

2016	Harris	Ketchum	Lund	Pope	Dawes	Spahr	Taylor
Meeting Date							
Jan 11	P	P	P	P	P	A(ex)	P
Jan 25	P	A(ex)	P	P	P	P	P
Feb 8	P	P	P	P	P	P	P
Feb 16 (special)	P(ph)	A(ex)	P	A(ex)	P	P	P
Feb 22	P	P	P	P	P	P	P
Mar 14	P	A(ex)	A(ex)	P	P	P	P
Mar 21 (special)	P	A(ex)	P	A(ex)	P	A(ex)	A(ex)
Mar 28	P	A(ex)	P	P	P	P	P
Apr 11	P	P	P	P	P	P	P
Apr 25	P	P	P	A(ex)	P	P	P
May 9	P	P	P	A(ex)	P	P	P
May 23	P	P	P	P	P	P	A(ex)
Jun 2 (special)	P	P	P	P	P	P	P
Jun 13	P	P	A(ex)	P	P	P	P
Jun 15 (special)	P	P	P	P	P	P	P
Jun 16 (special)	P	P	P	P	P	P	P
Jun 27	P	P	P	P	P	P	P
Jun 30 (special)	P	A(ex)	P	P	P	P	P
Jul 11	P	P	P	P	P	P	P
Jul 12 (special)	P	A(ex)	P	P	P	P	P
Jul 25	A(ex)	A(ex)	P(ph)	P	P	P	P
Jul 28 (special)	P	P	A(ex)	P	P	P	p
Aug 8	A(ex)	A(ex)	P	P	P	A(ex)	P(ph)
Aug 22	P	P	P	P	P	P	P
Sept 12	P	P	P	P	P	P	P
Sept 19 (special)	P	A(ex)	P	P	P	P	A(ex)
Sept 26	P	A(ex)	P	P	P	P	A(ex)
Oct 10	P	P	P	P	P	P	P
Oct 24	P	P	P	P	P	P	P
Nov 14	P	P	P	P	P	P	P
Nov 28	P	A(ex)	P	P	P	P	P
Dec 5 (special)	P	P	A(ex)	P	P	P	P
Dec 12	A(ex)	A(ex)	P	P	P	P	P
Dec 27 (canceled)							

P = Present

P(ph) = Present (telephonically)

A = Absent

A(ex) = Absent (excused)

R = Resigned

S = Special

January 11, 2016

The Chehalis city council met in regular session on Monday, January 11, 2016, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 4:45 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Daryl Lund, Chad Taylor, and Tony Ketchum. Councilor Spahr was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Ken Cardinale, Fire Chief; Dennis Osborn, Community Development Director; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Municipal Court Judge Dale McBeth, Becky Fox and Melody Guenther, Court Administrators; Don Schmitt, Acting Public Works Director and Street/Stormwater Superintendent; Patrick Wiltzius, Wastewater Superintendent; and Rich Trotter, Property Maintenance Worker.

1. **Interview Applicant for Historic Preservation Commission.** The council interviewed James Hill who submitted an application to be considered for appointment to the Chehalis Historic Preservation Commission.

Mayor Dawes closed the work session at 5:50 p.m. and announced the council would take a short recess before opening the regular meeting at 5:00 p.m.

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

3. **Election of Mayor and Mayor Pro-tem for 2016-2017.** Mayor Dawes called for nominations for the position of Mayor.

Councilor Lund nominated Dennis Dawes, and Councilor Harris seconded the nomination.

Councilor Pope moved to close nominations.

The motion to close nominations was seconded by Councilor Harris and carried unanimously.

The council voted unanimously to re-appoint Dennis Dawes as Mayor for 2016-2017.

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

Councilor Lund nominated Terry Harris, and Councilor Pope seconded the nomination.

Councilor Pope moved to close nominations.

The motion to close nominations was seconded by Councilor Taylor and carried unanimously.

The council voted unanimously to re-appoint Terry Harris as Mayor Pro-tem for 2016-2017.

4. **Council Committee/Board Appointments.** Mayor Dawes asked if the council had any changes with regard to the committee/board appointments. The council requested the following changes:

- Replace Councilor Lund with Councilor Ketchum on Lewis County Historical Museum Board
- Add Councilors Harris and Ketchum to the Chehalis Community Renaissance Team
- Remove the Employee Emergency/Disaster Preparedness Committee
- List sitting 'mayor' as the representative on the .09 Committee
- Councilor Harris is no longer the chair of the Chehalis River Basin Partnership

Mayor Dawes noted the list would be finalized at the next regular meeting.

5. **Service Awards.** Mayor Dawes recognized Court Administrator Becky Fox for 35-years of service. He stated Ms. Fox has always been a very hard worker and would work just as hard on her last day as she did the first day she came to work for the city. Mayor Dawes noted Ms. Fox took a lot of pride in her work and was also a mentor for a lot of the other courts in the area.

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Judge McBeth reported Ms. Fox had worked with six different judges over the last 35 years. He stated Ms. Fox is one of the most diligent and faithful in following through and he was going to miss that.

Ms. Fox introduced her family members, noting they are the love of her life. She stated she has been very blessed and will miss those she has worked with over the years.

Mayor Dawes recognized Property Maintenance Worker Rich Trotter for 30-years of service. He noted Mr. Trotter is another one of the city's faithful and excellent employees. He noted Mr. Trotter's job description included a little bit of everything, from working on the pool, to working on the ballfields, parks, and city facilities.

Mayor Dawes reported former city property manager Andy Sennes also wanted to send along his best wishes to both Ms. Fox and Mr. Trotter.

Community Development Director Dennis Osborn reported whenever he was out and about with Mr. Trotter he always learned something new about the city. He stated Mr. Trotter is going to be missed.

Mr. Trotter reported the city has been a great place to work. He stated, "Not every job is perfect, but in looking back, this has been a great job."

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

- a. Minutes of the regular meeting of December 14, 2015;
- b. Claim Vouchers No. 114396-114519 and Electronic Funds Transfer No. 1120151 in the amount of \$519,190.82 dated December 15, 2015; Claim Vouchers No. 114520-114606 in the amount of \$87,065.38 dated December 31, 2015; and Payroll Vouchers No. 38584-38632, Direct Deposit Payroll Vouchers No. 6677-6765, and Electronic Federal Tax Payment No. 155 in the amount of \$731,388.18 dated December 31, 2015;
- c. Adopt Resolution No. 2-2016 on first and final reading setting date and time of January 26, 2016, at 5:05 p.m., for a public hearing on the proposed annexation of property in the city's urban growth area;
- d. Authorize city manager to execute interlocal agreement between the city and Lewis County to provide fire investigation services with Lewis County; and
- e. Confirm appointment of James Hill to the Chehalis Historic Preservation Commission for a three-year term expiring December 31, 2018.

The motion was seconded by Councilor Pope and carried unanimously.

7. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reported an update was given to the Chehalis Community Renaissance Team regarding the Main Street Program, noting it was now official and should be functioning soon.

b. **Update From Councilor Taylor.** Councilor Taylor stated he heard a lot of compliments about the holiday lights and thanked Councilor Harris and his crew for all of their hard work.

c. **Update From Mayor Dawes.** Mayor Dawes reported he attended the Mayors meeting where they discussed the Hazard Mitigation Plan. He noted the plan is complete and a resolution will be forwarded to the city administration for council to approve. Mayor Dawes suggested we invite Emil Pierson from Centralia to give a brief presentation on the completed plan.

8. **Ordinance No. 951-B, Second and Final Reading – Establishing Vesting Regulations for Land Use Permits.** Mr. Osborn reported there was a court ruling that basically undid the standard practice of vesting, leaving local jurisdictions to come up with something on their own. He noted Ordinance No. 951-B would reinstate the old system of how to deal with it.

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Mr. Osborn stated the caveat is the timing of having the interlocal agreement between the city and Lewis County expire at the end of January.

City Manager MacReynold reported this is especially important now that the county is going to be doing permitting in our urban growth area starting in February.

Councilor Taylor moved that the council pass Ordinance No. 951-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

9. **Resolution No. 1 -2016, First and Final Reading – Authorizing City Manager to Execute Contract with State Revolving Fund for a Loan in the amount of \$15,000 for the Coal Creek Sewer Extension Project.** Wastewater Superintendent Patrick Wiltzius reported there are nine homes in the Coal Creek area (near the Vintage At Chehalis complex) that the county has determined have septic tanks that no longer function. He stated unless they connect to city sewer they will not be able to live in their homes.

Mr. Wiltzius reported the city requested funding from the Department of Ecology (DOE) for the project, which is estimated to cost about \$325,000. He noted the city put in an application last year and received notice from (DOE) that we received a \$295,000 grant, \$15,000 in forgivable principle, and a \$15,000 loan. Mr. Wiltzius reported in order to get the forgivable principal we have to take the loan. He noted he did call to confirm that we can pay the loan off immediately, or as soon as we receive it. Mr. Wiltzius indicated Lewis County also committed \$25,000 towards the project. He stated once the paperwork is signed we can move forward and hire an engineer, and hopefully get the project done this summer.

Councilor Ketchum moved to adopt Resolution No. 1-2016 on first and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

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

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: January 25, 2016

Initials: js

January 25, 2016

The Chehalis city council met in regular session on Monday, January 25, 2016, 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; Bill Hillier, City Attorney; 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)(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 4:57 p.m. and announced the council would take a short recess and reopen the regular meeting at 5:01 p.m. Additional staff included: Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; Judy Pectol, Finance Manager; and Peggy Hammer, Human Resources Administrator. Members of the media included Justyna Tomtas from *The Chronicle*.

2. **Public Hearing on Proposed Annexation.** Mayor Dawes closed the regular meeting at 5:03:19 and opened the public hearing.

City Manager MacReynold reported this is the first public hearing on the proposed annexation. He noted the administration is recommending the council extend the public hearing to February 8, 2016, at which time a resolution and ordinance will be presented for their consideration.

Community Development Director Dennis Osborn reported the proposed annexation includes approximately 116 acres. He noted the administration met with a variety of interested stakeholders, including the property owners who received a letter concerning the proposed annexation, the Industrial Commission, the Port of Chehalis, Fire District No. 6, and the Lewis County Commissioners. Mr. Osborn stated it's a fairly limited annexation in terms of scope and impact to services. He noted the only feedback they received from the county was to include Ribelin Road, which is now included in the proposed annexation area.

Mr. Osborn reported the city has an estimated 65 percent of "no protest" petitions, which have been sent to the Lewis County Assessor's Office for their review. He noted it looks to be a fairly straight forward annexation.

Councilor Spahr inquired as to the number of public hearings required for the annexation process.

City Attorney Hillier noted one; however, the city needs to make sure our notice is appropriate for any requirements the state would have, which is why the administration is recommending that it be continued to February 8.

Mayor Dawes read a prepared statement received from Port of Chehalis Executive Director Randy Mueller stating, "The Port of Chehalis fully supports the proposed annexation. The port believes this annexation and similar future ones are consistent with the port's adopted comprehensive plan, and move our community forward in a positive direction. The port understands that the additional service area will place more demands on services and infrastructure, and we look forward to working with our partners at the city to address those needs. Taking this step forward is a bold, visionary move in the right direction and we compliment the city for doing it. We look forward to the day where the entire Chehalis community in the urban growth area is brought into the city limits of our home."

Lewis County Commissioner Bill Schulte reported the county has been in communications with the city on the proposed annexation and they fully support it.

There being no further comments from the public, Mayor Dawes closed the public hearing at 5:08:28 p.m. and reopened the regular meeting.

Councilor Harris moved to continue the public hearing on the proposed annexation to February 8, 2016, at 5:05 p.m.

The motion was seconded by Councilor Lund and carried unanimously.

January 25, 2016

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

- a. Minutes of the regular meeting of January 11, 2016;
- b. Claim Vouchers No. 114607-114729 and Electronic Funds Transfer No. 122015 in the amount of \$350,360.04 dated January 15, 2016; and Claim Vouchers No. 114730-114795 in the amount of \$445,039.86 dated January 15, 2016; and
- c. Approve 2016 council committee/board appointments.

The motion was seconded by Councilor Lund and carried unanimously.

4. **Administration Reports.**

a. **Quarterly, November and December Financial Reports, and Quarterly Sales and Use Tax Report.** City Manager MacReynold reported, in looking at the end of the year report, almost all of the ending fund balances were better than projected. He noted that is good news for the city, adding he appreciated the city department and program managers who clearly had a significant impact on making that happen.

Finance Manager Judy Pectol reported on the ending fund balance for the airport fund, noting most of that is restricted for the \$1.5 million debt service being held by Lewis County for the balloon payment due June 1, 2017.

Mayor Dawes noted the sales tax revenue came in above last year, which is always good to see.

Ms. Pectol talked briefly about the December financial report, noting one of the reasons the airport came in over budget is because their fuel sales were \$100,000 more than expected.

Councilor Harris reported our airport is a petrol stop for a lot of folks, noting we have some of the lowest fuel prices in Western Washington and the pilots share that information.

5. **Council Reports.**

a. **Update From Councilor Harris.** Councilor Harris reported he attended the Chehalis River Basin Partnership meeting, noting they're going through some very difficult times. He indicated there hasn't been any funding from the state for the organization for a number of years. Councilor Harris stated some members have been pitching in money to keep it alive while they look at different funding options, including developing a 501c3, or contracting with others who have a 501c3. Councilor Harris reported it's getting very frustrating to not be able to accomplish things; although, it continues to be a great place for organizations and entities to come together to share. Councilor Harris reported it looks like they might be getting some direction soon and should know more next month when they meet.

Councilor Harris reported he's received a lot of questions and comments about graffiti being on the rise.

Police Chief Glenn Schaffer reported it's been on the rise for the past two months, adding it comes and goes in phases. He believed the city of Centralia caught a couple of the kids involved, which slowed it down a little. Chief Schaffer stated they keep an eye out for it, but their biggest challenge is getting out to the public to convince them to clean it up.

Councilor Harris suggested there are two types of graffiti; one being recreational and the other being criminal.

Chief Schaffer reported its all criminal. He noted they don't see a whole lot of rivalry tagging, adding it's really hard to tell unless someone posts it specifically. Chief Schaffer reported most of it is just malicious mischief.

b. **Update From Councilor Spahr.** Councilor Spahr reported he and his wife took a mid-winter vacation to Palm Springs in an attempt to chase the sun; however, it rained the first week and snowed in the mountains. He stated they may try it again next year, or maybe go someplace different.

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c. **Update From Councilor Lund.** Councilor Lund reported he attended the Tacoma rail work group meeting where they discussed the Tacoma rail line project.

d. **Update From Councilor Taylor.** Councilor Taylor reported he had been approached by a company that's looking to relocate to our community. He noted they're looking at a particular piece of property, but have some concerns and want to meet with city staff to see if they can be addressed. Councilor Taylor stated he hoped to get the council's support to have staff dedicate some time to work with them to come up with a solution.

Councilor Spahr asked if he was just asking for their approval to have staff communicate with them.

Councilor Taylor stated yes.

Councilor Spahr noted he didn't see a problem with that.

Councilor Lund asked if Councilor Taylor could be more explicit about what he would like them to tell staff, or just say they support the idea and have the city manager write a letter to the company.

City Manager MacReynold reported he's had enough conversations in the past few hours about it and completely understands the issue. He noted his communication to Councilor Taylor was to see what the rest of the council thinks, adding if they're supportive of the administration talking with them he would be happy to set that meeting up and see what they can come up with.

Mayor Dawes suggested they continue with the adopted philosophy of the council, which is to do anything we can, legally, to make sure we encourage people to locate and do business in the city of Chehalis.

Councilor Lund asked if they could put that in writing to the company that's looking to relocate.

City Attorney Hillier suggested it might be more appropriate to let staff communicate that to them.

City Manager MacReynold stated he would be happy to follow up on it.

e. **Update From Mayor Dawes.** Mayor Dawes reported he attended two different receptions for retiring employees. He noted Becky Fox had been with the city for 35 years, and Rich Trotter had been with the city for 30 years. Mayor Dawes stated, in addition to wishing them well, it was also nice to see a lot of former city employees that we don't get to see very often, just to see how they are doing.

Mayor Dawes reported he attended the 2016 Annual Chamber Banquet that was held at Richie Bros. Auctioneers on January 15. He noted they have a very nice facility and he's glad to have them located in our area.

There being no further business to come before the council, the meeting adjourned at 5:25 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: February 8, 2016

Initials: js

February 8, 2016

The Chehalis city council met in regular session on Monday, February 8, 2016, 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, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Chad Taylor. Councilor Ketchum arrived at 4:55 p.m. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Dennis Osborn, Community Development Director; Glenn Schaffer, Police Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; and David Fleckenstein, Airport Manager. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Work Session – Recreation Park Improvement Project.** The council held a special work session to discuss funding options for the Recreation Park Improvement Project. Project Manager Tom Skillings with Skillings Connolly, Inc., presented a brief summary of how they got to where they are and provided some funding scenarios for the council to consider.

Mr. Skillings reported one of the components of the recommended concept is the feasibility study to relocate the ballfields. He noted the purpose of the feasibility study is to look at potential sites or facilities that are suitable for relocating the ballfields.

Mr. Skillings reported the Park Committee recommended that the issue be put forth as a ballot measure for an "Excess Levy."

Community Development Director Dennis Osborn shared that the term can be up to 40 years and would not be restricted to the cap of \$3.60 per \$1,000, and would not impact the city's banked capacity.

Mr. Skillings provided the following funding scenario:

- Estimated project cost for excess levy: \$6,210,000
 - Feasibility Study: \$100,000
 - Project Management: \$190,000
 - Funded Amount: \$5,920,000

Mr. Skillings reported he used a term of 30 years at four percent to come up with an annual payment of \$342,354. He noted the four percent is a conservative number that they use for comparison purposes only.

Mr. Skillings reported the current levy rate is \$2.30 per \$1,000. He noted in order to generate sufficient revenue to pay the annual \$342,354 the council will need to increase the levy rate by .55 cents. Mr. Skillings stated, based on a home value of \$157,000, the annual increase would be \$86.37, or \$7.20 per month.

Mr. Skillings stated they will also be looking at other grant opportunities. He reported much of the work being proposed at Recreation Park is eligible for the Washington State Recreation and Conservation Office (RCO) grant. Mr. Skillings noted the Chehalis Foundation and others have expressed interest in participating in the project, but until that funding is in-hand they can't count on it, which is why the Committee recommended the excess levy component as the primary funding source.

Mr. Skillings reported another funding opportunity is the Safe Routes to School grant. He noted this program is now open and would pay for eligible components of road and frontage improvements on 13th Street and at the intersections surrounding Recreation Park. He indicated it's still a competitive process and there's no guarantee that those grants will be awarded to the city.

Mr. Skillings reported he would be meeting with the Chehalis Foundation on Tuesday to present the components of the project, and would be requesting a cash contribution to help pay for the feasibility study, which is not grant eligible. He noted they would also be asking the Foundation to participate in the replacement of Penny Playground.

Mr. Skillings recommended that the feasibility study be conducted immediately to help solidify the total project description. He noted the grant applications are due in May and the deadline to get a council resolution on the August ballot is also in May.

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Mayor Dawes stated he was a little skeptical about the Safe Routes to School grant, noting there's no proximity or connection to the schools. He also didn't see the logic of going out for a \$6 million bond if they plan to try to get grant funding that could potentially cover 50 percent of the project. Mayor Dawes stated it would be nice to know if grant money will be available before they run the bond.

Mr. Skillings reported they looked at the eligibility for the Safe Routes to School grant and they believe the improvements on 13th Street and along William Avenue are in the proximity that qualifies them for the grant. He noted these are 50 percent grants and the city would need to come up with 50 percent matching funds, which are embedded in the cost of the project. Mr. Skillings noted eligible components for the RCO grant include parking, facilities, access, and some aspects of Penny Playground.

Mr. Skillings reported they will not know if they are successful in the two grants until November and/or December. He noted it was the recommendation of the Committee that the levy component be the total project cost, and if they had any success with the grants that money would be put into other identified features of the park that were put on the back burner.

Councilor Spahr inquired about the feasibility study wanting to know if they were looking at moving the ballfields to Stan Hedwall Park, or to another location.

Mr. Skillings reported they would be looking at other locations in addition to Stan Hedwall Park. He reported Hedwall Park was the first obvious choice, but there are questions as to whether or not it's the most cost effective.

Councilor Spahr asked if moving the ballfields to another location would take away a piece of the Safe Routes to School grant.

Mr. Skillings indicated that would need to be evaluated.

Mayor Dawes reported the ballot language will be specific to the project and suggested if they enhance it with grant funding they will need to hold a public hearing.

Mr. Osborn stated if the money is not coming from the bond for the additional features they don't need to go back, but he would get a definitive answer for that. He noted the grant will be specific to the various components, while the question that would go before the voters is very general and does not individually identify each of the components.

City Manager MacReynold reported they cannot do anything outside of what they're asking the voters to approve.

Mr. Skillings reported the grant applications are going to be a small portion of the total project. He noted the maximum he can see being eligible for the RCO grant is probably \$1.1 million and \$400,000-\$500,000 for the Safe Routes to School grant. Mr. Skillings reported if they don't have the levy amount high enough they risk not having enough money to do the project should they not be successful in their grant applications.

City Manager MacReynold reported part of what's driving everything is the timing. He suggested we could wait until we find out if we get the grants, but that would put the project into 2017. City Manager MacReynold stated it could potentially reduce the levy amount, but they would also be losing a lot of energy.

Councilor Taylor felt they needed to get it on the ballot, regardless of any grants that are available. He noted if we are successful in the grants it will only make the project better.

City Manager MacReynold reported his perspective may be a little different than that of the Committee in that if we did receive grants totaling \$1.5 million, could we still in good faith ask the voters to support the full amount of the project?

Mayor Dawes indicated he had concerns about that too. He stated the voters are going to be the ones who make the final decision and he would like to be able to give them the best financial package available.

February 8, 2016

Mayor Dawes talked briefly about the ballfields, noting parking is not adequate at the current location for them to be used at their full capacity. He suggested they look at a combined effort, perhaps with the school district, and possibly do some cost sharing.

Councilor Harris reported there have been some ongoing conversations with the school district to possibly partner on the ballfields, adding the Committee will be meeting with the School Board specifically to talk about it.

Councilor Pope reported, with regard to the parking issues at Recreation Park, they did receive a response from Green Hill School and they'll be meeting with them to talk about that, as well.

Mayor Dawes reported he wanted to have all the potential scenarios answered before they take it for a vote.

Mr. Skillings reported if they are successful in receiving grant funding, above and beyond the levy amount, they would identify specifically where that money would be spent within the park.

Mayor Dawes asked that they check to see if they need to hold a public hearing regarding the use of that additional funding. Additionally, if they're successful in forming some type of partnership with regard to the fields, Mayor Dawes stated it would be nice to know if that money can be used on a different piece of property and if a public hearing would be necessary to do that.

The consensus of the council was to continue to move forward.

Mayor Dawes closed the work session at 4:45 p.m. and asked that the room be cleared in order for the council to go into executive session.

2. **Executive Session**. Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(g) – review and evaluate qualifications of an applicant for public employment for approximately 15 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 short recess and reopen the regular meeting at 5:00 p.m.

Mayor Dawes reported, based on information received from the city attorney, the council would not be taking action on Item No. 10 - Ordinance No. 952-B, but would leave it open for council discussion.

3. **Public Hearing on Proposed Annexation**. Mayor Dawes closed the regular meeting at 5:02:00 p.m. and opened the public hearing.

City Manager MacReynold reported the administration will be presenting a resolution and an ordinance for first reading at the next regular meeting.

City Attorney Hillier noted there would be a three-day period from the time the resolution is adopted to take the information on the proposed annexation to the Lewis County Assessor's Office so they can certify the petition. He noted once that step is complete the ordinance will be brought back for second and final reading. City Attorney Hillier reported there's always a potential for the Boundary Review Board to step in and question our motives and methods, but the administration is on top of it and if there is an issue it will be brought back to the council to get it resolved.

Mayor Dawes reported a letter of support was read into the record on behalf of the Port of Chehalis Commissioners at the public hearing held on January 25. He noted Lewis County Commissioner Bill Schulte was also present at that meeting and stated the county supported the city's annexation 100 percent.

Mayor Dawes closed the public hearing at 5:04:24 p.m. and reopened the regular meeting.

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

February 8, 2016

- a. Minutes of the regular meeting of January 25, 2016;
- b. Claim Vouchers No. 114796-114903 in the amount of \$198,935.00 dated January 29, 2016; and Payroll Vouchers No. 38633-38680, Direct Deposit Payroll Vouchers No. 6766-6855 and Electronic Federal Tax Payment No. 156 in the amount of \$768,830.65 dated January 29, 2016;
- c. Adopt Resolution No. 04-2016 on first and final reading for the surplus of city property; and
- d. Accept the Chehalis Avenue Main Street to Pacific Avenue Roadway Improvement Project as complete and release retainage bond to Titan Earthwork LLC, after the city clerk ensures all statutory requirements have been met.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Council Reports.**

- a. **Update From Councilor Harris.** Councilor Harris reported he's primarily been working with the Chehalis Parks Committee on the Recreation Park Improvement Project.
- b. **Update From Councilor Spahr.** Councilor Spahr reported he received an email from a constituent asking about the city's code regarding bees. He stated the code only allows beehives within 300 feet of a habitable building, which technically means you cannot have beehives in the city. Councilor Spahr noted he provided a copy of the email to the administration to look into it to see if there's a good reason to change it.
- c. **Update From Councilor Lund.** Councilor Lund reported he attended the Parks Committee meeting with Councilors Pope and Harris.
- d. **Update From Councilor Ketchum.** Councilor Ketchum reported he took part in a homeless project at the fairgrounds, noting it was a sobering and learning experience. He stated it turned out to be a great event, adding they were tremendously positive people.
- e. **Update From Mayor Dawes.** Mayor Dawes reported he attended the Taste of Lewis County held at the Hotel Washington on January 31. He also attended the Mayors meeting and two ribbon cuttings: one at the Business Showcase held at the Loft; and the other at the Heritage Kung Fu and Tai Chi on Chehalis Avenue.

Mayor Dawes reported he's noticed a number of car prowls in the police reports and an increase in comments about the number of street lights being out. He reported the city is only responsible for the lights on the metal poles and the lights on utility poles are the responsibility of the Lewis County Public Utility District (PUD). Mayor Dawes stated it would be nice if some of the officers could make a list of the lights that are out and get it sent into the PUD, noting it might lessen the number of vehicle prowls.

Public Works Director Rick Sahlin reported the city has a maintenance agreement with the PUD to take care of the lights in the residential areas. He stated rather than have residents call the PUD he would prefer that they be referred to the public works department, that way we have the information and we can will write up a slip and have the PUD get in touch with the person who called it in. Mr. Sahlin noted he spoke with Street Superintendent Don Schmitt about the issue and asked him to follow up on the reports if they're not repaired.

Councilor Lund asked if the city could send a letter to the PUD Commissioners to ask them to look into getting the lights fixed in a timely manner.

Mr. Sahlin reported the problem is we need to know the location of where the lights are, and we can call them in.

6. **Council Discussion on Proposed Ordinance No. 952-B - Promoting Economic Development.** Mayor Dawes reported the council had expressed support for the proposed ordinance; however, a couple of questions came up in a response the city received from Municipal Research, so no action would be taken on the ordinance at this time.

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Councilor Taylor felt the city had an amazing opportunity to attract a new business that would generate a large amount of sales tax for the city. He noted there's a timeline involved and hoped they could meet the deadline so they don't miss out on this opportunity. Councilor Taylor indicated the city has done things in the past to help businesses in our community, such as the Façade Program in the downtown area. He suggested they have a special meeting next week for the administration and city attorney to bring back a proposal that is legal and will bring this new business to town.

Councilor Harris reported when he first received word about the pushback from Municipal Research he was immediately angry and flabbergasted at our state's almost punishment, of business and industry. He suggested this might be an opportunity to get the ball rolling to get laws developed that will give incentive to communities to be more forward in getting businesses in their community. Councilor Harris agreed with Councilor Taylor that the city needs to figure out a way to make something work.

City Attorney Hillier reported Washington State is controlled by statutory laws that control sales tax and we have no say regarding the assessment, collection, or distribution. He noted the city cannot defer sales tax to a private business, adding that's considered a gifting of public funds. City Attorney Hillier suggested looking at the Business and Occupation (B&O) tax laws, which allows the city to take B&O tax obligations that would go to the state and redirect them to the community.

City Attorney Hillier reported the council could also pass a resolution stating the city will do everything it can to move legislation forward at the state level to create an opportunity for local sales tax to be sent in different directions for development.

Councilor Taylor stated going to the state and lobbying them to pass something is not the timeframe they're working with.

Councilor Ketchum inquired about the sales tax that the city forgave Chehalis Power when they came to town.

City Attorney Hillier noted the city capped the utility tax that we could charge them, but the city never touched the sales tax because we don't have control over that.

City Manager MacReynold asked City Attorney Hillier if council has the authority to reduce the local portion of sales tax.

City Attorney Hillier stated the city can control what we take, but it has to be evenhanded over the city.

Councilor Taylor inquired about the tax break that Boeing receives.

City Attorney Hillier reported the Legislature approved those tax breaks, which is what the city should be pursuing.

Councilor Taylor asked if they could look at putting something together using our utility tax.

Councilor Pope noted the utilities are enterprise funds.

Councilor Lund agreed that this is a good opportunity and it could potentially draw in even more business. He suggested the administration have something put together next week and schedule the special meeting for Friday, rather than wait until Monday.

City Manager MacReynold reported he understood the council's frustration with the state; however, if the council were to pass the ordinance as written we would be challenged and suggested we not do something that we know is not legal. He stated he would be happy to explore the issue to see what we can come up with in a short period of time. He reported he couldn't help but think there might be something around sales tax and that the council can control the city's portion.

Councilor Spahr noted reducing the sales tax is not going to help the businesses, adding it's just a reduction to the citizenry for purchases made at that time. He also had concerns about the proposed ordinance pertaining to one individual business, noting that could potentially put the city in jeopardy. Councilor Spahr stated he didn't have any ideas on how to do what Councilor Taylor is trying to get done, but wished there was a way we could do it.

February 8, 2016

Councilor Spahr reported the awnings that Councilor Taylor referred to earlier were paid for through the Community Development Block Grant (CDBG) fund, which was money paid back to the city that couldn't be used for much of anything else.

Mayor Dawes reported between 2008 and 2009 the city suffered a significant loss of about 25 percent of our sales tax revenue. He suggested if we had to cut that by half it could potentially impact us even more than when we had to lay off employees.

Councilor Ketchum stated the council committed four percent of its sales tax to a dedicated street fund and wondered if they could do something similar with the sales tax to help mitigate and support flooded businesses.

City Manager MacReynold believed they could.

City Attorney Hillier reminded the council that the general fund sales tax that was dedicated to the streets is a public obligation. He stated they can't dedicate funds to private industry to improve their property without it being a gifting of public funds.

Councilor Taylor asked if they could dedicate 50 percent of the sales tax that a business produces and put it into a fund and have it available in the event of a flood.

City Attorney Hillier stated it has to serve a public purpose, such as road repairs or city facility improvements.

Councilor Taylor suggested the money used to rebuild the awnings was not a public purpose.

City Manager MacReynold reported those were grants and loans, adding most of that was repaid and went back into the fund to support the program while it was running.

Mayor Dawes reported the CDBG funding was federal money that the city was successful in getting.

Councilor Ketchum suggested they create a flood mitigation program.

Councilor Harris liked the idea of a flood mitigation program, but thought it should have boundaries and include any business within that boundary. He also agreed with Councilor Spahr that they need to look at the financial impact.

Councilor Ketchum suggested it's currently money that doesn't exist and we would be getting 50 percent of something we never had.

Councilor Taylor reported the idea of attracting certain types of businesses to the community can't be something that's forbidden. He noted there are certain industries that cities and counties love to have because they produce good jobs, large amounts of revenue and sales tax and are low impact on city services.

Heidi Pehl stated maybe there is an avenue in which to create a district that is zoned to promote economic development for the city. She suggested a public facility loan program with low to zero percent loans for businesses impacted by flooding that plan to rebuild and reinvest in the city. Ms. Pehl noted when your business is in that situation there are no loan funds available or operating cash coming in.

City Attorney Hillier reported loans are available for cities to make and suggested if they want to set up a loan system for a public private partnership they can do that. He noted the city would have to have funds available to disburse and be able to wait a period of time to collect it.

Councilor Ketchum asked if they could use sales tax to create a fund to produce a loan.

City Attorney Hillier stated yes.

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Mayor Dawes suggested if they have businesses that produce a certain amount perhaps there could be a period of time that a portion of that revenue could be used to build the fund up. He stated he didn't know if they would be able to do zero percent loans, but they could make it a very low interest rate.

Councilor Lund made a motion to direct the city manager to work with the appropriate people to prepare a proposal for council to consider and schedule a special meeting for Monday, February 15 for the council to vote on it.

Councilor Harris seconded the motion.

Mayor Dawes noted since Monday is a holiday they'll schedule the meeting for Tuesday, February 16, at 5:00 p.m. adding the meeting will be open to the public.

The motion carried unanimously.

7. **Update on SE Prospect Street Slide**. Public Works Director Rick Sahlin reported the city received a couple of reports that the slide area on SE Prospect Street seemed to have moved quite a bit in the last 24-48 hours. He noted he was uncomfortable about the way it looked and closed a 100 foot area of the street down to one lane for now. Mr. Sahlin reported he had a contractor look at it on Friday and he also felt it was unstable. He noted any work to repair the slide area would need to be done during the dry season, which will be sometime between late July and September.

Mayor Dawes asked if there was a chance that the slide could go across both lanes.

Mr. Sahlin stated it doesn't look like it. He noted they've been battling this area for over 20 years, off and on, due to the drainage coming down from above that's washing the slope away.

There being no further business to come before the council, the meeting adjourned at 5:50 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: February 22, 2016

Initials: js

February 16, 2016

The Chehalis city council met in a special session on Tuesday, February 16, 2016, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:00 p.m. with the following council members present: Bob Spahr, Daryl Lund, and Chad Taylor. Councilors Pope and Ketchum were absent (excused) and Councilor Harris participated telephonically. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Dennis Osborn, Community Development Director; Judy Pectol, Finance Manager; and Peggy Hammer, Human Resources Administrator. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Review Economic Development Flood Recovery Proposals.** Mayor Dawes reported, at the meeting of February 8, the administration presented an ordinance for an automobile dealership economic assistance program to entice new car dealership growth in the city; however, based on the advice of the City Attorney, no action was taken on the ordinance. The council requested the administration to look at other options and bring something back for their consideration.

City Manager MacReynold provided a brief overview of the options being presented.

- Consider proposed Ordinance No. 952-B

City Manager MacReynold noted the council could ultimately act on this ordinance, but would do so in the face of our legal counsel and the opinion of Municipal Research that we would be challenged.

- Create an Economic Development Flood Recovery District

City Manager MacReynold reported this option would include commercial and industrial zoned properties that are flooded during major flood events. He noted with this option they would need to create a funding source.

- Create an Economic Development Flood Recovery Fund

City Manager MacReynold reported this fund would be made up of general fund taxes, including: five percent of the annual sales tax; two percent of city property tax; and 2.25 percent of general fund utility taxes. He indicated this would generate about \$250,750 annually.

City Manager MacReynold reported the administration is proposing this be a loan program to cover 50 percent of the capital facilities damage from a major flood event that is not covered by insurance and/or FEMA reimbursements to commercial and industrial businesses within the district. He suggested the loan would be interest bearing and amortized over a five year period with monthly payments to the city. City Manager MacReynold stated any commercial or industrial business within the district would need to go through an application process to apply for funding. He indicated the city would take all applications within an identified timeframe and would appropriate the funds based on availability to qualified applicants.

City Manager MacReynold reported this proposal would meet the legal requirements around equal protection and the gifting of public funds. He noted one concern is we'll be taking \$251,000 out of the general fund annually that's used for other services and programs. City Manager MacReynold reported this is a policy decision that the council will need to make.

Councilor Spahr stated the proposed ordinance will not work in his opinion. He also had concerns about funding the flood recovery fund with general fund revenues, noting it would have to come from either decreased services or out of the reserves, unless they raise property taxes to cover it.

City Manager MacReynold stated if the council did a one percent property tax increase it would only add up to about \$12,000 annually. He noted one benefit is the value of a new business coming in would raise property tax values.

Councilor Spahr inquired about the area that would be included in the district.

City Attorney Hillier reported the district would take in all of the historical flood-prone areas, including, but not limited to, State Street, the Miracle Mile, and along Interstate Avenue.

Councilor Lund stated he liked that the proposal would help all businesses and thought it would show other industries,

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whether in the flood zone or not, that the city supports its businesses. He suggested it might also make a difference when corporations are looking to move into the community.

Councilor Taylor stated if they create a district so vast it really wouldn't benefit anybody. He also thought five years was too short of a time and suggested the loans be amortized over a 10-year period at zero percent.

City Attorney Hillier stated the city can't give money away, noting zero percent interest would be considered a gifting of public funds. He reported the council would need to pick a reasonable rate and a period of time in which to amortize the loan. City Attorney Hillier noted the city also needs to be able to make the funding available to anyone that has a history of flooding, which is where the equal protection comes in.

Councilor Taylor reported the original idea was to create an economic tool to attract businesses to our community that would create high sales tax volume. He noted if we didn't attract a business that collects a high amount of sales tax then the city would just be putting money in a fund and end up backfilling somewhere else.

Councilor Harris asked if there had been any conversations with the potential owners of the business to find out how they felt about the proposal.

City Manager MacReynold stated he was not aware of any.

Councilor Harris stated he was hard-pressed to say yes or no right now, adding he wants to first see where the district boundaries will be, how far the money will stretch, and who would be applying for it.

Councilor Taylor indicated he's been trying to stay neutral on the issue since the dealership group is one of his biggest clients.

Councilor Harris stated he would fully support any kind of incentive to bring in business as long as it doesn't break the city.

City Manager MacReynold stated should the council vote in favor of the proposal the administration would bring back an ordinance to identify the boundaries of the district. He noted there would be plenty of opportunity to get public input on the details of what it would look like.

Mayor Dawes reported he had concerns about unintended consequences of any action they take, such as rushing through something without first looking at the mechanics of it.

Mayor Dawes reported he, in good conscience, could not pass the proposed ordinance given the opinions of the City Attorney and Municipal Research. He noted he wanted to make sure that if they do something that they do it for the right reasons. Mayor Dawes stated the council represents the entire city and while he would like to see significant revenue raisers come in, he doesn't want to destroy another part of town to do so.

Councilor Harris felt they needed to take the next step and look at the details to see what they can and cannot do. He noted none of them are foolish enough to mortgage tomorrow to try to pay for something today.

Buck Hubbert, Secretary/Treasurer of Tires, Inc., on State Street, reported they've been flooded a number of times over the years. He noted the FEMA flood insurance they purchased has been very reliable, adding what it doesn't cover they pay themselves.

Mr. Hubbert stated the proposed ordinance is just self-serving and ridiculous. He suggested if this company has already purchased the business the city wouldn't be enticing anything. Mr. Hubbert stated, "How this ever got to the council I have no idea."

Mr. Hubbert stated, in reference to the new proposal, it just didn't make sense. He noted everybody that's been flooded in the past could have used help, but they never brought anything like this to the council. Mr. Hubbert stated this is

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Lewis County/Chehalis and we stand for ourselves. He thought the council should scrap both proposals, noting they can say they've looked at it and found that it would do more harm than good.

Mr. Hubbert suggested the money could be used to repair roads, but surely not put in a fund for businesses that are capable of doing it themselves.

Mayor Dawes stated this council wants to do everything they can to entice businesses to come here, but it has to make good business sense.

Councilor Taylor reported he was the one who brought it to the council, adding the initial idea was to create an ordinance to entice businesses. He noted at the previous meeting the council requested the administration bring back some alternative options that might be worth considering since it was clear that the ordinance wouldn't work.

Councilor Harris stated he definitely appreciated what Mr. Hubbert had to say. He noted after having his ears and eyes opened a bit, the amount of money they're trying to set aside might just end up being a Band-Aid on brain surgery. Councilor Harris reported it's getting harder to see the benefit because of the potential impact. He stated it's looking more like this is not going to be something he can support no matter how much he wants to.

Mayor Dawes reported they asked the administration to come back with something in a short turn-around time and now it's up to the council to give them some direction back.

Councilor Spahr agreed with Councilor Taylor that there wouldn't be enough money to go around to really do any good. He also appreciated what Mr. Hubbert had to say.

Councilor Taylor reported he would still like to figure out a way to give cities more of a say on how they can create different programs to attract new businesses.

Councilor Spahr stated, in his opinion, businesses are looking for government to provide good streets, schools, parks, and an environment for them to come in to do business, not a couple of dollars to shell out if they happen to flood.

Mr. Hubbert stated businesses also expect a good relationship with the city and county regarding permitting. He noted it can be a real issue, adding they would like to see fewer regulations that govern businesses that come in.

Mayor Dawes stated the council would love to see any type of business that can bring in significant sales tax revenue and we'll do whatever we can legally to bring them in.

Mayor Dawes asked if anyone would like to make a motion to follow any of the recommendations. There being no motion, no action was taken.

Mayor Dawes stated they've certainly discussed the issue and received some valuable input from members of the community.

There being no further business to come before the council, the meeting adjourned at 5:48 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: March 14, 2016

Initials: js

February 22, 2016

The Chehalis city council met in regular session on Monday, February 22, 2016, 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, and Chad Taylor. Councilor Ketchum arrived at 4:57 p.m. 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) – review qualifications of applicants for approximately 45 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 4:51 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; Dennis Osborn, Community Development Director; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; and Don Schmitt, Street/Stormwater Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*.

2. **Citizens Business.**

a. **Rural Tourism Development Workshop Series.** Harry O. Bhagwandin (183 Shady Grove Rd, Onalaska) invited the council to attend an upcoming series of rural tourism development workshops funded by a USDA Rural Business Development Grant through the Community Farmers Market of Chehalis. He noted the first workshop is Saturday, February 20 from 9 a.m. to 4 p.m. at the Lewis County Courthouse. The other workshops are scheduled for March 5, 12, and 19.

b. **Street Name Change Request.** Dave Cochenour (810 NW Liberty Place) reported he submitted paperwork requesting a street name change to the community development department about a month and a half ago. He noted he was following up to see when that might be on the council's agenda for discussion.

Community Development Director Dennis Osborn reported he plans to bring this back after he notifies the other property owners in the area. He noted he's also looking into setting a public hearing to take public comment on the request.

3. **Briefing on Sports Commission.** Public Facilities District Chairman Todd Chaput reported a proposal was brought forward by the hotel industry to form a Tourism Promotional Area (TPA) that would generate funds for a Sports Commission. He noted the funding would come from a \$2 fee per occupied room for all stays in the taxing district. Mr. Chaput noted the original proposal was to go countywide, but they've since pared it down to the Chehalis and Centralia communities. He stated the money generated from this fee would be used to finance the Sports Commission.

Mr. Chaput briefly reported the Commission would be funded via the TPA and the monies would be distributed similar to lodging tax dollars, noting it would first go to Olympia and the Department of Commerce would kick it back to the communities.

Mr. Chaput reported the purpose of the Sports Commission would be to hire a Sports Commission Director to provide marketing and advocate outside sales, facilities development, and coordination and communication. He noted they would also be in charge of coordinating assets to make sure the facilities are utilized to maximize potential income.

Councilor Pope asked if the money collected could be used for capital improvements, and if so, how would it be accessed.

Mr. Chaput reported the Governing Board would establish the direction of the Director. He noted if something is identified as needing improvement they can address it. Mr. Chaput doubted there would be a large sum of money for capital improvements, noting they're only estimating to receive about \$200,000 annually.

Mr. Chaput reported some of the larger events that they plan to compete for expect the facilities to be provided for free, which is something the money can be used for.

Councilor Lund stated he appreciated Mr. Chaput putting this all together, adding it sounded like a really great plan and he would support it.

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Mayor Dawes reported, in concept, it sounds great. He stated it would be nice to get some of those larger events in town. Mayor Dawes hoped that if they're going to request this of both cities that both will be beneficiaries of the type of activities that are going to occur. He also thought the idea of having someone to coordinate everything would be great.

Councilor Taylor thanked Mr. Chaput for his time and effort. He brought up the Firecracker Tournament that takes place in Las Vegas, noting being able to compete with this type of organization is really important and he would definitely support it.

Councilor Spahr stated he supported the concept and would be willing to look at it further to find out more about it.

The consensus of the council was to move the proposed Sports Commission forward.

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

- a. Minutes of the regular meeting of February 8, 2016;
- b. Claim Vouchers No. 114904-115044 and Electronic Funds Transfer No. 12016 in the amount of \$199,828.65 dated February 12, 2016;
- c. Confirm city manager's appointment of Joseph Mano Jr. to the Civil Service Commission for a six-year term expiring February 28, 2022;
- d. Authorize city manager to execute Consultant Agreement with Skillings Connolly, Inc., in an amount up to \$53,231 for the National Avenue Grind and Overlay Project; and
- e. Set the date and time of March 14, 2016, at 5:05 p.m. for a public hearing on marijuana processing and production facilities, along with retail facilities.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Administration Reports.**

a. **January Financial Report.** Finance Manager Judy Pectol reported the revenues are pretty much coming in where she expected them to be for this time of year. She indicated some of the expenses in the general fund are looking rather high, noting this is because we are cash basis and some of the larger expenses, such as the annual financial software expense, are paid in January.

b. **Follow Up on City Code Regarding Honeybee Hives.** Police Chief Glenn Schaffer reported, shortly after the meeting of February 8 when the issue of bees came up, he received a call from a member of the Lewis County Beekeepers Association (LCBA) who had similar questions about the city's ordinances regarding honeybees.

Chief Schaffer indicated the city has two ordinances which address the issue. The first is under the nuisance of animals, which states, "Any animal that trespasses upon the property of another and which interferes with the quiet enjoyment of residential property, or which flies, buzzes, digs or otherwise harasses any person while off the owner's or custodian's property, shall be considered a nuisance animal and shall be abated." The second ordinance, which is the one in question, is under minimum space requirements. It states, "Honeybee hives shall not be located closer than 300 feet to any habitable building; other bee hives and all other insect hives shall not be located closer than 1,000 feet to any habitable building."

Chief Schaffer reported he didn't know where these numbers came from, but suggested the council could certainly do something about it and provided the following options:

- Leave the current ordinance as is
- Repeal the ordinance that restricts the distance, but leave the nuisance ordinance in place

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- Re-write a more practical ordinance that allows responsible beekeeping

Chief Schaffer provided some examples of restrictions that other agencies are using. He suggested they could certainly come up with something reasonable for our community if that's the direction the council would like to go.

Councilor Spahr stated they really just need something that makes sense and works for the LCBA and the community.

Three members of the LCBA, President Kevin Reichert, Dan Maughan, and Vice President Robert Harris, spoke in support of allowing beehives in the city.

Mr. Reichert reported he met with city staff to discuss the issue. His recommendation to the council was to repeal the ordinance on restrictions, but leave the nuisance ordinance in place.

Mr. Maughan reported there are a lot of feral bees around, adding it would be nice to have people responsibly take care of them. He stated some people just like having them for recreational purposes and suggested the city have an ordinance that allows a responsible number of hives.

Councilor Spahr asked what a responsible number of hives would be for a city lot.

Mr. Maughan stated it depends on the skillset of the beekeeper and the topography.

Mr. Harris reported they are an educational organization. He talked briefly about the program and the strengths of the mentoring process. Mr. Harris suggested the council repeal the ordinance, or perhaps re-work the current ordinance and leave an appropriate nuisance element in place.

After a brief discussion on the options presented, Councilor Lund moved that the administration bring forth an ordinance that would repeal the current restrictions on beehives.

The motion was seconded by Councilor Taylor and carried unanimously.

6. **Citizen Issue with Dispatch.** Mayor Dawes reported he received a call from a citizen who was trying to get a situation taken care of related to parking. He noted the citizen asked to be contacted by an officer and was told by Dispatch that the city didn't have an ordinance against what they were calling about, so there was no need to talk with an officer. Mayor Dawes found it very frustrating that Dispatch is trying to determine what ordinances we have and don't have. He asked Chief Schaffer to pass on to Dispatch that if a citizen wishes to get a phone call from an officer that they give that information to an officer for them to call and find out what the problem is.

Chief Schaffer stated he didn't disagree at all.

City Manager MacReynold clarified that it was a Lewis County dispatcher that refused to pass the information on, not a city employee.

7. **On-Street Parking.** Councilor Pope reported there's an RV parked between the Chevron Station and Jack in the Box on Interstate Avenue. He asked if the city had an ordinance regarding people living in RV's on city streets.

Chief Schaffer stated yes, noting he would look into it.

8. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reported the Chehalis Parks Committee met with the School District in regard to the ballfields, noting it was a very informative meeting. He stated they plan to meet again and would provide more details as they come in.

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b. **Update From Councilor Taylor.** Councilor Taylor reported Twin Transit is working with the city and county to construct a 'pullout' in front of the Vintage At Chehalis apartment facility. He noted they're working to improve access to the bus line for people who need it.

c. **Update From Mayor Dawes.** Mayor Dawes reported he attended a retirement reception for Ladonna Neiser on February 10, and a meeting at the Port of Chehalis to discuss the recent changes to the permit process. He noted he appreciated the article written by Justyna Tomtas, noting she nailed the progress of the meeting very well.

Mayor Dawes also attended the wine-mixer at I-5 Toyota, a ribbon cutting at the Visiting Nurses Thrift Shoppe on Chehalis Avenue, and the Business After Hours event at Moerke & Sons Pump & Drilling on State Street.

9. **Resolution No. 3-2016, First and Final Reading – Accepting Amended Petition for Annexation of the Phase 1 Industrial Annexation.** Mr. Osborn reported the amended petition before the council for the Phase 1 Industrial Annexation had been signed by more than 60 percent of the assessed valuation of the property owners. He noted two public hearings were held to take public comment on the matter.

Councilor Harris moved that the council adopt Resolution No. 3-2016 on first and final reading to accept the amended petition for annexation of the Phase 1 Industrial Annexation.

The motion was seconded by Councilor Pope and carried unanimously.

10. **Ordinance No. 953-B, First Reading – Providing for Annexation of the Phase 1 Industrial Annexation.** Councilor Spahr moved that the council pass Ordinance No. 953-B on first reading providing for the annexation of the Phase 1 Industrial Annexation.

The motion was seconded by Councilor Pope and carried unanimously.

11. **Resolution No. 5-2016, First and Final Reading – Accepting the Petition for Annexation (known as the Chehalis School Annexation) and Setting the Date and Time of March 14, 2016, at 5:05 p.m. for a Public Hearing.** City Manager MacReynold reported this petition was initially brought to the city by the Chehalis School District for the Shaw property on 20th Street. He noted the associated property owners that would have been negatively impacted, or made islands, were also approached to get their petition signatures. City Manager MacReynold stated the School District alone provided more than 60 percent of the assessed valuation needed and encouraged the council's consideration and approval of the resolution.

Councilor Taylor moved that the council adopt Resolution No. 5-2016 on first and final reading accepting the petition for annexation and setting the date and time of March 14, 2016, at 5:05 p.m. for a public hearing on the Chehalis School Annexation.

The motion was seconded by Councilor Pope and carried unanimously.

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

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: March 14, 2016

Initials: js

March 14, 2016

The Chehalis city council met in regular session on Monday, March 14, 2016, 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, and Chad Taylor. Councilors Lund and Ketchum were absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; and David Fleckenstein, Airport Manager. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Public Hearing on Proposed Chehalis School Annexation.** Community Development Director Dennis Osborn reported the city had received a petition for annexation of approximately 57 acres commonly referred to as the Chehalis School Annexation. He noted the certification for the annexation had been received from the Lewis County Assessor's Office.

Mayor Dawes closed the regular meeting at 5:02:09 p.m. and opened the public hearing.

There being no public comment, Mayor Dawes closed the public hearing and reopened the regular meeting at 5:02:51 p.m.

2. **Public Hearing on Marijuana Processing, Production and Retail Facilities.** Mr. Osborn reported this matter was before the council in December 2015 and has since been to the Chehalis Planning Commission for their review. He noted the Commission provided the following recommendations for the council to consider:

- Prohibit outdoor production and processing facilities
- Allow production and processing facilities in the industrial zone only as permitted uses
- Allow retail in the general commercial and freeway commercial zones, and not allow retail in the central business district zone

Mr. Osborn reported the limited number of available sites in conjunction with the state restrictions would limit the number of production and processing facilities within the city.

Mayor Dawes closed the regular meeting at 5:04 p.m. and opened the public hearing.

Justin Wildhaber (1087 Monte Elma Rd) reported he's a licensed Tier 3 producer and processor and supplies products to Old Toby's located on State Street in Chehalis. He stated, according to the planning department, the zones identified would fit in line with his arguments. Mr. Wildhaber suggested in order for a retail business to be successful they need to have adequate parking and visibility, adding the city is on the right path.

Jerrie Paine (391 NW State Avenue) thanked the council for taking a chance and giving them the opportunity to show that cannabis can be sold in a very respectful and responsible manner. She reported part of their goal is to normalize cannabis and get rid of the stigma. Ms. Paine stated because the council is considering opening more stores, they have achieved their goal.

Mr. Wildhaber reported there had been discussion about limiting the number of retail businesses in the city.

Mayor Dawes stated that is one of the potential outcomes.

Mr. Wildhaber reported the retail sales in Grays Harbor County last month were in excess of \$800,000; retail sales for Lewis County last month were about \$200,000. He suggested Chehalis as one of the more progressive places in Lewis County has the potential of bringing in an estimated \$800,000 to \$1 million per month in retail sales. Mr. Wildhaber asked that the council consider this when talking about limiting the number of retail outlets.

Mayor Dawes stated it would be safe to assume that the reason we have the number of requests that we do is because the county and Centralia have said no to any type of operations.

Mayor Dawes closed the public hearing at 5:14 p.m. and reopened the regular meeting.

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Councilor Harris moved to direct the administration to prepare a draft ordinance to include the recommendations of the Chehalis Planning Commission for the council to consider at the next regular meeting.

The motion was seconded by Councilor Pope and carried unanimously.

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

- a. Minutes of the special meeting of February 16, 2016, and the regular meeting of February 22, 2016;
- b. Claim Vouchers No. 115045-115132 in the amount of \$192,166.56 dated February 29, 2016; and Payroll Vouchers No. 38681-38733, Direct Deposit Payroll Vouchers No. 6856-6947 and Electronic Federal Tax Payment No. 157 in the amount of \$729,214.34 dated February 29, 2016;
- c. Award 2016 asphalt bid to Lakeside Industries; and
- d. Adopt Resolution No. 7-2016 on first and final reading for the surplus of city property.

The motion was seconded by Councilor Spahr and carried unanimously.

4. **Administration Reports.**

a. **Briefing on Countywide Planning Policies Process and City Suggestions.** Mr. Osborn reported, late last year, the city received notice from the county to provide input on amendments to the Countywide Planning Policies. He noted several of the suggestions submitted had to do with the language of the Urban Growth Area (UGA); however, due to the recent expiration of the Interlocal Agreement, some of the suggestions are basically moot at this point.

Mr. Osborn reported, at a meeting held in March, the county presented a proposal to have a couple of other areas included in the urban growth boundaries. He noted he asked that the cities be allowed to take changes back to their respective policy makers to get their input and to find out what potential implications there are, if any, and then provide that input to the county.

Mr. Osborn provided a copy of a letter addressed to Lewis County Community Development Director Lee Napier outlining their approach and collaborative process. He noted the letter points out that the statute states that the county and the cities agree to all procedures and provisions, including but not limited to desired planning policies. Mr. Osborn stated he's just asking that we have that opportunity to see if there's an agreement before moving forward. He reported dialog is occurring and he hoped to be able to come back and talk more about what's going on with potential new urban growth boundaries within Lewis County and what they may or may not mean for the city of Chehalis.

b. **Update on Recreation Park/Penny Playground Funding Proposal and the Green Hill School Parking Lot Discussions.** Project Manager Tom Skillings with Skillings Connolly, Inc. provided an update on the status of the Recreation Park/Penny Playground Improvement Project.

Funding Scenario: Excess Levy for total project cost, less feasibility study and project management

Total Project Cost: \$6,190,000

- Feasibility Study: \$80,000
- Project Management: \$190,000
- Excess Levy Funded Amount \$5,920,000

Levy Cost Analysis: Rates based on the following assumptions:

- Interest Rate (assumed) – 4.00%
- Duration (years) – 30
- Total annual payment \$342,354

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- Rate increase of \$86.37 on a home valued at \$157,000

Mr. Skillings reported they will also be applying for a Recreation and Conservation Office (RCO) grant and a Safe Routes to School grant for the project. He provided the following breakdown of what the grant monies would be used for:

- enhanced landscaping with concrete walkways
- increased number of trees, shrubs and groundcover
- increased pedestrian lighting
- two large picnic shelters as opposed to two smaller shelters
- some ballfield equipment improvements
- minor field house improvements

Mr. Skillings reported, with regard to drainage, the grant funding would cover additional:

- curb and gutter along railroad
- onsite drainage/grading enhancements
- topsoil for surfacing
- underdrain improvements
- free-draining topsoil
- seed/mulch/fertilizer
- irrigation system

Mr. Skillings reported on the feasibility study to potentially relocate the four ballfields currently at Recreation Park to Stan Hedwall Park, or to the new school site. He noted the Chehalis School Board is very much in favor of having the city look at the school site as a potential location for the ballfield facility. Mr. Skillings stated they plan to present the findings to the Parks Committee in the next couple of weeks and would be back to talk with the council and get direction at the second meeting in April.

Mr. Skillings reported everything is being driven by the schedule for the levy resolution. He noted this will need to be approved by council by the May 9 meeting in order to make the August ballot.

Mr. Skillings reported they also met with representatives from Green Hill School to discuss the potential use of their parking lot. He noted they reached an agreement in principal to do an immediate agreement concerning temporary use for this season, and will work on a long-term agreement going forward for use of the 99 parking stalls.

City Manager MacReynold reported what the city committed to do with regard to the parking lot is to provide a counter-proposal to what they initially proposed to us. He noted that would be done before the end of the week.

Councilor Harris asked if there might be a need to do a workshop between the April 25 meeting and May 9 meeting to make sure everyone is on the same page regarding the project.

Councilor Spahr inquired about the study being done at Stan Hedwall regarding the ballfields.

Mr. Skillings reported their intent is to move the feasibility study parallel to have the same level of detail at Hedwall as they will at Recreation Park. He noted they would do layouts at both sites to look at them equally, but there would be no detail design done for Hedwall.

Councilor Spahr felt a work session after the feasibility study is finished would be real beneficial.

Mr. Skillings stated they could do that, noting it would be ready before April 25.

5. Council Reports.

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a. **Update From Councilor Harris.** Councilor Harris reported on the Chehalis Community Renaissance Team (CCRT) meeting, noting they received updates from The Chamber, the Chehalis-Centralia Railroad and Museum, the Lewis Economic Development Council, and the Community Farmers Market. He stated they also received an update on the Discover! Children's Museum, noting they're buzzing along even though they didn't receive any funding in the last legislative budget and don't plan on any funding this year. Councilor Harris reported the museum will happen; it's just a matter of trying to figure out how.

Councilor Harris reported the Community Farmers Market is gearing up to open up on June 7 and the Marketing Committee continues to work hard on their program for the city and the CCRT.

Councilor Harris reported on the Willapa Hills Trail, noting it's open all the way through from Chehalis to Raymond now. He noted the one major issue they had in completing the project was in Littell where the trail crosses Hwy 6. Councilor Harris indicated the State Parks Department will be asking the state at the next legislative session to provide assistance in designing and constructing a safe crossing. Councilor Harris reported one of the upcoming events for the trail is the Fat Tire Ride and Festival.

Councilor Pope reported if they don't do something about the traffic near the trailhead in Chehalis they're going to bypass Chehalis and start the event in Adna.

Councilor Harris noted the Lodging Tax Advisory Committee supplied the funding for the Fat Tire event in hopes to bring folks into the community. He indicated they're expecting about 500 riders this year and are hoping to increase that amount to 5,000 within the next couple of years.

Councilor Harris talked briefly about the tragic house fire that took place in Centralia on March 4 and asked everyone to keep the family and the first responders in their thoughts and prayers. He expressed his thanks to the first responders and his condolences to the family.

b. **Update From Councilor Spahr.** Councilor Spahr reported he attended the EDC Board meeting, noting there's a lot of work being done and some good contacts being made. He noted one of the topics of discussion was flooding, adding the EDC wants to get more involved and has agreed to accept monies contributed by municipalities to help fund the efforts of the Flood Authority. Councilor Spahr noted the Legislature has presented a bill to establish a Board.

City Manager MacReynold reported the funding would be used to continue to maintain the current level of involvement that we've had over the past many years from the various jurisdictions and private sector. He noted the Flood Authority and the Governor's Group see this as a very critical time in which we do not want to back away from any of our support because we're beginning the permitting process and any backing away would not be seen as support by our community. City Manager MacReynold reported the EDC is going to send a letter to each jurisdiction requesting \$15,000 annually to maintain the current level of support. He noted when that letter is received it will be brought before the council.

City Manager MacReynold suggested this is a very critical time in which we do not want to waiver. He stated the Council has been a primary mover, noting Chehalis was the first jurisdiction in the Chehalis Basin to pass a resolution in favor of a retention facility.

c. **Update From Mayor Dawes.** Mayor Dawes reported he and Councilor Spahr attended the EDC banquet on February 25. He noted the .09 Committee met on March 11, adding there were a couple of issues at the Port that received favorable consideration, which was good to see.

Mayor Dawes noted there had been some movement with regard to the RV situation, but he is still a little concerned about a logging truck issue on 14th Street. He stated he would like to see something brought back to the council to address the issue, noting there's obviously a violation of the law by going off the truck route with that type of vehicle when they're not engaged in commercial work.

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6. **Ordinance No. 953-B, Second and Final Reading – Providing for Annexation of the Phase 1 Industrial Annexation.** City Manager MacReynold reported if the council approves the ordinance there is still a period in which people can appeal to the Lewis County Boundary Review Board.

City Attorney Hillier stated there's a period of 45 days from the date the ordinance goes in to effect in which someone can petition the Boundary Review Board. He noted it doesn't mean our ordinance is not effective, but in reality we won't be collecting taxes or anything from that area until the appeal period runs.

Councilor Taylor moved to pass Ordinance No. 953-B on second and final reading providing for the annexation of the Phase 1 Industrial Annexation.

The motion was seconded by Councilor Pope and carried unanimously.

7. **Ordinance No. 954-B, First Reading – Providing for Annexation of the Chehalis School Annexation.** City Manager MacReynold reported this is the first reading of the Chehalis School Annexation. He noted the annexation also includes a few smaller pieces of property that were pulled in, which we are required to do in order to not make them islands.

Councilor Harris moved to pass Ordinance No. 954-B on first reading providing for the annexation of the Chehalis School Annexation.

The motion was seconded by Councilor Taylor and carried unanimously.

8. **Ordinance No. 955-B, First Reading – Repealing Section 6.040.290 (I) of the Chehalis Municipal Code Pertaining to Honeybee Hives.** City Manager MacReynold reported, at the previous meeting, the council discussed the issue of honeybee hives with members of the Lewis County Beekeepers Association. He noted because there is no fiscal impact the administration is recommending the council consider suspending the rules and take action on one reading to implement the ordinance.

Councilor Spahr moved to suspend the rules requiring two readings of an ordinance for final approval.

The motion was seconded by Councilor Harris and carried unanimously.

Councilor Spahr moved to council pass Ordinance No. 955-B on first and final reading repealing Section 6.04.290(I) of the Chehalis Municipal Code.

The motion was seconded by Councilor Pope and carried unanimously.

9. **Resolution No. 6-2016, First and Final Reading – Renaming a Portion of Northwest Liberty Place (west of the roundabout) to Alta Way.** City Manager MacReynold reminded the council that this request came up by the applicant at the previous meeting.

Mr. Osborn reported the city received a request from ALTA Forest Products to rename the east/west portion of NW Liberty Place to NW Alta Way. He noted the administration contacted Timberland Bank and they had no objections. Mr. Osborn reported the name change would go into effect once the resolution is adopted.

Councilor Taylor moved to adopt Resolution No. 6-2016 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

10. **Special Meeting.** Mayor Dawes announced that the council will be holding a special meeting on Monday, March 21, 2016, at 11:00 a.m., in the Commissioners Chamber at the Lewis County Courthouse. He noted this would be a joint meeting with the Commissioners regarding the feasibility study on the Tacoma Rail Line from Maytown to Chehalis.

March 14, 2016

11. **Executive Session.** Mayor Dawes announced the council would convene into executive session after a short recess beginning at 5:57 p.m. pursuant to RCW 42.30.110(1)(i) – potential litigation, RCW 42.30.110(1)(d) – review negotiations on the performance of publicly bid contract, and 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.

Following conclusion of the executive session, the regular meeting was reopened at 6:51 p.m., and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: March __, 2016

Initials: js

March 21, 2016

The Chehalis city council met in a special session with the Lewis County Commissioners on Monday, March 21, 2016, in the Lewis County Commissioners Chamber. The meeting was called to order at 11:00 a.m. by Commissioner Bill Schulte. Chehalis Councilmembers present included: Mayor Dennis Dawes, Mayor Pro-tem Terry Harris, and Councilor Daryl Lund. City staff present included: Merlin MacReynold, City Manager; and Judy Schave, City Clerk. Members of the Tacoma Rail Group present included: Centralia Mayor Bonnie Canaday, Centralia City Manager Rob Hill, LC Board Administrative Assistant Candace Hallom, Larry McGee, Toby Van Altvorst, and David Hartz.

1. **Review Feasibility Study on Tacoma Rail Line.** Ann-Marie Lundberg with Tangent Services, Inc., presented the final report on the Feasibility Study and Business Plan for potential purchase of the Tacoma rail line from Chehalis to Maytown. Ms. Lundberg reported on the purpose of the study and the study components, to include:

- Condition of the rail infrastructure
- Cost to upgrade the rail line
- Market analysis
- Financial analysis
- External funding
- Environmental risks
- Operating and management models

In conclusion, Ms. Lundberg stated there was not a strong case to promote economic development. She noted the financial sustainability would be a stretch, but they did see that local control would be a benefit. Ms. Lundberg suggested it would be a risky purchase for the county, and given the competitive nature and the demand for rail improvements in the region it would be tough to get any grant funding.

Commissioner Schulte reported the draft termination notice of the Interlocal Agreement and Option to Purchase had to be executed by the representatives of the City of Chehalis, Lewis County and the City of Tacoma.

Because the council did not have a quorum, no action was taken by the city council.

There being no further business, the meeting adjourned at 12:27 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: April 11, 2016

Initials: js

March 28, 2016

The Chehalis city council met in regular session on Monday, March 28, 2016, 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: Glenn Schaffer, Acting City Manager/Police Chief; Bill Hillier, City Attorney; Judy Schave, City Clerk; Dennis Osborn, Community Development Director; Judy Pectol, Finance Manager; Rick Sahlin, Public Works Director; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Renewal of Solid Waste Disposal District No. 1 Interlocal Agreement.** Lewis County Public Works Director Tim Elsea reported the Interlocal Agreement that created the Solid Waste Disposal District is due to expire next year. Mr. Elsea provided a brief history on how the District came about and when the Solid Waste Utility Division was formed. He noted Councilor Harris has been through a lot of the history of the District and has served diligently on the Solid Waste Advisory Committee.

Mr. Elsea reported the tipping fees were originally set at \$95 per ton in 1994; however, a few years later they were able to lower the fee to \$82 per ton. He noted this dollar amount remained in effect until last year when they raised it to \$90 per ton, which is still lower than any community around us that doesn't have their own landfill.

Mr. Elsea reported the Joint Municipal Solid and Hazardous Management Plan had to be updated every six years, which was recently done. He talked briefly about the role of the Executive Advisory Committee and the Solid Waste Advisory Committee (SWAC).

Mr. Elsea reported the agreement continues to work well for all of the agencies involved. He noted he would be back before the council at a later date to present a new Interlocal Agreement that will extend the current agreement.

Councilor Pope asked Mr. Elsea if he plans to rewrite the agreement.

Mr. Elsea reported he hoped to just re-present it and not rewrite it

Mayor Dawes stated since it's working well he would hope that what they bring back will only be minor changes to the fees and not something that doubles the size of the current document. He suggested the city residents have benefited from the agreement, as well as the garbage contracts the city has been able to secure from our local vendor.

Mr. Elsea reported last year, for the first time, they were in the black by \$50,000. He noted this money will be put away in reserves for future capital projects.

Councilor Harris reported he's served on the Budget Review Committee for the SWAC and Disposal District. He noted it's a good group of folks that work really hard to get every dime out of the services they supply. Councilor Harris reported one of the reasons they were in the black was because the tonnage was more than what they anticipated. He noted staff has been very good at predicting from year-to-year what their tonnage will be. Councilor Harris stated Mr. Elsea works tirelessly and applauded him for the work he does with this particular part of his job.

Mr. Elsea promised the council they would not be surprised with the agreement he'll be presenting.

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

a. Minutes of the regular meeting of March 14, 2016, and the March 21 meeting notes from the joint meeting with the Board of County Commissioners;

b. Claim Vouchers No. 115133-115273 and Electronic Funds Transfer No. 22016 in the amount of \$213,983.39 dated March 15, 2016;

c. Ratify the city manager's execution of the termination notice for the Interlocal Agreement between the city, Lewis County and the city of Tacoma for the option to purchase a portion of the Tacoma rail line;

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d. Authorize city manager to execute the Engineering Services Agreement between the city and Gibbs & Olson for the Coal Creek Sewer Extension Project in an amount not to exceed \$62,350; and

e. Authorize city manager to execute an agreement between the city and the FCS Group for the Water and Wastewater Rate Study in the amount of \$53,005.

Councilor Taylor seconded the motion.

Councilor Pope reported he understood why the sewer line is being extended and that a grant would take care of most of it, but wondered who would be paying for the hookup fees once the residents are on the system.

Wastewater Superintendent Patrick Wiltzius reported he included the hookup fees in the grant that was approved, but didn't know for sure if the Department of Ecology (DOE) would be paying those fees. He noted if not, the county dedicated \$25,000 towards the project. He reported it still needed to be finalized who would be paying the connection fees.

Councilor Pope stated our citizens bought and paid for our system, so money should come back to the city to pay for those hookups.

Mr. Wiltzius agreed, noting it's not the city's intent to give those away.

The motion carried unanimously.

3. **Administration Reports.**

a. **February Financial Report.** Finance Manager Judy Pectol reported on the February financials, noting so far this year they've received \$80,013 in building permit fees, which exceeds the \$62,000 they received in 2015. She noted the first half of the property tax is not due until May 2, which means the city will not receive the money until June from those who pay their taxes at the last moment.

Councilor Spahr asked if the building permits came from inside the city limits, or from the Urban Growth Area (UGA).

Ms. Pectol indicated 62 percent came from the UGA.

Councilor Spahr suggested there might have been a rush to get permits in before the change in permitting took place with the county.

Ms. Pectol indicated she would be coming back to the council with a budget transfer request at the next meeting.

b. **Discuss Work Session for Recreation Park Project.** Community Development Director Dennis Osborn reported the Chehalis Parks Committee met earlier in the day to discuss the two meetings they had with the Chehalis School District. He stated if they can get the materials they need from the District they are hoping to have a special work session on April 4; but if they don't get the materials they would like to tag it onto the April 11 council meeting prior to the regular meeting. Mr. Osborn stated April 4 would be the preferred date.

Mayor Dawes stated Councilor Ketchum is unable to make it at 4:00, so it would need to be at the end of the regular meeting.

The special work session was set for April 4, at 5:00 p.m., unless the materials are not received.

4. **Council Reports.**

a. **Update From Councilor Taylor.** Councilor Taylor reported he helped out with the Easter Steam Train and Egg Hunt over the weekend, noting they had over 1,200 people show up to ride the train. He stated they added three additional

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trains and still had to turn people away. Councilor Taylor reported there were a number of people he talked with that traveled quite a distance to attend the event.

Councilor Taylor also reported there was a pot hole at the top of Winchester Hill that needed to be filled.

Public Works Director Rick Sahlin stated they would take care of it, but in the future residents can call and let the department know because they don't get up that way too often.

b. **Update From Councilor Lund.** Councilor Lund reported he attended two Park Committee meetings and the Joint Oversight Board meeting with Mayor Dawes and Councilor Spahr regarding the functional consolidation.

c. **Update From Councilor Harris.** Councilor Harris reported the Recreation Park meetings have been going very well. He noted some questions were brought to the Chehalis School District and they're currently in negotiations with them. Councilor Harris suggested as the meetings progress and information is received they will immediately get it to the council so they can start looking at things as a group.

Councilor Harris reported he attended the Chehalis Basin Partnership meeting last Friday, noting they received presentations regarding the water quality monitoring on the Chehalis River, upcoming TMDL effectiveness monitoring, and the study of the upper Chehalis River. Councilor Harris reported we've been out of the river for about nine years and they still don't know if things are getting any better.

Councilor Harris reported they also talked about DOE regulations that affect cities greater than 10,000. He noted once we reach that level we'll have to follow the same development regulations as Centralia regarding impervious surfaces and swales. Councilor Harris talked briefly about the Chehalis Avenue project and the swales that were put in to recycle the drainage water. He noted he inquired about the drainage from vehicles driving on the road, asking at what point and time does the dirt become so contaminated that we have to do something with it, and who will be responsible for it. Councilor Harris stated he knew the city would be responsible, but wanted to make a point about the Legislators having the ability to make regulations and have no idea what they are regulating, or deregulating.

Councilor Harris reported he also questioned unfunded mandates and was presented with a list of potential grants and low to zero interest loans to help pay for these things, if and when they do come up. He noted it's always an interesting dialog with ecology when they talk about how they're interacting with the cities and municipalities.

d. **Update From Mayor Dawes.** Mayor Dawes reported he attended a Business After Hours at the Tiki-Tap House in Centralia, sponsored by the Washington State Employees Credit Union. He noted on March 21 he and Councilors Lund and Harris attended the joint meeting between the city, Lewis County, and the Tacoma Rail Work Group, to discuss the option to purchase a portion of the Tacoma rail line. Mayor Dawes reported they're obviously not going to pursue it, but didn't want to close any doors either. He noted the concerns are still there, which is why they want to keep it on the back burner.

Mayor Dawes reported he also attended the Joint Oversight Board meeting with Riverside Fire Authority. He noted the joint agreement with Riverside regarding consolidation expired December 31, 2015, which was their cue to make a decision on whether they would start the process to annex into the Riverside Fire Authority, or step away. Mayor Dawes noted it was the opinion of everyone in attendance that, while there have been tremendous strides in education and training, the stars were not lined up to where it looked like it would be advantageous for the city or Riverside Fire Authority to continue to the next step to look at annexation.

Mayor Dawes reported they agreed it would be in the best interest of everyone for the city to focus its attention on Lewis County Fire District No. 6 that currently serves the area to the south of the city. He stated they certainly have an interest in what's going on and suggested we start some kind of dialog with them and put everything on the table so there are no surprises. He suggested because we already have a committee that's been appointed it would be nice to continue on with that.

Councilor Spahr reported the discussion also centered on Central Dispatch and what's going on there. He noted the fire chiefs, police chiefs, and the Sheriff are all involved in discussions and suggested we need keep an eye on the issue as it unfolds. Councilor Spahr indicated they have some issues that need to be resolved.

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Councilor Harris reported he was going to ask to pull the Tacoma rail item from the consent calendar to talk about it more, adding he wanted to make a symbolic 'no' vote on it. He stated they had a very good discussion and understood completely about not going through with the purchase; however, he didn't want anybody to overlook the fact that even though what they were looking at was a numbers study there are things you can't quantify in dollar amounts, such as control of a rail line. Councilor Harris suggested it's not on the front burner right now because oil prices are down, but if the Bakken oil starts back up again we could potentially have mile long trains running through our community if someone picks it up and starts transferring oil trains to Grays Harbor. He noted there were disagreements about some of the numbers, but at the same time it was too far away financially. Councilor Harris stated if nothing were to happen everyone at that meeting will look wiser; however, if something does happen they'll all look back and kick themselves for missing a potential opportunity.

5. Ordinance No. 954-B, Second and Final Reading – Providing for Annexation of the Chehalis School Annexation. Chehalis School Administrator Mary Lou Bissett stated she really appreciated the efficiency in which the city is moving on the annexation. She noted the Chehalis School District is in favor of the annexation and is pleased that all of their buildings will be served by the city of Chehalis.

Councilor Spahr moved to pass Ordinance No. 954-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

6. Ordinance No. 956-B, First Reading – Limiting Marijuana Processing, Production and Retail Facilities. Mr. Osborn reported, back in December, the council asked the administration to take a look at limiting the number of production and processing facilities within the city. He noted the Chehalis Planning Commission held a workshop and a public hearing on the issue, and on March 14 a public hearing was held by the city council.

Mr. Osborn reported the proposed ordinance before the council would allow indoor production and processing facilities within Industrial zones. He noted the Planning Commission felt the number would be limited based on the zoning. Mr. Osborn reported the other recommendation of the Planning Commission is to allow retail sale facilities in the Commercial Freeway zones and General Commercial zones. He noted at the time this came up the city was limited to one facility; however, it's now been raised to two. Mr. Osborn reported the Planning Commission proposed no restrictions on retail other than the state limiting it to two facilities at this time.

Mayor Dawes stated he understood that the Commercial Freeway zone is the development over by the airport, and the General Commercial zone is basically all of the commercial zoned areas, with the exception of the Central Business District. He asked if the Central Business District included Chehalis Avenue from Pacific Avenue to Main Street.

Mr. Osborn stated he believed it did.

Councilor Taylor reported he received a call for Jerrie Paine (Old Tobey – 391 NW State Avenue) stating she was worried that the proposed ordinance would zone her out of business.

Mr. Osborn reported her business would be allowed to continue to operate as an existing non-conforming use; however, if the building were to be damaged or destroyed by more than 50 percent they would not be allowed to rebuild.

Councilor Spahr inquired about the zoning for State Avenue.

Mr. Osborn reported in this particular area its zoned industrial. He noted the interesting thing about the Light/Industrial (IL) zone is that certain components include an 'asterisk' that allows certain general commercial uses within the IL zone, which is how Old Tobey got in.

Councilor Spahr noted Palmer Lumber, which is across the street from Old Tobey, is also retail outlet.

Mr. Osborn reported they also fall under that 'asterisk' for general commercial facilities in the IL zone.

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Ms. Paine reported she thought the issue before the council on March 14 was to limit the number of retail stores, not the issue of zoning. She suggested the proposed ordinance would zone her business out and asked what the basis is for changing the zoning to begin with. Ms. Paine stated she was told from the very beginning that their location was going to be zoned IL. She stated she found it arbitrary and capricious for the council to consider rezoning it in such a manner that it would zone them out altogether.

Ms. Paine asked if an impact study had been done with regard to putting a retail store in the Freeway zone. She reported people have a hard time finding them in the industrial area, but on occasion they do have intoxicated folks trying to buy marijuana. Ms. Paine suggested if they were to put a retail store along the freeway that could be a common occurrence.

Mayor Dawes stated Ms. Paine's question would probably need to be referred back to the Planning Commission since it was a recommendation that came from them.

Ms. Paine stated it was her understanding that in order to create new zones there were steps that had to be taken. She noted the retail issue came up after the Planning Commission conducted the public hearing. Ms. Paine suggested the zoning issue for retail stores be sent back to the Planning Commission for a public hearing.

City Attorney Hillier reported the Planning Commission would have had to fully consider the issue before making a recommendation to the council. He stated the council could choose to refer it back to the Planning Commission if there are concerns about the issues being brought up.

Mr. Osborn reported it was discussed by the Planning Commission, but not in much detail. He noted the feedback he received from the Planning Commission was to limit it to two, and anymore analysis would be moot.

Councilor Harris stated the concern he had is that the state initially limited it to one retail store and now they've changed it to two. He noted this is an arbitrary number and the state can pull the cap completely off at any time.

City Attorney Hillier reported they could certainly send it back through the Planning Commission process if the state increases the number, but the council can also put limitations on it.

Mr. Osborn suggested they could simply add an additional note under the Use and Occupancy for Cannabis Retail Facilities, which states, "No more than two retail facilities shall be allowed in the city of Chehalis."

Ms. Paine stated they could certainly limit the number, but her concern is the zoning. She requested that the council consider zoning the area in which her business is located to IL, and not allow it in the Freeway zone. Ms. Paine suggested Commercial General is fine, so long as it meets the 1,000 foot rule.

Mayor Dawes asked Mr. Osborn what the thinking of the Planning Commission was to take the IL zone out of there.

Mr. Osborn reported the feedback he gave the Planning Commission was that the council was looking at limiting the number of retail facilities because they didn't want to be the 'cannabis capital' of Washington. He noted they really focused on that, which is how they came up with limiting it, but still allowing it.

Mayor Dawes stated the location of Ms. Paine's store is a good one if you're going to have it. He felt there was nothing in the ordinance that limited anything.

Mayor Dawes reported he could see the state raising the number of retail stores in the cities who have allowed it, and during a budget shortfall the money they currently share with the cities is going to go away because that's what the state does. He noted that is one of the reasons he's looking to limit it, so we don't become the cash cow for someone else.

Councilor Pope stated he would like to see it limited to two stores and didn't think it should be allowed in the Freeway zone, adding that was not the intention. He suggested if they have the ability to control it, they should.

March 28, 2016

Councilor Harris reported, as a business owner, he would like his property protected. He stated whether he agrees or disagrees with what's going on, he would like to figure out a way to protect the businesses that are currently here. Councilor Harris noted we already have too many things controlling our future and suggested they put a limit on the number of marijuana retail facilities and take the Freeway zone out.

Councilor Lund stated he agreed they should not be in the Freeway zone and suggested they send it back to the Planning Commission. He stated it's not fair for someone to spend a lot of money on their business and if something happens they can't rebuild. Councilor Lund felt they should leave businesses alone so they can make money and put people to work.

Councilor Spahr asked if Palmer Lumber would be able to rebuild in their current location if their business burned down.

Mr. Osborn stated they could because they're a permitted use with the 'asterisk.'

City Attorney Hillier recommended they either send it back to the Planning Commission to reanalyze it, or they could adjust the ordinance for second reading.

Mayor Dawes stated, based on what he heard from the council, he would request the following changes be made to the proposed ordinance:

- Section 1. - Growing processing and production would stay in the Industrial zones
- Section 2. - Retail sale of cannabis would be allowed only in the General Commercial and Industrial zones

City Attorney Hillier agreed, adding the other change he heard is to limit the number of retail stores to two, which could be added as a note under the Use Chart. He stated if the council is comfortable with these changes they can direct the administration to update the ordinance with the changes for second reading.

Councilor Lund asked if it would be possible for Ms. Paine to expand her facility.

Mr. Osborn reported the proposed changes to the ordinance would allow it.

Dick Watkins (135 Literal Road, Chehalis) reported he's been helping Jerry Antenelli with his store located at 1570 N National Avenue. He indicated it's hard to find a place that meets the state requirements and the 1,000 foot rule limits the area in which you can have a retail store within the city. Mr. Watkins suggested if the city added a 1,000 foot rule between two marijuana retail outlets there would be no other place for marijuana businesses to open in the city.

Mr. Watkins reported he attended the Planning Commission meetings, adding they discussed growing and processing, but didn't mention anything about retail. He asked if the proposed ordinance included the store at 1570 N National Avenue.

Mayor Dawes stated yes, adding it's included in the General Commercial zone.

Councilor Harris moved that the council pass Ordinance No. 956-B on first reading.

The motion was seconded by Councilor Taylor.

Councilor Harris moved that the council amend Ordinance No. 956-B changing Section 2. to read, "The retail sale of cannabis in the city of Chehalis is allowed only in the General Commercial and Industrial zones," and add a note under the Use Code (No. 17) limiting the number of retail facilities to two.

The motion was seconded by Councilor Lund and carried unanimously to approve the amendments.

The motion to pass Ordinance No. 956-B, as amended, carried unanimously.

March 28, 2016

Mayor Dawes reported the scheduled executive session had been cancelled due to the city manager being out ill.

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

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: April 11, 2016

Initials: js

April 11, 2016

The Chehalis city council met in regular session on Monday, April 11, 2016, in the Chehalis city hall. Mayor Dennis 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; and David Fleckenstein, Airport Manager. Members of the media included Natalie Johnson from *The Chronicle*.

1. **Request Ordinance to Allow All-terrain Vehicles (ATV) on City Streets.** John Swegle (110 Nix Road, Chehalis) requested the council consider an ordinance that would allow ATVs to be ridden on city streets. Mayor Dawes referred the issue to the city manager and police chief and suggested they get some input on what the merit would be and report back to the council.

Commissioner Gary Stamper reported the county is talking about putting together an ordinance that would allow ATVs to have access to some 35 mph roads in Lewis County. He noted there's a large ATV Club near Mossyrock that he's been meeting with for the last year, adding they're trying to finalize a plan that will be safe and organized.

2. **Proclamation.** Mayor Dawes presented Human Response Network Board Member Peggy Hammer with a proclamation declaring the month of April as "Sexual Assault Awareness Month" in the city of Chehalis.

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

- a. Minutes of the regular meeting of March 28, 2016;
- b. Claim Vouchers No. 115274-115396 in the amount of \$351,443.46 dated March 31, 2016; and Payroll Vouchers No. 38734-38784, Direct Deposit Payroll Vouchers No. 6948-7040, and Electronic Federal Tax Payment No. 158 in the amount of \$781,136.79 dated March 31, 2016; and
- c. Adopt Resolution No. 8-2016 on first and final reading authorizing the city manager to apply for and accept the Washington State Department of Transportation grant in the amount of \$92,500 for the construction to repair the apron, reconfigure the tie-down layout, realign the taxiway, and relocate the runway end identification lights.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Administration Reports.**

a. **Report on Upcoming Text Amendments.** Community Development Director Dennis Osborn reported they have a few items to take to the Chehalis Planning Commission for annual review, to include:

- Rezone request for the old Alaskan Camper site
- Building code for fence height
- 2-year State Environmental Policy Act (SEPA) exemptions
- Shoreline Master Program

Mayor Dawes asked if the text amendments would be brought before the council after the Planning Commission does their review.

Mr. Osborn stated, yes.

5. **Council Reports.**

a. **Update From Councilor Lund.** Councilor Lund reported he attended a couple of Recreation Park meetings.

April 11, 2016

6. **Ordinance No. 956-B, Second and Final Reading, as Amended - Allowing Cannabis Growing, Production, Processing, and Retail Facilities in Certain Zones within the City Limits of Chehalis**. City Manager MacReynold reported, at the previous meeting, the council provided some amendments to the ordinance and passed it on first reading, as amended.

Mr. Osborn reported the amendments to the ordinance included:

- Removing Commercial Freeway zone as an allowed use for cannabis retail
- Adding the retail sale of cannabis to the Industrial zones, in addition to the General Commercial zone
- Limit the number of cannabis retail facilities to two within the city limits of Chehalis

Councilor Spahr moved to pass Ordinance No. 956-B on second and final reading.

Councilor Pope seconded the motion.

Councilor Harris asked if the word "location" should be added with regard to the number of retail facilities, in case one of the current owners of the two retail establishments wants to open up a second store.

Mayor Dawes suggested "retail facilities" to him would mean the number of locations.

City Attorney Bill Hillier agreed with Mayor Dawes, stating that would be correct.

The motion carried 6-1 with Councilor Ketchum voting against the motion.

7. **Ordinance No. 957-B, First Reading – Amending the 2016 Budget**. Finance Manager Judy Pectol reported, even with the amendments, all of the funds involved will have equal or higher ending fund balances at the end of the year than previously predicted. She noted the budget amendment includes some carryover items from 2015 and some items for this year, to include the \$80,000 donation from the Chehalis Foundation for the ballfield feasibility study, and a couple of smaller grants.

Councilor Taylor moved to pass Ordinance No. 957-B on first reading.

The motion was seconded by Councilor Lund and carried unanimously.

Mayor Dawes recessed the regular meeting at 5:21 p.m. and opened the work session at 5:23 p.m.

8. **Work Session to Discuss Recreation Park Improvement Project Schedule, Feasibility Study and Potential MOU with the Chehalis School District**. Project Manager Tom Skillings, with Skillings & Connolly, Inc., provided a handout that outlined the discussion on the Recreation Park Project. He reported the council gave direction to proceed with the proposed improvements at Recreation Park (Phase 1), and to conduct a feasibility study to look at possibly relocating the ballfields.

Mr. Skillings noted, at the February 8 meeting, council asked if levy money could be spent on a different site other than Recreation Park, if they decide to relocate the ballfields. He noted the answer they received from Bond Counsel is yes, as long as it's covered in the project description and stated in the levy question.

Mr. Skillings reported they're in the process of moving forward with Phase 1 at Recreation Park. He noted they're putting the scope of work together for the preliminary design and are meeting with the design team to get Penny Playground underway. Mr. Skillings indicated they're working to schedule a 'Design Day' meeting with the school children sometime in May to get their input on Penny Playground.

Mr. Skillings reported they've also moved forward with the feasibility study to look at alternative locations for the ballfields. He noted the city received funding from the Chehalis Foundation (\$80,000) to pay for the study. Mr. Skillings stated the two sites they're considering, in addition to Recreation Park, include Stan Hedwall Park and the Chehalis School District site.

Mr. Skillings provided an overview of the two alternative sites:

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Stan Hedwall Park Site

- Four 200-ft. ballfields with possibility of two additional 225-ft. ballfields
- Required parking stalls – 160 (space available for an additional 400 stalls)
- Space for multiple events

Chehalis School Site

- Four 200-ft. ballfields with possibility of two additional 225-ft. ballfields
- Required parking – 160 stalls (space available for additional parking stalls)

Councilor Spahr asked what the 225-ft. ballfields would be used for.

Councilor Harris noted the four 200-ft. fields would allow us to continue the same programs as we have now, and the 225-ft. fields would open it up for much more programs. He indicated a lot of the traveling teams prefer to play on the larger fields. Councilor Harris reported the High School currently plays on one of the 200-ft. fields at Recreation Park, but would prefer to play on a 225-ft. field. He noted during the informational period it was the school district that was requesting the larger fields.

Councilor Ketchum asked if the men’s slowpitch fields at Stan Hedwall get used much.

Mr. Osborn reported they’re not used as much, noting one of the concepts that came from staff was to relocate those.

Councilor Ketchum suggested they revamp the current fields at Stan Hedwall into a softball complex rather than putting them in the middle of the park.

Mr. Skillings reported they chose the location in the middle because it’s the highest point on the site. He noted they wanted to try to get above the 100 year floodplain, which would require less fill work.

Mr. Skillings provided the following information on the characteristics of each site.

	Recreation Park	Stan Hedwall Park	School Site
Site Dimensions *can the site support 4 fields	adequate space	more than adequate space	adequate space
Parking *Space Available? *Required: 40 stalls/Field	limited space	more than adequate space	more than adequate space
Other Activities *Soccer, Basketball, etc.	limited space	more than adequate space	limited Space
Support Facilities *Additional bleachers, concessions, warm up areas, etc. *Space available?	limited space	more than adequate space	adequate space
Proximity to Amenities	*Nearby Hotels: 0.25-.05 miles *Downtown: 1 mile	*Nearby Hotels: 0.75-1 mile *Downtown: 1.5 miles	*Nearby Hotels: 1-1.5 miles *Downtown: 2 miles
Soils	challenging	challenging	challenging
Drainage	challenging	challenging	challenging
Environmental Permits	minimal	substantial	standard
Comparative Cost	\$	\$\$\$	\$\$

Mr. Skillings reported both the school site and Stan Hedwall Park are feasible sites. He noted part of the study was to identify the pros and cons for the two alternative sites.

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School site pros:

- Will accommodate four 200-225-ft. fields and up to two additional 200-225-ft. fields
- Less time to develop
- Less cost to develop

School site cons:

- Will need an agreement to use the site
- Question of ownership, management, and scheduling of facility

Hedwall site pros:

- City owns the property
- All facilities would be at one location
- Can improve entire site as one project

Hedwall site cons:

- Permitting is complex and lengthy
- Located in the floodplain
- Cost to redo park is more than just relocating the ballfields

Councilor Ketchum asked, since Olympic School is being incorporated into the new school site, is there a way to develop the field currently behind the school into the two larger fields, or doing something to incorporate more fields to give us more options and space.

Mr. Skillings reported they looked at that site and he believed the two larger fields would fit; however, separating the fields was not looked at favorably.

City Manager MacReynold reported the School District did not seem to be favorably inclined to talk about that property being part of the city's project.

Mayor Dawes believed the school worked out something with the Youth Football for that location, which might be their hesitancy.

Councilor Lund asked if the School District was hesitant to put six fields on their property.

Mr. Skillings stated they talked briefly about putting in six fields, but the school staff said they would prefer more green space.

Councilor Lund asked if four 225-ft. fields would fit on the school site.

Mr. Skillings stated they would not.

Councilor Lund reported a lot of ball games are played in Olympia because Centralia doesn't have the fields to accommodate them. He was hoping our project would include some larger fields to help with that, so we could get those dollars here.

City Manager MacReynold stated Councilor Lund made a very good point. He reported when the Committee last met they received some insight from Public Facilities District Chairman Todd Chaput about the longer term prospects for more ballfields, and the possibility of accessing some additional funding to assist us. City Manager MacReynold noted their discussion was more around having bigger fields and looking longer term at the Stan Hedwall site.

City Manager MacReynold believed the focus of the School District was four 200-ft. fields, and the direction to the Committee was to have four fields.

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Councilor Ketchum stated if they move the fields out of Recreation Park to the school site, they could turn two of the old fields into two 225-ft. fields. He felt this would bring in a whole different crowd than what they have with the smaller fields.

Councilor Pope stated why move the fields if they're not going to be improved or offer more than what we already have.

Councilor Ketchum suggested by moving the fields they could save a million plus dollars by not having to put in the extra drainage.

Councilor Pope stated, regardless of the fields, drainage will still need to be done at Recreation Park.

City Manager MacReynold reported if they leave the ballfields at Recreation Park it will require extensive drainage, but if they move them, it will be significantly less.

Mr. Skillings provided a brief summary of the next steps:

- Present the findings of the Feasibility Study to the School Board
- Present the findings of the Feasibility Study to the Chehalis Foundation (who paid for the study)
- Continue conversations with the School District about relocating ballfields to the school site
- Finalize the concepts and cost and bring back to council by June 2016
- Meet with the Chehalis Eagles on April 13 to discuss involvement with Penny Playground

Mr. Skillings reported the project schedule had to be revised to allow more time to work out the details of the project and what the cost will be if it's decided to move the fields to the school site. He noted the new milestone would put the levy request on the February 14, 2017, ballot.

Mr. Skillings reported they still plan to apply for the Recreation and Conservation Office (RCO) grant and the Safe Routes to School grant to help fund the Recreation Park Project. He noted they contacted the RCO about moving the election date out to February 2017 and they indicated it would still fit their schedule from a funding standpoint. Mr. Skillings reported the construction schedule would not be affected by the new election date either.

Mr. Skillings talked briefly about the parking needs at Recreation Park. He noted the city is still in negotiations with Green Hill School regarding the use of their parking lot.

City Manager MacReynold reported the city has been talking about this for some time. He noted with Councilor Pope's help and Mr. Osborn's persistence, the city was able to make some real progress with Green Hill School and believed we will be able to provide additional parking this summer.

Mr. Skillings stated they were looking for council policy and direction on how to proceed on the following items:

- Green Hill Parking - provide counter proposal to Green Hill School for the use of their parking lot
- School Site – meet with the Chehalis School Board and the Chehalis Foundation to present the summary of Feasibility Study
- Schedule – Revise the schedule to allow time to work out issues with the school, and move the election date to February 14, 2017

Mayor Dawes stated it seemed like the logical next steps.

Councilor Lund stated he didn't want to move forward unless they can get six fields. He noted he would like to be able to work with the city of Centralia to bring in other events, which will bring more money into the city.

Councilor Spahr stated he hoped the School District understands that they're serving the same public. He noted the city is looking at presenting a levy to the voters to build a project that might be on school owned property, which is going to serve all of Lewis County.

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Mayor Dawes reported when you site school property, especially when you have matching funds involved, state law requires that there be a certain amount of area available for the students to be engaged in outside activities.

Councilor Pope reported the fields are used predominantly by school age kids and suggested the school needs to keep in mind that what the city is doing is for the population of the community that they're serving. He stated their efforts are geared toward the youth and the facilities will be for the betterment of the community.

The direction from the council was to continue on.

Mayor Dawes closed the work session at 6:12 p.m. and reopened the regular meeting.

9. **Executive Session**. Mayor Dawes closed the regular meeting at 6:12 p.m. and announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Following conclusion of the executive session, Mayor Dawes reopened the regular meeting at 6:32 p.m., and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: April 25, 2016

Initials: js

April 25, 2016

The Chehalis city council met in regular session on Monday, April 25, 2016, 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; Rick Sahlin, Public Works Director; and Dave Vasilauskas, Water Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Citizens Business.** Frank Dipola (104 Whitney Blvd.) reported he has some property on Spring Street that he short platted a few years ago. He stated he approached the city to talk about developing the site, but found out his property is no longer in the city as of February 1. Mr. Dipola reported the county is willing to work with him, but he didn't want to go through the same process that he already did with the city that took over a year to do.

Mayor Dawes reported Mr. Dipola's property has always been in the city's Urban Growth Area (UGA), which is outside the physical limits of the city. He stated as of February 1, unless an active permit was in the process with the city, all of the permitting switched over to the county. Mayor Dawes reported, for whatever reason, the county was no longer interested in continuing the agreement we had for the city to do the permitting in our UGA.

Mr. Dipola indicated he did not take out any permits with regard to building, and inquired as to why he had to follow the city's process for all of the preliminary work.

Mayor Dawes stated, at the time, the city was doing the permitting in the UGA for the county, but as of February 1 the city only has jurisdiction over property within the city limits. He suggested if Mr. Dipola wanted to continue to work with the city he could request that his property be annexed into the city because it's contiguous with the city.

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

- a. Minutes of the regular meeting of April 11, 2016;
- b. Claim Vouchers No. 115397-115546 and Electronic Funds Transfer No. 32016 in the amount of \$374,453.57 dated April 15, 2016;
- c. Award contract for High Level Reservoir Replacement to T Bailey, Inc., in the amount of \$718,837.20, and authorize city manager to execute Amendment No. 1 with HDR Engineering, Inc., in the amount of \$82,500 to provide additional engineering services required for the High Level Reservoir Replacement Project;
- d. Authorize city manager to execute Washington State Department of Transportation Construction Supplement Agreement No. 3 and Local Agency Federal Aid Project Prospectus for the National Avenue Salzer Creek Bridge Scour Project;
- e. Adopt Resolution No. 9-2016 on first and final reading authorizing the city manager to apply for land and conservation grant funding through the Washington State Recreation and Conservation Office on behalf of the Discover! Children's Museum; and
- f. Adopt Resolution No. 11-2016 on first and final reading authorizing the sole source purchase of fill for use in the Twin City Town Center.

The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Harris inquired as to what the total cost of the Scour Project is.

Public Works Director Rick Sahlin reported it's just under \$500,000, noting it started out at \$190,000. He indicated the project is being paid for with federal funding.

April 25, 2016

3. Administration Reports.

a. **Quarterly and March Financial Reports and Quarterly Sales and Use Tax Report.** Finance Manager Judy Pectol reported she didn't have much to report on either the quarterly or March financials, noting things are looking good.

Mayor Dawes stated the percentages are a bit skewed at this time of the year because some of the larger revenue sources are not received until later in the year, such as property tax. He also noted the projections for sales and use tax are right on with what they budgeted.

City Manager MacReynold reported the ending fund balances for most of the funds are also doing better than what they projected.

4. Council Reports.

a. **Update From Councilor Harris.** Councilor Harris reported the Chehalis Basin Partnership met last week and received reports from various agencies, including the Farm Bureau who talked about the handling of water in the Chehalis River.

Councilor Harris stated he hoped the last item on the council's agenda, the ordinance establishing a Zero-Rise Policy, will be something he can take back to the Partnership and be proud of.

b. **Update From Councilor Spahr.** Councilor Spahr reported he attended the Lewis Economic Development Council Board meeting, noting they have a lot of projects that just need to come to fruition.

c. **Update From Mayor Dawes.** Mayor Dawes reported he attended a Business After Hours at the NW Sports Hub in connection with the Home and Garden Show. He also attended the annual Firemen's Pension Board meeting on Thursday, April 21.

Mayor Dawes reported he was pleased to see the Lewis County Commissioners pass an amendment to make funds available for the Discover! Children's Museum Project. He stated he was a little disappointed that our local legislators didn't see fit to include money in their budget for the project, but was happy that they provided some funding for the Theatre in Centralia and the Boys and Girls Club south of town. Mayor Dawes believed the Committee for the Discover! Children's Museum will be successful and will do very well at the proposed location, adding it will be another gem for our community.

5. **Ordinance No. 957-B, Second and Final Reading – Amending the 2016 Budget.** Ms. Pectol reported on the changes to the proposed ordinance since the first reading, to include:

- \$6,000 to update the city's website
- \$5,025 to increase the estimated revenue for Multimodal Transportation
- Funding for the National Avenue Grind and Overlay Project - includes revenues, expenditures, and matching funds
- Transfer of \$32,500 from the wastewater fund to the airport fund to cover their share of the Arkansas Way Extension Project

Councilor Ketchum inquired as to what the wastewater's share is for.

City Manager MacReynold reported they put in a sewer line.

Councilor Spahr moved to pass Ordinance No. 957-B on second and final reading.

Councilor Harris seconded the motion.

Councilor Spahr reported he's been on the city's website and it functions very well. He wondered what is being done to update it.

April 25, 2016

City Clerk Judy Schave reported the funding would be used to upgrade the site to be more modern and easier to manage and maneuver through. She noted they met with the project manager from aha! Consulting, Inc., last week and he provided some really nice designs for the group to consider.

The motion carried unanimously.

6. Resolution No. 10-2016, First and Final Reading – Supporting Twin Transit's Request for State and Federal Funds Necessary for the Construction of a Regional Transit Center. Twin Transit General Manager Rob LaFontaine thanked the council for considering the resolution. He noted they have an opportunity to seek federal funding for the project, but it's a tight application window and he's working quickly to generate support to file with the application.

Mr. LaFontaine reported the Lewis County Transportation Strategy Council met last week and voted in favor to support the project. He also plans to meet with the Centralia City Council and the Lewis County Commissioners to seek their support. In addition, Mr. LaFontaine contacted Congresswoman Jaime Herrera Beutler's office to request a letter of support from her, as well.

Councilor Taylor moved to adopt Resolution No. 10-2016 on first and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

7. Ordinance No. 958-B, First Reading – Establishing a Zero-Rise Policy for Development in the Chehalis Floodplain. City Manager MacReynold reported the administration received direction from the council to put something together to deal with the ongoing discussions around development in our floodplain. He noted the administration worked very closely with J. Vander Stoep, our representative on the Governor's Work Group, to develop the proposed ordinance.

City Manager MacReynold believed the ordinance will provide a reasonable approach that will minimize the impact to our downstream partners in the Flood Authority. He noted this Council has been an active member of the Chehalis Flood Authority since its inception in 2008 and was the first to pass a resolution stating support for water retention on the Chehalis River. City Manager MacReynold stated that was significant and suggested the proposed ordinance is another positive step by the council.

Mr. Vander Stoep stated he appreciated what the city did in terms of finding a useful policy that will work for Chehalis, based on what other cities have implemented.

Mr. Vander Stoep reported they know from the data that the impact downstream from fill at the airport is incredibly small, adding some people have a perception that it may be a significant contributor, but it's not. He felt the proposed ordinance would send a clear signal to our neighbors and friends downstream that the city will make sure any future impact will be zero. Mr. Vander Stoep believed the ordinance would also provide a solid policy answer to a lot of concerns and questions that have been raised at the state and federal level, and even locally. He applauded the council for coming up with the ordinance and encouraged them to approve it.

Councilor Lund stated he would like to applaud Mr. Vander Stoep, noting he's been involved with this from the beginning. He reported people don't realize how much Mr. Vander Stoep has done for this community and felt he should get more credit.

Mr. Vander Stoep thanked Councilor Lund for his kind words. He noted a few years ago his parents were Grand Marshals of the Santa Parade and suggested, in fun, that if the council wants to make him the Grand Marshal when he's 80 years old he would be fine with that, but he has a long way to go.

Mayor Dawes stated the council does appreciate what he's done for the community and is pleased that this will be a valuable tool for him to use. He was also glad that Mr. Vander Stoep recognized the work by the staff that put the ordinance together.

Councilor Spahr moved to pass Ordinance No. 958-B on first reading.

April 25, 2016

The motion was seconded by Councilor Lund and carried unanimously.

There being no further business to come before the council the meeting adjourned at 5:37 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: May 9, 2016

Initials: js

May 9, 2016

The Chehalis city council met in regular session on Monday, May 9, 2016, in the Chehalis city hall. Mayor Dennis 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; Ken Cardinale, Fire Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; and David Fleckenstein, Airport Manager. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Proclamation.** Mayor Dawes presented Police Chief Glenn Schaffer with a proclamation declaring the week of May 15-21 as 'Police Week' in the city of Chehalis. He noted being a police officer is a very tough job these days and commended our officers, as well as those throughout the state.

Police Chief Glenn Schaffer reported one of the 252 names being added to the wall this year is one of our own, Officer Rick Silva. He noted on Friday he had the honor of being in Olympia to see Officer Silva's name engraved on the Washington State Memorial, and to stand with Office Silva's wife Cindy and family as Officer Silva was awarded the Medal of Honor. Chief Schaffer reported he and Officers Mike Bailey and Matt McKnight will leave for Washington, D.C., later in the week to attend the memorial service and candlelight vigil, and to be by Ms. Silva's side as they go to those events.

2. **Request for Flood Mitigation Funding.** Lewis Economic Development Council (EDC) Executive Director Matt Matayoshi reported the work being done by the Governor's Chehalis Basin Work Group is supported by local government. He noted some of the fruits of the work done by the group include the Programmatic Environmental Impact Statement that reviews all options and alternatives, including water retention as an option to reduce and mitigate flooding in the Chehalis Basin. Mr. Matayoshi also recognized J. Vander Stoep who has put in both paid and unpaid hours to this effort.

Mr. Matayoshi requested \$15,000 in funding that the EDC will monitor and oversee to reimburse Mr. Vander Stoep for his efforts and work on the Chehalis Basin Work Group.

Councilor Lund moved that the council approve the request by the EDC for flood mitigation funding in the amount of \$15,000.

The motion was seconded by Councilor Ketchum and carried unanimously.

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

- a. Minutes of the regular meeting of April 25, 2016;
- b. Claim Vouchers No. 115547-115662 in the amount of \$183,773.58 dated April 29, 2016; and Payroll Vouchers No. 38785-38835, Direct Deposit Payroll Vouchers No. 7041-7134, and Electronic Federal Tax Payment No. 159 in the amount of \$770,358.75 dated April 29, 2016;
- c. Adopt Resolution No. 12-2016 on first and final reading declaring personal property of the city to be surplus;
- d. Adopt Resolution No. 13-2016 on first and final reading authorizing the city manager to apply for Washington Wildlife and Recreation Program grant funding through the Washington State Recreation and Conservation Office on behalf of the Discover! Children's Museum; and
- e. Set date and time of May 23, 2016, at 5:05 p.m. for a public hearing on the city's 2017-2022 Six-Year Transportation Improvement Program.

The motion was seconded by Councilor Lund and carried unanimously.

4. **Briefing on Lewis County Communications Center Services.** City Manager MacReynold reported, over the past few weeks, he's had several conversations with Chief Schaffer and Fire Chief Ken Cardinale about the on-going issues concerning the Lewis County Communications Center. He noted recently it seems like there's been a lot of frustration not only by our chiefs, but by others in the county about the lack of progress in moving forward.

May 9, 2016

City Manager MacReynold reported he drafted a letter and sent it to the Board of County Commissioners (BOCC) asking for their leadership to try to get something positive moving forward. He thought it would be helpful to have Chief Schaffer and Chief Cardinale brief the council on what they've done to date.

Mayor Dawes stated this issue is not just with our two chiefs, but also with Lewis County Sheriff Rob Snaza, Centralia Police Chief Carl Nielsen, and Riverside Fire Authority Chief Mike Kytta. He indicated he didn't want people to think this is just a Chehalis issue, adding it appears to be countywide.

Chief Schaffer reported, in September 2015, local fire and police chiefs met to discuss the problems they were experiencing with the Communications Center. He noted some of the issues involve individual dispatchers and how calls are being handled, but more concerning is the ability to go to management to get issues resolved. Chief Schaffer reported, over time, they brought in the former Central Services Director Mike Strozyk and former Communications Manager Craig Larson to discuss the various topics, some being baseline operational issues and others that were more global. For instance:

- Complaints/Concerns/Compliments: There is no clear system on how to deliver these to the communications center, or a system of getting feedback to the agencies about what is going on.
- Follow-up Information: Needs to be relayed to responding law, fire and medic units if conditions are changing and dispatchers become aware of new information.
- Check Compliance with Adopted Dispatch Processing Times: Experiencing some lengthy processing delays in getting calls out to fire and police officers.
- Logging of Correct Times: Time entered into Spillman must be accurate.

Chief Schaffer reported, on a bigger scale, they have no strategic plan and a lot of their communication equipment is at or past its end of life. He thought this problematic because if they're going to spend an incredible amount of money replacing their infrastructure he would imagine some of that is going to come back on the users that are paying for the service.

Chief Schaffer reported another long-term strategic issue that came up is having a Critical Incident Dispatching Plan. He noted this issue came up almost two years ago and they still don't have this plan in place.

Chief Schaffer reported they met with the BOCC to discuss the situation and a short time later Mr. Strozyk and Mr. Larson were no longer with the county. He noted Steve Walton was put in as interim director and has since been made the permanent director of Central Services, and they also appointed Dave Anderson as the interim dispatch manager of the Communications Center.

Chief Schaffer reported they outlined a list of expectations, noting the operations were the primary issues they brought to the table. He stated one of the things that came to light after bringing Mr. Walton in was the financial situation of the 911 Communications Center. Chief Schaffer reported after reviewing a series of spreadsheets provided by Mr. Walton he had no doubt that the situation is grim. He stated they are talking about a 17 percent increase in dispatch fees for 2017, in order for the county to start recovering from some of their financial problems. Chief Schaffer noted there's also been talk about a one-tenth of one percent tax increase to help fund the dispatch center, but he hasn't seen anything come forward on that. He indicated the discussion at the last couple of meetings has been primarily about the financial issues, as opposed to operations.

Chief Schaffer reported last month they had a conversation with Mr. Walton and made it clear that they do not have a lot of confidence in the current dispatch manager. He noted they are hoping that the county will be doing a hiring process soon for this position.

Councilor Harris asked if the 17 percent increase will repair the problem, or just keep up with current expenditures.

Chief Schaffer thought it was to cover current operational costs and that any equipment updates would probably come from the one-tenth of one percent tax increase being talked about.

Councilor Ketchum suggested if something fails and they don't have a backup plan the county would be liable. He stated you would think the word 'lawsuit' would make them want to do something about it.

May 9, 2016

Chief Schaffer reported he hasn't given much consideration to the liability, adding the issue he sees is public safety. He noted this is not an attack on the dispatchers, adding they're under a lot of pressure and have a lot to do. Chief Schaffer stated when mistakes are made, or we find a weakness in the procedures, we need to have faith in the management that they are going to address it and resolve it.

Mayor Dawes reported, while dispatchers may make some mistakes, they can also be your best source of information to correct mistakes.

Chief Schaffer agreed.

Councilor Taylor asked if there would ever be a point that the users of the service might decide that the county is not the best place for this service to be hosted.

Chief Schaffer reported he didn't know if they were at that point yet, but those conversations have happened. He stated a group of individuals is looking at the idea of both regionalization and contracting with other dispatch centers. Chief Schaffer noted the inherent problem in doing that is the cost, and if you go to an outside dispatch center you're not their sole focus. He indicated they're still exploring those options, but hoped it wouldn't get to that point.

Councilor Spahr asked if they've always been without a strategic plan, or is it just deteriorating service.

Chief Schaffer stated he didn't believe there's ever been a plan in place for what they call "Critical Incident or Tactical Dispatching." He noted other jurisdictions have specific sections in their manual for when things hit the fan.

Councilor Spahr asked if the chiefs' group would be involved with vetting the new manager.

Chief Schaffer reported they have two representatives on the board and have approached the Central Services Director and the BOCC about sitting on whatever process they put in place to hire the permanent manager.

Chief Cardinale reported this is a management problem and money is not going to solve the issues they're experiencing with the day-to-day operations. He stated they experienced an eight percent increase this year and now they plan to increase the fee by 17 percent, yet the service is still subpar. Chief Cardinale noted until they have an effective manager to set expectations and to hold the employees accountable, the service is not going to improve. He reported they still have issues with dispatchers talking too quickly and not tracking their units out in the field properly, adding that puts our personnel at risk.

Chief Cardinale reported when they met with the BOCC they clearly expressed that they wanted to be involved in the hiring process of the new manager. He indicated the group sent a couple of letters requesting notification of when that process will take place, but to date they have not been notified.

Councilor Lund reported Chehalis has always been a leader and he would like to see the council help fix the problem. He suggested his fellow council members support him in directing the city manager to work with our two chiefs to start a new dispatch center.

Councilor Taylor stated he supported Councilor Lund if that's what they're asking for. He noted he wants to make sure he's part of a group that gives the city manager the tools necessary to fix the problem.

Councilor Harris stated if he was on the receiving end of the letter from City Manager MacReynold, he would take the bullet points provided and use those as his to-do Bible.

Councilor Taylor asked Chief Schaffer if he knew where the Commissioners are on the issue.

Chief Schaffer reported the only time the group met with the BOCC was back in January. He noted that was their initial discussion with the previous director and manager, and to that regard, they were extremely receptive and acted quickly. Chief Schaffer believed after that point it's only been individual conversations.

May 9, 2016

Councilor Ketchum asked if their group sent any similar letters to the BOCC with all of their signatures. He noted even though it states other agencies are concerned, it appears to be a Chehalis issue because we stepped up and made the effort to send a letter.

Chief Schaffer stated they did, adding any meeting they've had has been with the fire and police chiefs, as a group.

Chief Cardinale reported every fire and police department is represented in the group, and the document given to the management was a culmination of all of their concerns and complaints. He stated they got the message that this was not just the city of Chehalis.

Mayor Dawes suggested it would be nice to see the city of Centralia and Riverside Fire Authority chime in with a letter stating they were part of the planning process and they agree with the letter 100 percent.

Mayor Dawes stated he was a little alarmed about the funding issue, noting the first thing they throw out is a 17 percent increase, plus the possibility of raising the tax rate one-tenth of one percent. He noted having to pay for the county's mistake doesn't set well with him as an agency that uses the service, or as a taxpayer. Mayor Dawes agreed that the best solution is to fix the existing dispatch center and make it work, but to make it work you need to have the right people.

Councilor Taylor asked what a reasonable timeframe would be for the county to get it fixed.

Chief Schaffer stated he didn't know if you could put a timeframe on it, adding there are short-term things on the list that can be turned around quite easily and others that might take up to 12 months. He suggested they would be happy if they could just see some progress.

Councilor Taylor thanked Commissioner Edna Fund for attending the meeting and asked if she put an emphasis on taking care of some of the issues outlined in the letter.

Commissioner Fund reported a lot of changes were made last January after hearing from folks about the issues they were dealing with. She talked briefly about the interim process, noting they have a lot of bumps that they're trying to get through. Commissioner Fund stated one of the things the county needs to do is to address the issues outlined in the letter. She stated she would like to see the county provide a written response, to include a timeline and their objectives. Commissioner Fund noted Mr. Walton is in the process of putting together a recruitment process for the dispatch manager position and they would like the chiefs to be part of that process. She noted she would also be talking with the other two Commissioners about setting up a time to work on the issues. Commissioner Fund reported, with regard to any potential increases, she would first want to have a financial workshop with the Central Services Director to explain why they need to do it.

Mayor Dawes stated he would like Commissioner Fund to also question how it got to this point. He reported the purpose of this discussion was to make sure the whole council had the same amount of information, and a chance to give feedback.

5. Council Reports.

a. Update From Councilor Lund. Councilor Lund reported he attended the Chehalis Parks Committee meeting, adding it went well.

b. Update From Councilor Spahr. Councilor Spahr reported he had a couple of comments from citizens about smoking in and around Penny Playground. He asked if the administration could take a look at what we have in our ordinances regarding smoking in city parks.

City Manager MacReynold reported he's already looking into it and they would be having a discussion about it at the next council meeting.

Councilor Spahr also noted the weeds have overtaken the flowerbeds on Chehalis Avenue.

May 9, 2016

City Manager MacReynold introduced Andrew Hunziker, the city's new Property Maintenance Technician II.

Mr. Hunziker reported their seasonal help just came on and they've already started working on cleaning up the flowerbeds around town.

c. **Update From Councilor Harris.** Councilor Harris expressed concern about the large delivery trucks driving down Market Boulevard that are busting up the curbs and watering system while trying to turn onto Boistfort Street. He asked if there is a way to regulate it so the large trucks are not allowed to turn at certain intersections.

Police Chief Schaffer reported it's possible to make it part of a truck route and restrict certain areas, but it would involve more signs.

Councilor Harris stated he's tired of watching all of the shrubs and the hard work everyone does downtown get run over every week, but the last thing he wants to see is more signage.

d. **Update From Mayor Dawes.** Mayor Dawes reported the local Zonta Club held a meeting at the Holiday Inn Express on April 30 and asked if he would be there to welcome them to town. He stated it's great to see those types of events come to Chehalis, adding they had some very nice compliments about our city.

6. **Ordinance No. 958-B, Second and Final Reading - Establishing a Zero-Rise Policy for Development in the Chehalis Floodplain.** City Manager MacReynold reported this is a very progressive and yet cautious effort for the city to be a good partner in the Flood Authority and with our downstream partners in the Chehalis Basin. He thanked the staff, adding they did an exceptional job working with the city attorney and J. Vander Stoep to come up with this approach.

Councilor Ketchum moved to pass Ordinance No. 958-B on second and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

7. **Executive Session.** Mayor Dawes closed the regular meeting at 6:01 p.m. and announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Following conclusion of the executive session, Mayor Dawes reopened the regular meeting at 6:42 p.m., and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: May 23, 2016

Initials: js

The Chehalis city council met in regular session on Monday, May 23, 2016, 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 Tony Ketchum. Councilor Taylor was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Mark Scheibmeir, Asst. City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Judy Pectol, Finance Manager; Rick Sahlin, Public Works Director; Don Schmitt, Street/Stormwater Superintendent; and David Fleckenstein, Airport Manager. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Conduct Public Hearing on the 2017-2022 Six-Year Transportation Improvement Program (TIP).** Mayor Dawes closed the regular meeting at 5:01 p.m. and opened the public hearing.

Public Works Director Rick Sahlin provided information on the 2017-2022 TIP, noting they currently have funding for the National Avenue Salzer Creek Bridge Scour Project and the National Avenue Grind and Overlay. He briefly reviewed the list of unfunded projects, to include:

- National Avenue/Coal Creek Improvements – Coal Creek Bridge and pedestrian improvements
- National Avenue Safety Improvements – Sidewalks, guardrails and safety improvements
- Market Blvd./Park Street/National Avenue – Renaissance streetscape planning
- Market Blvd. from Park Street to 13th Street – Grind/overlay
- Market Blvd. from 13th Street to city limits – Grind/overlay
- Snively Avenue Improvements – Reconstruct 16th Street to 20th Street
- Guardrail – Various locations throughout city
- Riverside Drive/Newaukum Avenue Repairs – Spot repairs from Hwy 6 to Shorey Rd.
- Chamber Way Bridge Replacement – Replace bridge
- Kresky Avenue Improvements – Overlay
- Kresky Avenue Flood Mitigation – Raise roadway between Exhibitor Road and Scott Johnson Road
- Front Street/Pacific Avenue/Park Street Improvements – Grind, overlay, utility, and frontage improvements
- Louisiana Avenue Repairs – Spot repair and overlay to Hwy 6

Councilor Pope asked if the city could apply for a Safe Routes to School grant for the Snively Avenue Improvements.

Mr. Sahlin reported they've applied for those grants in the past, but have not been able to score enough points to be successful.

Mayor Dawes suggested with the construction of the new elementary school it would tie all of the schools to that one area and thought it would be worth applying for again.

Mr. Sahlin reported the issue they've had in the past and continue to have is the lack of right-of-way along Snively Avenue. He noted the residents have been against the improvements because it basically cuts their front yards down to nothing.

Councilor Spahr inquired about the National Avenue Grind and Overlay Project wanting to know the exact area.

Mr. Sahlin reported it would start at the north end near the fairgrounds and end south of Staples, Inc., where National Avenue meets Kresky Avenue.

Councilor Spahr asked what it would cost to do just an overlay for that project.

Street Superintendent Don Schmitt reported the preferred method is to grind and overlay, so you don't lose your curb reveal, which has happened in other areas around town. He noted an overlay also creates issues with meeting the side streets, as well as the transition to curbs and gutters once they get further south near Sunbirds.

Mr. Sahlin reported the overlay projects for Market Blvd. and 13th Street will also have to be ground down, otherwise there won't be any curb left.

Mayor Dawes wondered why the two projects that received funding were not at the top of the list.

May 23, 2016

Mr. Sahlin reported there's no significance in the order in which they are listed, adding they just need to be on the list to be eligible for grant funding. He noted the TIP can also be amended during the year if they apply and receive grant funding for another project not listed on the TIP.

There being no public comment, Mayor Dawes closed the public hearing at 5:10 p.m. and reopened the regular meeting.

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

a. Minutes of the regular meeting of May 9, 2016;

b. Claim Vouchers No. 115663-115808 and Electronic Funds Transfer Nos. 42016 and 52016 in the amount of \$569,062.57 dated May 13, 2016; and

c. Adopt Resolution No. 14-2016 on first and final reading authorizing the city manager to apply for a Recreation and Conservation grant for the Dillenbaugh Creek Culvert Assessment and Basin Flood Analysis Project.

The motion was seconded by Councilor Pope and carried unanimously.

3. **Administration Reports.**

a. **April Financial Report.** Finance Manager Judy Pectol reported everything is looking fine, but she would be keeping a watch on the building permit fee revenue to make sure we reach our projected budget. She stated she's also not surprised that the property tax revenue is still low since they extended the payment deadline to May 2 this year.

Ms. Pectol reported she plans to make the adjustments for the contra expenses in June, which will make the general fund look much better.

Councilor Harris inquired about the garbage tax revenue, wondering why it is so low.

Ms. Pectol believed it was a timing issue, adding if it's not received by June 1 she would be contacting the state to find out why it's delayed.

b. **Request for Smoking Ban in City Parks.** City Manager MacReynold reported he had received this request from a citizen through a couple of the councilors. He had City Attorney Bill Hillier look into the matter and asked that he provide his findings to the council.

City Attorney Hillier reported state statute speaks about bans within 25 feet of facilities; however, open space is not considered a facility. He noted a couple of cities have attempted to place bans in city parks, but have not been successful. City Attorney Hillier believed they may have the ability to ban smoking in parks if there's a children's event going on. He stated he could probably craft something to ban it within 25 feet of Penny Playground, but didn't believe they would get it very far into the slow pitch fields, and such.

Councilor Pope stated his concern is Penny Playground. He reported its frustrating to see kids running around the play area and having someone standing in the middle smoking a cigarette, or throwing it down on the wood deck to mash it out. Councilor Pope felt this particular facility should be restricted to no smoking within 25 feet.

Councilor Harris stated he wouldn't mind including the kiddy spray park and pool area, as well.

Mayor Dawes suggested it might make more sense to make designated areas rather than trying to ban it.

Councilor Ketchum stated he's worked with this before and if you designate an area for smoking you're basically promoting it, which could come back on the city.

May 23, 2016

Recreation Manager Lilly Wall reported they already have signage at the spray park that states no smoking within 25 feet. She noted the area they get the most complaints is at the aquatics facility, but people are pretty good about moving out and away if asked to do so. Ms. Wall stated they truly do not get a lot of complaints in their office regarding smoking.

City Manager MacReynold reminded the council that in 2009 the city was approached by the Girl Scouts, asking that we restrict smoking at Penny Playground. He noted it was decided they could put signage up to encourage people not to smoke in that area, but it would not be enforceable. City Manager MacReynold stated with the changes in the laws we may be able to be a little more restrictive about it, especially with reference to Penny Playground.

The consensus of the council was to have the administration proceed to bring something back for their consideration that would prohibit smoking within 25 feet of the areas discussed.

c. **Update on Recreation Park Improvement Project - Request for Policy Direction**. City Manager MacReynold reported the administration has been working with the Parks Committee on an alternative approach for the Recreation Park Improvement Project. He noted they're looking for guidance from the rest of the council to see if they support the alternative approach that the committee came up with.

Project Manager Tom Skillings walked the council through the alternative approach to Phase 1 of the Recreation Park Improvement Project. He noted a few months ago the council approved a project direction for Recreation Park that included:

- Safer, accessible parking
- More walkways
- Improved drainage, lighting, and landscaping
- New community building, Penny Playground, restroom facilities, and picnic shelters
- Improved overall access to the park

Mr. Skillings reported the overall budget for the entire project was defined as approximately \$6 million. He noted the administration and the Parks Committee looked at alternative ways to fund the project and came up with an alternative solution in the interim for the first phase of the project (Stage 1 of Phase 1). This project will include priorities from the Committee, to include:

- New and improved parking area (including lighting and ADA accessible sidewalks)
- Connector drive
- Drainage improvements
- New Penny Playground
- Restroom renovation

Mr. Skillings reported the Stage 1 improvements rough order of magnitude cost is estimated at \$1,949,000. He reported they would like to start the preliminary design in September 2016, which will allow them to engage the students to get their input for the new Penny Playground. Mr. Skillings reported the project would be ready for construction in March 2017, with construction starting in June 2017.

Councilor Spahr asked if the softball fields would be usable during construction.

Mr. Skillings reported they plan to start construction after the tournament season is over. He noted they would go out to bid in the spring and push construction out until later in the year.

Mayor Dawes asked how they planned to pay for the project.

Mr. Skillings reported they've applied for two (2) Recreation and Conservation Office (RCO) grant opportunities and will know in November if they were successful, or not. He noted that money would not be available until June 2017, which is another reason they pushed the construction out until after June. Mr. Skillings reported they hope to have \$1 million in RCO grants and the remainder would be paid for with city funds. He noted if they're not successful with the RCO grants the entire amount would be funded by the city.

May 23, 2016

City Manager MacReynold suggested the city funds could be a council manic bond, or a loan.

Councilor Harris stated it also depends on whether the RCO is funded through the state budget process. He noted another reason for not starting construction until June is because anything done prior to that time would not be eligible for the grant.

Mr. Skillings clarified that any planning or design work can be incurred prior to June and would be grant eligible, but the construction can't be started until we have the grant contract in hand.

Michael Holst (citizen) asked if this was supposed to be a choice between Stan Hedwall Park and the new school, or if those were separate items.

City Manager MacReynold stated what Mr. Holst is speaking to is the ballfields. He reported, based on the cost, they're looking at leaving the ballfields at their current location during Stage 1, noting the improved drainage will help expand the time in which tournaments can function. City Manager MacReynold indicated the feasibility study is complete and they're now looking at Stan Hedwall Park, noting the school location doesn't look as feasible as it did a few weeks ago.

Mr. Holst inquired about the parking, wanting to know how it would affect the plan if they don't get the parking area from Green Hill School.

City Manager MacReynold stated he believed they would get it based on the most recent conversation.

Mr. Skillings reported it would not change the benefits of what's being done it just reduces the number of stalls by 99.

Councilor Pope asked Mr. Holst why he asked the question.

Mr. Holst stated he had heard that Green Hill was not necessarily in favor of it and just wanted to know if it would make a difference. He suggested 90 stalls is a lot and if it's not there then where are all of these people going to park?

Mr. Holst inquired as to why they choose to make Pacific Avenue a one-way from 13th Street to around the backside as opposed to the other way around.

City Manager MacReynold reported it's a safety issue, noting they didn't want people exiting next to the railroad tracks.

City Manager MacReynold reported this is a very different approach to what they were talking about two months ago. He noted this is a more phased approach that will minimize the financial impact to the community. City Manager MacReynold stated they recognize there are a lot of other things that the city and council are interested in, such as funding for our streets.

Councilor Spahr asked if the Chehalis Foundation had been involved in any of the discussions, or with any of the funding.

Mr. Skillings stated they were not involved with this stage of the project; however, they were with the feasibility for the relocation of the ballfields and funded that portion in its entirety.

City Attorney Hillier stated the money to pay for the feasibility study was primarily engineered because the Foundation had funding dedicated for ballfields and parks. He noted the Foundation has a certain amount of money available each year and the funds for ballfields are exhausted for 2016, but there would be more money in the pot for 2017.

Mayor Dawes stated he liked this approach a little better. He reported it would be nice to have it all, but it might be a tough pill for the citizenry to swallow given the amount it would take. Mayor Dawes stated if they continue in this way there's a good chance it will all go in, especially if folks can see progress.

Councilor Spahr stated he believed the Bearcats girls' softball team would take first place again this year at state and suggested they're going to need a quality place to play. He felt everyone would get behind that.

May 23, 2016

The consensus of the council is to continue in the direction of phasing in the project.

4. **Update on LC Communications Center Services**. City Manager MacReynold reported he received an update from Lewis County Commissioner Edna Fund on what the county is doing with reference to the issues discussed at the previous council meeting. He noted Commissioner Fund indicated that the announcement for the recruitment of the Communications Center Director position will go out on Wednesday. Additionally, the Commissioners were supposed to meet with representatives from the chiefs' group last week, but the meeting had to be rescheduled.

5. **Council Reports**.

a. **Update From Councilor Harris**. Councilor Harris reported he attended the Chehalis Community Renaissance Team meeting, noting some of their discussion paralleled things that were talked about at the last council meeting. He stated a representative from the Farmers Market talked briefly about restroom accessibility and the issues they have with the restrooms located on N. Market Blvd. Councilor Harris reported he and City Manager MacReynold talked after the meeting about potentially building or contracting with a company to lease portable restrooms when there's a program going on, such as the Farmers Market, Santa Parade, Music in the Park, or any other function we may have. He suggested if we do something like that it might allow us to remove the restrooms on N. Market Blvd.

Councilor Harris reported he had a chance to watch the city of Centralia council meeting and found it ironic that here we are talking about possibly removing our restrooms and the Centralia Downtown Association is talking about building them. He noted Centralia is also running into issues with their downtown parking, adding this may lead to putting up signs to limit the amount of time people can park.

b. **Update From Councilor Pope**. Councilor Pope reported he and his wife had a chance to travel across the country on the backroads, noting this is a most beautiful and wonderful country that we live in. He stated it was a wonderful experience, but it's also wonderful to be back in Chehalis where his heart is.

c. **Update From Councilor Spahr**. Councilor Spahr reported he attended two Lewis Economic Development Council meetings, noting they have a lot of interesting things going on. He also attended the Business After Hours along with Mayor Dawes at Just Wood Furniture.

d. **Update From Councilor Lund**. Councilor Lund stated he was glad Councilor Pope had a great and safe trip. He reported on May 11 he attended a Fair Association meeting; on May 18 he attended a Fair Commission meeting; and earlier in the day he attended the Lewis County Commissioners meeting.

e. **Update From Mayor Dawes**. Mayor Dawes reported he had a chance to tour the Twin Transit facility with General Manager Rob LaFontaine. He noted they exchanged some ideas with regard to building their new regional transit center, adding he hoped their project works out well for them.

6. **Executive Session**. Mayor Dawes closed the regular meeting at 5:48 p.m. and announced the council would convene into executive session for approximately 30 minutes pursuant to RCW 42.30.110(1)(i) – potential litigation, and RCW 42.30.110(1)(g) – discuss qualifications of applicants and there would be no decision following conclusion of the executive session.

Following conclusion of the executive session, the regular meeting was reopened at 6:34 p.m., and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: June 13, 2016

Initials: js

June 2, 2016

The Chehalis city council met in special session on Thursday, June 2, 2016, 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; 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 sixty minutes and there would be no decision following conclusion of the executive session.

Following conclusion of the executive session, Mayor Dawes reopened the special meeting at 6:22 p.m., and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk
Approved: June 13, 2016
Initials: js

June 13, 2016

The Chehalis city council met in regular session on Monday, June 13, 2016, 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; Mark Scheibmeir, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Ken Cardinale, Fire Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; Don Schmitt, Street/Stormwater Superintendent; Trent Lougheed, Interim Community Development Director; Lilly Wall, Recreation Manager; and David Fleckenstein, Airport Manager. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Proclamation - "World Wide Knit in Public Day"**. Mayor Dawes presented Nancie Willey with a proclamation declaring June 18 as "World Wide Knit in Public Day" in the city of Chehalis.

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

a. Minutes of the regular meeting of May 23, 2016, and minutes of the special meeting of June 2, 2016; and

b. Claim Vouchers No. 115809-115923 in the amount of \$980,535.24 dated May 31, 2016; and Payroll Vouchers No. 38836-38891, Direct Deposit Payroll Vouchers No. 7135-7229 and Electronic Federal Tax Payment No. 160 in the amount of \$707,186.88 dated May 31, 2016.

The motion was seconded by Councilor Pope and carried unanimously.

3. **Administration Reports**.

a. **Update on Resolution to Establish Fees for Flood Mitigation Aquatic Species Enhancement Projects within the Chehalis River Floodplain**. City Manager MacReynold reported the council recently passed an ordinance with regard to fill in the Chehalis floodplain. He noted the ordinance requires a resolution to include a list of Chehalis Basin Flood Authority approved projects and a formula for contribution to fund such projects.

Airport Manager David Fleckenstein reported he's working with Watershed Science and Engineering (WSE) to do a study on the airport properties to make sure they structure the resolution correctly. He noted WSE also did the study for the extension road off of Arkansas Way.

Mr. Fleckenstein reported the administration came up with a list of potential projects that are viable and are all pretty much within the city. The projects include:

- Dillenbaugh Culvert Retrofit Improvements
- Demolition and removal of the old wastewater treatment plant from the floodway
- Removal of non-native species from any of the city streams
- Individual development projects, such as pervious sidewalks, bio-swells, and French drains

Mr. Fleckenstein felt the last option might be most acceptable because it would be easy for a contractor to include it in their site plan. He noted another two projects could include:

- Individual improvements to the fish habitat restoration along the Chehalis River, Salzer Creek, Dillenbaugh Creek, Coal Creek, and the Newaukum River for invasive plant and garbage removal
- Expansion of Airport Lake

Mayor Dawes stated he's glad to see there are projects that can be done that provide a useful service without generating a large increase in costs. He stated the council appreciates the work that's been done to date regarding this issue, adding it's been well received by the customers further down in the Chehalis Basin.

June 13, 2016

b. **Update on Green Hill School Parking Agreement.** City Manager MacReynold reported they met with the state regarding the Green Hill School parking lot and they should have an agreement signed by June 17, which will clearly help the parking situation at Recreation Park. He noted Councilor Pope provided a contact at the state, which was very helpful.

Recreation Manager Lilly Wall stated the additional 99 parking stalls will be a great enhancement to the park and they are very excited about that.

Ms. Wall reported they have 32 staff lined up to work at the pool this summer, which opens on June 17. She noted they've had students from the high school in the pool for the last two weeks, and later in the week they will have students visiting from RE Bennett and Olympic.

Councilor Pope asked if all of the work was done on the pool.

Ms. Wall reported they completed the drainage work in both of the locker rooms and everything is working well.

4. **Council Reports.**

a. **Update from Councilor Ketchum.** Councilor Ketchum asked if the administration could look at putting together an ordinance that would permit ice cream trucks within the city of Chehalis.

City Manager MacReynold reported an ordinance was already in the works and would come before the council on June 27.

b. **Update From Mayor Dawes.** Mayor Dawes reported he had a chance to listen to a presentation on the USS Indianapolis at the Veterans Museum, adding it was very informative. He noted one of the survivors was there, as well as the granddaughter of the Japanese submarine commander, and the daughter of the PBY pilot that went into the ocean, against orders, to pick up 56 survivors, one being the gentleman in attendance. Mayor Dawes suggested it would probably be the last time they have a presentation that will include a Veteran because they're all getting older, making it a little more difficult to get around.

Mayor Dawes reported he also attended the Mayors' meeting where they talked about the issues with Central Dispatch. He noted there was language thrown out about the county just disbanding it, but he and others felt they should address the problems to see what can be fixed. Mayor Dawes reported a meeting is being set up in July to discuss the issues and he and City Manager MacReynold will be invited to attend.

Mayor Dawes reported the Community Farmers Market opened on June 7, adding it's a great addition to the downtown area. He also attended the Lewis Economic Development Council membership luncheon with Councilor Spahr on June 9, noting they had the Young Professionals Lewis County give a presentation. Mayor Dawes reported they're seeing more and more kids going away to college, but coming back to put their roots down here, which is very good to see.

Mayor Dawes reported he attended the .09 Committee meeting on June 10, adding the only item on the agenda was approval of funding to do some studies at the Industrial Park at TransAlta. He indicated they have a number of acres over there and it would be nice to see it develop, adding it would be very beneficial for all of Lewis County.

5. **Resolution No. 15-2016, First and Final Reading – Adopting the 2017-2022 Six-Year Transportation Improvement Plan (TIP).** City Manager MacReynold stated, at the last meeting, the council held a public hearing on the 2017-2022 TIP. He noted he and Public Works Director Rick Sahlin and Street Superintendent Don Schmitt were available to answer any questions the council might have.

Councilor Spahr moved to adopt Resolution No. 15-2016 on first and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

June 13, 2016

6. **Special Meetings.** Mayor Dawes reported a special meeting (executive session) has been scheduled for June 15, at 5:00 p.m., in the city hall council chamber for the council to meet with the four finalists for the city manager position. He noted the executive session would be followed by a reception for the public to meet the finalists from 6:00 – 7:30 p.m.

Mayor Dawes reported a second special meeting for the interview process is scheduled for June 16 starting at 8:00 a.m. He noted the four finalists would be interviewed by the city council, as well as two additional panels consisting of community members and department managers from the city. Mayor Dawes stated a decision would be announced appropriately, depending on what that decision is.

7. **Executive Session.** Mayor Dawes closed the regular meeting at 5:23 p.m. and announced the council would convene into executive session for approximately 45 minutes pursuant to RCW 42.30.110(1)(i) – potential litigation and there would be no decision following conclusion of the executive session.

Following conclusion of the executive session, the regular meeting was reopened at 6:28 p.m., and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: June 27, 2016

Initials: js

June 15, 2016

The Chehalis city council met in special session on Wednesday, June 15, 2016, 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; 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 sixty minutes and there would be no decision following conclusion of the executive session.

Following conclusion of the executive session, Mayor Dawes reopened the special meeting at 5:37 p.m., and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: June 27, 2016

Initials: js

June 16, 2016

The Chehalis city council met in special session on Thursday, June 16, 2016, in the Chehalis city hall. Mayor Dawes called the meeting to order at 8:00 a.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; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Ken Cardinale, Fire Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; David Fleckenstein, Airport Manager; and Caryn Foley, City Manager Administrative Assistant.

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 approximately 2:30 p.m. and there would be no decision following conclusion of the executive session.

Following conclusion of the executive session, Mayor Dawes reopened the special meeting at 3:15 p.m., and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: June 27, 2016

Initials: js

June 27, 2016

The Chehalis city council met in regular session on Monday, June 27, 2016, 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; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; and David Fleckenstein, Airport Manager. Members of the media included Justyna Tomtas from *The Chronicle* and Susan DeLaire from *DeVaul Publishing*.

1. **Citizens Business**

a. **Marijuana Grow Operations on State Avenue**. The city council heard from several concerned business owners located on or near State Avenue regarding the potential of more marijuana grow operations opening up in the area.

Frank Mason (215 Glen Rd) stated he would like to see the city limit the number of grow operations within the city. He reported he could be affected by this because there's a warehouse next to his shop on Riverside. Mr. Mason felt it would be better for the city to reject this idea, noting there are enough retail operations to where the city will get a little bit of tax money.

Mark Giffey (Chehalis Centralia Veterinary Hospital – 1214 NW State Avenue) stated he's concerned about the odor and how it will affect the businesses on State Avenue. He inquired about the status of the current applications and asked if the city would require any mitigation for the odor issue. Mr. Giffey also wondered how easy it would be for a production facility to go into retail sales.

Mayor Dawes indicated the city has a limit of two retail stores and is already at that limit.

Ralph Hubbert (Tires, Inc. - 1283 NW State Avenue) reported there are plans to put a large grow operation at 1132 NW State Avenue. He too had concerns with the odor, as well as property values and the type of people it will bring to the area. Mr. Hubbert suggested the city limit the number of facilities within so many square miles of other grow operations, or retail stores. He stated it just doesn't feel right to put this type of business in part of the heart of the community.

Tim Saylor (Service Saw/Workwears, Inc. – 1320 NW State Avenue) stated he and others were aware of the two retail facilities within the city, but were not aware of the grow operation currently located across from Palmer Lumber. He indicated the application made for 1132 NW State Avenue is for a larger growing operation that will be closer to his business, adding the thought of a grow operation down the road sending that smell his way is nearly unacceptable. Mr. Saylor stated he didn't have any moral objections, but is concerned about property values.

Joy Templeton (Once Upon a Thyme – 1090 NW State Avenue) stated she's worked very hard for eight years putting her business together. She noted the proposed processing facility is right next door to her business and has real concerns about the odor, property values, security and safety. Ms. Templeton provided the council with a petition signed by her customers, adding nobody wants it. She asked that the council take a good look at this because it affects all of the businesses on State Avenue. Ms. Templeton felt this type of business should be where there's not a lot of commerce and wished it was a business that everyone could enjoy that would enhance the community and neighborhood.

Mr. Hubbert also provided the council with signed petitions from other businesses in the area.

Mayor Dawes reported, in April, the council passed an ordinance limiting the number of retail facilities to two, in either the general commercial or industrial zones of the city limits. He noted his error was that he thought they had also limited the processing and growing operations to two, as well. Mayor Dawes stated the council has the option to either amend the current ordinance to place a limit on processing facilities, or do nothing and have an unlimited number within the industrial zones.

City Manager MacReynold reported the city currently has four applications in process, noting two of them are at the State Avenue address that was discussed earlier.

Councilor Pope wondered if the applications in process would be grandfathered in.

June 27, 2016

City Attorney Hillier indicated they're not grandfathered in as a complete permit, but they are to the extent that they were submitted before any changes were made to the ordinance. He noted it's not to say they will be given a permit, but we need to process the ones that are in our hands.

Councilor Spahr stated he would like to see the odor issue addressed in the proposed ordinance, even by the existing facility.

City Manager MacReynold reported the odor issue came up a few months ago and the city required the business on State Avenue to put in a significant system to filter the air. He believed that situation has significantly changed, but couldn't say that in absolute certainty.

Councilor Harris inquired about the four applications in process, wondering if they limit the number to one, would the current facility have to go out of business before they could let another one in, and would they do it in the order of filing.

City Attorney Hillier stated if the council limits it to one there would only be one, except for the fact that there are applications on file. He noted since the applications would have preceded the amendment to the ordinance, it's very possible that if one of those applications is approved by the state the city could then have two.

Councilor Pope stated it's his understanding that they can't do anything until the state approves the licenses. He asked if they could find out what stage the licenses are in and if the city could provide input prior to the state taking any action.

City Manager MacReynold stated he could find out, adding the current four applications in process all need approval from the state.

Mr. Hubbert stated the person he spoke with said they could be licensed as early as July 3.

Mayor Dawes asked if the council could move to amend Ordinance No. 956-B to limit the number of grow operations to two within the city limits.

City Manager MacReynold stated the council could certainly do that.

City Attorney Hillier reported they could make a motion to limit it to two, but it wouldn't pass until the next council meeting, at which time they could suspend the rules and pass it on first and final reading.

Councilor Taylor suggested limiting it to one grow operation.

Councilor Harris wondered if they should call for a special meeting.

Councilor Ketchum stated they could vote on it at the special meeting they have coming up with Lewis County Fire District #6 on June 30.

Councilor Ketchum moved to amend Ordinance No. 956-B to limit grow operations to one within the city limits of Chehalis.

The motion was seconded by Councilor Pope.

Councilor Ketchum stated he would like to see the ordinance drafted so they could vote on it at the special meeting on June 30.

City Manager MacReynold noted the city provided advertisement for a special meeting for discussions with the fire district and suggested this would be a special action and require a separate notice. He felt they were stepping outside their normal process and would be setting themselves up for litigation if anyone cared to challenge it. City Manager MacReynold stated he completely supported what the council is saying, but offered a word of caution about fast-tracking it.

June 27, 2016

City Attorney Hillier agreed and suggested the council allow time for proper notice. He stated they don't even know if the applications are vested, but would find out more in the next day or so and report back to the Mayor.

Councilor Pope stated he would still like to know if the city can submit input to the state prior to the approval of the applications on file.

City Attorney Hillier reported the city always has an opportunity to provide input, but the state first has to give us notice of application. He noted, historically, community development gets those notices, but no one from that department has contacted others in the city to say those are on the table.

Mayor Dawes suggested after hearing from the city manager and city attorney the proper procedure might be to put a motion on the floor to direct staff to prepare the necessary documents to amend Ordinance No. 956-B with the limitation of one grow/processing facility.

Councilor Ketchum withdrew his motion and Councilor Pope withdrew his second.

Councilor Ketchum moved to direct staff to prepare the necessary documents to amend Ordinance No. 956-B with the limitation of one grow/processing facility.

Councilor Pope seconded the motion.

Councilor Spahr asked if the odor issue would be addressed in the amended ordinance.

Mayor Dawes stated yes.

Councilor Harris suggested they hold a special meeting on Tuesday, July 5 to take action on it.

Mayor Dawes stated if they need to schedule it, they can.

The motion carried unanimously.

b. **Establishment of Tourism Promotion Area (TPA)**. Lewis County Public Facility District Chair Todd Chaput reported they completed the petition per RCW 35.101 and have over 60 percent of the lodging locations agreeing to participate in a TPA. He noted a copy of the signed petition was also dropped off with the city of Centralia for their consideration. Mr. Chaput reported the next step would be to hold a public hearing, but that would be up to the city council.

Councilor Lund asked what the council could do to help move it along.

Mr. Chaput stated the only thing at this time is to set the date and time for a public hearing.

City Manager MacReynold reported the administration is coordinating the process with the city of Centralia, adding both cities will be taking action on this item, one after the other.

2. **2016 Employee Benefit Trust WellCity Award**. Mayor Dawes reported it's nice to see the WellCity Award go to the city, but more important is the health benefit to the employees. He noted in addition to the award, the city also receives a two percent cost reduction in health and welfare premiums for the employees of the city. Mayor Dawes presented certificates to Betty Brooks, Peggy Hammer, Becky Fox (retired city employee), Jud Riddle, Judy Schave, and David Fleckenstein. Members not present to receive their certificates included Larry Dobyms, Julie Hampson, and Lloyd Gruginski.

Mr. Fleckenstein reported the Committee's most recent endeavor was the "Leap the Levee 5K" on June 18. He noted they were pretty fortunate to have 85 participants for their first year and hoped to do it again next year. He noted the event was organized by the Wellness Committee to highlight and benefit the Discover! Children's Museum with any proceeds received.

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

June 27, 2016

- a. Minutes of the regular meeting of June 13, 2016 and the special meetings of June 15 and 16, 2016;
- b. Claim Vouchers No. 115924-116072 and Electronic Funds Transfer No. 520161 in the amount of \$546,445.26 dated June 15, 2016; and
- c. Award bid for the Basin 1022 I&I Rehabilitation Project to Michels Corporation in the amount of \$588,159.36 and authorize the city manager to execute a contract agreement for the same.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Request to Help the Homeless.** Robert Landry (mailing address: 587 SW Chehalis Avenue) asked if the city council had any idea how they were going to help the homeless people of Chehalis. He briefly explained his situation and asked if there was a process in place to provide more public awareness about this issue. Mr. Landry reported the Salvation Army in Olympia provides shelter for their homeless every night and he would like to see something like that here.

Mayor Dawes reported he couldn't answer all of Mr. Landry's questions, but the city has worked with various agencies in assisting homeless people. He suggested Mr. Landry set up an appointment with City Manager MacReynold to see what the city can do to help, or to put him in touch with the right agencies.

Commissioner Edna Fund stated they have a homeless/housing coordinator by the name of Michaelle Sorlie and she would provide her contact information to Mr. Landry.

5. **Administration Reports.**

a. **May Financial Report.** Finance Manager Judy Pectol reported the city is doing well at this time. She noted there are still a couple of areas she'll be watching, one being the building permit revenue which dropped after Lewis County took over the permitting in the Urban Growth Area.

Ms. Pectol reported the expenses for the general fund are still a little higher than expected, but that's because she has not made the first allocation for the contra expenses.

6. **Council Reports.**

a. **Update From Mayor Dawes.** Mayor Dawes reported he attended a meeting with One Voice and representatives from the Department of Ecology at J. Vander Stoep's office on June 14 to talk with about the issue of flood control.

Mayor Dawes reported on July 16 he attended the unveiling of Officer Rick Silva's name on the Law Enforcement Memorial next to the Lewis County Courthouse.

Mayor Dawes reported he also attended the Association of Washington Cities conference last week in Everett, noting at the GMA meeting one of the things they heard loud and clear is that they would like to see Boundary Review Boards go away.

7. **Ordinance No. 959-B First Reading – Amending Section 5.04.120 of the Chehalis Municipal Code Dealing with Special Licenses.** City Manager MacReynold reported this ordinance is being brought to the council based on some inquiries at the community development department, adding the city has no clear path for mobile vendors applying to sell ice cream during the summer months.

Councilor Spahr moved that the council pass Ordinance No. 959-B on first reading.

Councilor Lund seconded the motion.

Councilor Spahr thanked the administration for putting some thought into creating the ordinance and not allowing a vendor to sell within 400 feet of a public, or private school. He noted, for clarification, the proposed ordinance will allow certain vendors to use the city right-of-way to do business.

June 27, 2016

The motion carried unanimously.

8. **Tentative Offer of Employment and Direct the City Manager to Develop a Contract Agreement for Consideration on July 11, 2016.** Mayor Dawes reported, after a couple of days of interviews and getting input from community members, the council is ready to make a tentative offer to (Tracie) Jill Anderson for the position of city manager. He noted Ms. Anderson is the current city manager in Riverbank, California.

Councilor Ketchum moved that the council make a tentative offer for the city manager position to (Tracie) Jill Anderson and direct the city manager to develop a contract agreement for consideration on July 11, 2016.

The motion was seconded by Councilor Lund and carried unanimously.

9. **Special Meeting with Lewis County Fire District #6.** Mayor Dawes reminded the council about the joint meeting with the Lewis County Fire District #6 Commissioners on Thursday, June 30, at 6:30 p.m. at the District station on Jackson Highway. He noted the meeting would be open to the public.

There being no further business to come before the council the meeting was adjourned at 5:48 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: July 11, 2016

Initials: js

June 30, 2016

The Chehalis city council met in special session with the Lewis County Fire District 6 Commissioners on Thursday, June 30, 2016, in the Lewis County Fire District 6 meeting room. Mayor Dawes called the meeting to order at 6:32 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Chad Taylor. Tony Ketchum was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; and Judy Schave, City Clerk. Fire District Commissioners present included: Jeri Lux and Jim Martin. Kirk Johnston was absent (excused). Members of the media included Natalie Johnson from *The Chronicle*.

1. **Discuss Fire Service and Future Annexation of the Chehalis Urban Growth Area.** The city council held a special meeting with the Lewis County Fire District 6 Commissioners to discuss fire service and future city annexations.

Commissioner Jim Martin stated, in addition to the agenda items noted, the District would also like to discuss a possible Mitigation Agreement relating to the Chehalis Industrial Park Phase 1 Annexation.

Brian Snure, Attorney for Fire District 6, reported the city approached the District back in October about the Industrial Park annexation, at which time they also talked about short and long-term measures to deal with annexation. He noted the Board followed up with a letter to the city suggesting three different topics for discussion, to include:

- Consider agreement to have the District continue servicing the annexed area and the city would pay the District the tax revenue lost
- Consider Mitigation Agreement to delay and minimize the impact to the District over a period of time
- Take a long-term approach to consider consolidation of Fire District 6 and the Chehalis Fire Department

Attorney Snure reported City Manager MacReynold responded to the District's letter in November indicating there wasn't much interest in the District continuing to serve the area, but there might be some interest in mitigation and consolidation.

Attorney Snure reported the District invoked the jurisdiction of the Boundary Review Board (BRB) to review the Industrial Park Phase 1 Annexation, partially out of necessity so they could talk about a possible Mitigation Agreement with the city. He stated the District is not committed to opposing the annexation, but wanted to make sure they had an opportunity to discuss some sort of mitigation to the District.

Mayor Dawes provided some history on looking at joint consolidation for fire service. He noted the city has always wanted to work with District 6 because we basically serve the same constituency. Mayor Dawes reported the council gave the city manager direction to get something done with annexation and to have District 6 involved at the ground floor.

City Manager MacReynold stated the city tried to minimize the impact to the District and would like to focus the discussion on future annexations and moving forward. He reported he's been trying to set up meetings with the District consistently for two years to talk about the future and suggested the impression Attorney Snure is giving, that somehow the District had to force the city to the table, is not correct.

Attorney Snure stated that was not the impression he was trying to give. He noted the District has been very clear that they do consider the Industrial Park Annexation as something that needs to be discussed at a policy/contract level. Attorney Snure stated if it's the city's position that no type of mitigation will be considered then the District needs to hear that, but that doesn't mean the District isn't interested in the bigger picture.

Attorney Snure stated he viewed the meeting as a time for the Board to have a meaningful discussion with the council and hopefully move forward with some type of Mitigation Agreement that can address annexations, both current and future; and to focus on the bigger picture of consolidation.

Councilor Spahr reported the city has been talking annexation for 30 years and spent the last 2-3 years talking consolidation. He noted, finally, the city does an annexation and at the 11th hour the District comes in to challenge it.

Commissioner Martin stated their letters were sent before the 11th hour. He noted the District's position has not changed since the city was talking annexation in 2006.

June 30, 2016

Mayor Dawes stated the reason the annexation in 2006 did not move forward is because the numbers didn't pan out. He suggested no jurisdiction is going to annex something if it's going to cost money to do it.

Mayor Dawes reported he didn't want to talk about the past, adding he wants to move forward. He asked the Commissioners if they were opposed to forming a RFA with Chehalis.

Commissioner Jeri Lux stated she couldn't speak for the other Commissioners, but she was not opposed to forming one with Chehalis if the possibility is open.

Mayor Dawes reported the working relationship between the two departments is probably the best he's ever seen, and if two of the three Commissioners feel strongly about consolidation, why not work towards that goal. He noted if they can focus their efforts on consolidation then the revenue issue isn't a problem.

Commissioner Martin reported they need to look at what's best for the citizens. He stated he is not opposed to researching and discussing this in the future, but right now the District is fairly young with the new direction its going. Commissioner Martin stated he's not opposed to the idea; he would just like to see some hard numbers, facts, and projections before he could make a decision on it. He suggested if consolidation comes down the line that might change everything, but for now, if the city is going to annex and take revenue away they need to make sure the District is protected as best as it can be.

City Attorney Hillier reported if the city is comfortable with a Mitigation Agreement he would advise that it only be for this particular annexation.

Commissioner Martin agreed that this is one of the best Boards that the District has had and this is probably the best time for the city and the District to come together.

Mayor Dawes agreed that they need to know what the numbers are before any decisions can be made. He stated they're both going to grow and it seems like it would be easier to grow together than it would be not to.

Councilor Pope stated it's important to think about the future and what condition we're going to leave it in 30 to 40 years from now. He noted many departments have failed because nobody thought about the future.

City Manager MacReynold reported the city's general fund, based on the numbers the city has, will benefit \$62,000 to \$65,000 from the Phase 1 Industrial Park annexation. He noted the city can't do anything about the utilities because those are enterprise funds, but suggested they could look at splitting the general fund revenue over a three-year period.

Commissioner Martin stated they're only talking about what the District would be losing with regard to fire protection, which is less than the \$60,000.

Councilor Taylor inquired as to what the number is that the District is asking for.

Commissioner Lux stated they stand to lose \$34,000 to \$35,000 per year.

Commissioner Martin suggested the District would continue to provide all of the services in order to recover what they're losing. He noted they're not asking to make money they just want to recover what they're losing and work towards a long-term solution.

City Attorney Hillier stated, from the city's perspective, we can't have the District provide the service, but we can have automatic aid agreements to show there's justification for the city to pay the District the money. He noted the city's union is the sole provider for fire service within the city limits.

Attorney Snure stated that's the reality that the city has to deal with and it's not the District's position to say differently.

June 30, 2016

Commissioner Martin agreed that they need to look long-term and if they can come to an agreement, such as a three-year agreement as suggested by City Manager MacReynold, they can get through this annexation and start meeting to have something figured out in that three-year period.

Mayor Dawes reported the city still has a sub-committee that could ultimately meet with the District to discuss future consolidation.

Councilor Lund asked what the District wants from the city.

Attorney Snure stated the District is looking to see if the council is open to a Mitigation Agreement for this one annexation.

City Attorney Hillier suggested if we can't come to an agreement on a long-term solution in three years, we'll never come to that agreement. He noted the Mitigation Agreement will need to include language stating this is a one-time deal and will not be a precedent for future annexations.

Commissioner Martin asked what the city's timeline is for the next annexation.

Councilor Harris reported since annexation has been on course for decades it seems that the weaning down of the budget should have taken place ahead of the proposed annexation. He stated failure to plan by the District is not an emergency on the city's part. Councilor Harris suggested this is the same argument they had in 2006 when the District was fighting the fire station being built downtown.

Mayor Dawes stated, in all fairness, this Commission was not involved in those discussions.

Commissioner Martin stated he wanted to get beyond the history, adding right now is the best time to move forward.

Commissioner Lux reported the city talked about annexation in 1984, 1992, and 1996, adding it was almost a standing joke in the Assessor's Office. She stated she would take some of the blame for not thinking about what the future would hold.

City Manager MacReynold stated the Council and the Board could direct their staff/attorneys to develop a Mitigation Agreement to bring back to the two bodies for consideration.

Councilor Harris moved that the council direct the city administration to work with the District's attorney to develop a Mitigation Agreement to bring back for council consideration.

Councilor Pope seconded the motion.

Attorney Snure stated he would have a draft of the Mitigation Agreement sent to Assistant City Attorney Mark Scheibmeir by the following day.

The motion carried unanimously.

The Commissioners voted on the same motion and it carried unanimously.

The Council and Board briefly discussed the amount that would be paid over the three-year period.

City Manager MacReynold stated, for clarification, the city would provide the fire service and the attorneys will have to figure out how we get by the money issue.

City Manager MacReynold asked if they wanted to move forward with discussions on future fire service.

A majority of the council stated yes.

June 30, 2016

Chehalis Fire Chief Ken Cardinale agreed with Councilor Pope, stating they need to look into the future and work together. He noted they're here for the citizens and it should be their goal to protect them.

Chief Cardinale felt it would be natural for the two to come together and briefly discussed the benefits to the citizens if they did. He suggested if they can't come together formally as a consolidation, they can certainly come together collaboratively to improve the level of service.

Mayor Dawes suggested the two would come in as equals and work at it together.

The council and Board briefly discussed the upcoming meeting with the BRB and the time it would take to prepare for it. Attorney Snure suggested there might be some general agreement on terms and requested a five minute recess for the Board to meet with counsel pursuant to RCW 42.30.110(1)(i).

At 7:19 p.m., Mayor Dawes announced the council would be in recess for approximately five minutes while the Commissioners met with their counsel, Attorney Snure, in executive session pursuant to RCW. 42.30.110(1)(i) – potential litigation.

Mayor Dawes reopened the regular meeting at 7:24 p.m.

Attorney Snure reported he would agree that everyone would like to avoid the time and expense of going before the BRB. He stated if there's a general good-faith consensus of the council, that they would be agreeable to a three-year agreement in which the District would be made whole, as follows: a 1/3 reduction in year one; another 1/3 reduction in year two; another 1/3 reduction in year three; and zero in year 4, the Board would have no objections to the non-precedence things.

Mayor Dawes asked if the council had any concerns with the 30/20/10 mitigation payoff over a three-year period.

Councilor Spahr asked if there would be any mitigation with Lewis County.

City Attorney Hillier stated, no, adding after the county bailed out of the UGA agreement all of the promises in that agreement went away.

The consensus of the council was to work out a Mitigation Agreement with the District, as discussed.

Mayor Dawes asked if the payoff would start in 2017.

City Attorney Hillier stated, yes. He also suggested if the District were to drop the appeal to the BRB the city could get the annexation completed sooner.

Commissioner Lux asked what the deadline is to get the annexation to the Lewis County Assessor's Office, in order for the agreement to be effective in 2017.

Attorney Snure stated it has to be in by August 1, but under current law the city has the right to start receiving the revenues the effective date of the annexation.

City Attorney Hillier suggested any amount received by the city prior to 2017 could be pro-rated, adding those details would be worked out in the agreement.

Attorney Snure reported he would send a letter the following day to the BRB stating they have no objections to the annexation and wish to withdraw their appeal.

A special meeting was set for July 12, 2016, at 6:00 p.m. for the the Council and Commissioners to review and consider the Annexation Mitigation Agreement.

There being no further business to come before the council the meeting was adjourned at 7:42: p.m.

June 30, 2016

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: August 8, 2016

Initials: js

July 11, 2016

The Chehalis city council met in regular session on Monday, July 11, 2016, 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; Randy Kaut, Deputy Police Chief; Judy Pectol, Finance Manager; Trent Lougheed, Interim Community Development Director; Rick Sahlin, Public Works Director; and Dave Vasilauskas, Water Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Citizen's Business.** Virginia Baldwin (350 SE Washington Avenue) stated she had concerns about fireworks going off well before the holiday and late at night. She proposed that the council put a curfew of 11:00 p.m. for shooting off fireworks, and also suggested they include a substantial fine for those who shoot them off after that time.

Mayor Dawes stated, for the record, the city also received a letter from Patty Ward (472 SW 14th Street) with a similar request. He reported it's very difficult for two or three patrol cars to catch up to everyone shooting off fireworks. Mayor Dawes reported the laws that govern fireworks are by the state statutes, which the city has adopted by reference. He asked City Attorney Hillier if the city could restrict it further than the state statutes.

City Attorney Hillier reported the city has the ability to restrict the number of days authorized for fireworks to go off, but it would need to be done before the end of the year.

Mayor Dawes suggested the council have a work session to discuss how to address the issue.

Councilor Pope stated he appreciated Ms. Baldwin bringing this up, adding he had similar concerns.

2. **Approve City Manager Employment Agreement.** City Manager MacReynold reported the agreement before the council includes the elements the council wanted to see for the future city manager.

Councilor Ketchum moved to approve the City Manager Employment Agreement between the city and Tracie "Jill" Anderson.

The motion was seconded by Council Lund and carried unanimously.

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

- a. Minutes of the regular meeting of June 27, 2016;
- b. Claim Vouchers No. 116073-116251 in the amount of \$164,785.18 dated June 30, 2016; and Payroll Vouchers No. 38892-38979, Direct Deposit Payroll Vouchers No. 7230-7324 and Electronic Federal Tax Payment No. 161 in the amount of \$786,699.30 dated June 30, 2016;
- c. Adopt Resolution No. 16-2016 on first and final reading setting the date and time of July 25, 2016, at 5:05 p.m. for a public hearing on the intention to establish a Tourism Promotion Area; and
- d. Award the bid for the Redundant Flocculation Basin Project to Prospect Construction, Inc., in the amount of \$1,204,349.04 and authorize the city manager to execute a contract agreement for the same; and authorize the city manager to execute Amendment No. 1 with HDR Engineering, Inc., in the amount of \$117,000 to provide additional engineering services required for the Redundant Flocculation Basin Project.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reported, last year, they started providing breakfast to displaced students once a month at the Chehalis Eagles. He stated once school starts, they're going to try to start having breakfast every Sunday morning for these kids, noting they currently have about 163 students in the district that are displaced.

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b. **Update From Councilor Lund**. Councilor Lund reported he attended a Chehalis Parks Committee meeting with Councilor Pope earlier in the day to talk about the Recreation Park Improvement Project.

c. **Update From Councilor Taylor**. Councilor Taylor reported he had a couple of people talk to him about the old Thurman's building on Kresky Avenue, noting there appears to be an issue with garbage in the back, as well as a rat problem. He noted he referred them to the city's code enforcement department.

d. **Update From Councilor Ketchum**. Councilor Ketchum reminded everyone about the Seattle to Portland bike ride this coming weekend and asked everyone to be careful.

e. **Update From Mayor Dawes**. Mayor Dawes reported he had been exchanging emails with an individual regarding the 'park and ride' at Main Street. The individual stated he found a deed indicating the property is owned by the city and not the state. Mayor Dawes reported if this is the case they need to come up with an ordinance, or something, to make sure it stays a 'park and ride,' adding there have been several complaints about someone staying there permanently.

Mayor Dawes suggested the Code Enforcement Officer also stop by 4th Street and Market Boulevard, noting the grass and weeds are getting pretty tall.

5. **Ordinance No. 959-B Second and Final Reading – Amending Section 5.04.120 of the Chehalis Municipal Code Dealing with Special Licenses (Mobile Ice Cream Vendors)**. Councilor Spahr moved to pass Ordinance No. 959-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

Councilor Ketchum made a request that the individual that's driving the ice cream truck around town be contacted to make sure he's legal.

6. **Ordinance No. 960-B, First Reading – Amending Ordinance No. 956-B, Limiting the Number of Indoor Cannabis Production and Processing Facilities and Placing Requirements for Odor Control**. Councilor Ketchum moved to pass Ordinance No. 960-B on first reading.

Councilor Spahr seconded the motion.

Mayor Dawes reported when the original ordinance passed it limited the number of retail operations to two, and it was thought that it also limited the number of grow and production/processing facilities to two. He noted he had the administration do some research and it appears there was no mention of limiting the number of production facilities to two.

Mayor Dawes reported they had some individuals attend the last council meeting who stated they did not want to have any production facilities in Chehalis, and asked the council to reconsider the ordinance and limit the number of these facilities.

Mayor Dawes stated the council is not under any obligation to take citizen input, but thought it was important that they hear from the citizens before taking any action. He reported the concerns brought up at the previous meeting were odor, security, and property values. Mayor Dawes asked those who wished to speak to limit their time to three minutes.

Jeremy Wildhaber (Jeremey's Farm to Table) reported he owns a building on State Avenue that he put up for lease after his financial situation changed. He noted the industry that's exploding right now is marijuana and those are the only people who came to look at the building. Mr. Wildhaber reported the tenants have put thousands of dollars into the building and had everything looked at and permitted by the city.

Mr. Wildhaber provided a petition signed by 35 of the business owners along State Avenue agreeing that marijuana growers, processors, and distributors are a legal business in the State of Washington. He talked briefly about the myths behind this type of industry, as well as property values. Mr. Wildhaber stated, unbeknownst to many people, there is a legal grow operation on State Avenue in a building near his fruit stand, adding nobody knew about it because there's no smell, or advertising of what it is.

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Pam Fuller (776 Coal Creek Road) stated she hoped the city was not changing their mind, or having a change of heart. She noted everyone involved has invested a lot of time and money into this. Ms. Fuller stated, contrary to what a lot of people think, there are not a whole lot of out-of-towners moving in to do this business. She hoped that the council would reconsider, noting there are all kinds of businesses that are targeted for problems and asked that the council give them a chance.

Andre Pilon (11904 Champion Dr. SW) reported he owns and operates Green Brothers Farms in Tenino. He stated it's very difficult to find areas properly zoned and property owners that will consider leasing to them. Mr. Pilon stated the whole purpose of initiative 502 was to get marijuana out of the black market, which is exactly what it's done. He reported the odor issue can be easily mitigated by using carbon filters and/or ozone generators. Mr. Pilon reported property values have actually increased in some areas, including a location in Tumwater that has three producer/processors and one additional processor. He noted the value of that particular piece of property has gone from \$1.58 million to \$2.2 million.

David Kois (2431 Westwind Drive) reported he owns CBD Management LLC located at 420 Alaskan Way NE and he's been working to get licensed by the state for the last three years. He noted he's spent the last nine months and a substantial amount of money refurbishing his facility and is only waiting on the final inspection to begin operations. Mr. Kois reported he's done everything the city has asked of him, including going in front of the Hearings Examiner and obtaining a conditional use permit, and now a week before he's to be licensed by the state, the city is trying to limit the number of producers and processors to one. Mr. Kois reported the council had the ability to ban or limit the industry when they passed the zoning back in April. He stated he relied on the ordinances that the city had in place when he decided to move forward, and as such, is vested both by state law and city ordinance.

Mr. Kois stated back in January when the council adopted their vesting ordinance, they also had an update from staff on I-502. He noted at that meeting they discussed limiting the number of licenses to one and the city attorney specifically noted he, Mr. Kois, was vested and the city had the ethical responsibility to see his application through. Mr. Kois stated not only does the council have the ethical responsibility to see his and the other vested applications through, they also have the legal responsibility to do so. He noted the council doesn't limit other businesses within the city, in fact, the city's municipal code prohibits employees or officers of the city from denying licenses simply because they believe there are too many of one particular type of business in the city. Mr. Kois asked that the council go back and revise the ordinance to at least reflect those that are vested before moving forward.

Summer Chapman (2725 US Hwy 12) reported she and Gabe Koth, co-owners of Wild Mint LLC, submitted an application for one of the businesses at 1132 NW State Avenue. She noted they are a Tier 1 marijuana producer/processor that produces rosin, which is a marijuana concentrate that is extracted through heat and pressure. Ms. Chapman stated they will also focus on a small line of infused salves and balms, as well as provide a line of hand crafted local and organic products to a consumer that chooses to use marijuana as either their recreational option, or for an alternative in their holistic or naturopathic medicinal needs. She reported they've followed every law, rule and regulation put forth by the state, county and city, adding safety is of the utmost importance to them and their small business.

Stacey Richards (9830 Lathrop Industrial Drive) reported his business, Doc Crock LLC, is the fourth largest processor and producer in Washington State. He noted they are looking at setting up a concentration laboratory in one of Mr. Wildhaber's buildings that would employ 15-20 people. Their main product focus will be medical concentrates for cancer and HIV patients to be sold through Old Tobey's and the new medical store. Mr. Richards reported they've been working on the licensing process for the last month and were told that everything was fine until last week when he was told the city wouldn't accept his application. He addressed the odor issue, noting if you use carbon filters you won't smell anything. Mr. Richards suggested crime has decreased since I-502 has come in and property values have increased. He noted their application is not for growing, but for a laboratory.

Colomba Tsang, owner of Chiliwist Creek Farm, reported she submitted an application for 1132 NW State Avenue. She talked about the safety concerns noted at the previous meeting and the security systems they recently installed at their business location. Ms. Tsang reported she did her due-diligence and worked with the city's planning department to make sure she complied with city code. She noted their facility would have an indoor sealed system with carbon filters in every room. Ms. Tsang reported she is here to work with the community and if there are additional complaints, she is willing to add additional filters, ozone generators, and UV lights to help with the odor. She indicated she's run a medical facility in Tacoma for many

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years and has had zero complaints and zero crime. Ms. Tasang suggested the council might be jumping the gun by assuming bad things are going to happen simply because it's a new business.

David Faulk (12315 34th Avenue E, Tacoma) reported he and his wife own the Green Vault. He noted the reason they came to Chehalis (365 NW State Avenue) is because the cost for rent and power is much cheaper here than in Tacoma. Mr. Faulk addressed the recent complaints regarding the odor, noting they worked with the city and installed some carbon charcoal filters, adding the city has been out twice to inspect the facility and said they're fine. He noted there's no odor unless the door is open and suggested if there are further issues they are willing to work with the city to be compliant. Mr. Faulk reported King Beverage recently moved out of the building and they are looking to expand into that area. He noted they've signed a lease with the option to buy; they've purchased the licenses, and look to hire 55-70 people at that site. Mr. Faulk noted he did not speak at the council meeting on March 28, because the council was only looking at limiting the number of retail stores.

Pastor Keith Heldreth (3323 Jackson Hwy) talked briefly about the morality issue of what he's seeing. He stated just because the state made a law doesn't necessarily mean it's good for us, or that we have to come under the power of that law. Pastor Heldreth suggested the council has the power to enact laws at the local level to stop this, and it's imperative that they do. Pastor Heldreth talked briefly about a member of his church who spent 18 years incarcerated, primarily for drug offenses. He noted they've had many conversations about the issue and it's his belief that most drug offenders started out with marijuana and moved up from there. Pastor Heldreth didn't want to see this type of business in the State Avenue neighborhood.

Amanda Hubbert (1283 NW State Avenue) reported she's a fourth generation employee of a family business on State Avenue that's been there for 62 years. She stated she came back to Chehalis to raise her family and believed, as a young professional, there are a lot of young people doing some really good things. Ms. Hubbert suggested this is not good for their business, noting they're an open-air work facility and they cannot guarantee there will be no odor. She noted they can smell the current grow facility down the street on a daily basis and their customers mention it when they walk through the door. Ms. Hubbert believed this new business will really hurt their retail sales, adding customers and employees don't want to smell that odor. She stated just because someone applied for a permit doesn't mean the city has to grant it. Ms. Hubbert asked the council to think about the next generation and the young professionals that have come back to this great city.

Mark Giffey (1214 NW State Avenue) asked if there is an odor compliance statute in the city of Chehalis for marijuana production.

City Attorney Hillier stated there is currently nothing, but part of the proposed ordinance will cure that problem.

Mr. Giffey asked, "What is going to be in the odor control ordinance and what will the teeth behind it be?" He noted they lived through last summer with the whole street smelling bad, adding he appreciated the Mr. Faulk's investment to make the odor decrease. Mr. Giffey stated he didn't want it to become a situation where the cost of doing business is paying a fine to the city because it's cheaper to pay the fine than it is to install the necessary equipment that will make it odor-free at the property line of the business. He reported he wants to be a good neighbor and wants them to be a good neighbor too. Mr. Giffey suggested they can't dispute the fact that the production of marijuana does produce a very distinct odor. He noted he's all for creating jobs, and because it is a legal business and he has no problem with that. The bottom line is, it smelled badly in this community all of last summer.

Mayor Dawes asked Mr. Giffey if the odor could be controlled, would that take care of his concerns.

Mr. Giffey stated he didn't ever want to smell it. He suggested if there's technology to make it odor-free, permanently, and they would never smell it, he really wouldn't have any complaints.

Pat Sauter (436 NW State Avenue – National Frozen Foods) stated he felt the biggest challenge the city will have is dealing with a new industry that isn't regulated like National Frozen Foods is. He suggested the retail and production facilities don't have to comply with federal laws, or state agencies, such as the Department of Ecology, the Environmental Protection Agency, the Department of Transportation, and Southwest Washington Air Pollution Control. Mr. Sauter assured the council that the retail business across the street from National Frozen Foods does have riff-raff walking up and down the street intoxicated. He reported they drive, walk, and get in the way of their equipment and they have to constantly police them. Mr. Sauter stated it's going to be up to the city council to regulate it until the state catches up with them and the feds get involved.

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He noted National Frozen Foods discharges a lot of things and all of those things have to be permitted. Mr. Sauter suggested if a company is manufacturing something they're discharging something.

Councilor Ketchum noted his company got in trouble with Southwest Washington Air Pollution Control over a mint odor. He suggested they're there, they just don't regulate everything.

Mayor Dawes thanked everyone for coming, adding he understands there are various thought processes on the issue. He noted Chehalis is a very conservative community and folks just don't want it, but we have to deal with it. Mayor Dawes suggested had the state brought it to be, there probably would have been regulations, but the state was only interested in the money they would make and left it to the local jurisdictions to deal with.

Councilor Ketchum inquired about the current applications wanting to know if they are vested.

City Attorney Hillier reported anyone who made application to the city for the right to locate in this area, and the city signed off approving it, are vested. He suggested the council could hire an attorney to litigate the issue, but it's his opinion that those are vested permits. City Attorney Hillier stated, regardless of what the council does today, the city does not have the power to stop them once they've been approved by the state process and have met the requirements of the city.

Councilor Taylor thought Mr. Sauter brought up some pretty good points about regulations. He wondered if the city had any regulations regarding discharge in its ordinances.

City Attorney Hillier reported the city doesn't have any knowledge as to the discharges from these facilities, other than odor, but the state has some stiff regulations on the removal of the bi-products of marijuana. He stated between the first and second reading they can beef up the ordinance to say they would immediately be shut down if in fact there is a violation.

Councilor Taylor noted he has family members in California that are involved in this industry and have huge warehouses for manufacturing and production. He suggested if you drive by it you wouldn't even know the type of business they have there. Councilor Taylor suggested they look at enlisting the knowledge of someone who knows the business to make sure our regulations are what they need to be.

Councilor Harris reported the council really doesn't know much about the industry, or what the future impact will be to the environment, adding all he's seeing is the leaps and bounds by the industry that the council is trying to regulate.

Councilor Spahr thanked everyone for the intelligent debate, noting some interesting facts were brought forth. He stated the people of Chehalis are extremely easy going and great to work with, noting most of the complaints we receive have to do with tall grass, weeds, and fireworks. Councilor Spahr reported one of the things they were promised is that there would be no odor, and the fact that we do have an odor issue on State Avenue is a problem with him.

Councilor Pope reported pain killers are the most common violated drug in our country, not marijuana. He stated marijuana is not a gateway drug, but pain killers are.

Councilor Harris noted some of his neighbors appreciate the fact that they can buy products from Old Tobey, but they don't like the fact that their property values are dropping. He noted some are trying to sell their homes and are having issues with finding interested buyers with the odor in the air. Councilor Harris suggested if they can take care of the odor it would help the situation a lot.

Mayor Dawes asked the administration if the odor issue had been addressed.

City Manager MacReynold believed it had been. He noted the city required an air filtration system to be installed at the production facility and believed the odor went away, but from what he's hearing tonight, that may not be the case.

Councilor Harris stated its much better, but it's still there.

Councilor Spahr asked what caused the odor in the processing.

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Mr. Faulk reported when the plants flower they omit an odor. He stated the ozone generators will completely knock it out, but unfortunately, it also takes away the smell from the product, which a lot of the people who use marijuana like.

Councilor Taylor asked if the city had specific filtration requirements for buildings being built.

City Manager MacReynold stated no, they only required it to deal with the specific situation. He suggested, if the council gives direction, the administration will beef up the requirements around odor control for these types of facilities.

Interim Community Development Director Trent Lougheed reported when the odor issue was originally brought up the business was notified and they put in the recommended charcoal filter system. He noted he paid a visit and walked around the building before going inside and smelled no odor; however, as soon as they opened the door the smell came out. Mr. Lougheed suggested a charcoal filter system inside the breezeway between the two doors would probably eliminate any smell when the door opens.

Mr. Sauter reported when they turn their fans on it pulls the air down into their plant and they still smell the odor.

Mr. Wildhaber reported the state is not issuing more licenses. He noted people had to have a location by June 1, 2016, and if they didn't they lost their license.

Councilor Harris asked if the tenants had to sign leases before they were permitted by the state.

Mr. Wildhaber reported they had to have a lease in place before the state would look at their application.

Councilor Pope stated it's his understanding that the city is not giving out any more licenses, regardless if they have a location.

City Attorney Hillier reported the direction from the council is to stop accepting applications for new licenses until we get the matter resolved. He noted in the resolution process it's his opinion that the city needs to honor the ones we've approved, but we're not taking any new applications right now.

Councilor Taylor asked if that stopped the laboratory business from coming in.

City Attorney Hillier stated, yes.

Mayor Dawes stated if the council takes the direction to agree with the city attorney's position, that these licenses would be vested, they could still limit it to one. He noted as the processing facilities go out of business, for whatever reason, there would still be a limit of one and the city could legally say we're not taking applications, or allowing anymore.

City Attorney Hillier stated that's true, as well as the fact that he's only one attorney. He suggested the council could direct the city to not accept his position and hire an attorney to fight it, but that's the council's choice.

Mayor Dawes reminded the council that they have a motion on the floor to pass Ordinance No. 960-B in its current form.

Councilor Harris stated he would like to make a couple of amendments to the ordinance, to include:

- Add to Item #15 the words "and Federal requirements"
- Add to Item #16 the words "any violation of odor control shall cause the business to immediately cease operations until such time the operator demonstrates compliance"

Mayor Dawes didn't believe they could add the word "Federal" to the ordinance.

City Attorney Hillier reported it's the intension of the administration between first and second reading to beef the odor requirements up, which could include the requirement of ozone generators.

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Councilor Harris stated he would also like for the licenses to not be transferrable.

City Attorney Hillier reported they can sell it, but they're going to have to get licensed under a new name. He noted they would also have to be able to obtain a new license, which the city could turn down if they limit it to one facility.

Councilor Harris moved that the council direct the administration to include language in the ordinance pertaining to odor control.

Councilor Ketchum stated he would first like to see what the attorney brings back in two weeks.

The motion died for a lack of a second.

Mayor Dawes stated he believed the administration will be able to meet what Councilor Harris is looking for and that everyone is on the same page as far as the odor issue.

Councilor Pope asked, "If they're going to limit it to one, shouldn't there be a statement in the ordinance allowing the four that are vested?"

City Attorney Hillier stated it's a known fact and didn't feel it needed to be in the ordinance. He recommended they not put it in there.

Mayor Dawes asked what would keep someone from arguing the limit if there's no mention of it.

City Attorney Hillier stated "vested" is defined as having a signed permit from the city approving the license, and there are only four of those. He suggested they could include language in the "Whereas," section of the ordinance to address it.

City Manager MacReynold reported you don't want to codify a statement about vesting. He agreed with City Attorney Hillier that they could add a "Whereas," making it clear to anyone looking at the ordinance that the city would accept the current vested applications.

Councilor Ketchum asked if it wouldn't be better to wait and vote on it after the amendments are made.

Councilor Ketchum moved to withdraw his motion, adding he would like to table the item until they have a clean document in front of them.

Councilor Spahr moved to withdraw his second.

City Manager MacReynold stated, if they table it, the administration will bring back an ordinance with the changes as discussed, but it would still require a second reading.

City Attorney Hillier stated the council could declare an emergency and pass it on one reading at the next meeting.

City Manager MacReynold suggested the council approve the ordinance, as amended through the discussion, and bring it back at the next meeting for second and final reading.

Mayor Dawes reported he wants to make sure they do it correctly and not rush through it. He stated he was under the assumption that they can make suggested changes and pass it on first reading, as amended.

Councilor Ketchum moved to pass Ordinance No. 960-B on first reading with amendments to the nuisance of odor, that it be defined in a stricter manner, and add a subtitle "Whereas," stating the four individuals are vested under the city permitting process.

Councilor Pope seconded the motion.

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City Manager MacReynold reminded the council that they have two other businesses that have sought applications. He asked if those were part of an existing address, or if they were new addresses to the applications we currently have.

City Attorney Hillier felt the city would be setting a terrible precedent if they accept applications that have not been presented yet and recommended against including those.

Councilor Lund reported, in listening to Rev. Heldreth, it almost sounded like his parents talking. He noted it made him start thinking and wondering if they really want to change what Chehalis is like. Councilor Lund stated change is good, but it's kind of hard to go against something that you were raised to believe, that you shouldn't really be doing.

Councilor Lund moved to amend the motion to include the words "and Federal" to #15 of the proposed ordinance.

Councilor Taylor seconded the motion.

The motion failed 3-4, with Councilors Harris, Pope, Ketchum and Mayor Dawes voting against the motion.

Mayor Dawes stated his vote is based on the fact that they wouldn't be able to vest anything and it would go against the ordinance they already have on the books.

Mayor Dawes restated the motion on the table to pass Ordinance No. 960-B on first reading, as amended, to include a new "Whereas," to address the four current vested applications, and to address Item #16 regarding the regulation of odors.

After a brief discussion about odor control, Councilor Pope called for the question.

The motion carried 4-3 with Councilors Harris, Taylor, and Ketchum voting against the motion.

Councilor Taylor stated the odor issue is very important and they need to address it to make sure they don't cause any harm to the businesses they locate next to. He noted the other reason he voted against it is because he believes in capitalism and the market should determine the amount of businesses that are here, not laws and regulations.

7. **Executive Session.** Mayor Dawes closed the regular meeting at 6:50 p.m. and announced the council would convene into executive session for approximately 30 minutes pursuant to RCW 42.30.110(1)(d) – review negotiations on the performance of public bid contracts and there would be no decision following conclusion of the executive session.

Following conclusion of the executive session, the regular meeting was reopened at 7:20 p.m., and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: July 25, 2016

Initials: js

July 12, 2016

The Chehalis city council met in special session with the Lewis County Fire District 6 Commissioners on Tuesday, July 12, 2016, in the Lewis County Fire District 6 meeting room. Mayor Dawes called the meeting to order at 6:09 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Chad Taylor. Tony Ketchum was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Ken Cardinale, Fire Chief. Fire District 6 Commissioners present included: Jeri Lux and Jim Martin. Kirk Johnston was absent (excused). Staff Present included: Fire Chief Tim Kinder and Attorney Tom Burke.

1. **Review and Consider Annexation Mitigation Agreement.** The city council held a special meeting with the Lewis County Fire District 6 Commissioners to review the proposed Annexation Mitigation Agreement that was discussed at the special meeting of June 30, 2016.

City Attorney Hillier reported the city requested one change to the Mitigation Agreement prepared by Fire District 6 Attorney Brian Snure. He noted the change had to do with how much notice had to be given under Section 8. City Attorney Hillier reported the draft agreement required one (1) year notice; however, since most annexations typically take less than one year, the city proposed to change that to three (3) months. He indicated he talked with Attorney Snure's Office and they agreed that three (3) months would be appropriate for this particular agreement.

City Manager MacReynold explained that the city could have a sole property owner who wants to annex into the city, and to hold it up for one year seemed unreasonable.

Attorney Tom Burke suggested the city could negotiate around that issue, noting in order for the District to get its ducks in a row, a little more time might be good.

City Attorney Hillier stated the city would agree with that in the future, but this would only apply to the three-year agreement. He noted the city does not project any significant annexations in the next two years.

City Manager MacReynold suggested the District is probably more concerned about the Urban Growth Area. He stated the city knows it's going to have to sit with the District to discuss any future annexations because it will have a significant impact, and the city respects that.

Councilor Spahr asked if the proposed Mitigation Agreement would have any bearing on future annexations.

City Attorney Hillier stated, no.

Commissioner Jim Martin stated it would only affect the current two annexations, adding any other annexation during the three-year period would require a separate agreement.

Mayor Dawes stated the agreement really didn't apply to the school annexation because nobody fought it. He reported it will actually take the tax off the role because it becomes public property; therefore, it's not subject to tax.

Councilor Spahr inquired about the statutory asset transfer.

City Attorney Hillier stated, because the city took such a small percentage of the District, the city has no right to acquire any of their assets.

Councilor Harris moved to accept and enter into the Annexation Mitigation Agreement, as presented, between the city and Fire District 6.

The motion was seconded by Councilor Lund and carried unanimously.

The Fire District 6 Commissioners voted unanimously to accept the Annexation Mitigation Agreement, as presented.

July 12, 2016

Mayor Dawes suggested they look at some potential meeting dates to sit down and talk about the future, and to explore the potential of a RFA between the city and District 6. He noted the Committee for the city would include Councilors Lund and Spahr, and himself.

The Committee agreed to meet with the District Commissioners on the 2nd Wednesday of each month at 6:00 p.m., starting on August 10, at the District 6 Station. Mayor Dawes stated he would like to have the two fire chiefs and City Manager MacReynold attend the meetings, as well.

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

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: August 8, 2016

Initials: js

July 25, 2016

The Chehalis city council met in regular session on Monday, July 25, 2016, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:00 p.m. with the following council members present: Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Lund participated telephonically and Councilors Harris and Ketchum were absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Trent Loughheed, Interim Community Development Director; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; and Dave Vasilauskas, Water Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Citizens Business - Chamber Way Overpass Closure.** Joy Templeton (1090 NW State Avenue) reported the closure of the Chamber Way overpass is already hindering her business, after just two days. She noted people are confused about how to get to her business and wondered who she might address about putting up some detour signs.

Mayor Dawes stated, if Ms. Templeton could wait, he would be providing a detailed report later in the meeting that contains some very positive news.

2. **Public Hearing on Establishment of Tourism Promotion Area (TPA).** Lewis County Public Facility District Chair Todd Chaput reported the TPA is something the local hotels have all agree on, adding they see sporting events as a valuable resource that brings people into the community, not only for events, but to shop and eat. He noted the \$2 fee collected on rented hotel rooms would be used to create a local Sport Commission to facilitate and actively market large scale tournaments to bring to the area. Mr. Chaput reported, during the month of July, youth sports brought in an excess of \$60,000 to his hotel.

Councilor Pope wanted it to be clear that this is not a tax on the local citizens.

Mr. Chaput stated that is correct, noting the \$2 fee only applies to people who stay at the hotels.

Councilor Spahr asked if the \$2 fee had anything to do with the two percent hotel/motel tax.

Mr. Chaput reported it's a completely separate fee.

Mayor Dawes asked if the Commission will be a taxing authority.

City Attorney Hillier stated, no.

Mr. Chaput noted the Commission would be a sub-committee of the Public Facilities District (PFD) that receives taxes, but it's not a taxing jurisdiction.

Mayor Dawes stated during the infancy of the sports center in Centralia there was talk about expanding things to Chehalis. He asked if this is something the Pacific Athletic Center (PAC) could be involved with.

Mr. Chaput reported they've spoken with the PAC and they would like to have a position on the Sports Commission Board. He stated they will definitely be utilized, especially with the expansion of the Boys and Girls Club.

Mayor Dawes stated the city would like to do some improvements at Recreation Park, but the original estimate to do the work would have required a bond to pay for it. He asked if the Commission would be looking at some of our facilities to possibly help out with improvements.

Mr. Chaput reported the Sports Commission will be doing marketing research both locally and nationally to help steer communities into what's really needed. He noted they will not have funds to construct any new facilities, but hoped the PFD might be able to grow in that direction.

Mayor Dawes closed the regular meeting at 5:09:59 p.m. and opened the public hearing.

There being no public comment, Mayor Dawes closed the public hearing at 5:10:34 p.m. and reopened the regular meeting.

July 25, 2016

City Manager MacReynold reported City Attorney Hillier is working with Centralia's city attorney to put together an agreement between the two jurisdictions, which will come back before council for their consideration at a later date.

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

- a. Minutes of the regular meeting of July 11, 2016;
- b. Claim Vouchers No. 116252-116421 and Electronic Funds Transfer No. 62016 in the amount of \$447,804.64 dated July 15, 2016;
- c. Authorize city manager to execute Amendment 1 with the Drinking Water State Revolving Fund to reflect a new loan amount of \$858,500 for the construction of the High Level Reservoir Replacement Project;
- d. Authorize city manager to execute Amendment 1 to the engineering services agreement with Gibbs & Olson in the amount of \$52,077 for construction management services on the Basin 1022 I&I Rehabilitation Project;
- e. Accept final grant amount of \$526,810 and award bid for the National Avenue at Salzer Creek Bridge Scour Countermeasures Project to JamesCo Pro, Inc., in the amount of \$284,247.50, and authorize the city manager to execute a contract agreement for the same; and
- f. Authorize city manager to execute a lease agreement between the city and the State of Washington Department of Social and Health Services – Green Hill School for use of their parking lot through September 16, 2019.

Councilor Taylor seconded the motion.

Councilor Spahr asked why the \$52,077 for construction management services was not include in the original bid.

Wastewater Superintendent Patrick Wiltzius reported at the time they designed the project the city did not know the entire scope, and suggested it was not appropriate to development a construction management service contract until the city knew what the actual design and scope of the project was.

Councilor Spahr stated he appreciated the fact that it came in \$26,000 lower than their original bid.

The motion carried unanimously.

4. **Administration Reports.**

a. **Quarterly and June Financial Reports and Quarterly Sales and Use Tax Report.** Finance Manager Judy Pectol reported everything is pretty much where she expected it to be. She noted the utility tax from the Lewis County Public Utility District appears to be over-estimated by \$20,000, so she'll be coming back to the council with a budget amendment for that. Ms. Pectol stated there are some other activities that she'll be bringing back to the council, as well, but there are no big surprises to report at this time.

Ms. Pectol reported, at the end of June, the city had received 49.9 percent of the budgeted amount for sales and use tax and expects to receive sales tax revenue at a higher dollar value for the remaining months of the year.

5. **Council Reports.**

a. **Councilor Spahr.** Councilor Spahr stated he was asked by a citizen why the city doesn't have any handicap parking stalls in the downtown area.

Public Works Director Rick Sahlin reported the city is not required to provide on-street handicap parking stalls, adding parking lots, and business owners who own parking lots are supposed to provide them. He indicated there are also ADA requirements that the city cannot meet because of the slope of the street in the downtown area.

July 25, 2016

b. **Councilor Pope.** Councilor Pope asked if there is a process that a private property owner has to go through in order to get a permit to block a city street to do work.

Mr. Sahlin stated they are supposed to get a right-of-way permit from Community Development and submit a traffic control plan for approval.

c. **Councilor Taylor.** Councilor Taylor reported they should be starting work soon, if not already, on the new bus pull-out at the Vintage At Chehalis. He noted, in addition to the pull-out, they plan to build a shelter for people who are waiting for the bus and a sidewalk that will lead up into the property.

d. **Mayor Dawes.** Mayor Dawes reported he attended the Lewis County Boundary Review Board meeting on July 12, at which time they passed a resolution to approve the city's two annexations. On July 13, he attended a groundbreaking at the Boys and Girls Club, noting it was a great event.

Mayor Dawes requested to take a short recess at 5:19 p.m. and reopened the meeting at 5:21 p.m.

Mayor Dawes reported he attended the first of four 'Music in the Park' events at Recreation Park on July 15, and on July 21, he attended the Business After Hours at the Visiting Nurses.

e. **Update on Chamber Way Overpass.** Mayor Dawes reported, earlier in the day, he and Councilor Taylor attended a special meeting at Senator Braun's Office regarding the recent incident with the Chamber Way overpass. He noted the three major concerns at this time are: safety, the short-term fix, and the long-term fix. Mayor Dawes reported he had to applaud our local representatives, Senator John Braun, Representative Richard DeBolt, and Representative Ed Orcutt, as well as the Washington State Department of Transportation (WSDOT) for being so responsive.

Mayor Dawes reported four of the six girders were damaged on the overpass, one of which was damaged beyond repair. He noted the plan is to demolish part the bridge, and within two weeks, have an "Acrow" bridge in place that will allow for two-way traffic. Mayor Dawes reported there may be some restrictions on 'truck' traffic using the temporary bridge, which will be an inconvenience for some, but not as much as having it closed for up to a year. He noted a special council meeting has been scheduled for Thursday, July 28 at 5:00 p.m., for WSDOT to brief the council.

Mayor Dawes reported WSDOT plans to demolish the damaged portion of the overpass on Tuesday, which means the freeway will be closed during the evening hours. He noted the overpass is currently on the state's replacement schedule, but not until 2021-2023. Mayor Dawes reported the state could move the project up, but for right now their focus is on a short-term fix to keep traffic moving through there. He suggested city staff could look at putting up signage locally and make contact with the state to see what can be done with regard to signage on the freeway.

Mr. Sahlin reported he had received some emails about detour signage, as well as additional signage on the freeway on how to access the local areas. He stated they should know more by the end of the week on what the state is willing to do with reader boards along the freeway.

City Manager MacReynold reported he's been in communication with WSDOT Regional Director Bart Gernhart, adding he would be coordinating with the state to make sure they have signage on the freeway, and within the city.

Mr. Sahlin reported they plan to use the same detour route that was used in 2013 when they had the single lane closure.

Mayor Dawes stated he was encouraged by how fast the state is moving on this, but they still have more studies to do because the bridge was built in the 1950s and they don't build them that way anymore.

Councilor Taylor offered to help Ms. Templeton get temporary diversion routes to her restaurant set up on the various on-line apps.

July 25, 2016

e. **Councilor Lund.** Councilor Lund reported he attended a Fair Commission meeting last week, adding the volunteers have been doing lots of painting and getting things spruced up for opening day.

6. **Ordinance No. 960-B Second and Final Reading – Amending Ordinance No. 956-B Limiting the Number of Indoor Cannabis Production and Processing Facilities and Placing Requirements for Odor Control.** City Manager MacReynold reported, at the meeting of July 11, the council amended the ordinance based on the discussion and proposed amendments, to include the following key elements: limiting the number of production/processing facilities to one; developing significant language around improvements to odor control; and vesting applications.

City Manager MacReynold reported the ordinance before the council has those three elements included. He noted the issue regarding the number of facilities is addressed in #19, which states, “The number of production, processing and growing facilities shall be limited to one within the city limits of Chehalis.” The issue of odor control is addressed in #16, which states, “The facility must comply with City restrictions regarding control of odor so that no odor can be detected outside the facility. Every applicant (before commencing business) must conduct their operations in a manner that results in no detectable odor outside of the facility. All facilities must provide an Odor Control Plan identifying locations and model numbers of all odor control systems as well as sizing calculations for the proprietary devices to be installed. If at any time the City determines that the odor control system is not sufficient, the facility must upgrade their Odor Control Plan and implement identified upgrades within 30 days of a written notice from the city. During operation, if the building official detects odor problems, the business shall be immediately shut down and will not be allowed to operate until the odor issue is resolved to the City Manager or designee’s satisfaction.” And lastly, the vesting issue is addressed in #20, which states, “Even though this City Ordinance limits production and processing facilities to one (1) operation, the City recognizes the following business applicants as being vested to operate in the City subject to state and municipal regulations. These businesses are: Washington State Producers, LLC; CBD Management, LLC/Loaded Soda; Chiliwist Creek Farms; Wild Mint, LLC; and Doc Croc.”

Jeremy Wildhaber (172 Pier Rd) suggested the council not make any changes to the existing ordinance in place. He stated the building department already addressed the odor issues and all of the other worries have been proven false. He noted at the last meeting they heard from members of the community that stated: property values actually go up; that there are no odor issues in the areas where marijuana growers are going in; that they have security cameras to protect their businesses from thieves; and it’s only the retail stores that are advertising. Mr. Wildhaber stated the proposed ordinance sounded very subjective, noting there are several industries in town that put out smells and odors. He suggested the council should not be in a position to be the dictators of commerce.

Pastor Armin Kast (Chehalis Four Square Church - 990 NW State Avenue) stated he agreed with what the council is doing. He reported he read on-line that cannabis processing plants need to be so many feet away from where children are present and asked if that would have any impact on future licensing for childcare facilities at their place of business.

City Attorney Hillier stated if they meet all of the city requirements to permit a daycare facility at their location they would probably be granted a license. He noted it would not impact the ones that are grandfathered in; however, it might have a reverse effect on any new marijuana operations.

Mayor Dawes reported the city also received some correspondence from Pam Fuller who thought she was vested, but according to staff, that’s not the case.

Patty Kaija (1743 SW Snively) reported she’s a business owner at 623 NW State Avenue and she’s all for the growing facilities. She noted, as a cancer patient, she uses marijuana every day. Ms. Kaija believed the growing facilities would bring a lot to our city in the form of tax revenue and jobs. She suggested the issue around the odor is ridiculous, adding restaurants put off odors and National Frozen Foods puts off the stench of rotting vegetables that has never been addressed. Ms. Kaija stated the odor from the marijuana facilities may be offensive to some, but not to others. She reported, as a garden center, these businesses purchase a lot of items from her, adding the tax benefits far out way any of the restrictions by the city.

Councilor Spahr moved that the council pass Ordinance No. 960-B on second and final reading.

Councilor Pope seconded the motion.

July 25, 2016

Councilor Spahr reported when they first passed the ordinance to allow processing and the sale of marijuana they were headed into uncharted territory. He suggested the city wanted to get ahead of the curve and control its own destiny, but the state ended up throwing us a curve by making some changes in what we could and couldn't do. Councilor Spahr stated, in looking back, the city should have probably not allowed it in until the issues were resolved.

Councilor Spahr reported he would be taking a step back to look at it for the future. He noted he was sorry for those who were inconvenienced, such as Ms. Fuller, but the council needs to think of the whole city and they're just trying to do the right thing.

Mayor Dawes stated he didn't doubt there were benefits from medicinal marijuana, but wished it was something people could just go to the drug store to get. He reported he looked at the ordinance as somewhat of a compromise to try and address both sides of the issue as best they can. Mayor Dawes stated, while Initiative 502 passed statewide, it did not pass locally. He noted we have a number of councilors that are totally against it, but saw that we need to look at the bigger. Mayor Dawes reported a future council may decide to change the ordinance to allow more, but felt the reasonable step to take right now is to limit it. He stated he was willing to support it for the compromised value that it brings.

An unidentified gentleman stated he is very ashamed of the council for allowing this to happen. He noted he wants them to remember down the road when one of their grandkids is run over by some pothead that they helped destroy that child's life, adding it's going to happen.

The motion carried unanimously.

Mayor Dawes reminded the council about the special meeting on Thursday, July 28 at 5:00 p.m., to receive an update from WSDOT on the latest information about the Chamber Way Overpass situation. He noted the meeting would be open to the public.

Mayor Dawes announced at 5:46 p.m. that the council would take a short recess before going into executive session.

7. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(g) – review performance of a public employee for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 5:56 p.m. and there being no further business to come before the council the meeting immediately adjourned.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: August 8, 2016

Initials: js

July 28, 2016

The Chehalis city council met in special session on Thursday, July 28, 2016, 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; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Ken Cardinale, Fire Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; and Don Schmitt, Street/Stormwater Superintendent. Members of the media included Natalie Johnson from *The Chronicle* and Susan DeLaire from *DeVaul Publishing*.

1. Update From Washington State Department of Transportation (WSDOT) on Short-term and Long-term Solutions for the Chamber Way Bridge. Mayor Dawes reported representatives from WSDOT would be providing a brief update on the Chamber Way Bridge that was significantly damaged on July 22. He noted our state and federal representatives have been working together with WSDOT to come up with some short-term and long-term solutions for the bridge, noting their main interest in the short-term is to get traffic moving across the bridge. Mayor Dawes stated it's a very complex issue and it will take a lot of time, data, and analysis to come up with a long-term solution.

City Manager MacReynold introduced WSDOT Regional Director Bart Gernhart to brief the council and the public on what's happening with the bridge and to talk about their plans for the future.

Mr. Gernhart reported their top priority over the last six days has been to make the bridge safe for the public and to get it open as soon as possible. He noted the first step was to stabilize the bridge, so they could analyze it to be sure it wasn't going to fall down in the short-term.

Mr. Gernhart noted the bridge was hit by a truck carrying two excavators, which damaged four of the six girders beyond repair. He briefly described the damage to the steel located in the middle of the bridge, noting the damage was so great they couldn't repair it. Mr. Gernhart suggested if it were to be hit by another oversized vehicle there's a good chance that it would all come crashing down because there's not enough steel left in the critical location of the span to hold the bridge up. He noted, with safety being their number one priority, it was very quickly decided that they had to take the entire southbound span down.

Mr. Gernhart reported they looked at several solutions to address the gap in the bridge and identified the Acrow Bridge as being the best overall; and they just happen to be located in the Port of Centralia. He noted the span across the southbound lanes is 51 feet and six inches; however, the Acrow Bridge only comes in even increments, with 50 feet being the closest without being too large to fit. Mr. Gernhart reported they spent every waking hour trying to figure out how to make it fit, noting since it was built in 1958 they don't have a good model for how it will react when they add loading to it, or how it would function when cars and trucks go across it. He stated it can be done, but it's going to take a few days to actually go through the design to modify it to fit.

Mr. Gernhart reported, with the modifications describe, he believed they could get two lanes of traffic that will handle full truck loads. He noted the Acrow Bridge does not have a standard guardrail, so they'll have to design a custom guardrail that will connect to the old section of the bridge.

Mr. Gerhart believed the contractor, Atkinson Construction, would start work on the bridge the following day. He noted the critical path is to first design the bearing pads and the guardrail connection, and to come up with a design for the nine inch gap on each side of the bridge. Mr. Gernhart reported once the design is done everything will be given to the manufacturing company and the final step will be to put everything on the bridge. He noted they hope the Acrow Bridge will line up with the existing bolts because they don't want to cut into any critical steel.

Mr. Gernhart reported the bridge should be open in two weeks unless something unusual happens, which they would clearly communicate to the public. He noted once the bridge is in place and traffic is moving they'll try to figure out how and if they can connect a temporary sidewalk, adding they want pedestrians to be able to cross, as well. Mr. Gernhart stated they hope to have a better idea about where they are next week and plan to provide an update and press release.

Mayor Dawes inquired about interim signage to guide folks who may have used the overpass to get to the businesses on State Avenue, or the Twin City Town Center.

July 28, 2016

Mr. Gernhart reported they didn't do a real good job on signage initially, and they realize that. He noted they made their best guess of where they thought signs were needed, but would welcome any comments and suggestions on how to do it better. Mr. Gernhart stated they know how much of an impact this has been on the community and the businesses, and they're willing to help out any way they can with signage. He noted the Chamber of Commerce has arranged for WSDOT to meet with the businesses on Monday, August 1 at the Holiday Inn, adding they hope to get feedback from them on the signage, as well.

Councilor Spahr reported a lot of people are using the frontage roads now and wondered if WSDOT could look at changing the timing of the stoplight at Highway 6 and Louisiana Avenue. He noted there's also an issue of traffic backing up at West Street and Louisiana Avenue.

Mr. Gernhart reported they should absolutely change the timing of the stoplight to give more time to Louisiana Avenue.

City Manager MacReynold noted the city is responsible for the issues at West Street and Louisiana Avenue.

Councilor Spahr asked if the Acrow Bridge would be higher than the old bridge.

Mr. Gernhart reported the Acrow Bridge would be six to eight inches higher than the old bridge deck and will have a 16-foot clearance under it.

Mr. Gernhart reported they have a lot of options to consider regarding a long-term plan and committed to providing that information to the public as soon as possible.

Mr. Gernhart reported the initial design funding for the replacement of the Chamber Way interchange and auxiliary lanes starts in the 2019-2021 biennium, and construction funding would not begin until the end of the 2021-2023 biennium. He noted there's \$75 million available, but the question is will the temporary fix last that long.

City Manager MacReynold reported he was part of the focus group that looked at this section of the freeway a few years back. He stated he had concerns about some of the alternatives that were discussed at that time and wondered if they would be moving the Chamber Way Bridge, or if they plan to keep it where it's at.

Mr. Gernhart reported WSDOT would be engaging the city, as well as folks from Centralia, Lewis County, and stakeholders in the community to provide input. He stated they would not do anything counter to what the city wants.

Councilor Spahr inquired about the height of the new bridge to be built in 2021-2023.

Mr. Gernhart reported the bottom of the bridge will be at least 16.5 feet off the ground, so they have room for a couple of overlays down the road. He noted, in order to allow for more lanes to come through in the future, it could be up to 10 feet higher than the current bridge.

Councilor Ketchum reported when they first talked about replacing the bridge they knew it would have to be higher and wider, which would change everything in the area including the intersections and ramps. He suggested a 16-foot bridge would require a lot of fill to go back down to Louisiana Avenue and over to National Avenue.

Councilor Harris noted they also talked about having to raise Louisiana Avenue as much as four feet, including the roads sloping up to it from all directions.

Mr. Gernhart suggested that could still happen, they just don't know right now because they haven't done the work.

Ron Averill (Centralia) reported he's been involved in the design of the new bridge along with several others over the years. He noted one of his concerns is the East span of the bridge, which is also too low and has been hit more often than the West span. Mr. Averill stated there doesn't seem to be an adequate warning system in place and wondered if they're looking at improving it, noting it would be terrible to have the East span hit right now.

July 28, 2016

Mr. Gernhart reported they're looking at it and plan to put up some additional signage. He noted the challenge they have with the current detection system is that birds, rain, high antennas, etc., can easily set it off. Mr. Gerhart suggested the truckers just seem to ignore it, so they're trying to figure out a better way to do it. He indicated they also have issues with the bridge on Highway 6, which they're trying to collect data on. Mr. Gernhart noted reader boards seem to be the most visible, but people tend to grow numb to signs after a while and they definitely don't want that to happen either.

Joe Thomas (Winlock) asked Mr. Gernhart what he meant by 'full' truck loads, noting there's the regular 53-foot governed for 80,000 pounds (federally), and the trucks that he owns and drives that are governed by Washington State.

Mr. Gernhart reported both of those trucks described by Mr. Thomas would be allowed, noting it really has to do with axle spacing. He suggested the Acrow Bridge will handle any legal load that's not oversized.

Mr. Gernhart stated when they move forward with the future widening project, WSDOT will conduct a number of open houses to allow the public to give input.

Mayor Dawes thanked Senator John Braun for taking time out of his schedule to attend the meeting. He noted Senator Braun, as well as Representatives Richard DeBolt and Ed Orcutt were on the phone with WSDOT before the dust even settled, adding he could not emphasize enough how much the council appreciated that.

Mayor Dawes stated he also appreciated our federal representatives, Senator Patty Murray, Senator Maria Cantwell and Representative Jaime Herrera Beutler, noting they've been very involved with the situation and will be working with the local representatives to see what funding assistance they can help with in the interim.

Mayor Dawes reported WSDOT has also been very good about getting information out to the public and suggested people go to their website for regular updates.

Mr. Gernhart reported Senator Braun and his staff have been great, noting they helped organize the first meeting to pull everyone together so WSDOT had more time to focus on all of the details. He also thanked the council for setting up this meeting and for using all of our tools to inform the public.

Mayor Dawes stated there's a very good possibility that the bridge could be open to traffic in two weeks. He noted WSDOT wants to make sure that what they put up is safe to cross over. Mayor Dawes suggested if anyone wants to talk about a long-term solution that they work with our local representatives because they have the contacts with the people that run the different committees. He suggested these types of decisions are made collectively at the legislative level and that our local representatives would like to hear from people to ask them to do what they can when the Legislature is back in session.

There being no further business to come before the council the meeting adjourned at 5:52 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: August 8, 2016

Initials: js

August 8, 2016

The Chehalis city council met in regular session on Monday, August 8, 2016, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:00 p.m. with the following council members present: Dr. Isaac Pope and Daryl Lund. Councilor Taylor participated telephonically and Councilors Harris, Spahr and Ketchum were absent (excused). Staff present included: Merlin MacReynold, City Manager; Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Judy Pectol, Finance Manager; Trent Loughheed, Interim Community Development Director; Rick Sahlin, Public Works Director Don Schmitt, Street/Stormwater Superintendent; and David Fleckenstein, Airport Manager. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Citizen Business – Camping at Park and Ride on Main Street.** John Panesko (222 SE Spring Street) expressed concern about people living in their junk vehicles at the park and ride on Main Street. He noted it started out with two vehicles and today there are four, adding it looks like a homeless camp at the main entrance of the city. Mr. Panesko indicated he owns property next to the park and ride and the campers are using it as their garbage can and as their bathroom. He reported the nearby expresso stand has had four attempted break-ins since the campers arrived and they frequently crawl under their building to turn on a faucet to get water. Mr. Panesko stated the nearby convenience store described half of the campers as being fairly clean and respectful when they come in to use their bathroom, while the other half are dirty, smelly people who don't care about anyone else. He asked if camping on city property is legal, and if not, how the council plans to address the issue.

Mayor Dawes reported the city has been made aware of the problem. He noted they've been going back and forth with the state about who owns the property and recently determined that it was deeded over to the city a number of years ago. He reported work is underway to get signs posted regarding the amount of time a vehicle can park there and that no type of camping activities will be allowed.

City Manager MacReynold reported the city recognizes there's a problem and is beginning to take action; however, there is also the issue of civil liberties that the city needs to be respectful of.

Mr. Panesko asked if it's possible to inform them that it's illegal to be camping there and take action if they don't obey the law.

City Manager MacReynold stated he believed that could be done, but the city has to post it first.

Mr. Panesko stated he didn't believe you had to post your house as "no trespassing" before you can kick a burglar out, but he would leave that to the city's counsel.

City Manager MacReynold suggested trespassing is a very interesting law.

Police Chief Glenn Schaffer reported camping on public property is a tricky issue. He noted the city currently has ordinances that prohibit camping on public property, but the trend from California heading north is that supreme courts across the country are starting to rule against those ordinances. Chief Schaffer reported they're posting some "no trespassing" signs and will utilize the city's nuisance code to remove the campers from that area. He noted, as far as notifying people, this needs to be done in order to have any luck in prosecuting offenders.

Mr. Panesko suggested they're not talking about trespassing; they're talking about overnight camping.

Chief Schaffer reported it essentially falls under the same thing, and having to notify people of the ordinances is critical in most prosecutions.

Mayor Dawes suggested the best thing to do is to enforce the ordinances that we have on the books until we're notified otherwise. He noted the city limits parking in all of our other city lots to 24 hours and didn't know why we couldn't post it at the park and ride.

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

a. Minutes of the special meetings of June 30, July 12, and July 28, 2016, and the regular meeting of July 25, 2016;

August 8, 2016

b. Claim Vouchers No. 116422-116571 in the amount of \$378,786.94 dated July 29, 2016; and Payroll Vouchers No. 38980-39065, Direct Deposit Payroll Vouchers No. 7325-7420, and Electronic Federal Tax Payment No. 162 in the amount of \$743,686.67 dated July 29, 2016; and

c. Approve Separation Agreement between the city and the current city manager.

The motion was seconded by Councilor Lund and carried unanimously.

3. Administration Reports.

a. **Transportation Benefit District Funding.** City Manager MacReynold reported this is an issue that they've talked about for quite a while and plan to move forward over the next couple of months. He briefly outlined the process, noting they're looking at a sales tax increase of two tenths of one percent over a 10-year period that will bring in \$800,000 - \$1 million annually. City Manager MacReynold proposed to first meet with the finance committee to lay out a timeline and would bring it back to the council soon after that.

Mayor Dawes reported this is an item that he asked City Manager MacReynold to bring up, noting the council approved the creation of a Transportation Benefit District in December 2015, but held off on establishing a funding mechanism for it. He indicated he would like to see the council move on this, or at least make a determination if they want to submit something to the taxpayers to vote on. Mayor Dawes stated he also wanted it on record that this is something that the city has been working on for a while, so it doesn't appear that the first thing the new city manager does when she comes on board is to propose a new tax.

Councilor Lund stated he agreed that they needed to get moving on it, noting he had also talked with City Manager MacReynold about it.

Mayor Dawes suggested they schedule a work session to discuss it, adding he would also like to have all seven members of the council present during the discussion.

b. **Special Work Session – Utility Rate Study.** City Manager MacReynold reported a special work session had been scheduled for Monday, August 29, at 5:00 p.m. to discuss utility rates. He noted Public Works Director Rick Sahlin is working with the Financial Consulting Solutions Group to update our analysis and to prepare some options for the council to consider.

4. Council Reports.

a. **Update From Mayor Dawes.** Mayor Dawes reported he attended a couple of meetings with the Washington State Department of Transportation (WSDOT) to receive updates on the Chamber Way overpass, which reopened last Thursday. He noted he also attended a small get-together on Friday at the Chamber Office to thank WSDOT and the contracting crew. Mayor Dawes reported the northbound span of the bridge was unfortunately hit again earlier in the day at about 9:25 a.m., but there was no significant damage to report. He noted he was putting some letters together to thank WSDOT and our local representatives who were very instrumental in getting the situation well in hand. Mayor Dawes stated he hoped that the remaining part of the structure will hold up until we can get the bridge replaced in 2023, or sooner if the Legislature is able to move the project up.

Mayor Dawes reported Music in the Park rapped up last week, noting it was very successful and well attended this year. He also reported they would be having their first meeting with Lewis County Fire District #6 on Wednesday, August 10 to discuss the future and the potential of a Regional Fire Authority between the city and the District.

5. **Ordinance No. 961-B First Reading – Amending Title 17 of the Chehalis Municipal Code Dealing with Allowable Fence Height.** City Manager MacReynold reported this is a housekeeping item that will bring our city code into compliance with the International Building Code.

Mayor Dawes reported fences that are not within the right-of-way of the road would now be allowed up to seven feet high, which is the same as what the International Building Code allowed for. He inquired about the setback, wondering if it would remain at four feet.

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Interim Community Development Director Trent Lougheed reported nothing would change except the actual height of a fence that's permitted within the city, adding all of the other portions of the fence code will stay the same.

Councilor Pope moved to pass Ordinance No. 961-B on first reading.

The motion was seconded by Councilor Lund and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 5:18 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: August 22, 2016

Initials: js

August 22, 2016

The Chehalis city council met in regular session on Monday, August 22, 2016, 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: David Fleckenstein, Acting City Manager/Airport Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Ken Cardinale, Fire Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; and Don Schmitt, Street/Stormwater Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Update on ChehalisFest.** Lewis County Historical Museum Executive Director Andy Skinner reported the festival has typically been 'volunteer' driven with the Chamber of Commerce being the primary marketing and promotion organization behind the event; however, because they had too much going on with their events schedule this year they asked if the museum and the Chehalis Community Renaissance Team would be willing to take on the role of marketing, promotion, and gathering sponsorships. He noted they ended up changing some of the promotional materials and sponsorships, but overall, considered the event to be very successful. Mr. Skinner reported they had a 42 percent increase in funds raised over last year for the breakfast and lunch combined, and the car show expanded from 45 cars last year to 86. He noted the museum rose upwards of \$4,500 after all of the sponsorships were received and the expenses were paid.

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

- a. Minutes of the regular meeting of August 8, 2016;
- b. Claim Vouchers No. 116572-116732 and Electronic Funds Transfer No. 72016 in the amount of \$437,125.26 dated August 15, 2016; and
- c. Award National Avenue TIB Arterial Preservation Project to Granite Construction in the amount of \$366,080 and authorize the city manager to execute a contract agreement for the same; and authorize city manager to execute Supplemental Agreement Number 1 with Skillings Connolly, Inc., to include construction management services for the National Avenue TIB Arterial Preservation Project.

Councilor Pope seconded the motion.

Councilor Spahr asked for an explanation on the supplement agreement with Skillings Connolly, Inc., noting the original agreement was for \$53,000 and the supplemental agreement is for an additional \$52,000.

Street/Stormwater Superintendent Don Schmitt reported the original agreement was strictly for the design of the project. He noted it's typical to approve a supplemental agreement for construction management after the project has been approve and awarded.

Councilor Lund asked if there's someone local who can do engineering on city projects.

Mr. Schmitt reported there are local engineers that do design some city projects; however, they like to spread the work around and sometimes it's based on availability.

Councilor Lund stated we have an eight percent unemployment rate in this county and he would like see our dollars stay local.

The motion carried unanimously.

3. **Administration Reports.**

a. **July Financial Report.** Finance Manager Judy Pectol reported things are looking good, but there are a couple of revenues she's concerned about and she's watching those.

b. **Recap on 2016 Chip Seal Program.** Mr. Schmitt reported the chip seal program was pretty uneventful this year, noting they oiled approximately nine lane miles with no major breakdowns. He stated one of the good things that came out of this

August 22, 2016

year's program is that Lewis County was able to renegotiate their oil contract (which the city piggybacks on) and got a 36 percent reduction.

Mayor Dawes inquired about the stop light at the corner of Market Boulevard and 2nd Street that had been taken down to be repaired.

Mr. Schmitt reported they were able to secure an antique Crouse-Hines light and used the guts of it to rebuild the stop light, adding it's scheduled to go back up the following morning.

c. **Briefing on New Fire Training Site.** Fire Chief Ken Cardinale briefed the council on the new fire training facility located within the Chehalis Regional Water Reclamation Facility. He noted they worked with a local company who came within the amount they had budgeted, which was \$8,000; however, after they got into it they determined the modifications needed would cost an additional \$4,000. Chief Cardinale indicated he had been in discussions with Lewis County Fire District 6 about the training site, adding after the additional cost was determined he contacted Commissioner Kirk Johnston to ask if his offer to help was still on the table and they were more than generous to supply the additional \$4,000.

Chief Cardinale reported the training facility is made up of shipping containers that are modified for use by the fire department for training. He noted the facility is basically a mockup of a two story home with a staircase for access. Chief Cardinale stated they're looking at installing a fire department connection and sandpipes and are currently in the process of designing an adjustable roof prop for practice ventilation on both residential and commercial structures. He noted the new facility will allow for limitless training, to include:

- IDLH/SCBA (Endangered Life and Health)
- Search and Rescue
- Hose Evolutions
- Team Building
- Above Ground Work
- V.E.S. – Vent-Enter-Search
- Roof Ventilation
- Working with Multiple Agencies
- May-Day Training (Man Down Inside)

Chief Cardinale suggested the new training site will help reduce on-the-job injuries, adding the more they can train the more they can prepare personnel to deal with the threats that are out there. He noted the site will be used by all of the local fire agencies, including Riverside Fire Authority (RFA) and Lewis County Fire District 5 and 6.

Chief Cardinale reported, for training purposes, they'll be loading the containers with the typical types of furniture found in both residential and commercial structures. He noted they've also secured some donations from Home Depot and Palmer Lumber, to include windows, doors, and locks that they can no longer sell.

Councilor Lund asked if they plan to include funding in next year's budget to procure more containers to make the facility larger.

Chief Cardinale reported, before they purchase any more containers, they first want to see how many evolutions they can do and develop a plan on how they want to grow. He noted they don't have a projection for next year, but they may have something in future budgets.

Councilor Lund felt the current facility was small and thought they would want to go bigger.

Chief Cardinale stated they're looking at adding a third story, but they first want to see how their personnel respond to it.

Councilor Lund thought it was a good idea and didn't want them to have to wait too long to make it bigger for better training.

August 22, 2016

Chief Cardinale reported they're not looking at a lot of money with the containers, noting the expense is in the modifications. He stated rather than just adding more containers they want to add different aspects that are useful for training.

Acting City Manager David Fleckenstein reported he and Chief Cardinale talked about the project early on because of the proximity to the airport. He noted one of the limiting factors in expanding is that any live burns would create an obstruction for the airport, which limits some of the actual training that can take place there.

Chief Cardinale reported they'll be using their smoke generation machines to generate that type of environment, and the sun will heat up the containers so they won't have to reinvent that. He noted the other limiting factor is the site may be used for future expansion of the wastewater facility, which is why they went with portable containers.

Chief Cardinale stated they would be talking with RFA and Fire District 6 in the future to see if they can secure some real estate, either by donation or purchase, to build a permanent regional training facility. He noted they're very excited about the new training facility and what it will bring.

4. **Council Reports.**

a. **Update from Councilor Lund.** Councilor Lund reported the Joint Oversight Board met with Fire District 6 to discuss functional consolidation and working together on different projects. He noted he also attended the SW Washington Fair, adding it turned out pretty good this year.

b. **Update from Councilor Pope.** Councilor Pope reported the Fraternal Order of Eagles would be having a bingo fundraiser for Penny Playground on August 27.

c. **Update From Mayor Dawes.** Mayor Dawes reported their next meeting with Fire District 6 would be on September 14, noting at that time they will start the review process on the different options as far as working together on fire service in the future. He also attended opening day of the fair and worked in the Lewis County Historical Museum fair booth.

d. **Update on Park and Ride Situation.** Mayor Dawes suggested the camping issue at the park and ride on Main Street is getting worse and suggested they need to stop it before it gets any bigger.

Acting City Manager Fleckenstein reported the administration is still looking into the situation, noting they ran a couple of proposals by the City Attorney earlier in the day. He believed they had a solution and would be discussing it with City Manager MacReynold when he returns.

City Attorney Hillier reported he's been out of the office, so any delay on the situation is on his part.

Police Chief Glenn Schaffer reported they've been visiting the site daily, as well as a couple of other sites in town. He noted the request sent to the City Attorney's Office had to do with parking regulations and creating further limitations. Chief Schaffer stated he plans to meet with City Manager MacReynold to talk about the options, to include restricting overnight parking in those lots.

Mayor Dawes stated they need to do something because it's not getting any better; if fact, it's getting worse.

Councilor Lund stated he's upset that this hasn't been taken care of yet and citizens are also getting upset about it.

Acting City Manager Fleckenstein stated he agreed, adding there has to be a long-term solution.

Mayor Dawes requested an update in two weeks, adding he hoped they would have a plan in place and the situation would be taken care of. He noted John Panesko, who attended the meeting two weeks ago, had a very legitimate concern about the activity that's been happening on his property.

August 22, 2016

Chief Schaffer stated the administration is concerned about it too, adding he can only work with the ordinances that we have. He suggested after he talks with City Manager MacReynold, and gets direction, they'll be able to change some of the parking ordinances and post signage.

Mayor Dawes stated staff does not need council action to take care of parking issues. He noted when he broached City Manager MacReynold about it a couple of months ago he told him he would be willing to work with the rest of the council to get ordinances passed to take care of it.

City Attorney Hillier reported they have addressed the fact that staff is authorized to make these decisions today and they're headed down that road.

Councilor Taylor asked if staff could also address the issue on the sidewalk that goes under the bridge near the park and ride and comes out near Riverside Road. He noted pretty much every time they ride their bikes in that area there's a good gathering of people that are sitting or sleeping on the sidewalk, and bathing in the creek.

City Attorney Hillier reported that property belongs to the Washington State Department of Transportation.

Chief Schaffer stated, in spite of it being WSDOT property, there are things the city can look at, such as littering and harassment, but we can't do anything about them being there.

Mayor Dawes suggested they had a similar issue under the Chamber Way Bridge near the railroad, noting the homeless were digging out areas and the city had to go in and post signs. He stated it's a tough issue and he hates having to pass ordinances to address it, but it's a quality of life issue and the city needs to do what we can.

5. Ordinance No. 961-B, Second and Final Reading – Amending Title 17 of the Chehalis Municipal Code Dealing with Allowable Fence Height. Acting City Manager Fleckenstein reported there were no changes to the proposed ordinance being presented, which passed on first reading on August 8.

Councilor Spahr moved to pass Ordinance No. 961-B on second and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

6. Special Council Work Session. Mayor Dawes reminded the council about the special work session on Monday, August 29, at 5:00 p.m. to review the utility rate study.

7. Special Thanks to WSDOT. Councilor Harris stated he wanted to personally thank WSDOT and all of those involved for getting the Chamber Way overpass corrected as rapidly and professionally as they did. He noted it was pretty remarkable.

There being no further business to come before the council the meeting adjourned at 5:34 p.m.

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: September 12, 2016

Initials: js

September 12, 2016

The Chehalis city council met in regular session on Monday, September 12, 2016, 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; Randy Kaut, Deputy Police Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Trent Loughheed, Interim Community Development Director; and David Fleckenstein, Airport Manager. Members of the media included Natalie Johnson from *The Chronicle*.

1. **Employee Service Awards.** Mayor Dawes presented Human Resources Administrator Peggy Hammer with an employee service award for eight-and-a-half years of service to the city.

Mayor Dawes also presented a plaque to City Manager Merlin MacReynold in recognition of his exemplary service to the city from May 2006 to September 2016.

2. **Chehalis Basin Strategy Presentation.** City Manager MacReynold reported the Washington State Department of Ecology (DOE) has been working with the Chehalis Basin Flood Authority on a basin-wide strategy for quite some time. He introduced DOE Programmatic Environmental Impact Statement (EIS) Project Manager Chrissy Bailey who provided the following information regarding the Chehalis Basin Strategy.

Ms. Bailey reported, with the EIS coming out at the end of the month, they're busy trying to bring people up to speed on why this effort is occurring. She noted the actions being evaluated include extreme flooding and the declining health of the river.

Ms. Bailey reported the Basin covers eight counties, with Lewis County being one of the largest. She stated, over the last 30 years, poor returns of one or more species of salmon has limited tribal and non-tribal harvests, and productivity has been degraded by almost 80 percent. Ms. Bailey reported the Chehalis Basin is the only basin in the state that does not have federally endangered salmon species, which limits our ability to get federal funding for restoring habitat for declining species.

Ms. Bailey briefly talked about the issues of climate change specific to the basin, and extreme flooding. She noted if nothing is done, the results would include:

- \$3.5 billion in damage over the next 100 years under current conditions, and potentially an additional \$1 billion in the city of Aberdeen from coastal flooding
- Extreme floods more frequent and larger causing greater damage
- Loss of aquatic species
- Potential listing under Endangered Species Act

Ms. Bailey reported the Chehalis Basin Strategy is a two-pronged approach, adding there is no intent to do restoring of aquatic species habitat without reducing flood damage. She indicated the long-term goal of the strategy is to make the Basin a safer place for families and communities that are impacted by flooding, and to restore the habitat for future generations.

Ms. Bailey talked briefly on the projects currently underway in the basin. They include:

- Reconnecting floodplains and restoring habitat – culverts projects (\$23 million in value)
- Local flood damage flood projects – flood vents and farm pads (\$12.5 million in value)

Ms. Bailey reported they're looking at different combinations of recommended actions and evaluating the potential effects on both people and the environment. She stated the draft EIS will be released to the public at the end of September and comments will be due by the end of October. Ms. Bailey reported they also plan to have a number of public meetings throughout the Basin during the month of October, and at the end of the comment period the information will be consolidated and provided to the Governor and Legislature to make recommendations for what actions get funded and moved forward.

Ms. Bailey reported on the various actions included in the four alternatives being evaluated in the EIS. Those actions include:

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- Large-Scale Flood Damage Reduction Actions: flood retention facility; airport levee improvements; I-5 projects; Aberdeen/Hoquiam north shore levee; and restorative flood protection to re-establish the natural flood buffering capacity of a healthy watershed
- Local-Scale Flood Damage Reduction Actions: farm pads; raising structures; building walls; land use management improvements; and improved early warning system
- Aquatic Species Habitat Restoration Actions: low and high scenarios; restoring streamside habitat with native vegetation; restoring bank erosion to naturally occurring rates; and removing fish passage barriers (culverts)

Ms. Bailey reported, rather than looking at one particular project, they're looking at the different alternatives when combined together to see what the benefit and impacts are and how they compare to each other at a planning level. She noted some of the benefits to the alternatives being considered include:

- Lower maintenance costs
- Resilience and adaptation to climate change
- Benefits to habitat
- Assistance to landowners already impacted by flooding and erosion
- Non-traditional approach
- Relocation of landowners in treatment areas provided flood protection into perpetuity and eliminates chronic flood costs
- Large scale carbon sequestration benefits (re-forestation project)
- Benefits to water supply and groundwater recharge

Ms. Bailey reported the flood retention facility/dam, as part of the large-scale action, would be located about one mile south of Pe Ell along the Chehalis River on Weyerhaeuser land. She noted there are two types of facilities being looked at:

- Flood Retention Only Dam: This facility would only be in operation when a major flood is predicted at the Grand Mound gauge and the river would continue to run all other times of the year.
- Flood Retention and Flow Augmentation: This facility would have a year-round reservoir. The goal of the reservoir would be to release water that's stored in the winter into the river during the summer months to help cool the temperature and provide additional water during the summer.

Ms. Bailey reported they have a policy meeting planned for October 11, as well as a hearing in the upper basin on October 18 and in the lower basin on October 27.

Mayor Dawes wondered why they would list "potential listing under Endangered Species Act" as a significant impact with water retention, when it could go either way.

Ms. Bailey stated it would be a significant impact; however, that wouldn't happen with some of the other alternatives.

Councilor Harris asked where the greenway would be located.

Ms. Bailey reported there would be multiple site-specific areas, but they don't have that level of detail yet.

Councilor Harris wondered if there would be any land acquisition for the off-set of taking agricultural land and turning it into a greenway.

Ms. Bailey reported there's an economic assessment underway, but it's not part of the EIS. She noted the assessment would include the costs of displacing agriculture and forest lands.

Mayor Dawes stated the alternative on the table talks about displacing people, and suggested the outcome really doesn't provide any significant results, as compared to some of the other alternatives.

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Ms. Bailey reported the difference would be (especially in the greenways) if folks are willing to move, they would be protected from flood damage forever. She noted there will be trade-offs for all of the alternatives.

Mayor Dawes stated there's been a lot of work done and hoped they would not try to do something that might look good on paper, but doesn't get the results we need.

Councilor Harris suggested trying to change the culture of an entire basin based on whether you gain a foot of water one way or the other is going to be pretty difficult to sell, but he also thought this would be a good opportunity for folks who want to do something different.

Councilor Taylor asked if the airport levee improvements had already been done.

Ms. Bailey stated part of the improvements have been done, including widening the base in preparation for it to be raised.

Councilor Taylor asked if they plan to raise or widen the I-5 corridor.

Ms. Bailey reported it may include levees and walls along I-5, but they would not be raising it.

J. Vander Stoep reported you can't just pick the alternative you want with an EIS; you have to look at all of the reasonable options. He noted his opinion about building walls along I-5 has not changed, but it still has to be part of the process.

Mr. Vander Stoep stated it's good that they have all of these alternatives on the table to consider, but it doesn't mean they want to see all of them happen. He suggested there will be a lot of controversy, but right now they're just studying the options and want to make sure they study anything that's reasonable.

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

a. Minutes of the regular meeting of August 22, 2016;

b. Claim Vouchers No. 116733-116886 in the amount of \$180,340.01 dated August 31, 2016; and Payroll Vouchers No. 39066-39151, Direct Deposit Payroll Vouchers No. 7421-7516, and Electronic Federal Tax Payment No. 163 in the amount of \$745,573.02 dated August 31, 2016;

c. Approve appointment of Jena Sorenson to the city's Lodging Tax Advisory Committee (LTAC);

d. Approve reappointment of Karen Monroe to the Sister City Committee for a new term expiring December 31, 2018; and appoint Sherryl Ketchum, Judy Meuchel, and Carrina Stanton to terms expiring December 31, 2018, and Susan Finlay to a term expiring December 31, 2019; and

e. Award bid for the Apron Rehabilitation Project at the Chehalis-Centralia Airport to Sterling Breen Crushing, Inc., in the amount of \$897,991.92 and authorize city manager to execute contract agreement for the same.

Councilor Pope seconded the motion.

Councilor Harris thanked Ms. Sorenson for volunteering to be on the committee. He noted the owner of the Econo Lodge recently sold his hotel creating another vacancy on the committee; however, he spoke with the new owner and she plans to submit an application to be considered to fill that vacancy.

The motion carried unanimously.

4. **Administration Reports.**

a. **Update on Main Street Park and Ride Camping Situation.** City Manager MacReynold reported since the last

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meeting, signs had been posted indicating the park and ride is closed from 10:00 p.m. to 5:00 a.m. He noted the police are monitoring the site and it appears to be working. City Manager MacReynold suggested this is one of those problems along the I-5 corridor that all cities are dealing with.

Deputy Police Chief Randy Kaut reported he spoke to both the day shift and the night shift and they indicated there have been no other issues, but will continue to monitor the situation.

b. **Interlocal Agreement (ILA) for Tourism Promotion Area.** City Manager MacReynold provided a brief update on the ILA for the Tourism Promotion Area. He noted City Attorney Bill Hillier has been communicating with the city attorney in Centralia to work out the details of the agreement. He noted they're still working out some issues, but plan to present the final document at the next regular meeting for council consideration. City Manager MacReynold indicated he's also been in communication with Todd Chaput, Lewis County Public Facilities District Chair, to keep him updated on what's happening with the agreement.

5. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reported the Fraternal Order of Eagles is planning another bingo fundraiser for Penny Playground on October 1 at the VR Lee Building.

b. **Update From Councilor Lund.** Councilor Lund thanked City Manager MacReynold for his service, noting he enjoyed working with him. He stated City Manager MacReynold did a great job taking care of the city and always responded to citizen's concerns in a timely manner.

c. **Update From Councilor Taylor.** Councilor Taylor reported Twin Transit recently wrapped up the construction of the bus pull-out near the Vintage At Chehalis and should have the shelter up in about one week. He noted he hoped to get more pull-outs built throughout the city, so busses don't have to stop in the middle of the street to pick people up and drop them off.

d. **Update From Mayor Dawes.** Mayor Dawes reported the council received an invitation to the 100th birthday party for the Baldwin Locomotive at the Chehalis-Centralia Steam Train and Museum on September 17, at 3:45 p.m.

Mayor Dawes reported he attended a budget committee meeting on August 23 to discuss the funding layout for the Transportation Benefit District and that a work session is scheduled for Monday, September 19, at 5:00 p.m. to go over a funding option. He also attended a ribbon cutting for the substantial completion of the Mellen Street to Blakeslee Junction project; a Boys and Girls Club fundraiser in Centralia; the monthly Mayors meeting; and a .09 Committee meeting at the county.

Mayor Dawes also wished City Manager MacReynold the best in his retirement.

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

Dennis L. Dawes, Mayor

Attest:

Judith A. Schave, City Clerk

Approved: September 26, 2016

Initials: cf

September 19, 2016

The Chehalis city council held a special work session on Monday, September 19, 2016, 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, and Daryl Lund. Councilors Ketchum and Taylor were absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Judy Pectol, Finance Manager; Rick Sahlin, Public Works Director; and Don Schmitt, Street/Stormwater Superintendent.

1. **Discuss Funding Options for Transportation Benefit District.** City Manager MacReynold reported the council created the Transportation Benefit District (TBD) in 2014, but choose not to fund it at that time. He noted with continuing loss of revenue sources for transportation it's become increasingly important for us to look at what we can do locally, so he and the administration worked with the council budget committee to come up with a proposed strategy for funding the TBD.

Mr. Schmitt reported the two predominant funding options include:

- A \$20 vehicle license fee, which does not require voter approval and affects only those living within the city
- A sales tax increase of .2%, subject to voter approval that would be good for 10 years

Mr. Schmitt reported they're considering a .2 percent sale tax levy to fund the TBD, which on a \$5 taxable purchase would result in an additional one cent. He noted the tax would apply to anyone shopping within the city limits and would bring in an estimated \$850,000 annually. Mr. Schmitt stated the revenue could only be used for transportation related repairs and improvements to city streets, as approved by the council.

Mayor Dawes reported one thing he learned at their last meeting with Lewis County Fire District #6 is that the first EMS levy required 60 percent voter approval and subsequent renewals only required a supermajority of 50 percent. He asked if the TBD levy would require a supermajority because it's the first time.

Finance Manager Judy Pectol reported, according to Municipal Research, it does not. She noted she would call the county the following day to confirm.

Mr. Schmitt reported on the number of miles and types of streets within the city, noting we have approximately 23 miles of asphalt, nine miles of concrete, and 22 miles of chip seal (center-line miles, not lane miles).

Mr. Schmitt reported the proposed approach, if approved, would be to:

- Set aside \$75,000 - \$100,000 annually for in-house street repairs (pre-leveling, dig outs)
- Contract out overlays, grind and overlays - \$500,000 annually
- Set aside \$200,000 annually for major projects

Mr. Schmitt reported, if approved, the next steps would be to:

- Schedule an additional work session, or
- Set date and time for a public hearing and draft a resolution for council to consider at the October 10 council meeting
- Council conduct public hearing on October 10 and consider resolution providing for a ballot proposition for the February 14, 2017 ballot

The council agreed that a second work session would not be necessary. They also favored the .2 percent sales tax levy over the \$20 vehicle license tab fee.

The consensus of the council was to set a date and time for a public hearing and have the administration draft a resolution for the October 10 council meeting for their consideration.

Councilor Spahr asked how they plan to let the people know what the money will be used for.

September 19, 2016

City Manager MacReynold reported they will do a press release and suggested setting up a briefing with the local press for the administration and council budget committee to walk them through it. He noted the press has always been very receptive to this process.

There being no further business to come before the council the meeting adjourned at 5:30 p.m.

Dennis L. Dawes, Mayor

Attest:
Judy Schave, City Clerk

Approved: October 10, 2016
Initials: js

September 26, 2016

The Chehalis city council met in regular session on Monday, September 26, 2016, 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, Daryl Lund, Dr. Isaac Pope, and Bob Spahr. Councilors Tony Ketchum and Chad Taylor were absent (excused). Staff present included: Jill Anderson, City Manager; Bill Hillier, City Attorney; Caryn Foley, City Clerk; David Fleckenstein, Airport Manager; Judy Pectol, Finance Manager; Glenn Schaffer, Police Chief; and Judy Schave, Human Resources/Risk Manager. Members of the media included Justyna Tomtas from *The Chronicle*.

Mayor Dawes recognized the return of Caryn Foley as City Clerk, taking over for Judy Schave who served as City Clerk the last 12 years and was recently appointed Human Resources/Risk Manager. He also welcomed Jill Anderson as the city's new City Manager, adding the Council looked forward to working with her.

1. **Chehalis Community Renaissance Team (CCRT)**. David Hartz, President of the Friends of the Chehalis Community Renaissance updated council on CCRT activities. Mr. Hartz expressed appreciation to the council for their support because the program would not be where it is today without the council and former City Manager MacReynold. The CCRT has been in existence almost nine years and is hiring a part-time executive director to lead the organization. Until now, the Renaissance has relied on volunteers, but realized a paid director is needed to further the program. He acknowledged the city's contribution to the CCRT through the state's Main Street Tax Incentive Program to take this step in hiring an executive director. Mr. Hartz stated they look forward to working with the council and new city manager. He also recognized the 50+ people that volunteer their time to the CCRT. A couple projects currently underway include historic banners and cigarette butt receptacles.

2. **Proclamation – Lee Coumbs Appreciation Day**. Mayor Dawes stated that Lee has been very active in the community. Most recently, he took on the role of interim manager of the Southwest Washington Fair, ensuring that the fair would take place following some administrative changes at the county. Mayor Dawes presented Lee with a proclamation declaring September 26 as "Lee Coumbs Appreciation Day" in the city of Chehalis.

3. **Proclamation – National Recovery Month**. Mayor Dawes presented Janis Housden from Great Rivers Behavioral Health with a proclamation declaring September 2016 as "National Recovery Month" in the city of Chehalis.

4. **Update on Discover! Children's Museum**. Larry McGee welcomed City Manager Anderson. He stated there is a spirit of getting things done in this community that, in his experience, is unmatched. Mr. McGee stated Discover! has two of its biggest funding requests out, including the State Department of Commerce's Building Communities Fund for about \$750,000, and the Coal Transition Board for \$1 million.

Mr. McGee also recognized Judy Schave and Caryn Foley and was thrilled to see both of them elevated at the city.

5. **Consent Calendar**. Mayor Dawes removed agenda item 10 – Authorize the City Manager to executive interlocal agreement between the City, City of Centralia, and the Public Facilities District establishing a Tourism Promotion Area and Sports Commission, to be discussed separately.

Councilor Pope moved to approve the remaining consent calendar items comprised of the following:

- a. Minutes of the regular meeting of September 12, 2016;
- b. Claim Vouchers No. 116887-117070 and Electronic Funds Transfer Nos. 82016 and 92016 in the amount of \$1,082,883.95;
- c. Approve appointment of Gloria Choi to the City's Lodging Tax Advisory Committee; and
- d. Set date and time of October 10, 2016, at 5:05 pm for a public hearing on funding the Transportation Benefit District.

The motion was seconded by Councilor Spahr and carried unanimously.

Mayor Dawes brought back agenda item 10. He stated concern between the version of the agreement included in the agenda packet versus a prior version.

September 26, 2016

Mayor Pro Tem Harris asked for discussion about the section outlining how to withdraw and asked if all the hoteliers approve the establishment of the tourism promotion area, specifically whether or not the information collected would breach the hotels proprietary information.

Todd Chaput with the Public Facilities District, suggested some proprietary information might be obtained if one dug down that deep, but he didn't think anyone could get firm data. He stated none of the hotels he's spoken with have concerns, and in fact, it was the hotels that came up with the idea.

Mayor Pro Tem Harris asked if legal counsel was involved with the writing of the agreement, specifically the section addressing withdrawing from the agreement.

City Attorney Hillier stated that he and the former city manager had concerns and reworded the agreement before the council that would give either city the option to withdraw.

City Manager Anderson added she had an opportunity to discuss this with Mr. MacReynold and felt the proposed agreement addressed the concerns he had.

Mayor Pro Tem Harris asked what would happen if the city wanted to leave, but the hotels did not.

City Attorney Hillier explained the hotels hold the trigger, but if the Chehalis hotels come to the city and want to opt out, the council would defer to their request and it would be a council decision.

Mayor Dawes stated his concern related to the make-up of the Sports Commission board, specifically the four at large members. He wanted to make sure the commission was represented on an equal basis between the two cities. After speaking with Todd Chaput, it was his understanding that the commission may want to solicit members that may be outside the jurisdictions of Chehalis or Centralia. Mayor Dawes proposed to change the language to, "Four at large members, when selected by a majority of the Sports Commission, will ensure equal representation of the two municipalities."

Mr. Chaput stated that when the four at large positions were discussed they didn't concern themselves with equal representation by jurisdiction because some of those positions may be filled by individuals outside Chehalis and/or Centralia.

Mayor Pro Tem Harris stated he didn't have any concerns about the make-up of the board, except for the large number of 13 members.

Councilor Spahr stated the make-up includes parks and recreation representatives from both cities and asked who would make the decision of who the representatives would be.

Mr. Chaput assumed that would be a decision of the council or city manager. Mr. Hillier noted the appointment would come from city administration. City Manager Anderson agreed, indicating she would probably make the appointment and if there were any changes in staff, a replacement would be appointed.

Councilor Spahr asked who would select the Chehalis and Centralia hotel representatives. Mr. Chaput stated the hotels would make that decision.

Councilor Lund stated he had no concerns and wanted to see the agreement approved.

Mayor Dawes stated a majority of the Council was fine with the agreement.

Mayor Pro Tem Harris moved to authorize the City Manager to executive the interlocal agreement between the City, City of Centralia, and the Public Facilities District establishing a Tourism Promotion Area and Sports Commission. The motion was seconded by Councilor Lund and carried unanimously.

September 26, 2016

6. Administration Reports.

a. **August Financial Report.** Finance Manager Judy Pectol asked that the minutes reflect that the new City Manager, T. Jill Anderson, will be added to all bank accounts and Merlin G. MacReynold would be removed from all bank accounts. Ms. Pectol reported things are fine and on track. A budget amendment will be prepared to address things that need to be adjusted. The Airport budget is being watched closely as many projects are going on. At least one project planned for next year, is happening this year, so a short-term loan may be needed. The general fund will look stronger next month because of the \$318,000 construction permit fee from the School District.

Mayor Dawes noted that with regard to the airport, the reason for a loan was because the funding is paid up front and the FAA reimburses the City.

7. Council Reports.

a. **Update from Mayor Pro Tem Harris.** Mayor Pro Tem Harris thanked Gloria Choi for her willingness to serve on the Lodging Tax Advisory Committee, which meets tomorrow to review 2017 funding requests. Mayor Pro Tem Harris was recently appointed chair of the Chehalis Basin Partnership beginning in January.

b. **Update from Councilor Pope.** Councilor Pope thanked the community for making Pope's Kids Place get to the level it is today and he announced a groundbreaking ceremony was held for a new facility. He hoped that this time next year they would be dedicating the building. Another bingo fundraiser for Penny Playground is being planned October 1 at the V.R. Lee Community Building. The fundraisers are being organized by the Fraternal Order of Eagles.

c. **Update from Councilor Spahr.** Councilor Spahr attended the Business After Hours at Rainer Connect and the 100th birthday celebration of Locomotive No. 15 at the Chehalis-Centralia Railroad & Museum. He mentioned an article in Saturday's Chronicle about marijuana and the amount of money the state is collecting. While the city has collected about \$7,000, the state has collected about \$1 million out of Chehalis. He noted the city's share would go down if Centralia and Lewis County allow these businesses.

d. **Update from Councilor Lund.** Councilor Lund attended the Southwest Washington Fair Association meeting and thanked Mayor Dawes for the proclamation honoring Lee Coumbs. He stated people don't realize the things Lee has done for the community over the years, especially the silver letters stating "Southwest Washington Fair" at the front of the fairgrounds that were placed 30+ years ago when Lee was fair manager. He stated buildings were full with vendors and was a much better event this year.

e. **Update from Mayor Dawes.** Mayor Dawes attended the monthly meeting with Fire District No. 6. He asked that a meeting be set for the council subcommittee (Dawes, Lund, and Spahr), the city manager, and the fire chief prior to the next meeting with District 6. Mayor Dawes also attended the Pope's Kids Place groundbreaking ceremony, along with Business After Hours at Rainier Connect, and he will be busy with budget committee meetings with Mayor Pro Tem Harris and Councilor Spahr during the next couple weeks.

City Manager Anderson thanked everyone for the very warm welcome and looks forward to getting a lot done.

There being no further business to come before the council the meeting adjourned at 5:40 pm.

Dennis L. Dawes, Mayor

Attest:
Caryn Foley, City Clerk

Approved: October 10, 2016
Initials: cf

October 10, 2016

The Chehalis city council met in regular session on Monday, October 10, 2016, 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, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Bill Hillier, City Attorney; Caryn Foley, City Clerk; Judy Pectol, Finance Manager; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources/Risk Manager; and Don Schmitt, Street/Stormwater Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*; and Susan DeLaire from *Business to Business*.

1. Special Business – Update on Chamber Way Bridge. Bart Gernhart, Assistant Regional Administrator for Engineering for the Washington State Department of Transportation, provided an update on the Chamber Way Bridge replacement. WSDOT has looked at several options as requested by local legislators. The estimate to replace the damaged span is about \$4 million, but they do not believe that spending that amount of money to replace one span is a wise investment, especially since the 2015 tax package includes funding to replace the entire interchange in 2023. They believe the best plan is to replace the existing two-lane bridge with a four-lane bridge at a height that meets minimum highway standards (16' 6") and to carry six lanes of traffic underneath it in the future. Plans have been drawn, along with rough costs. The \$4 million in emergency funds approved by the Federal Highway Administration to replace the damaged span will be combined with about \$8 million in additional dollars to replace the entire bridge. The heads of both the Senate and House transportation committees have given initial buy-in, so it is hoped that the Legislature will approve the plan when they get back in session next year. They plan to hire a contractor and design firm next spring and begin construction in the summer in hopes that the project will be completed by the fall of 2018.

Mayor Dawes asked if it would include pedestrian and bicycle lanes. Mr. Gernhart stated it would include sidewalks and wide enough shoulders for bicycles.

Councilor Harris asked if the current bridge would stay open until the new one is completed. Mr. Gernhart stated that for the most part during daylight hours it will be open through construction. The plan is to build a two-lane bridge right next to the existing bridge, shift traffic over to that bridge, tear down the existing bridge and then build another two lanes and connect them together. At night he expects a few closures of both the bridge and the interstate.

Mr. Gernhart stated there will be an open house between now and the holidays to communicate with businesses.

Mayor Dawes stated the city was certainly pleased. There was concern when the bridge was damaged and there was remarkable speed by WSDOT to get the bridge reopened as quickly as possible. He recognized Senator Braun who led the charge, along with Representative Ed Orcutt.

2. Public Hearing – Proposed Ballot Proposition to Impose a Sales and Use Tax for the Purpose of Funding Certain Transportation Improvements. City Manager Anderson stated the administration would be providing a presentation to members of the public who may not have been following the issue. The item is related to the need to fund maintenance for streets and roads in Chehalis, specifically to ask the voters to increase the sales and use tax by 0.2 percent.

Mayor Dawes recessed the regular meeting at 5:09 pm and opened the public hearing.

Don Schmitt provided a presentation that included background information and the proposed approach of putting a ballot proposition before the voters to increase the city's sales and use tax by 0.2 percent to help fund transportation improvements for a 10-year term. It is estimated that the additional sales tax received would be approximately \$850,000 annually. The tax would apply to anyone who shops within the city limits, not just city residents. Mr. Schmitt outlined how the funds would be used. The measure would be placed on the February 14, 2017 ballot.

Mayor Dawes asked that copies of the presentation be made available at city hall.

Mayor Dawes clarified that the county review included in the resolution was the county prosecutor's review of the ballot title, and not subject to approval by the county. Mr. Hillier noted the city has already received a preliminary approval from the county.

October 10, 2016

Randy Mueller, Chief Executive Officer of the Port of Chehalis, addressed the council in support of the ballot proposition. Mr. Mueller noted the port sees that for their municipal partners, costs are rising faster than revenues; cities don't have a dedicated road tax, so road maintenance competes with essential services that the city provides; dedicated road maintenance funds are essential to maintain roads at a high quality to attract and retain business, which is a core mission of the port; and the port always supports the opportunity for the residents of Chehalis to invest in themselves.

Mr. Mueller also commented as a citizen, stating he chaired the "Vote Yes on the TBD" committee to fund freeway interchange improvements in Ridgefield, WA, which was completed several years ago.

There being no further public comment, Mayor Dawes closed the public hearing at 5:22 pm and reopened the regular meeting.

3. **Consent Calendar.** Mayor Dawes proposed a correction to the September 26 minutes on page nine of the agenda packet. The third sentence of the ninth paragraph should read, "After speaking with Todd Chaput . . . , not Councilor Taylor."

Councilor Spahr moved to approve consent calendar items comprised of the following:

a. Minutes of the work session of September 19, 2016 and the regular meeting of September 26, 2016, as amended;
and

b. Claim Vouchers No. 117071 – 11781 in the amount of \$174,132.59 dated September 30, 2016.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Administration Reports.**

a. **Annual Debt Compliance Update.** Finance Manager Judy Pectol reported the financial information that has to be reported annually to the Municipal Securities Rulemaking Board has been reported in compliance with the conditions set forth when the 2011 limited general obligation bond was issued.

b. **City Manager Update.** City Manager Anderson commented on the work of some of the city's firefighters during an incident on September 15. On that date, four separate calls were received – three for medical aid and one for a structure fire. As a result, one firefighter was by himself trying to contain the fire, while remaining personnel were diverted to the medical calls. Chief Cardinale responded, along with the city's partners, including Riverside Fire Authority and Lewis County Fire District No. 6. City Manager Anderson wanted to recognize and thank the firefighters. Regardless of which agency they are affiliated with, they are working to serve the public and working cooperatively together.

5. **Councilor Reports.**

a. **Update from Mayor Dawes.** Mayor Dawes attended the Centralia College Foundation fundraiser on October 1; budget committee meetings last week and tomorrow; and the county mayors meeting, which included a legislative roundtable with local legislators. He reminded Councilors Spahr and Lund about the Fire Committee meeting tomorrow at 1:00 and the meeting with Fire District No. 6 at 6:00 pm on Wednesday.

6. **Resolution No. 17-2016, First and Final Reading – Providing for a Ballot Proposition to Impose a Sales and Use Tax for the Purpose of Funding Certain Transportation Improvements.** City Manager Anderson stated the resolution was follow-up action to the public hearing that concluded earlier in the meeting. The resolution is before the council to consider whether to place the ballot proposition before the voters.

Councilor Lund stated he has heard from several retired business owners who are in support of the resolution.

Councilor Spahr moved to adopt Resolution No. 17-2016 on first and final reading. The motion was seconded by Councilor Harris and carried 6 to 1. Councilor Taylor voted against the motion.

October 10, 2016

7. Ordinance No. 962-B, First Reading – Adding a New Chapter to the Chehalis Municipal Code to be Entitled Centralia/Chehalis Tourism Promotion Area. City Manager Anderson stated this is a follow-up item to action taken at the last city council meeting where the council approved an interlocal agreement with the city of Centralia to create a tourism promotion district for the purpose of creating a Sports Commission to bring more sporting events to the area.

Councilor Harris moved to pass Ordinance No. 962-B on first reading. The motion was seconded by Councilor Lund and carried unanimously.

8. Approve Candidates and Funding Amounts of the Lodging Tax Advisory Committee (LTAC) for Use of Lodging Tax Funds for 2017; and Reappoint the Memberships of Todd Chaput, Gloria Choi, Jena Sorenson, Alicia Bull, Rick Burchett, and Chip Duncan to the LTAC. Councilor Harris stated there have been a couple of good years in the hotel-motel industry. The LTAC received nine requests for funding totaling \$237,000. He acknowledged the committee members for their work, stating they are all excellent stewards of the monies.

Councilor Taylor stated he would not be voting on any of the candidates because of the potential conflict of interest with his business.

Councilor Ketchum asked for an explanation of the award amount for Lewis County Community Trails since their request is a lot more than this year's request.

Councilor Harris stated they were expanding their operation and marketing, and possibly changing the ride in response to some suggestions from the LTAC. They are considering reversing the ride so that the festival that was supposed to take place in Pe Ell would happen in Chehalis.

Councilor Ketchum asked if that doesn't happen would they still receive Chehalis lodging tax funds for an event in Pe Ell. Councilor Harris stated that many of the riders are traveling here to take the ride (over 300 riders this year) and are staying the night generally in Chehalis and riding to Pe Ell and then coming back.

Councilor Spahr moved to approve both individually and collectively the candidates and funding amounts of the Lodging Tax Advisory Committee for use of lodging tax funds for 2017, and to reappoint the memberships of Todd Chaput, Gloria Choi, Jena Sorenson, Alicia Bull, Rick Burchett, and Chip Duncan to the Lodging Tax Advisory Committee. The motion was seconded by Councilor Pope and carried unanimously. Councilor Taylor abstained from voting.

Councilor Harris stated there is \$150,000 in reserves to potentially be used for improvements to Recreation Park and possibly Stan Hedwall Park, to expand those facilities to support sporting events. The money can be utilized to repay council-matic bonds and as capital against other grants. The LTAC agreed that the thing that puts most heads-in-beds, other than business, is sporting events.

There being no further business to come before the council the meeting adjourned at 5:41 pm.

Dennis L. Dawes, Mayor

Attest:
Caryn Foley, City Clerk

Approved: October 24, 2016
Initials: cf

October 24, 2016

The Chehalis city council met in regular session on Monday, October 24, 2016, 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, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; David Fleckenstein, Airport Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Loughheed, Community Development Director; Judy Pectol, Finance Manager; Rick Sahlin, Public Works Director; and Glenn Schaffer, Police Chief. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Proclamation – Domestic Violence Awareness Month**. Mayor Dawes read a proclamation designating October 2016 as Domestic Violence Awareness Month.

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

a. Minutes of the regular meeting of October 10, 2016; and

b. September 30, 2016 Payroll Vouchers No. 39152 – 39225; Direct Deposit Payroll Vouchers No. 7517 – 7613; and Electronic Federal Tax Payment No. 164 in the amount of \$842,070.84.

The motion was seconded by Councilor Taylor and carried unanimously.

3. **Administration Reports**.

a. **Quarterly and September Financial Reports and Quarterly Sales and Use Tax Report**. Finance Manager Judy Pectol reported the city is doing well. All funds should end close to or right on track, except perhaps the Airport Fund, which may require a short-term loan because of construction projects that are paid up front and then reimbursed. In the General Fund, property taxes are coming in slowly, but the second biannual payments are due by the end of October, so those should pick up before year-end. With regard to sales tax, the city saw the highest monthly receipts for September going back to at least 2001, and year-to-date, sales taxes are about 10% over last year at this time. Building permit revenues are up 389% over budget estimates due mostly to school district construction permit fees.

Councilor Harris asked if Parks & Facilities was being moved from Community Development to Public Works. Ms. Pectol indicated it would be its own department under Public Works.

Councilor Harris stated he still has questions about the streamlined sales tax issue and why the city is not seeing a greater increase, especially with the increase in on-line sales. Ms. Pectol stated she has reached out to the Department of Revenue, but has yet to receive a response.

b. **City Manager Update**. City Manager Anderson stated that during her first month with the city, everyone has been so welcoming. A lot is going on, including attending the public meetings relating to the Chehalis Basin Strategy, five chamber events, and Industrial Commission, CCRT, Friends of the CCRT, and Port of Chehalis meetings.

4. **Councilor Reports**.

a. **Update from Councilor Lund**. Councilor Lund attended the monthly meeting with Fire District No. 6, and the Chehalis Basin Strategy public meeting at the Veterans Museum.

b. **Update from Councilor Pope**. Councilor Pope reported on the presentation made to the Chehalis Foundation concerning Recreation Park improvements. The Foundation made the decision to support the project, but there are some procedures that need to take place before a letter is sent to the city.

c. **Update from Councilor Harris**. Councilor Harris also attended the Chehalis Basin Strategy public meeting. He thought there was overwhelming support for Alternative 1. There was discussion about potential harm that could be created by holding water back, which would impact some road beds and leave them flooded for a longer period of time. There was question whether or not FEMA would have concerns about doing something that would make a problem worse in an area and then expect

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them to help pay for repairs. He thought it was a very positive meeting and he was impressed with how everyone conducted themselves.

d. **Update from Mayor Dawes.** Mayor Dawes reported the budget committee process was completed. There were issues brought to the committee's attention that need to be carried through on, one being needed repairs to the fire station that need to be completed this year. The 2017 draft budget will be completed soon. Mayor Dawes attended a meeting where J. Vander Stoep spoke about flooding. With regard to the last meeting with the Fire District, it was unanimous between the council committee and the fire commission to run some numbers on the prospect of annexing the city into the fire district. While nothing is cast in stone, the initial report presented to the committee seems to be a logical step to explore.

5. **Ordinance No. 962-B, Second and Final Reading – Adding a New Chapter to the Chehalis Municipal Code to be Entitled Centralia/Chehalis Tourism Promotion Area.** City Manager Anderson stated this is the final step in creating a Tourism Promotion Area formed for the specific purpose of creating a Sports Commission.

Councilor Spahr moved to pass Ordinance No. 962-B on second and final reading. The motion was seconded by Councilor Pope.

Councilor Taylor stated he would abstain from voting since he is a member of the board of the Sports Commission.

Councilor Spahr stated this was a tax on hotels/motels that hoteliers brought forward. The motion carried unanimously. Councilor Taylor abstained from voting.

6. **Resolution No. 18-2016, First and Final Reading – Adopting the Lewis County Multi-Jurisdictional Hazard Mitigation Plan.** City Manager Anderson stated additional information was made available to the council and can also be found on the city's website.

Mayor Dawes asked if the city was provided with a copy of the plan on disc. Trent Lougheed stated a draft version was provided, but the final version is currently a link on the city's website.

Mr. Lougheed stated the plan is an update to the Multi-Jurisdictional Hazard Mitigation Plan, which is a requirement of FEMA. He is meeting tomorrow with a specialist from the Community Rating System, and this is one of the big items they are looking at for the city to maintain its current rating for a 25% discount on flood insurance for properties within the jurisdiction.

Councilor Taylor moved to adopt Resolution No. 18-2016 on first and final reading. The motion was seconded by Councilor Spahr and carried unanimously.

7. **Resolution No. 19-2016, First and Final Reading – Adopting Alternative 1 of the Chehalis Basin Strategy Draft Programmatic State Environmental Policy Act Environmental Impact Statement as the Preferred Alternative.** Prior to today's meeting, Mayor Dawes requested an additional paragraph into the resolution, a copy of which is in front of each council member. It includes, ". . . the City of Chehalis has been a longstanding leader in promoting a basin-wide strategy to improve flood protection and adopted a resolution on February 22, 2010 to support, along with the Governor's Office, the coordinated study of retention and levees; which became the Chehalis Basin Strategy."

Trent Lougheed provided a one page summary of the alternatives that was provided as part of the public notification process. Mr. Lougheed provided a summary of each alternative studied:

Alternative 1: 2014 Governor's Work Group Recommendation:

- Dam and associated reservoir
 - a. Reservoir designed for flood protection only or a larger, permanent reservoir are identified as possibilities in Alternative 1
 - b. Decision on which reservoir would be made if this is determined to be the preferred alternative
- Airport Levee Improvements
- Aberdeen/Hoquiam North Shore Levee
- Local-Scale Flood Damage Reduction Actions
- Multiple Aquatic Species Habitat Actions

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Alternative 2: Structural Flood Protection without Flood Retention Facility:

- Interstate 5 projects (no dam)
- Airport Levee Improvements
- Aberdeen/Hoquiam North Shore Levee
- Local-Scale Flood Damage Reduction Actions
- Multiple Aquatic Species Habitat Actions
- Actions in this alternative would reduce flood damage in some areas; however, other areas could experience greater damage.

Alternative 3: Nonstructural Flood Protection:

- Local-Scale Flood Damage Reduction Actions
- Multiple Aquatic Species Habitat Actions
- Does not provide large scale flood protection

Alternative 4: Restorative Flood Protection:

- Recreating natural flood storage capacity of the Chehalis Basin by relocating 16,000 acres of current land uses, including farmlands and homes, upstream of the Newaukum River
- Reduces flood damage to a limited degree in the Chehalis-Centralia area; however, it increases the extent and depth of flooding above the Chehalis River confluence with the Newaukum River
- Local-Scale Flood Damage Reduction Actions
- Multiple Aquatic Species Habitat Actions, which would substantially increase the abundance of the native aquatic species.

Alternative 5: Take No Action

Councilor Harris stated that during the public meeting, Glenn Carter made wonderful points for support of Alternative 1 and the lack of support for Alternative 4, and the complicating issues it creates.

Mayor Dawes stated the public comment period on the proposed alternatives has been extended to mid-November.

Councilor Spahr moved to adopt Resolution No. 19-2016 on first and final reading. The motion seconded by Councilor Pope and carried unanimously.

8. Executive Session Pursuant to RCW 42.30.110(1)(c) – Consider the Minimum Price at Which Real Estate Will be Offered for Sales or Lease. Mayor Dawes announced the Council would be in executive session pursuant to RCW 42.30.110(1)(c) for approximately 15 minutes and no action would be taken following the executive session.

The regular meeting was reopened, and there being no further business to come before the council, the meeting was immediately adjourned at 6:02 pm.

Dennis L. Dawes, Mayor

Attest:

Caryn Foley, City Clerk

Approved: November 14, 2016

Initials: cf

November 14, 2016

The Chehalis city council met in regular session on Monday, November 14, 2016, 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, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; David Fleckenstein, Airport Manager; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Andrew Hunziker, Parks and Facilities Manager; Randy Kaut, Deputy Police Chief; Dale McBeth, Municipal Court Judge; Judy Pectol, Finance Manager; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources/Risk Manager; Don Schmitt, Street Superintendent; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Citizens Business.** Dale Luger (344 River Heights Road, Centralia) addressed the council about a house he recently purchased at 581 NW Quincy Place that is in disrepair. He and his wife purchased the property at a trustee sale with the goal of making it an asset to the neighborhood and the city. He stated that buying property at a trustee sale is risky and it is imperative that the buyer perform exceptional due diligence. The best source of information is the county recorder's office for loans, liens, legal description, etc. Mr. Luger stated he performed his due diligence on the property, but he was unaware of existing city utility bills for the property. It was only after he made the purchase did he find out that he owed \$6,173.58 for monthly utility bills back to March 2013, even though he owned the property for just four days. He was made aware that the city has an ordinance allowing for base charges of approximately \$80 per month regardless of whether service is provided. He didn't think the city was providing full disclosure by not providing the consumer with any information regarding back due water bills even though they are senior to county taxes or any other liens. He stated the back charges represent 10+% of the entire purchase price of the property. He stated he had no way of knowing that he would have to pay such a bill. He asked if it was fair by not recording it with the county. He stated he has been severely damaged because of the city's lack of transparency. He requested the city change its operating procedures to prevent this from happening in the future by recording a document with the county to put people on notice that a utility bill is owing. He also requested that he be reimbursed \$6,173.58.

Mayor Dawes stated the city's ordinance(s) provide that either the back charges or the cost of a new hookup is paid, whichever is less.

City Attorney Hillier stated Mayor Dawes was correct. He thought the real question was what is "due diligence." In the city of Chehalis it has been a longstanding practice that if you buy a property at a trustee sale you get a litigation guarantee from a title company, which includes language that the buyer should check with local jurisdictions because there are utility liens that are not recorded. He stated that was a regular practice in the state of Washington.

Councilor Ketchum suggested that Mr. Luger meet with the city manager and city attorney and bring back a recommendation to the city council.

Mr. Luger stated he has attempted to meet with city staff at public works, but is told their hands are tied because of the ordinance.

Councilor Spahr stated the ordinance is written according to state authorization and most every city in the state of Washington operates under the same policy.

Councilor Lund thought some people think that going to a title company is enough. He asked if there was something the city could fix, so other people don't have to go through this.

City Attorney Hillier stated that people are protected when they go to a title company and get a litigation guarantee.

2. **Public Hearing – 2017 Proposed Budget and Revenues Sources, Taxes, and Levies.** Mayor Dawes recessed the regular meeting and opened the public hearing at 5:18 pm. City Manager Anderson provided an overview of the 2017 proposed budget, including the budget process, a summary of funds, revenues and expenditures, items/projects included in the budget, and items/projects not included in the budget.

There being no public comment, Mayor Dawes closed the public hearing and reopened the regular meeting at 5:35 pm.

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

a. Minutes of the regular meeting of October 24, 2016;

b. October 14, 2016 Claim Vouchers No. 117182 – 117340 in the amount of \$1,080,426.47; October 31, 2016 Payroll Vouchers No. 39226 – 39267, Direct Deposit Payroll Vouchers No. 7614 – 7708, and Electronic Federal Tax Payment No. 165 in the amount of \$690,267.17; and October 31, 2016 Claim Vouchers No. 117341 – 117447 and Electronic Funds Transfer No. 102016 in the amount of \$199,157.87; and

c. Resolution No. 20-2016, First and Final Reading – Surplus of City Property.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Administration Reports.** Rick Sahlin informed the council about three meetings this week regarding the Chamber Way Bridge replacement project:

- Nov. 15, 2:30 pm at Thorbecke's with the Lewis County Community Trails group to discuss sidewalks and bike lanes/shared-use paths
- Nov. 16, 2:00 pm at the Holiday Inn with Chamber of Commerce businesses
- Nov. 16, 4:00-7:00 pm at the Holiday Inn for the public

5. **Councilor Reports.**

a. **Update from Councilor Spahr.** Councilor Spahr attended the EDC board meeting. Some interesting things are coming up that he hoped we would hear about within the next six months. He also attended fire and budget meetings.

b. **Update from Mayor Dawes.** Mayor Dawes added the November 4 mayors meeting that was primarily about flood preparation, along with the monthly meeting with Fire District No. 6. The final meeting of the council budget committee was November 10, and he attended the Historical Museum's annual meeting and dinner.

6. **Ordinance No. 963-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2017, and Ordinance No. 964-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2017.** Judy Pectol stated the ordinances include information required by the state and the county and states in dollars what the city expects to collect for 2017.

Councilor Taylor moved to pass Ordinance Nos. 963-B and 964-B on first readings. The motion was seconded by Councilor Pope and carried unanimously.

7. **Ordinance No. 965-B, First Reading – Adopting the Proposed 2017 Budget.** Councilor Taylor moved to pass Ordinance No. 965-B on first reading. The motion was seconded by Councilor Spahr.

Councilor Taylor stated that during the public hearing, it was noted that no salary increases are included in the 2017 budget. He asked if there was any reason to believe that the three union contracts currently being negotiated would be approved with no salary increases. City Manager Anderson believed it was too early to tell. She was inclined to think that all three would probably ask for increases.

Councilor Taylor asked about a future reserve fund for employee retirement cash-outs. He thought it would be good for the council to know what that dollar amount was. He asked if any employees were planning to retire this year and if their cash-outs were budgeted? City Manager Anderson stated that some retirements are planned, but cash-outs are not budgeted; however, some are offset by enterprise funds, so it is not always a 100% General Fund impact. She noted it was a concern both in terms of the payments of separation for long-term employees, as well as the issues associated with the next generation of workers.

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Councilor Taylor asked what the cash-outs consist of. City Manager Anderson stated they include anything owed to the employee, such as sick leave and vacation time.

Councilor Taylor asked about the fire truck that is budgeted for next year. City Manager Anderson stated it is a pick-up truck, not a fire truck.

Councilor Pope stated The Chehalis Foundation set money aside for the aquatics center for future maintenance and repairs. He will follow up at the next Foundation meeting.

Mayor Dawes touched on the money set aside for a Building Abatement Fund. As mentioned earlier in the meeting, the city received a one-time revenue source from building permit fees. The budget committee suggested taking part of that money and creating the abatement fund. This would be a tool for staff to take care of some nuisance buildings, put a lien on the property, and repay the fund. Another item included in the proposed budget is a chip sealer, which will go a long way in improving city streets. He noted this is not in anticipation of the Transportation Benefit District vote. The city council had previously set aside 4% of sales tax revenues to go toward chip-sealing type of projects.

Mayor Dawes noted that during the budget committee meetings it was made clear that the fire department interior is deteriorating, which could eventually cause problems to the main structure. Regardless of talks with Fire District No. 6 and what comes from that, the current building needs to serve the department for a number of years, so we need to make sure the structural integrity is kept sound.

Councilor Harris stated a lot of projects and equipment have been set aside over the years, but some are now to the point of having to be addressed.

The motion carried 6 to 1. Councilor Lund voted against the motion.

8. Citywide Phone System. City Manager Anderson stated the city's phone system has been failing, most recently with issues in the police department being unable to transfer incoming calls. The city's IT committee suggests purchasing a Voice Over IP (VOIP) system, which will require additional broadband and new switches. These would be one-time expenses to upgrade the entire network, and save a little money because there will no longer be any long distance charges. The cost of the phone system is estimated at \$28,000 and another \$11,800 for new network switches, along with additional charges for broadband that are included in next year's normal operating budget.

Councilor Harris moved that the city council approve the expenditure of \$28,000 to replace the city's phone system and \$11,800 for the purchase of new network switches, as well as the related budget adjustments. The motion was seconded by Councilor Pope and carried unanimously.

Councilor Spahr asked if the new system would be citywide. City Manager Anderson stated all buildings, except the Wastewater Treatment Plant and Airport, would be included. Both of those buildings have upgraded phone systems and network limitations.

Councilor Spahr asked what network switches included. City Manager Anderson stated those were the switches that connect the equipment to the actual network.

Councilor Lund asked if the expenditure would be spent locally. Ed Schonack, the city's IT contractor, stated the vendor they have been working with is out of state.

The motion carried unanimously.

9. Executive Session Pursuant to RCW 42.30.110(1)(c) – Consider the Minimum Price at Which Real Estate Will be Offered for Sales or Lease; 42.30.110(1)(g) – Evaluate Qualifications of an Applicant for Public Employment; 42.30.110(1)(i) – Potential Litigation; and 42.30.140(4)(a) – Collective Bargaining. Mayor Dawes announced the Council would be in executive session for approximately 60 minutes and no action would be taken following the executive session. Mayor Dawes closed the regular meeting and the council adjourned into executive session at 5:58 pm.

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The regular meeting was reopened at 7:47 pm, and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

Attest:
Caryn Foley, City Clerk

Approved: November 28, 2016
Initials: cf

November 28, 2016

The Chehalis city council met in regular session on Monday, November 28, 2016, 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, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Tony Ketchum was absent (excused). Staff present included: Jill Anderson, City Manager; David Fleckenstein, Airport Manager; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Trent Loughheed, Interim Community Development Director; Dale McBeth, Municipal Court Judge; Judy Pectol, Finance Manager; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources/Risk Manager; Don Schmitt, Street Superintendent; Dave Vasilauskas, Water Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*.

Mayor Dawes announced that an item has been added to the agenda – Resolution No. 21-2016, First and Final Reading – Declaring an Emergency Relating to the City's Phone System, which will be addressed under New Business.

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

- a. Minutes of the regular meeting of November 14, 2016;
- b. November 15, 2016 Claim Vouchers No. 117448 – 117592 and Electronic Funds Transfer No. 1020161 and 112016 in the amount of \$811,649.05; and
- c. Amended Resolution No. 18-2016, First and Final Reading – Accepting and Approving the 2016 Lewis County Multi-Jurisdictional Hazard Mitigation Plan.

The motion was seconded by Councilor Lund and carried unanimously.

2. **Administration Reports.**

a. **October Financial Report.** Judy Pectol reported that utility funds and the General Fund are receiving more revenues than budgeted, except for intergovernmental loans. Expenditures are under budget, and with the budget amendment later on the agenda, they will be under budget at year-end. The Airport Fund is being watch closely. Although it has a large fund balance now, \$1.5 million of that is held at the county and will be spent next June, dropping the fund balance significantly.

Mayor Dawes stated the budget doesn't show that the \$1.5 million is money the county is actually holding. The interest that accrues off of that money comes to the city. Ms. Pectol confirmed the city is receiving that interest, but will not receive the December installment until June 2017. The county has the money invested and each time the city makes a payment on the airport's general obligation loan, the county pays the interest accrued in that six months. The county wants to have security to make sure that when the June payment is due there is enough money in the county airport account to pay it all.

Mayor Dawes stated that was troubling because he recalls Commissioner Schulte saying there would be enough money that would be set aside in the county budget to cover that obligation when it became due and that was part of the airport agreement. Mayor Dawes stated the agreement needs to be reviewed because it shouldn't be withheld. The agreement needs to be held to the letter. The council concurred.

Mayor Dawes noted sales tax revenue continues to show improvements, although not quite back to the level of 2008.

b. **City Manager Update.** City Manager Anderson reminded the council of their special meeting on December 5 at 5:00 pm for an executive session to discuss union negotiations, and no announcements/actions are expected following the meeting. She also reminded everyone about the Santa Parade this Saturday at 11:00 am downtown.

3. **Councilor Reports.**

a. **Update from Councilor Harris.** Councilor Harris thanked city staff and his family for putting up Christmas decorations downtown. He also stopped by the chamber on the evening they were handing out shopper survival bags, which was a great event.

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b. **Update from Mayor Dawes.** Mayor Dawes attended one of the Chamber Way bridge information meetings put on by WSDOT, and the November 18 meeting to review .09 grant requests at the EDC. A couple of projects were approved out in the Port of Chehalis.

4. Ordinance No. 963-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2017, and Ordinance No. 964-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2017. City Manager Anderson stated the City Council received a staff presentation at the last meeting. She noted there are no proposed changes to the tax rate levies.

Councilor Spahr moved to approve Ordinance Nos. 963-B and 964-B on second and final readings. The motion was seconded by Councilor Pope and carried unanimously.

5. Ordinance No. 965-B, Second and Final Reading – Adopting the Proposed 2017 Budget. Councilor Lund moved to approve Ordinance No. 965-B on second and final reading. The motion was seconded by Councilor Taylor.

City Manager Anderson acknowledged staff, and particularly Judy Pectol, on their work on the budget. There were some minor revisions to the salary schedule from the budget presented at the last meeting, which will be reflected in the final budget document. There were no changes to the ordinance.

The motion carried unanimously.

6. Ordinance No. 966-B, First Reading – Amending the 2016 Budget. City Manager Anderson stated the major items reflected in the budget amendment include revenues from permit fees, and an increase in sales tax revenue and grant funds. Other amendments address staff adjustments, as well as one-time expenditures for repairs to the fire department building and replacement of the citywide phone system. Two major general fund items include the Recreation Park project and Dillenbaugh Creek project. Others are relatively minor and many are offset by some form of revenue.

Mayor Dawes asked if monies would be put back into the city budget with regard to repairs on the Aquatics Center and The Chehalis Foundation having set aside monies for that. City Manager Anderson stated it was her understanding there might be some maintenance funds available, whether or not it will cover all of the cost remains to be seen. The administration will discuss this with the Foundation.

Councilor Lund moved to approve Ordinance No. 966-B on first reading. The motion was seconded by Councilor Spahr.

Councilor Spahr asked if the \$200,000 increase noted in local retail sales and use tax was an estimate or actual amount. Judy Pectol stated it is an estimate of a little less than what we actually think we're going to get over what was budgeted.

The motion carried unanimously.

7. Resolution No. 21-2016, First and Final Reading – Declaring an Emergency Relating to the City's Phone System. City Manager Anderson stated the need for a new phone system was discussed at the last city council meeting. At that time, the council authorized the expenditure funds to proceed with the replacement of the phone system. Through that process there were bid requirements that needed to be followed, which were in process; however, after the power outage last week, the Public Works phone system went down. While they were able to get back up and running, it showed the fragility of the system. In addition, while the phones are working, the voice mail system is not. The state auditor's office was contacted to communicate the situation to see if this would qualify for an emergency purchase and allow the city to waive normal bid procedures. We received confirmation earlier today that this indeed meets the standards of the state for declaring an emergency. The resolution before the council would waive the requirements of going through a competitive bid process.

Councilor Lund moved to adopt Resolution No. 21-2016 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

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Councilor Pope asked about the status of the issue brought at the last meeting by Mr. Dale Luger. City Manager Anderson stated she has spoken with Mr. Luger and a meeting is scheduled with him on December 6.

Councilor Taylor asked for information about the Main Street B&O Tax Incentive Program that allows businesses to donate their state B&O taxes to Main Street programs. City Manager Anderson stated representatives from the Chehalis Community Renaissance Team would be providing an update during the December 12 council meeting.

There being no further business to come before the council, the meeting was adjourned at 5:27 pm.

Dennis L. Dawes, Mayor

Attest:
Caryn Foley, City Clerk

Approved: December 12, 2016
Initials: cf

December 5, 2016

The Chehalis city council met in special session on Monday, December 5, 2016, 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, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Daryl Lund was absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; and Judy Schave, Human Resources/Risk Manager. Patrick Pearce, Attorney was also in attendance.

1. Executive Session Pursuant to RCW 42.30.110(1)(g) – Evaluate Qualifications of an Applicant for Public Employment; and RCW 42.30.140(4)(a) – Collective Bargaining. Mayor Dawes announced the Council would be in executive session for approximately 60 minutes and no action would be taken following the executive session. Mayor Dawes closed the regular meeting and the council adjourned into executive session at 5:01 pm.

Councilor Spahr left the meeting at 6:19 pm.

The regular meeting was reopened at 6:34 pm, and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

Attest:

Caryn Foley, City Clerk

Approved: December 12, 2016

Initials: cf

December 12, 2016

The Chehalis city council met in regular session on Monday, December 12, 2016, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:00 p.m. with the following council members present: Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilors Terry Harris and Tony Ketchum were absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Judy Pectol, Finance Manager; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources/Risk Manager; Dave Vasilauskas, Water Superintendent; and Lilly Wall, Recreation Manager. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Citizens Business.** Mr. Dale Luger (344 River Heights Road, Centralia) addressed the council on November 14 about the purchase of a home at 581 NW Quincy Place at a trustee sale and three days later found out he was responsible for over \$6,100 in back water/sewage bills. His complaint was that the city did not record a lien against the property, so he was unaware of the charges.

Mr. Luger stated the public works department and community development department provided him a copy of Chehalis Municipal Code 13.04.230. He asked Mr. Hillier what RCW the city code was based on. Mr. Hillier stated the city code does not need to be based on an RCW, and the city does not lien properties. The city first shuts off utilities for nonpayment and then in four to six months or so, disconnects service, which means a person no longer has a right to utilities. A person must then apply for and pay for reconnection, which is about \$7,000. City ordinance provides an alternative to either charge the unpaid back charges for the period of time the service was disconnected versus the cost of a reconnect, whichever is less. In Mr. Luger's situation, it was less to pay the unpaid base charges.

Mr. Luger recalled that at the November 14 meeting, Mr. Hillier said the city's process was thoroughly reviewed and approved by somebody, and he assumed the city was following the lead of the state. Mr. Hillier reiterated the RCWs provide alternatives for the city to use – go the lien route or pull the connection completely from the system.

Mr. Luger asked if Mr. Hillier was saying the city ordinance was not based on a RCW. Mr. Hillier explained the city ordinance is based on Washington law and the ability of the city to make choices.

Following the November 14 meeting, Mr. Luger confirmed that other cities in Washington operate the same way, as indicated by Mr. Hillier. At that same meeting, Mr. Hillier stated that purchasing a litigation title guarantee would inform someone to check with local jurisdictions for unrecorded liens, and if he would have done that, he would not be in this situation. Mr. Luger stated he was seriously offended by Mr. Hillier's comments. Since November 14, Mr. Luger stated he has done a lot of research. Thurston County provides a litigation guarantee title policy, but nowhere on the document does it note that a person should check with a local jurisdiction about unrecorded liens. Mr. Luger provided the document to the council. Mr. Luger contacted both Title Guaranty and Lewis County Title as to whether their litigation title policies included unrecorded liens and was informed that they do not.

Mr. Luger met with Ms. Anderson and Mr. Hillier as recommended by the city council. Ms. Anderson stated the city would seriously consider recording liens in the future when the meter is disconnected from the house, but she did not have the authority to refund Mr. Luger for the back charges. Although he does not like the outcome of the meeting with Ms. Anderson, he stated he was impressed with her professionalism and compassion, and commended the council for hiring her. Even though he already knew the answer, he stated he asked Mr. Hillier two times during the meeting if he would have been protected by the litigation policy. Both times Mr. Hillier stated yes.

Mr. Luger stated Mr. Hillier does not know the RCW that the city ordinance is based on; however, he made a discovery. RCW 35.67.200 states that cities and towns owning their own sewage system shall have a lien for delinquent and unpaid rates and charges for sewer service. RCW 35.67.210 provides for a sewage lien notice, and provides that the lien shall be effective for a total of not to exceed six months' delinquent charges without the necessity of writing or recording a lien. They even write the letter for you to record a lien if the charges go over six months. RCW 35.67.215 says cities may create an ordinance whereby they don't have to record a lien unless it goes over one year. The city is doing none of these things.

Mr. Luger stated he's spent well over 100 hours researching and preparing statements. He sold the property at a financial loss because he chose not work with a city that wouldn't make every effort to make right a very obvious wrong. He

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asked the city to immediately implement a procedure that complies with state law, and inform other cities to ensure they comply with the RCWs. He also asked that he and his wife be issued a refund immediately.

Following the November 14 meeting, City Manager Anderson stated the city's policies were reviewed to see if there was a way to address the issue of it being more transparent for the public. She and Mr. Hillier talked about the option of adding a lien at a certain point in the process, namely after a meter is pulled. Based on the information presented by Mr. Luger today, staff will go back and review city codes, and if corrections are needed they will be brought to the city council.

Mr. Hillier apologized to Mr. Luger for any offense he has felt; however, he stated Mr. Luger was misstating the law and the facts as this situation is not a lien issue. The city chose to do what they have a right to do. The city owns the utility and if somebody gets behind, the connection is pulled, and it is no longer a shutoff situation. The city would use liens if it was a shutoff situation. The city pulls the service, which means that property has no rights to utilities in the city. They have to reconnect at \$7,000 as provided in the ordinance. Mr. Hillier stated that if the city has to go to litigation it will do that.

Councilor Pope appreciated the work done by Mr. Luger. It was his understanding that Mr. Luger paid the lesser of the back charges or the new connection fee. Mr. Hillier indicated that was correct. Councilor Pope understood that Mr. Luger wanted to see things better in the future, but as far as he was concerned, the problem was resolved.

Councilor Taylor asked if there was service to the property. Mr. Hillier stated the meter was pulled and service was disconnected.

Mayor Dawes asked Mr. Luger what his response would have been if the city didn't use the current policy and Mr. Luger would have had to pay a \$7,000 connection fee. Mr. Luger stated he couldn't say because that has never happened, but he couldn't imagine it costing \$7,000 to put a meter back in. He stated what he was hearing was that he should be thankful that he only had to pay \$6,100 versus \$7,000. He stated the city could use whatever terms it wanted, but the city should be recording a lien. He hoped the council would make a just decision because he believed that deep in their hearts they were thinking he had been screwed.

Mayor Dawes took offense that the city would "screw" anyone. The city operates under the framework of the law. Staff looked into the complaint, and will look into the additional information today. If there are adjustments that need to be made to comply, the city will comply with state statute. Mayor Dawes added there are more laws than just the ones cited by Mr. Luger, and to expect Mr. Hillier to cite an exact one is unfair to say the least. Mr. Luger stated that since this was an active situation, he thought that would have been done. He requested that as soon as it is determined which RCW is used as a basis for the city ordinance that he receives a copy.

2. Special Business.

a. **Chehalis Community Renaissance Team.** Annalee Tobey, Chair, and Andy Skinner, Vice Chair of the Chehalis Community Renaissance Team (CCRT) spoke about the Main Street Business & Occupation (B&O) Tax Incentive Program. Ms. Tobey distributed a brochure about the program. Chehalis became a Main Street community in the spring of 2014, which operates under the State Department of Archeology & Historic Preservation. As part of the Main Street Program, the CCRT is eligible to take advantage of the B&O Tax Incentive Program, which allows businesses/municipalities that pay state B&O tax to redirect a portion of those taxes to a Main Street Program of their choice versus sending those funds to Olympia. Last year was the first year the CCRT received funds, which totaled \$58,000, \$55,000 of which came from the city of Chehalis.

Mr. Skinner provided a brief explanation of how the tax incentive program works and how to make a contribution. Essentially, businesses receive a 75% tax credit the following year of their contribution. The remaining 25% is a charitable donation to the CCRT. Additionally, 100% of the donation given counts as a 501(c)3 donation, although he suggested that businesses check with their accountants to confirm. It's a great way to keep your dollars in Chehalis for projects that benefit our city.

Ms. Tobey stated the program is very competitive. Each of the 40+ Main Street communities are eligible to receive \$133,333 each year; however there is a \$1.5 million dollar cap on the program, which does not allow every city to receive their

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full amount of funding each year. Last year, the cap was met extremely quickly compared to prior years and they expect it to be reached even sooner this year. All funds were spoken for by January 4, so some CCRT members will be poised to “hit the donation button” at 12:01 am on January 1. Councilor Taylor asked if businesses could give them their login information and amount they would like to pledge. Ms. Tobey stated that would be possible. Mr. Skinner added they would prefer that businesses make the donation on their own, since it involves confidential information, but if they are comfortable, they would be happy to do that if necessary.

b. **Chehalis Foundation Update.** Foundation President Tim Saylor provided an update on the group’s efforts. Mr. Saylor stated most of their efforts have revolved around the Student Achievement Initiative in the Chehalis Schools to raise college graduation rates by Chehalis kids. That effort has been going on for three years. Orin Smith and Jim Lintott donated \$1 million dollars to the initiative and have challenged the Foundation to raise \$500,000 in addition to their \$1 million. Donations can be made through the Foundation’s website. The other half of the Foundation’s efforts revolve around city works. The Foundation was largely responsible for the Lintott/Alexander Park renovation, the Gail & Carolyn Shaw Aquatics Center, the Rhodes Spray Park, K9 unit support, and holiday decorations. Their latest request from the city was to assist with the enhancement of Recreation Park, and he was pleased to tell the council that through the Chet and Mary Ingwersen, the Foundation will commit \$400,000 to the park project to be focused on ballfields.

Mayor Dawes stated there have been issues with the new Aquatics Center and thought at the time it was built that there were supposed to be funds set aside for maintenance, but questioned whether some of the issues shouldn’t still be under warranty. Mr. Saylor recalled there is around \$12,000 earmarked to assist. He thought some issues have been taken care of and agreed they probably could have or should have been under warranty.

c. **New River App.** Lewis County Commissioner Edna Fund distributed the 2016 Flood Bulletin that Lewis County Emergency Management put together. She also encouraged everyone to sign up for Lewis County Alert to be notified of emergency situations. Commissioner Fund introduced Steve Wohld and Mitch Guthrie with the Lewis County IT Department to talk about the new app. Mr. Wohld stated the updates to the river app include developing more of a dashboard interface for citizens to quickly and easily see what the rivers are doing and how they might be impacted. Mr. Guthrie demonstrated how the app works and how to view the available information. He stated the information is also located on the county’s website.

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

- a. Minutes of the regular meeting of November 28, 2016, and special meeting of December 5, 2016;
- b. November 30, 2016 Claim Vouchers No. 117593 – 117715 in the amount of \$383,915.45; November 30, 2016 Payroll Vouchers No. 39268 – 39308, Direct Deposit Payroll Vouchers No. 7709 – 7804, and Electronic Federal Tax Payment No. 166 in the amount of \$714,653.12;
- c. Drinking Water State Revolving Fund Contract Amendment for the Redundant Flocculation Basin Project; and
- d. Interlocal agreement to provide fire investigation services to the City of Vader.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Administration Reports.**

a. **City Manager Update.** City Manager Anderson stated there was a question about the airport bond payment and whether or not the county was obligated to pay the city on a semi-annual basis on any interest generated on that money. Mr. Hillier and Judy Pectol reviewed the agreement and found that there was no obligation to pay it, except that the city was fully refunded at the end of the bond term.

b. **Consider Cancellation of December 26 City Council Meeting.** City Manager Anderson stated the next scheduled meeting of the council is December 26 and in light of tradition and most of the community being focused on family and holiday festivities, she proposed cancelling the meeting.

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Councilor Spahr moved that the council cancel the December 26 regular meeting. The motion was seconded by Councilor Pope and carried unanimously.

c. **Transportation Benefit District (TBD)**. City Manager Anderson stated staff will be providing information to the public regarding the TBD so that members of the public have information about what that means and so they can make an informed choice.

5. **Councilor Reports.**

a. **Update from Councilor Pope**. Councilor Pope reminded everyone about the December 18 dinner at the Chehalis Eagles for the homeless and those that might be alone. He thanked Twin Transit for providing free service to and from the event. He also thanked everyone who has donated to make the dinner possible.

b. **Update from Mayor Dawes**. Mayor Dawes attended the United Way celebration on December 1 and the mayors' meeting on December 2. He found out at that meeting that the county apparently receives about \$100,000 in marijuana money towards their road fund, which is funny because the county has a moratorium on marijuana, while Chehalis has a couple retail stores and only receives about \$1,000 from excise taxes. He, Councilors Lund and Spahr, and City Manager Anderson have a monthly meeting with Fire District 6 on the 14th.

6. **Ordinance No. 966-B, Second and Final Reading – Amending the 2016 Budget**. City Manager Anderson stated one change has been made to the ordinance since first reading to provide for a \$26,000 adjustment for an upcoming retirement of a long-term employee in the Storm/Surface Water Fund.

Councilor Taylor moved to pass Ordinance No. 966-B on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

7. **Bonus Compensation for Exempt Employees Meeting Specific Criteria**. City Manager Anderson stated the item is to consider a policy to allow the city to have an additional tool to attract and retain management employees that might have specialized expertise. The policy would allow up to 15% compensation for those that hold professional engineering or certified public accounting licenses to provide an opportunity for the city to be more competitive in the marketplace. She stated the word "bonus" was used to comply with the provisions of the RCW. It would be used under very limited circumstances, and would ultimately save money by not having to utilize so many outside consultants. It would also provide value in having someone on staff readily available with a particular expertise.

Councilor Spahr moved to approve the personnel policy regarding bonus compensation for exempt employees. The motion was seconded by Councilor Lund.

Mayor Dawes stated he thought the term "bonus" could be looked at in completely the wrong way, but understood the word "bonus" is what was provided in the RCW. The intent is that the policy would save more money than whatever stipend is paid.

Councilor Pope commented on Mr. Luger's complaint. He thought Mr. Luger was very accusatory instead of asking if the council had come up with a solution, and he told the council what the solution should be. Councilor Pope commended Mr. Hillier for standing steady. He asked if the council could discuss a procedure for these types of situations. Mayor Dawes stated it was a fine line as to allowing citizens to speak and knowing when to cut them off, but he was willing to discuss the topic and do what the council wished.

The motion to approve the personnel policy carried unanimously.

8. **Executive Session Pursuant to RCW 42.30.140(4)(a) – Collective Bargaining**. Mayor Dawes announced that following a short recess the council would be in executive session for 15 minutes and no action would be taken following the executive session. Mayor Dawes closed the regular meeting and the council adjourned into executive session at 6:13 pm.

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The regular meeting was reopened at 6:16 pm, and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

Attest:
Caryn Foley, City Clerk

Approved: January 9, 2017
Initials: cf