from the City of Tacoma.

c. **Update on City Manager Search Process.** City Manager MacReynold reminded the council about the special executive session on Tuesday, October 28 to discuss the candidates for the city manager position. He noted a reception is scheduled for Monday, November 17, and the interview process will be on Tuesday, November 18.

**8. Resolution No. 9-2014, First and Final Reading – Approving State Revolving Fund Loan in the Amount of \$1,033,150 for the Construction of Basin 1022 Inflow and Infiltration (I&I) Project.** Public Works Director Rick Sahlin reported the council has received a couple of updates over the last year regarding the loan application submitted to the Department of Ecology (DOE) for this project. He noted the loan request was for \$1,410,000 for design and construction of the Basin 1022 I&I Rehabilitation Project. Mr. Sahlin indicated the project will include associated manholes and sewer stubs in the public right-of-way. He noted the city has been granted a loan from DOE for \$1,033,150, at 1.4 percent interest for 20 years, with a one (1) percent administrative fee. Mr. Sahlin reported the city also received a grant for \$301,850 and \$75,000 of forgivable principal.

Councilor Ketchum asked if this project was covered under the last rate increase they did. Mr. Sahlin stated it was.

Councilor Harris moved to pass Resolution No. 9-2014 on first and final reading and authorize the city manager to execute a contract with the SRF for a loan of \$1,033,150, at 1.4 percent interest with a term of 20 years for the Basin 1022 I&I Rehabilitation Project.

The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting adjourned 5:34 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: November 10, 2014

Initials: js

October 28, 2014

The Chehalis city council met in special session on Tuesday, October 28, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Tony Ketchum. Staff present included: Merlin MacReynold, City Manager; and Judy Schave, City Clerk.

1. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(g) – evaluate qualifications of applicants for approximately two hours and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 6:27 p.m. and reopened the special meeting. He reported the council gave the consulting firm Prothman a list of the individuals that will be asked to be present for an interview with the community groups and council in November. Mayor Dawes noted the names will be released to the public once Prothman contacts the individuals and confirms they will accept the invitation.

There being no further business to come before the council, the meeting adjourned 6:28 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: November 10, 2014

Initials: js

November 10, 2014

The Chehalis city council met in regular session on Monday, November 10, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:17 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Chad Taylor. Councilor Ketchum was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Peggy Hammer, Human Resources Administrator; Rick Sahlín, Public Works Director; and Patrick Wiltzius, Wastewater Superintendent.

1. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.140(4)(a) – collective bargaining; and RCW 42.30.110(1)(i) – potential litigation for approximately 55 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 5:05 p.m. and announced the council would take a short recess before opening the regular meeting at 5:07 p.m. Additional staff included: Glenn Schaffer, Police Chief/Interim Fire Chief; Judy Pectol, Finance Manager; Dennis Osborn, Community Development Director; Lilly Wall, Recreation Manager; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; Allyn Roe, Airport Manager; Don Schmitt, Street/Stormwater Superintendent; and Dave Vasilauskas, Water Superintendent. Members of the media included Dameon Pesanti from *The Chronicle*.

2. **Public Hearing.** Prior to taking public comment, Finance Manager Judy Pectol reviewed the proposed revenues for 2015 and City Manager MacReynold talked about some of the highlights from the current year and provided a brief overview of the proposed 2015 budget.

Ms. Pectol reported the estimated fund balance for all funds had increased by \$479,108 in the 2015 proposed budget. She noted, per council policy, there is no proposed use of the city's banked capacity, nor is there any other increase allowed by statute. Ms. Pectol reported the only increase is for new construction, which is estimated to be \$3.6 million. She stated the 2014 sales tax revenue is up 12.8 percent over the prior year and projected a five percent increase in 2015.

Ms. Pectol projected an increase of \$40,000 in franchise fees for 2015, based on the recent agreement with Comcast Cable Communications Management, LLC. She also projected an increase in the building permit revenue, noting they had already exceeded the 2014 budget by \$27,333.

Ms. Pectol reported, based on the overwhelming turnout at the new Gail and Carolyn Shaw Aquatics Center which opened in late August due to construction, she projected revenues to increase from \$15,000 to \$100,000 in 2015. She stated another change in revenues will be the interfund transfers, noting that number will go down in 2015 by \$1 million due to the completion of the pool project and the Federal Emergency Management Administration Home Elevation Program that will be completed by the end of 2014.

Ms. Pectol reported on the utility funds, noting the increase in revenue is related to the rate increases previously approved by the council.

Ms. Pectol reported the 2015 budget included some new supplemental schedules, such as: a schedule of the interfund transfers; a schedule of budgeted capital expenditures and major equipment purchases; and a loan schedule showing the debt payments for the year.

Mayor Dawes stated it was nice to have that loan schedule, noting he's been asking for that for a number of years.

City Manager MacReynold thanked Ms. Pectol for simplifying the approach in which to provide the budget information. He stated he was pleased to provide the council with a balanced budget that slightly improves service, meets council direction concerning reserves, and does not raise taxes.

City Manager MacReynold thanked the council budget committee made up of Mayor Dawes, Mayor Pro tem Harris, and Councilor Spahr. Additionally, he thanked all of the managers and employees of the city that spent countless hours putting the 2015 proposed budget together, noting it was no small task. City Manager MacReynold made a heart-felt thank you to Ms. Pectol for her tireless work on the budget. He noted she spent many weekends and late nights at the office, adding the administration appreciated her approach and commitment.

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City Manager MacReynold identified some of the 2014 highlights, to include:

- The construction and opening of the Gail and Carolyn Shaw Aquatics Center
- Negotiated the purchase price of the Tacoma rail line from the city of Tacoma
- Took sole ownership of the Chehalis-Centralia Airport
- Completed the Chehalis Avenue Beautification Improvement Project as part of the Renaissance Plan
- Approved multi-year contracts with the police and fire department unions
- Maintained the city's fiscal viability and improved our bond rating to an A+
- Continued cooperative discussions with Riverside Fire Authority regarding functional consolidation
- Took ownership of Stan Hedwall Park

City Manager MacReynold also identified some of the 2015 changes and additions to the budget, to include:

- Funding a new fire truck
- Created and funded a special local street and road fund using 4% of the city's sales tax revenue
- Numerous capital projects are built into the budget, such as: the Arkansas Road Extension, the Salzer Creek Bridge Scour Mitigation Project, I&I Rehabilitation projects for the Redundant Flocculation Project at the water treatment plant and the high level reservoir at McFadden Park, and repairs to the public works building
- Hiring of a full-time facilities and building manager in the community development department
- Increasing the number of seasonal/temporary employees at the aquatics center to meet the increase facility size
- Additional seasonal/temporary help for parks and maintenance programs
- Development of a Stan Hedwall Park Master Plan
- Begin construction on improvements at Recreation Park
- Increasing some city fees so the general fund doesn't continue to subsidize the fees at such a high level
- Continue support in working with the Chehalis Community Renaissance Team

Mayor Dawes closed the regular meeting at 5:23 p.m. and opened the public hearing.

There being no public comment, Mayor Dawes closed the public hearing at 5:34 p.m. and reopened the regular meeting.

3. **Update on Floodplain Management Analysis.** Community Development Director Dennis Osborn introduced French Wetmore with French & Associates, LTD, noting he was retained by the Flood Authority to do the floodplain management analysis for the entire basin.

Mr. Wetmore reported the analysis was done during the summer and the report was made available in September. He noted their objective is to look at floodplain management in the basin and provide recommendations to the individual communities within the basin. Mr. Wetmore reported their focus was mainly on the damage reduction efforts of floodplain management. He stated floodplain management is a field that includes both damage to property and to natural functions.

Mr. Wetmore reported on the following areas:

- Floodplain Mapping
- Floodplain Development
- Flood Hazard Area Regulations
- Building Code
- Other Development Management Tools
- Regulations Administration
- Flood Insurance Coverage
- Flood Hazard Mitigation
- Public Information Activities
- Community Rating System



November 10, 2014

Mr. Wetmore reported, as of May 2014, there are 252 flood insurance policies in Chehalis with \$62 million in insurance coverage. He noted Chehalis is rated as a Class 6 and residents in the floodplain area are currently receiving a 20 percent reduction in their insurance premiums.

Mr. Wetmore noted the recommendations for Chehalis include:

- Continue efforts to get updated and accurate mapping
- Consider alternatives for future development in the floodplain
- Amend definition of "Substantial reconstruction" in 17.21.030
- Amend ordinance to include Lewis County FIRM data now within City
- Proceed with developing a coordinated shoreline master program
- Formally adopt the Western Washington Stormwater Manual
- Consider training for staff
- Continue to advise residents of flooding hazards
- Educate insurance agents
- Continue to implement the Hazard Mitigation Plan
- Update Hazard Mitigation Plan by 2015 with Lewis County
- Support joint effort to improve hazard mitigation grants
- Review current outreach projects in light of new CRS Manual
- The CRS coordinator should become more familiar with the program

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

- a. Minutes of the regular meeting of October 27, 2014, and the special meeting of October 28, 2014;
- b. Claim Vouchers No. 110782-110923 and Electronic Funds Transfer No.102014 in the amount of \$210,716.31 dated October 31, 2014; and Payroll Vouchers No. 37717-37771, Direct Deposit Payroll Vouchers No. 5431-5517 and Electronic Federal Tax Payment No. 141 in the amount of \$662,255.65 dated October 31, 2014; and
- c. Adopt Resolution No. 10-2014 on first and final reading for the surplus of city property.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Administration Reports.**

a. **Reminder about City Manager Recruitment Evening Reception and Interviews.** City Manager MacReynold reminded the council about the upcoming reception on Monday, November 17, and the interview process on Tuesday, November 18.

6. **Council Reports.**

a. **Update From Councilor Harris.** Councilor Harris thanked the other two members of the council budget review committee and staff for the time they put into the process to develop the proposed 2015 budget.

Councilor Harris reported there is a move by the Executive Advisory Committee for the Solid Waste Advisory Committee to take the B & O tax collected by the Disposal Tip District and split it evenly between the Main Street Programs for Chehalis and Centralia. He noted that could be a pretty significant amount of money for our new Main Street Program to utilize. Councilor Harris stated the Committee members and the Committee Chair, Lewis County Commissioner Edna Fund, were very excited about the idea.

b. **Update From Mayor Dawes.** Mayor Dawes reported he attended the Mayors' meeting on November 7 where they received an update on the All-Hazards Plan that has to do with the Lewis County Sheriff's Department and Emergency Management. He noted they also discussed the open public meeting act requirements.

November 10, 2014

Mayor Dawes reported a retirement reception will be held for Lewis County Commissioner Lee Grose on December 12, at 5:30 p.m., at The Loft (the old ReclinerLand building).

Mayor Dawes reported he also attended the Lewis County Historical Museum annual membership dinner. He stated he could not express how appreciative they are of the city for the assistance given since three years ago when things were looking rather bleak.

Mayor Dawes reported he received a letter from Senator John Braun asking if the council would be willing to provide some input on spending priorities for Chehalis. He noted he came up with the following four items and wanted to check with the rest of council to see if they were in concurrence, and if they had anything to add. The four items included:

- Support for the joint effort of the City of Chehalis and Lewis County to purchase the rail line from the City of Tacoma
- Maintain current or increase level of funding provided to cities
- No new or changes to existing programs that place the burden of funding onto cities
- Funding to enforce marijuana laws

The council concurred with the four items that Mayor Dawes came up with and had nothing to add.

**7. Ordinance No. 935-B, First Reading – Granting a Franchise Agreement to Astound Broadband, LLC, to Construct, Operate and Maintain a Telecommunications Network within the City of Chehalis.** City Manager MacReynold reported the city received the franchise agreement proposal from Astound Broadband, LLC, and introduced vice-president of major project implementation, Vic Peterson, to talk about their vision for working with the city.

Mr. Peterson reported they are embarking on a multi-state fiber optic project to construct fiber from Sacramento, California, up to the Canadian border. He noted, in the future, they plan to serve community and business needs to include Chehalis and the surrounding area.

Councilor Taylor moved that the council pass Ordinance No. 935-B on first reading.

The motion was seconded by Councilor Pope and carried unanimously.

**8. Ordinance No. 936-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2015; Ordinance No. 937-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2015; and Ordinance No. 938-B, First Reading – Adopting the Proposed 2015 Budget.** Councilor Spahr moved to pass Ordinance Nos. 936-B, 937-B, and 938-B on first reading.

The motion was seconded by Councilor Harris and carried unanimously.

**9. Lodging Tax Advisory Committee Recommendation for 2015 Tourism Funds for the Chehalis Bridal Show.** Councilor Harris reported Administrative Assistant Caryn Foley did a tremendous job of getting in touch with the Committee members and putting this together. He noted, fortunately, they were able to get five of the seven Committee members to attend the meeting.

Councilor Harris reported there was concern by some of the members of whether the vote would be fair if they only had four members attending. He noted the vote ended up being with two of the hoteliers, two recipients and himself, which he thought was very balanced.

Councilor Harris reported Matt Shannon from Premier Broadcasters came in and made a different presentation that was much more extensive and more diversified in range. He noted the Committee was looking to see if they could reach outside of just radio advertising. Councilor Harris believed the program will be successful again with the energy that Mr. Shannon has promised. He noted Mr. Shannon indicated if he could not put out a program this year because of the short-term, he would not put out a program at all.

November 10, 2014

Councilor Harris stated the Committee was convinced that this will be a good program. He noted it has weakened over the last couple of years, but believed with some new energy it will be a much better program.

Councilor Spahr moved that the council approve the Lodging Tax Advisory Committee's recommendation to fund the Chehalis Bridal Show in the amount of \$13,550.

The motion was seconded by Councilor Pope and carried unanimously. Councilor Taylor abstained from voting

10. **Veterans Day Observance**. Mayor Dawes asked that people take moment on Tuesday to reflect on what Veterans Day is all about, which is to honor those who have put on a uniform and served in our armed forces.

There being no further business to come before the council, the meeting adjourned 5:57 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: November 24, 2014

Initials: js

November 17, 2014

The Chehalis city council met in special session on Monday, November 17, 2014, in the Chehalis city hall. Mayor Dawes 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, and Chad Taylor. Councilor Ketchum was absent (excused). Staff present included: Merlin MacReynold, City Manager; and Judy Schave, City Clerk.

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

Mayor Dawes closed the executive session at 4:58 p.m. and reopened the special meeting. He announced the council would reconvene into executive session on Tuesday, November 18, 2014, at 8:30 a.m.

There being no further business to come before the council, the special meeting adjourned 4:48 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: November 24, 2014

Initials: js

November 18, 2014

The Chehalis city council met in special session on Tuesday, November 18, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 8:30 a.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Tony Ketchum. The staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Glenn Schaffer, Police Chief/Interim Fire Chief; Randy Kaut, Deputy Police Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Dennis Osborn, Community Development Director; Becky Fox, Court Administrator; Rick Sahlin, Public Works Director; Don Schmitt, Street Superintendent; Patrick Wiltzius, Wastewater Superintendent; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; Allyn Roe, Airport Manager, and Caryn Foley, Administrative Assistant to the City Manager.

1. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(g) – evaluate qualifications of applicants until 2:00 p.m. and there would be no decision following conclusion of the executive session.

The staff present at 1:00 p.m. included: City Manager Merlin MacReynold; and Bill Hillier, City Attorney.

Mayor Dawes closed the executive session at 1:37 p.m. and reopened the special meeting.

Mayor Dawes announced, “Based upon the interviews conducted by members of the city council, and after listening to a debriefing of the city panel made up of department managers and a separate panel made up of some very distinguished members of the community, the City Council has decided that the current group of candidates do not appear to be a fit for the city at this time and, therefore, the council would pass on offering the position to any those gentleman.”

Mayor Dawes stated, in the ensuing period of time, he would like to ask current City Manager Merlin MacReynold if he would be willing to enter into an agreement with the city on a potential extension of his contract for services, and for what period of time he would be willing to commit to.

City Manager MacReynold stated he would be willing to extend his contact for an additional two-year period.

Mayor Dawes directed City Attorney Bill Hillier to work with City Manager MacReynold to put together a contract proposal for council consideration and action on November 24, 2014.

Mayor Dawes stated, although the council is a little disappointed that City Manager MacReynold is not going to be able to retire as soon as he wanted to, they were certainly happy at the opportunity to have him continue service with the city for an additional two years, adding hopefully at that time the council will be able to find that good fit they are looking for.

There being no further business to come before the council, the meeting adjourned 1:39 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: November 24, 2014

Initials: js

November 24, 2014

The Chehalis city council met in regular session on Monday, November 24, 2014, in the Chehalis city hall. Mayor Dawes 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 Tony Ketchum. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Dennis Osborn, Community Development Director.

1. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(b) – purchase or acquisition of land; and 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 Dawes closed the executive session at 5:02 p.m. and announced the council would take a short recess before opening the regular meeting at 5:05 p.m. Additional staff included: Glenn Schaffer, Police Chief/Interim Fire Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Lilly Wall, Recreation Manager; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; Rick Sahlin, Public Works Director; Don Schmitt, Street/Stormwater Superintendent; Dave Vasilauskas, Water Superintendent; and Allyn Roe, Airport Manager. Members of the media included Dameon Pesanti from *The Chronicle*.

2. **Council Agenda Item Pulled.** Mayor Dawes announced that item 16 (Resolution No. 11-2014) would be pulled from the agenda, noting he was advised by City Manager MacReynold that he and staff had a few more issues and questions to resolve.

3. **Public Hearing on 2015 Proposed Budget and Revenue Sources, Taxes and Levies.** Mayor Dawes closed the regular meeting at 5:06 p.m. and opened the public hearing.

There being no public comment, Mayor Dawes closed the public hearing at 5:07 p.m. and reopened the regular meeting.

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

a. Minutes of the regular meeting of November 10, 2014, and the special meetings of November 17, 2014, and November 18, 2014;

b. Claim Vouchers No. 110924-111033 and Electronic Funds Transfer No.1020141 in the amount of \$351,012.75 dated November 14, 2014;

c. Approve city manager employment contract extension; and

d. Approve and authorize city manager to execute a civil engineering contract between the city and RB Engineering, Inc., for the Arkansas Way Road Extension Project in an amount not to exceed \$111,000.

The motion was seconded by Councilor Lund and carried unanimously.

Mayor Dawes stated the council was very happy with the outcome of the situation regarding the city manager search, adding they appreciated City Manager MacReynold's willingness to stay on for an additional two years.

City Manager MacReynold stated he was honored to be asked, adding he was looking forward to the next two years.

5. **Administration Reports.**

a. **October Financial Report.** Finance Manager Judy Pectol reported on the general fund property tax revenues, noting the October report showed the accounts sorely under budget. She added that she was projecting a large amount to come in from Lewis County very soon, since May and November are typically when the city receives its largest amounts of property tax revenue from the county. Ms. Pectol stated based on what the city has received to date, and what she anticipates receiving, we may actually come in over budget.

November 24, 2014

Ms. Pectol reported the non-departmental expenditures were over expended at this time, but those would be taken care of with the approval of the upcoming budget amendment.

Ms. Pectol reported on the water fund interest allocations, noting one of the reasons the interest in 2013 was higher than in 2014 is because a change was made in accounting procedures regarding non-designated interest. She noted rather than reallocating the interest at year-end as part of the closing entries she would be recording the entries as the interest comes in.

Mayor Dawes inquired about the water connections "miscellaneous fees," noting this year's income seemed rather high. Water Superintendent Dave Vasilaukas reported they had a couple of large facilities hook up in the urban growth area, to include: FMC Dialysis, Inc., and Jackson Villa II.

b. **Cancellation of December 22 Council Meeting.** City Manager MacReynold reported the administration didn't have any items for the second meeting in December and asked if the council would like to consider canceling the meeting.

Councilor Harris moved to cancel the December 22 council meeting.

The motion was seconded by Councilor Ketchum and carried unanimously.

#### 6. **Council Reports.**

a. **Update from Council Lund.** Councilor Lund reported, last week, he and the rest of the city council participated in the city manager search interview process.

b. **Update From Mayor Dawes.** Mayor Dawes reported Councilor Harris, city staff and a number of volunteers were busy putting up the holiday decorations.

Councilor Harris stated he was a bit concerned about not having enough help on Sunday because of the Seattle Seahawks game and the Seattle Sounders match, and also the thunder and lightning storm that morning. He noted by the end of the week they would be seeing some changes with regards to the decorations.

Mayor Dawes reported he attended the ribbon cutting for Chehalis Valley Real Estate on Park Street on November 13, and on November 20, he attended the Business After Hours at the Evergreen Playhouse in Centralia.

7. **Ordinance No. 935-B, Second and Final Reading – Granting a Franchise Agreement to Astound Broadband, LLC, to Construct, Operate and Maintain a Telecommunications Network within the City of Chehalis.** City Manager MacReynold reported the council heard from Astound Broadband's representative Vic Peterson at the last meeting. He noted this is another economic opportunity for the city and encouraged the council's consideration and approval.

Councilor Spahr moved that the council pass Ordinance No. 935-B on second and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Ordinance No. 936-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2015; Ordinance No. 937-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2015; and Ordinance No. 938-B, Second and Final Reading – Adopting the Proposed 2015 Budget.** City Manager MacReynold reported he was pleased to provide the city council with a balanced budget that slightly improves service levels, meets council direction concerning reserves, and does not raise taxes. He encouraged the council's consideration and approval.

Councilor Spahr moved to pass Ordinance Nos. 936-B, 937-B, and 938-B on second and final reading.

Councilor Lund seconded the motion.

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Councilor Pope stated the budget looked good and asked if they had to give up anything by not raising taxes. City Manager MacReynold stated no.

Mayor Dawes reported even though the city went through a difficult time over the last few years we were still able to improve our bond rating. He stated he was proud of the city staff for all of their hard work to make that happen.

The motion carried unanimously.

9. **Ordinance No. 939-B, First Reading – Amending the 2014 Budget.** City Manager MacReynold reported, at the end of each year, the administration traditionally amends the existing budget to reflect what's happened over the past months. He noted Ms. Pectol did a good job of outlining the changes to the budget in the agenda report.

Ms. Pectol stated we have wonderful city with lots of projects going on. She noted the budget amendment would take care of some of the larger projects that were done during the year that we didn't do budget amendments for at the time they were approved.

Councilor Taylor moved to pass Ordinance No. 939-B on first reading.

The motion was seconded by Councilor Lund and carried unanimously.

Mayor Dawes wished everybody a great Thanksgiving weekend and hoped that everyone would make it safe and sound to their destinations if traveling anywhere.

There being no further business to come before the council, the meeting adjourned 5:23 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: December 8, 2014

Initials: js



December 8, 2014

The Chehalis city council met in regular session on Monday, December 8, 2014, in the Chehalis city hall. Mayor Dawes 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 Tony Ketchum. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Dennis Osborn, Community Development Director.

1. **Executive Session.** Mayor Dawes 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 Dawes closed the executive session at 5:01 p.m. and announced the council would take a short recess before opening the regular meeting at 5:06 p.m. Additional staff included: Glenn Schaffer, Police Chief/Interim Fire Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Becky Fox, Court Administrator; Rick Sahlin, Public Works Director; and Allyn Roe, Airport Manager. Members of the media included Dameon Pesanti from *The Chronicle*.

2. **Introduction of Scouts.** Life Scouts Alex and Zack Anderson from Troup 373 introduced themselves, noting they were just there to observe the meeting.

3. **Briefing on Chehalis Basin Strategy to Reduce Flood Damage and Restore Aquatic Species.** Mayor Dawes reported the Chehalis City Council was the first entity to sign on to support flood retention in the basin, adding he was very proud that the city took the lead on it. He introduced Chehalis River Basin Flood Authority Representative J. Vander Stoep to provide a summary on the briefing they gave in front of the House Agriculture Committee in Olympia.

Mr. Vander Stoep reported a state funded study showed that the 2007 flood did \$938 million worth of damage, which included \$500+ million to Lewis county families, businesses and local governments.

Mr. Vander Stoep stated, in 1932, the federal government put a gauge in the Chehalis River at Grand Mound to measure the flows. He reported the five largest recorded flood events have been since 1986, with 2007 being the highest. Mr. Vander Stoep talked briefly about the 100 year flood, noting it's just a mathematical calculation of the statistical averages. He indicated the 100 year flood level has gone up 33 percent since 1986.

Mr. Vander Stoep reported there's been a significant decline in the salmon population in the Chehalis Basin over the last century. He stated when they first started meeting it was important for some to find a flood solution, while others wanted a salmon solution. It was decided early on that they would only move forward if they could address both problems at the same time. Mr. Vander Stoep stated, if the climate impact continues, it's predicted that our floods will only get worse, the winter storms will get bigger and stronger, and the summers will be hotter and dryer. He suggested, if the predictions are true, we'll begin to see the extermination of the spring Chinook runs and a major decline in the other Steelhead and Coho fall Chinook in the Chehalis River.

Mr. Vander Stoep reported the Local Conservation District found 830 studies on fish and flooding that had been done since 1933 when the government promised a solution to flooding in the Chehalis Basin. He noted, over the last couple of years, the Flood Authority has done a lot of local projects in the basin, to include: a dike in Pe Ell; widening of the airport levee; repaired and restored the levee at Adna; critter pads and evacuation routes; and flood prevention at the wastewater treatment plant.

Mr. Vander Stoep reported after the 2007 flood there was much discussion on why it happened and how to solve the problem. He noted no one really knew what the impact would be when looking at options, but the hydraulic modeling they've done since that time provides enough information so they don't have to guess what the impacts will be.

Mr. Vander Stoep reported, in 2013, the Flood Authority was tasked to supervise the efforts of the state agencies and consulting groups and have the report done by the end of August 2014. The following recommendations were made to the Governor's Office:

- Move forward with a single project for Fish and Flood
  - Comprehensive habitat restoration: Over 100 miles of riparian and instream improvements and fixing priority fish passage barriers

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- Water retention dam: either flood control only or flood control with augmentation of summer flows
- Flood proofing and local projects
- Improved land use management
- Economic Costs and Benefits:
  - Cost: \$500 million to \$600 million depending on type of dam (flood control only, or with augmentation)
  - Direct benefits: \$720 million based on historic record of flooding
  - \$3.8 billion in total benefits, including economic multiplier and intrinsic value of fish
- Tangible Benefits:
  - I-5 closed for less than one day instead of five or more
  - Flood proofing airport levee; water retention will protect 2000 structures from a 2007 like flood
  - Up to 50 percent increase in salmon and benefit for other aquatic species

Mr. Vander Stoep reported they basically have two choices: move forward with the recommended projects; or take no action at all, which could cause \$3.5 billion in damage over the next 100 years and the decimation of salmon runs.

Mr. Vander Stoep reported the Governor sent a letter out that endorses the project to go forward with permitting. He noted the Governor also recommended that the work group stay together for the next few years to supervise the permitting process. The next steps include:

- Legislative decision on budget
- Initiate permit process with programmatic EIS
- Implement immediate actions to restore habitat and reduce flood damage
- Continue community awareness and preparedness for floods

Mayor Dawes asked what the potential timeline is to complete the project.

Mr. Vander Stoep stated the forecast is that it will take about four to six years for the permitting, and two years for construction.

Councilor Ketchum inquired about the river restoration projects, wondering if the work done will end up getting flushed down river during future flood events.

Mr. Vander Stoep stated he was told that they have learned how to cable stuff into the ground. He noted some of it will wash out, but most of it will remain.

Councilor Harris asked if they would be using the project list put together by the Chehalis River Basin Partnership.

Mr. Vander Stoep believed the Chehalis Basin Partnership projects had been picked up on the fisheries' side. He noted the local projects have been coming through the Flood Authority with some additional projects recommended by the Work Group (based on the recommendation of the Flood Authority). Mr. Vander Stoep reported the recommendation of the Work Group is that they continue that process and have the Flood Authority come up with local projects, and have the Chehalis River Basin Partnership come up with the fisheries' projects.

Councilor Harris noted the Chehalis Basin Partnership is struggling right now because there hasn't been money or grants to complete a lot of the projects. He stated he would like to see some support for the Partnership, noting they're currently having difficulty finding a permanent chairperson.

Councilor Pope inquired about the salmon habitat enhancements and asked if there were any plans to put a new hatchery on the Chehalis River.

Mr. Vander Stoep stated he was not aware of any hatcheries being proposed at this time. He noted at one time there were hatcheries in the upper Chehalis River, but they no longer exist.

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Councilor Lund thanked Mr. Vander Stoep for all of his hard work and for his time and leadership. He stated if Mr. Vander Stoep hadn't been involved, the process probably wouldn't be as far as it is.

Mayor Dawes agreed, adding the council appreciated his leadership and involvement. He stated Mr. Vander Stoep understood the system and how to make it work to the benefit of the community.

Mr. Vander Stoep stated he very much appreciated the complement, but added it has been a real team effort. He noted one of the bi-products of the process is that there's been a real unity brought about by this issue. Mr. Vander Stoep stated it's been encouraging to see Lewis County joined at the hip with the local agencies and other counties on this issue. He added we would not be here if we were not all in agreement on this issue.

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

a. Minutes of the regular meeting of November 24, 2014; and

b. Claim Vouchers No. 111034-111128 in the amount of \$932,852.04 dated November 26, 2014; and Payroll Vouchers No. 37772-37821, Direct Deposit Payroll Vouchers No. 5518-5606, and Electronic Federal Tax Payment No. 142 in the amount of \$666,787.25 dated November 26, 2014.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Administration Reports.**

a. **West Street Demolition Project.** City Manager MacReynold reported the city will begin demolition on the fire-damaged apartment building on West Street, noting it's been an eyesore for quite some time. He indicated it would take about one week to complete the project.

b. **Report on City Accomplishments.** City Manager MacReynold reported he thought it would be nice to talk about what we've done over the past eight years, and provided the council with the following list of accomplishments:

- Constructed Chamber Way traffic/road improvements and not roundabouts
- Constructed a new library and remodeled the new city hall building
- Constructed kiddy spray pool at Recreation Park
- Constructed Chehalis Avenue beautification and street improvements
- Funded city hall building improvements with council manic bonds
- Management of the city through the 2007 flood of record and the 2009 flood, and recovery efforts (especially after the 2007 flood)
- Took ownership of Stan Hedwall Park at a minimal cost to the city
- Maintained and improved the city's financial viability during the great recession and even improved the city's bond rating from an "A" to an "A+"
- Completed the city Renaissance Plan and established the Chehalis Community Renaissance Team that has been more successful than what we could have hoped
- Constructed the Gail and Carolyn Shaw Aquatics Center
- Took sole ownership of the Chehalis-Centralia Airport and managed a successful transition to a city department
- Negotiated an agreement with the city of Tacoma to possibly take joint ownership with Lewis County of the Tacoma rail line from Chehalis to Maytown
- Completed the connection of Louisiana Avenue with Airport Road in cooperation with the Washington State Department of Transportation, Centralia and Lewis County
- Explored different governmental service relationships and improved our relationship with Fire District #6
- Explored and began planning a functional consolidation with Riverside Fire Authority with plans for a possible annexation
- Started an annual chip sealing program for our local streets in our Public Works Department that had been discontinued
- Completed a city branding change for the city and a new tagline

December 8, 2014

- Developed funding and placed new wayfinding signs throughout the city with the new logo
- Created and funded the historic walking tour guide that has been reprinted numerous times
- Established positive working relationships with Lewis County and the city of Centralia
- Developed alternative funding sources to make improvements to our local streets and roads, dedicating four percent of the city sales and use taxes and the creation of a Transportation Benefit District; council passed the sales tax dedication fund which will provide approximately \$150,000 more for our local streets and roads
- Established the monthly Lewis County public managers breakfast meeting, so that appointed governmental CEOs can meet and discuss common issues and get to know each other
- Successfully negotiated 11 contracts with the 3 employee unions
- Established the Façade Improvement Program for the Historic Downtown and funded numerous projects
- Elevated 16 homes within the city as part of the Federal Emergency Management Administration (FEMA) Home Elevation Program
- Reestablished the Flood Authority for the Chehalis Basin after the 2007 flood and was the first jurisdiction in the basin to pass a resolution in support of flood retention
- Applied and received state funding to construct Phase 1 of the Airport Levee Project
- Took the lead on preventing implementation of the draft FEMA map based on the 2007 flood and established a working relationship with the FEMA Regional Office to explore alternative approaches to the mapping
- Established live video streaming of city council meetings via the city website and the internet
- Established a successful citywide wellness program through the Association of Washington Cities that benefits not only our employees, but the city

## 6. **Council Reports.**

a. **Update From Council Harris.** Councilor Harris reported the Chehalis Basin Partnership had a special meeting scheduled to discuss the hiring of a new watershed coordinator, noting the last person took a much deserved and higher paying job in Thurston County. He stated the watershed coordinator position is very important and he may come back in a few months to ask for some funding in case it's needed to pay for the position. Councilor Harris reported the work done by the Partnership has been tremendous over the years, adding a lot of it had to do with the fish habitat and reclamation of land.

Councilor Harris reported he attended the December meeting of the Chehalis Community Renaissance Team and asked David Hartz if he could give a brief update on what they will be looking at next year.

Mr. Hartz reported earlier in the day he met with the landscape architect who is working with the group on the Lewis County Public Utility District Park. He noted one of the things discussed at their last meeting that was dear to Gail Shaw is to get together every once in a while for a sit-down meal, so they can get to know one another in a more informal sense. Mr. Hartz stated they have a lot of exciting projects coming up that are driven by the relationships and commitment they have for one another.

Councilor Pope stated there's great excitement among the CCRT members, noting it was exciting to see the energy in the room at the last meeting.

b. **Update From Councilor Pope.** Councilor Pope reported the Chehalis Foundation is working with a consultant and hopes to expand their future role in the community into a leadership role.

c. **Update From Councilor Ketchum.** Councilor Ketchum reported he helped the Chamber of Commerce with their annual "Black Friday" event, noting they gave out 250 bags in just a couple of hours. He noted the Chamber also had a good turnout for the Santa Parade, noting it was a lot of fun and they gave out lots of candy.

d. **Update From Mayor Dawes.** Mayor Dawes reported he attended a ribbon cutting at Petals Design and Living Gifts, noting it was quite a unique little store. He also attended the Business After Hours at the Holiday Inn Express that was held in conjunction with the United Way campaign celebration.

Mayor Dawes reported he attended the "Evening with the Authors" event at the Lewis County Historical Museum, noting they also had a ribbon cutting at 5:15 p.m. to honor 50 years of the Historical Society. He noted the Historical Society started at the old Author S. Cory home on Adams Avenue in 1965 and moved to its present location in the 1970s.

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Mayor Dawes reported he also attended the Santa Parade, noting they had a good turnout. He agreed with Councilor Ketchum, they handed out a lot of candy this year.

7. **Ordinance No. 939-B, Second and Final Reading – Amending the 2014 Budget.** Councilor Spahr moved to pass Ordinance No. 939-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

8. **Resolution No. 11-2014, First and Final Reading – Amending Title 17, Appendix “A” (Schedule of Fees and Charges) of the Uniform Development Regulations.** City Manager MacReynold reported the subject of fees has been discussed many times over the last several years. He noted the process they used to examine the city’s fees this time was significantly different from in the past. City Manager MacReynold stated they were not trying to recoup all of the city’s costs with the proposed adjustments, but wanted to recoup some of the costs that are currently being subsidized by the general fund. He noted most of the fees were created in the 1990s and have not changed since.

City Manager MacReynold reported the administration held two meetings with the Council Budget Review Committee made up of Mayor Dawes, Mayor Pro tem Harris, and Councilor Spahr, to review the fees.

Mayor Dawes reported the Budget Committee directed the staff to be more realistic with our fees, asking them to keep them competitive while keeping the city an attractive place to do business. He stated it was important to recognize that the city cannot continue to have the general fund subsidizing things at the same level as it has in the past.

Councilor Taylor moved to adopt Resolution No. 11-2014 on first and final reading.

Councilor Lund seconded the motion.

Councilor Spahr reported they went over the fee schedule with somewhat of a fine-toothed comb and had a good discussion about how to arrive at some of the proposed fees. He stated what they had before them is what came out of their meetings, adding he thought it was a good step.

The motion carried unanimously.

9. **Cable Fees for High Definition Television.** Councilor Pope stated he recently noticed he was being charged \$10 per month on his cable bill for high definition television, which he does not have. He stated he just wanted others to be aware of it to make sure they’re not being charged for something they’re not receiving.

10. **December 22 Council Meeting.** Mayor Dawes reminded the council that the December 22 meeting had been cancelled. He wished everyone a Merry Christmas and a happy holiday season, adding he hoped 2015 would be a great year for everyone.

There being no further business to come before the council, the meeting adjourned 6:04 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: January 12, 2015

Initials: js