

2018 Meeting Date	Duration	Harris	Ketchum	Lund	Pope	Dawes	Spahr	Taylor
Jan 8	1.25	P	P	P	P	P	P	P
Jan 19 (retreat)	7.00	P	A (ex)	P	P	P	A(ex)	P
Jan 22	1.25	A(ex)	P	P	P	P	P	P
Feb 12	.50	P	P	P	P	A(ex)	P	P
Feb 26	.75	P	A (ex)	P	P	P	P	A(ex)
Mar 12	1.5	P	P	P	P	P	P	A(ex)
Mar 26	1.75	P	P	P	A(ex)	P	P	A(ex)
Apr 9	1.00	P	A(ex)	P	P	P	P	P
Apr 23	1.50	P	P	P	P	P	P	P
May 14	2.25	P	P	P (ph)	P	P	P	P
May 28 (canceled)	--	--	--	--	--	--	--	--
Jun 5 (special)	1.50	P	A(ex)	P	P	P	P	A(ex)
Jun 11	1.00	P	P	P	P	P	P	P
Jun 25	1.50	P	P	P	P	P	A(ex)	P
Jul 9	1.00	P	P	P	A(ex)	A(ex)	P	P
Jul 23	1.00	P	A(ex)	P	P	P	P	P
Jul 26 (special)	2.00	P	A(ex)	P	P	P	P	P
Aug 13	.25	P	P	P	P	P	P	P
Aug 27	2.5	P	A(ex)	P	P	P	P	P
Aug 30 (special)	6.0	P	A(ex)	P	A(ex)	P	P	A(ex)
Sept 10	1.75	P	P	P	P	P	P	P
Sept 24	.75	P	P	P	P	P	P	P
Oct 8	2.00	P	A(ex)	P	P	P	P	P
Oct 22	2.25	P	P	P	P	P	P	A(ex)
Nov 13 (Tuesday)	1.25	P	P	P	P	P	P	P
Nov 26	.75	P	P	P	P	P	P	P
Dec 10	1.5	P	P	P	P	P	P	P
Dec 24 (canceled)	--	--	--	--	--	--	--	--

P = Present

P(ph) = Present (telephonically)

A = Absent

A(ex) = Absent (excused)

R = Resigned

S = Special

January 8, 2018

The Chehalis city council met in regular session on Monday, January 8, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm 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; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Trent Loughheed, Community Development Director; Dale McBeth, Municipal Court Judge; Tim McGuire, Finance Department; Brandon Rakes, Airport Office Manager; Rick Sahlin, Public Works Director; Chun Saul, Finance Director, and Dave Vasilauskas, Water Superintendent. Members of the media included Natalie Johnson from *The Chronicle*.

1. **Swearing-in of Municipal Court Judge Dale McBeth.** City Attorney Bill Hillier administered the oath of office to Municipal Court Judge Dale McBeth. Judge McBeth's reappointment to a new four-year term was confirmed by the council at the December 11, 2017 regular meeting.

2. **Swearing-in of Re-elected Council Members.** Judge Dale McBeth administered the oaths of office to newly re-elected council members Dawes, Spahr, and Taylor. Each member was reappointed to a four-year term during the November 2017 election.

3. **Election of Mayor and Mayor Pro Tem.** Mayor Dawes opened the floor for nominations for mayor. Councilor Lund nominated Dennis Dawes for mayor. The motion was seconded by Councilor Pope. Mayor Dawes asked if there were any further nominations. Councilor Pope moved to close the nominations. The motion was seconded by Councilor Lund. The motion to elect Dennis Dawes as Mayor carried unanimously.

Mayor Dawes thanked his fellow council members for the honor of serving as mayor. He also thanked the voters of Chehalis for re-electing him to the council, which will probably be his last term. He looked forward to working with the council and staff during the next four years.

Mayor Dawes opened the floor for nominations for mayor pro tem. Councilor Spahr nominated Terry Harris for mayor pro tem. The motion was seconded by Councilor Taylor. Mayor Dawes asked if there were any further nominations. Councilor Pope moved to close the nominations. The motion was seconded by Councilor Lund. The motion to elect Terry Harris as mayor pro tem carried unanimously.

4. **Council Committee/Board Appointments.** Mayor Dawes distributed the list of various council committee/board assignments. He asked that the list be reviewed and confirmed at the next council meeting.

5. **Citizens Business.** Al Meuchel, with the Chehalis Eagles, addressed the council about an abnormal water consumption at the Eagles building. After trying to find the source of the leak, two causes were found and have been repaired. Mr. Meuchel asked for some relief on the water bill. City Manager Anderson advised that the city does have a provision for leak adjustments with documentation that repairs have been made. Rick Sahlin added that commercial accounts can receive two leak adjustments per year. He asked Mr. Meuchel to put something in writing as to what the leak was and what was done to repair it, and bring it to public works.

Councilor Pope noted the Eagles Museum no longer exists, but they are on the city's wayfinding signs. He asked if the museum could be removed from the signs.

Councilor Harris reported that twice this month he has heard from individuals who have had discrepancies on their water bills. They indicated that public works staff basically responded by saying that's what the bill is and it has to be paid. He asked what the process was to speak to other staff for more guidance when there is a huge anomaly in a bill. Rick Sahlin stated they can ask to talk to him, the water superintendent, or the office manager, but he stated that if there is no leak, they cannot make any adjustments to a bill. Councilor Harris suggested that customers be given a handout about options other than they just owe the money. Rick Sahlin stated that when there is a high reading, staff has already rechecked the meter to make sure that the reading was good. In this case, staff met with representatives of the Eagles to try and figure out what the situation was. City Manager Anderson believed that information regarding leak adjustments is provided readily by staff when those instances occur, but she thought the idea of having something in writing was a good one. Mayor Dawes suggested an annual flyer in the utility bills about leak adjustments.

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Councilor Lund credited the water department. He stated he has had several accounts over the years and he has been notified about potential leaks. He would find the leaks, fill out a form, and receive a leak adjustment. Mr. Sahlin noted that was the common procedure.

Mayor Dawes stated that Councilor Taylor reminded him about something that should be acknowledged, and that was the support system councilors have at home. Mayor Dawes and Councilor Taylor introduced their family members who were in attendance.

6. **Citizens Business.** Randy Mueller updated the council on Port activities:

- Maurin Road industrial construction project
- Increase transparency as an organization
- New website
- Allied Mineral looking at a relocation to Port property
- Looking at selling Port rail line to the Chehalis-Centralia Railroad & Museum
- Buying a 10,000 sq. ft. building from the Industrial Commission near the natural gas power plant to build inventory
- Working with CCRT on the Chehalis Co-Works site in downtown
- Interested in city discussions to address water needs for commercial, industrial, and residential users
- Update of Port's comprehensive plan

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

- a. Minutes of the regular meeting of December 11, 2017;
- b. December 15, 2017 Claim Vouchers No. 121084-121214 and Electronic Funds Transfer No. 1120171 in the amount of \$245,627.51; and December 29, 2017 Claim Vouchers No. 121215-121320 in the amount of \$449,637.65; and
- c. December 29, 2017, Payroll Vouchers No. 40026-40070, Direct Deposit Payroll Vouchers No. 9009-9106, and Electronic Federal Tax Payment No. 179 in the amount of \$845,592.46.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Presentation on City Water Availability.** City Manager Anderson stated that as the council prepares for its strategic planning process on January 19, it would be good to have an update on this subject. She stated Trent Lougheed would be making the presentation, but noted Rick Sahlin and Dave Vasilauskas provided support in preparation of the presentation.

Trent Lougheed provided a presentation on Chehalis water rights and water availability, including a history and status of water rights and demands.

History

North Fork Newaukum River:

- Certificated Water Right – 10 cfs (6.46 mgd); no annual limit – Priority Date of 2/6/1923
- Water Right Claim – 4.34 cfs (2.80 mgd); 3,136 ac-ft/yr (10,218 MG/yr) – Priority Date of 7/27/1997
- Water first put to use: 1914 – pre-dates “Section 39, Chapter 137, Session Laws 1917”)

Chehalis River:

- Certificated Water Right – 11.6 cfs (7.48 mgd); 980 ac-ft/yr (319.3 MG/yr) – Priority Date of 11/26/1957
- Water first put to use: 1957
- Previous Rights – 15.0 cfs (9.7 mgd); no annual limit
- Rights reduced by DOE in 2008 to current level – Proof of Appropriations process

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Problems

Newaukum:

- Water Rights vs. Water Availability
 - Water Rights = 10 cfs (4,488 gpm) = 6,460,000 gpd
 - Plant Capacity = 7.42 cfs (3,333 gpm) = 4,800,000 gpd
 - River Capacity = 4.01 cfs (1,800 gpm) = 2,595,000 gpd
- Limiting Factor: seasonal low river flows (capacity)
- Nitty-Gritty: Have more rights than we can draw from the river

Chehalis:

- Water Rights vs. Water Availability
 - Water Rights = 11.6 cfs (5,206 gpm) = 7,494,000 gpd
 - = 980 ac-ft/yr (608 gpm continuous)
 - Plant Capacity = 7.42 cfs (3,333 gpm) = 4,800,000 gpd
 - River Capacity = ?
- Limiting Factor: Annual water withdrawal (rights)
- Nitty-Gritty: Need more water rights for annual withdrawal

Supply and Demand

- Highest system demand typically coincides with lowest water availability in the Newaukum (seasonal low flow):
 - Seasonal available water in Newaukum = 1,800 gpm (2,592,000 gpd)
 - Existing peak-day demands exceed 2,000,000 gpd
 - Existing peak-hour demands exceed water available in river
- Demands result in withdrawal from Chehalis River
 - Cost to pump and treat Chehalis River water is higher (pumping required and turbidity/chemical composition differences)
 - Temporary plant modifications required each time raw water source is changed

Alternatives to Consider

- Raw Water Impoundment on Newaukum
 - Land, design, and construction costs
 - Environmental/permitting issues
- Add second treatment plant dedicated to Chehalis River Water
 - Land, design, and construction costs
 - O&M costs of new plant
 - Need additional water rights for system sized for future growth with continuous operation
 - Force main replacement and pump station upgrades

Councilor Lund asked about drilling wells. Mr. Lougheed stated it could be done, but because we are in a closed basin, you would have to be able to obtain water rights through someone who had groundwater rights. It could also require a lot of treatment.

Councilor Pope asked about the wells on the poplar plantation property. Mr. Lougheed believed those were only groundwater monitoring wells.

Councilor Lund asked if someone like National Frozen Foods could drill a well and take some of the pressure off the system. Mr. Lougheed stated anyone would have to go through a process with the Department of Ecology and other studies.

Summary

- Existing peak demands utilize all water available on the Newaukum (seasonally)
- Water availability limiting commercial/industrial development for high water users
 - Both Port of Chehalis and EDC have had to reject interested parties due to water availability

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- Existing 2004 ILA with Lewis County Water Sewer District 5 commits water for 20 years starting at a future date tied to the Comp Plan Amendment designating the District as an UGA
- Request to increase UGA to include 635 acres north of the city limits
- EDC has offered to pay legal fees for initial analysis of water rights attorney
- Possible Solutions
 - Attempt to obtain additional water rights
 - Install second plant (water right limitations)
 - Raw water storage
 - Reclaimed water

Councilor Pope asked if the city was still supplying water to areas outside of the city limits. Rick Sahlin indicated the city does supply water to three areas outside of town.

Mayor Dawes stated the area is not going to be able to grow without additional water rights and the other possible solutions discussed.

Councilor Taylor asked about the status of the agreement with Lewis County Water Sewer District 5. City Attorney Hillier stated Lewis County made the decision that the area should not be a new Urban Growth Area (UGA) because of their inability to provide appropriate roads, schools, etc. However, the city still has a 2004 agreement with the district to provide wholesale water. The agreement connected two studies – one by the district and the other by the city. The water rights at that time were what they were going to use as a basis for allowing them to have whatever amount of water they were seeking, but it was never determined exactly how much they wanted. The district was waiting until they got permission from the county to start the development. Mr. Hillier noted the district was already connected to the Onalaska sewer district for sewer, but they have never needed city water because they had their own wells that have been enough to take care of the first phase of the project. He stated it was recognized back in 2009 or 2010 that the city needed to get out of the agreement because it cannot provide what they need. An attorney was hired to begin the process of terminating the agreement, which went to mediation, but didn't go anywhere. As a result, the city entered into a tolling agreement with the district in 2013, which put the issue on hold. He advised that the next step is to terminate the tolling agreement.

City Manager Anderson stated that as far as water availability and rights, as different options are explored, some of the possible solutions will be translated into strategic planning objectives. At this time, staff has been looking at options and solutions and then we can proceed when those options are narrowed down. She believed the best place to start is to look at water rights.

Mr. Lougheed stated the 635 acres of property wanting to be in our UGA is currently in Centralia's UGA, so if Centralia has surface water rights on the Chehalis and they are removing the 635 acres it would make sense to transfer the water rights associated with those acres.

9. Administration Reports.

a. **City Manager Update.** City Manager Anderson congratulated Mayor Dawes and Councilors Spahr and Taylor on their re-elections, and also to Mayor Dawes and Mayor Pro Tem Harris for being elected to another two-year term as mayor and mayor pro tem.

City Manager Anderson introduced Chun Saul, the city's new finance director. Ms. Saul stated she comes from the city of Lacey with 13 years of experience. She stated she is settling into her new role, including printing of the 2018 adopted budget, which has been distributed to the council. Tim McGuire, interim finance manager, will stay on board for a few more months during the transition.

City Manager Anderson reminded the council about the January 19 strategic planning meeting.

10. Councilor Reports/Committee Updates.

a. Councilor Lund thanked Trent Lougheed for his report of water rights and availability. He congratulated his fellow council members on their re-elections. He also thanked Randy Mueller for his work at the Port of Chehalis.

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b. Councilor Pope met with a subcommittee of the Chehalis Foundation this morning and they are planning a gala with all emphasis on civic projects. The gala is March 31 at the Jester Auto Museum. They would like project ideas from the city.

c. Mayor Dawes attended the following: ribbon cutting at Thorbecke's; mayors meeting; meeting with reps from Congresswoman Herrera-Beutler's office regarding sewer issues; and ribbon cutting at Woodland Village. He noted that January 9 is National Law Enforcement Appreciation Day and everyone is encouraged to do something in support of law enforcement. He stated first responders have a difficult job and we should let them know that we support them. Mayor Dawes stated his thoughts and prayers go out to Officer Daniel McCartney's family. Deputy McCartney was with the Pierce County Sheriff's Office and killed in the line of duty on January 8.

Mayor Dawes announced there would be no executive session. There being no further business to come before the council, the meeting was adjourned at 6:15 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

January 19, 2018

The Chehalis city council met in special session on Friday, January 19, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 8:30 am with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, and Chad Taylor. Councilors Tony Ketchum and Bob Spahr were absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Office Manager; Rick Sahlin, Public Works Director; Chun Saul, Finance Director, Judy Schave, HR/Risk Manager; Glenn Schaffer, Police Chief; Don Schmitt, Street Superintendent; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. No members of the media or public were present.

1. **Strategic Planning Session.** Mayor Dawes welcomed everyone and stated the purpose of the special meeting was to hold a strategic planning session.

City Manager Anderson stated the purpose of the meeting was to develop a strategic plan so that limited resources continue to be directed toward the city's highest priorities consistent with its mission and responsibility as a municipal government. She welcomed Marilyn Snider, a strategic planning facilitator with Snider and Associates, and Gail Tsuboi, a graphic recorder with Tsuboi Design.

A SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis was conducted. From that, participants developed a mission statement and three-year goals and six-month objectives. Monthly updates will be provided to the council and new objectives will be set every six months.

There being no further business to come before the council, the meeting was adjourned at 3:30 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

January 22, 2018

The Chehalis city council met in regular session on Monday, January 22, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Daryl Lund arrived at 5:11 pm. Councilor Terry Harris was absent (excused). Staff present included: Jill Anderson, City Manager; Betty Brooks, Payroll Accountant; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Office Manager; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Natalie Johnson from *The Chronicle*.

1. **Council Committee/Board Appointments.** Mayor Dawes noted that Councilor Lund would like to be replaced on the Southwest Washington Regional Transportation Planning Organization Board. Councilor Taylor stated he would take on that committee, and Councilor Ketchum agreed to remain as the alternate.

2. **Citizens Business.** J. Vander Stoep and Commissioner Edna Fund provided an update on Chehalis Basin Strategy activities. Mr. Vander Stoep stated the state legislature adopted its capital budget, which opened up \$50 million in state funds and \$10 million in federal funds for basin projects. He stated the latest forecast for salmon runs in the Chehalis basin over the next 50 and 100 years is bad if no action is taken; however, the runs would be increased with significant investments in aquatic species enhancement/habitat work.

On the flood side, Mr. Vander Stoep stated studies have shown that floods are getting worse and the five highest peak flows have occurred since 1986, with the highest being 2007. He recalled that it was about 10 years ago that he and Dr. John Henricksen came before the council on this topic, and that the Chehalis council passed the first resolution saying the ship needed to be turned from the Army of Corps of Engineers' levee plan to solve flooding. Slowly, people in the basin came along and followed suit. Mr. Vander Stoep stated the forecast for taking no action could generate \$3.5 billion in local economic damage over 100 years under current conditions.

Mr. Vander Stoep showed a map of Centralia in the 2007 flood, showing the properties that were flooded. He stated that about one-third of the town would not have flooded if a dam had been in place. Mr. Vander Stoep stated the Office of the Chehalis Basin was formed by the legislature a year-and-a-half ago and is made up of Edna Fund and J. Vander Stoep (representing Lewis County); two tribal members; two members from Grays Harbor County; and one environmental representative from Seattle.

Commissioner Fund stated there are several different organizations working on flooding issues and it can be confusing. She stated the Office of the Chehalis Basin is located out of the Department of Ecology. The Flood Authority is another group and Chehalis is represented by Trent Lougheed, the city's Community Development Director. She stated they were somewhat handcuffed until passage of the Capital Budget. Many small projects were put on hold, but can now move forward. The Flood Zone District for the Chehalis River is yet another group, which is made up of the Lewis County commissioners and an advisory committee with a major goal of permitting a water retention facility. She stated a lot of progress is being made.

Mr. Vander Stoep stated there have been over 30 projects completed in the basin over the last ten years, including the airport levee widening. He stated that when you apply for a permit that requires an EIS (Environmental Impact Statement) somebody has to be the permit applicant. In this case, the most logical applicant was the Lewis County Flood Zone District. He stated the commissioners and the county engineer have done a tremendous job taking the lead on the project. Next steps for the permitting process include both NEPA (federal) and SEPA (state) processes, which are expected to take about two years.

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

- a. Minutes of the regular meeting of January 8, 2018;
- b. January 12, 2018 Claim Vouchers No. 121321-121432 and Electronic Funds Transfer Nos. 122017 and 1220171 in the amount of \$338,126.50; and January 12, 2018 Claim Vouchers No. 121433-121472 in the amount of \$507,823.81;
- c. Accept Prindle Force Main Emergency Repair Project as complete and release retainage to Sterling Breen Crushing, Inc., after all statutory requirements have been met; and
- d. Appoint Recreation Manager to Chehalis Foundation ball field endowment committee.

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The motion was seconded by Councilor Lund and carried unanimously.

4. **Key to the City to Orin Smith.** It was determined that the Smith Family had previously been presented with a key to the city during a Chehalis Community Renaissance Team meeting a couple years ago.

5. **Strategic Planning Update.** City Manager Anderson thanked the council for participating in the strategic planning session on January 19. She stated the first step of the process was to do a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis, noting 48 items were identified as strengths. A number of threats were identified that the city needs to be aware of. As we look at what the city is facing, the biggest thing is what does the city exist to do and who do we do it for, which is the city's mission. She stated the council and staff developed the following mission statement: *"While honoring the past and preparing for the future, the City of Chehalis provides municipal services and programs for the benefit of residents, businesses and visitors in our community."* The process then consisted of developing three-year goals that included in no priority order: improve and maintain infrastructure; enhance and modernize technology; increase and optimize staffing levels; and maintain and enhance financial stability. City Manager Anderson stated the council will receive monthly updates on the goals and six-month objectives. Another retreat is scheduled for August 30 to more thoroughly assess progress on the goals and strategic objectives; identify core values for the city; and develop objectives for the next six months.

6. **Administration Reports.**

a. **Finance Report.** Chun Saul recognized Payroll Accountant Betty Brooks, who played a significant role in preparing today's report. Ms. Saul stated the report covered the city's financial position ending November 30, 2017.

General Fund 2017 Budget to Actual Overview

- YTD 11 months target (91.7% = 11/12)
- Total YTD revenues 92.9% of total budget
- Total YTD expenditures 83.6% of total budget
- Overall total revenues and expenditures were within projections; revenues slightly higher than the 11 month projected/target; expenditures slightly lower than the 11 months projected

General Fund 2017 Budget to Actual by Major Revenue Sources

- Property taxes 82.2% of 2017 budget; slightly higher than actual final tax levy in 2017 and 2018; will be reviewed for an amended 2018 budget reduction
- Sales/use tax 92.9% of 2017 budget, showing an increase from the prior year of just over \$500,000; does not include Transportation Benefit District funds
- Transportation Benefit District
- B&O revenues on target

Ms. Saul stated that major revenue sources of the General Fund come from sales and use taxes (46%); utility B&O taxes (17%); and property taxes (16%). Overall, revenues increased in property taxes, sales/use taxes, and intergovernmental grants/entitlements (one-time revenues). General Fund expenditures were right where they should be as projected at 83.6% of the 2017 budget. With regard to Enterprise Funds, Ms. Saul stated operating expenses were within projections. Net revenues over total expenditures were \$625,354 for the Wastewater Fund; \$1,988,486 for the Water Fund; and \$307,982 for the Storm/Surface Fund. The Airport Fund had net revenues under expenses due to the \$1,547,741 G.O. Bond payoff, which was funded by the beginning fund balance.

Mayor Dawes asked if the Transportation Benefit District fund would be highlighted under Enterprise Funds. Ms. Saul stated that fund would be shown as a dedicated/restricted fund, shown separately from the General Fund.

b. **City Manager Update.** City Manager Anderson congratulated the Discover! Children's Museum Board on receiving \$1,030,000 in the Capital Budget for construction of a new museum. She noted the new city manager's administrative assistant starts this week.

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7. Councilor Reports/Committee Updates.

- a. Councilor Spahr stated his family received a new member today, a great grandson.
- b. Councilor Lund attended the annual chamber banquet, which was a well put-on program.
- c. Mayor Dawes attended the following: meeting on the draft interlocal agreement for permitting in the county's urban growth area; chamber banquet; and city goal-setting session.

8. Executive Session. At 5:50 pm, Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(c) – Sale/Lease of Real Estate not to exceed 6:15 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 5:52 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:15 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

February 12, 2018

The Chehalis city council met in regular session on Monday, February 12, 2018, in the Chehalis city hall. Mayor Pro Tem Terry Harris called the meeting to order at 5:00 pm with the following council members present: Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Mayor Dennis Dawes was absent (excused). Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Office Manager; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; and Lilly Wall, Recreation Manager. No members of the news media were in attendance.

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

- a. Minutes of the special meeting of January 19, 2018, and the regular meeting of January 22, 2018;
- b. January 31, 2018 Claim Vouchers No. 121473-121604 in the amount of \$181,971.76;
- c. January 31, 2018, Payroll Vouchers No. 40071-40113, Direct Deposit Payroll Vouchers No. 9107-9205, and Electronic Federal Tax Payment No. 180 in the amount of \$720,295.47; and
- d. Waive right of first refusal to purchase the 6.75 acre Kmart site from Tuffree Enterprises unless the price drops to less than \$3.6 million.

With regard to the waiver of right of first refusal on the Kmart site, Councilor Ketchum stated the city doesn't have \$3.6 million to buy the property. City Manager Anderson stated the idea was to give the city an opportunity to revisit the issue if for some reason the market doesn't support the \$4 million asking price. She concurred that the city's financial resources would make \$3.6 million out of the question, but it gives the city a chance to stay in the game. She noted the council could certainly reduce that amount or completely waive the right.

The motion was seconded by Councilor Lund and carried unanimously.

2. **Discussion of Recreation Park Phase I Improvements and Contract Amendment with Skillings Connolley, Inc., for 100% Design Documents.** Lilly Wall provided background on the development and previous scope of work on the project. She stated the previous scope of work was based on a facilities condition assessment, a ball field feasibility study, and interviews with city officials and public feedback. From that, a Recreation Park comprehensive plan was developed. The highest priority improvements identified were site drainage; ball field drainage; existing parking areas; a new Penny Playground; upgrade of restroom facilities; and replacement of picnic shelters. Phase I included new Penny Playground; ball field drainage/improvements; drainage/irrigation improvements to the entire park; minor renovations to existing restrooms; improved lighting; new picnic shelters; improved accessibility; new parking along the park access road; and a one-way connector drive from the park access road to the Green Hill parking lot and the existing parking lot near Penny Playground.

Councilor Ketchum stated the agenda report indicated that Burlington Northern (BNSF) is not going to allow the city to use its right-of-way and Green Hill School may not extend a lease for parking. He stated that meant they would have to use park green space to create parking, which defeated the purpose of renovating the park. City Manager Anderson stated those issues would be discussed later in the presentation, including staff's recommendations for moving forward.

Ms. Wall stated that in February 2017, the council authorized a consultant agreement for 30% design documents for a modified Phase 1 to reduce the scope due to budget constraints. The city took over the in-house design of Penny Playground, which saved about \$75,000 with the hope of using those funds for more active play equipment. It was also decided that the replacement of the picnic shelters and upgrading of the restroom facilities could be done using community involvement.

During that time, BNSF denied the city's request to continuing using the access road. If the city wanted to continue to have road access along the railroad tracks it would require moving the road into Recreation Park and removing some utilities and park elements. As a result, the city reached out to Green Hill School to request an extension of the current parking lot lease to a 100-year lease. While it appeared this alternative could work, the city was notified by the state that proposed bills currently in the legislature could increase the population at Green Hill and they would need the parking, so a lease extension is on hold.

Ms. Wall stated that in order to keep the project moving, the recommendation is to move forward with Phase 1 improvements and assess the need for additional parking once the situation with Green Hill is resolved. Staff would like to proceed with 100% design of Phase 1 plans, which include approving an amendment to the professional service agreement

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with Skillings Connolley at a cost of \$86,165; proceeding with design assuming use of the Green Hill parking lot and if a final lease is denied, adding a portion of parking back to the plan; and additional scope change due to BNSF restrictions by removing the access road and parking improvements, creating a promenade, a pedestrian lighted pathway, and a trail around park.

Councilor Lund asked if anyone had contacted Gus Melonas at BNSF. He stated this area is his region to solve problems like this. City Manager Anderson believed staff attempted to follow up with all of council's suggested contacts. It was her understanding that BNSF used to give out these types of easements, but no longer does so. Trent Lougheed confirmed that he had contacted Mr. Melonas and others with BNSF.

Ms. Wall stated the recommendations for Phase I include renovated ball fields; new promenade and trail system; new Penny Playground; inclusion of existing rose garden; upgrade of leased parking once a long-term lease is received; and upgrading existing restrooms. The total cost of Phase 1 is estimated at \$2,175,000. Ms. Wall stated that \$400,000 over five years has been committed by the Chehalis Foundation (Ingwersen Trust) for ball field improvements, along with \$50,000 annually from Chehalis Lodging Tax Funds to support the renovation project. Staff will also be looking into grants. She noted they are still looking for a community fundraising leader for the Penny Playground portion of the project.

Councilor Spahr asked if moving the ball fields to another location was ever looked at due to potential parking loss. Ms. Wall stated a ball field feasibility study was done, but there was not another location that was feasible.

Councilor Ketchum moved to approve an amendment to the professional services contract to Skillings Connolly, Inc., increasing the total "Not-to-Exceed" budget to \$171,165 for completion of bid documents and bid phase services for Phase I of the Recreation Park Project.

Councilor Spahr asked about the property across the street from the pool for additional parking. Ms. Wall stated that area was discussed but it is not ideal because of traffic, but it is an option. Trent Lougheed stated if they did use that area he would want to see an actuated pedestrian crossing adjacent to the railroad.

Councilor Pope asked about the possibility of vacating a portion of William Avenue. Mr. Lougheed stated reconfiguring that area of the park and the street is actually recommended for Phase II.

The motion was seconded by Councilor Pope and carried unanimously.

3. Administration Reports.

a. **City Manager Update.** City Manager Anderson stated the Chehalis Wedding Show is this Saturday from 10:00 am to 3:00 pm at the City Farm building, which is the first event for the facility.

4. Councilor Reports/Committee Updates.

a. Councilor Lund acknowledged the great job by Mayor Pro Tem Harris this evening.

b. Councilor Spahr attended the EDC banquet last week at the Jester Auto Museum.

c. Mayor Pro Tem Harris attended the CCRT meeting last Friday. A ribbon cutting for the new Chehalis Coworks facility at 478 North Market on February 22 at 12:15 is scheduled. Among other things, the facility includes fast fiber WiFi and meeting space.

Terry F. Harris, Mayor Pro Tem

Caryn Foley, City Clerk

Approved:

Initials: _____

February 26, 2018

The Chehalis city council met in regular session on Monday, February 26, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm 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; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Office Manager; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; and Lilly Wall, Recreation Manager. Members of the news media in attendance included Natalie Johnson of *The Chronicle*.

1. **Proclamation – Chehalis STEM Wing.** Mayor Dawes read and presented a proclamation congratulating the Chehalis School District on the opening of the new STEM (Science, Technology, Engineering, and Math) wing at W.F. West High School. Superintendent Ed Rothlin, Assistant Superintendent Mary Lou Bissett, W. F. West Principal Bob Walters, and Krista Wilkes, a science teacher, accepted the proclamation.

2. **Citizens Business.** David Hartz, President of the Chehalis Community Renaissance Team (CCRT), stated the grand opening of Chehalis Coworks was held last week. He thanked the city for its support of the CCRT, stating the group would not have come this far without the council's support. Coworks is a partnership between the CCRT and Port of Chehalis and was funded by a Distressed County Fund grant. Now that the facility is open, the group will work on getting the word out. Mr. Hartz added that as the CCRT moves forward they are anxious to hear about the city's recent strategic planning meeting because they want to make sure they are on the same page as the city.

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

- a. Minutes of the regular meeting of February 12, 2018;
- b. February 15, 2018 Claim Vouchers No. 121605-121766 and Electronic Funds Transfer No. 12018 in the amount of \$483,224.22; and
- c. Engineering services agreement with Gibbs & Olson in an amount not to exceed \$97,000 for the Riverside Pump Station Force Main Replacement Project.

The motion was seconded by Councilor Lund and carried unanimously.

4. **Early Termination of Heidar Ground Lease.** Brandon Rakes stated the airport has a 1994 ground lease with Dr. Helgi Heidar, which expires April 2019. Dr. Heidar would like to terminate the lease one year early and requested that the airport pay him \$2,500. Dr. Heidar pays an annual fee of \$800 dollars for the lease, so terminating the lease early would allow the city to lease the hangar space that Dr. Heidar constructed. The airport is currently at 100% hangar occupancy. Mr. Rakes estimated being able to collect at least \$400 a month for the hangar space.

Mayor Dawes noted that the reason Dr. Heidar's lease was so cheap is because when he leased the ground it was bare property. The terms of the lease provided that once the hangar was constructed and the lease was carried out until April 2019, the airport would own the building.

Bill Hillier added the city has previously bought-out another hangar, so this is not a new thing for the city.

Councilor Spahr asked if the airport had people waiting to lease hangars. Mr. Rakes stated he currently has a waiting list of about 12 candidates.

Councilor Pope moved to approve the Chehalis-Centralia Airport early termination of the ground lease with Dr. Heidar and pay him \$2,500 upon early termination of the lease in consideration for the permanent property improvements made during the term of the lease. The motion was seconded by Councilor Lund and carried unanimously.

5. **Presentation on Updated Parks Recreation and Open Space (PROS) Plan.** Lilly Wall stated the plan is required by the Washington State Recreation and Conservation Office and must be updated every six years to be considered eligible for grants. The administrative update of the 2012 PROS Plan was completed with modifications to meet current/future city needs. The city's vision and priorities have been altered since the previous plan was developed, and choices that confront Chehalis are significant and could alter the character and quality of PROS facilities and services (without adequate planning). The update outlines available choices and strategies for implementing preferred actions that have been determined to provide the most

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benefit to Chehalis residents. Ms. Wall stated there has been little growth since the 2012 PROS Plan was adopted, except for two significant accomplishments that include the city's acquisition of Stan Hedwall Park and the renovation and naming of the Gail and Carolyn Shaw Aquatics Center.

Ms. Wall stated the 2012 plan identified the Gail and Carolyn Shaw property, located adjacent to the Chehalis Middle School, as the ideal site to build a multipurpose recreational and athletic facility; however, that concept is no longer a viable option since the property was donated to the Chehalis School District to build two new elementary schools. The 2018 update has a new focus on possible improvements and upgrades to city-owned park facilities, including Recreation Park, Stan Hedwall Park, Westside Park, Alexander/Lintott Park, and Millett Field. It also includes a secondary focus on general improvements to Henderson Park, Dobson Park, McFadden Park, Henderson Park, and the National Avenue wetlands.

Councilor Pope asked if the city still owned Dobson Park. Ms. Wall stated only a portion of the park was sold.

Ms. Wall stated the 2018 update would be for planning purposes. She stated no modifications are being recommended to the financial strategy, but staff will apply for grants when available, and fundraising strategies may be implemented. She noted that if grants/other outside sources of revenue are limited, some (or most) of the proposed enhancements will be reduced or extended beyond the next six-year period. The plan will continue to be re-evaluated every six years, and if circumstances change, a more comprehensive plan would be completed. She stated that staff was recommending that the council review the update and provide comments. A resolution to adopt the updated plan will be on the next council meeting agenda. A hard copy of the first six chapters of the plan will be provided to each council member and will also be available on the city's website.

Councilor Harris commented it would be nice to add power to Westside Park for Christmas decorations.

6. Administration Reports.

a. **Financial Report.** Chun Saul provided a 2017 year-end financial report. For all city funds, revenues and transfers in were 105.0% with expenditures and transfers out at 87.1%, resulting in an increase to the ending fund balance of \$3.4 million. With respect to the General Fund, revenues were 99.7% of the budget and expenditures and transfers out were 92.2%, resulting in an increase of about \$900,000. Ms. Saul stated that 79.8% of total General Fund revenues come from taxes. The 2017 total tax revenues were 99.2% of the budget; however, overall tax receipts showed a \$783,399 increase from the previous year. She noted these figures did not include Transportation Benefit District funds.

City Manager Anderson noted almost half of the city's General Fund revenues are from sales and use taxes, which makes the city very susceptible to downturns in the economy. She also noted that more than 50% of the city's budget goes for police and fire services.

Councilor Spahr asked if other cities were similar to Chehalis in relying so heavily on sales taxes. Ms. Saul stated sales taxes were also Lacey's largest revenue source. Mayor Dawes thought sales tax was probably the major revenue source for most cities.

With regard to Enterprise Funds, Ms. Saul provided the following:

- **Wastewater Fund**
 - Operating revenues \$5,520,573 (102.1% of budget)
 - Wastewater sales \$173,567 lower than 2016
 - Connection fees \$234,825 higher than 2016
 - Loan proceeds \$574,534
 - Total expenses at 90.1% of the budget
 - Overall revenues and loan proceeds exceeded total expenses by \$510,110

- **Water Fund**
 - Operating revenues \$3,233,688 (118.5% of budget)
 - Water sales \$56,262 lower than 2016
 - Connection fees \$195,879 higher than 2016
 - Total expenses at 72.3% of the budget

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- State DWRP Loan proceeds \$2,050,000 for two major capital projects completed
- Overall revenues and loan proceeds exceeded total expenses by \$2,349,977

- Storm & Surface Water Fund
 - Operating revenues \$695,601 (124.9% of budget)
 - Storm water sales \$51,478 higher than 2016
 - Connection fees \$76,976 higher than 2016
 - Total expenses is 81.9% of the budget
 - Overall revenues exceeded total expenses by \$265,780

- Airport Fund
 - Operating revenues \$1,565,431 (102.7% of budget)
 - Fuel sales \$482,300 (90.2% of budget)
 - Lease revenues \$1,062,374 (108.2% of budget)
 - Grants and loan proceeds \$1,262,586
 - Total expenses at 91.2% of the budget
 - Overall expenses exceeded total receipts by \$1,446,094 due to \$1,547,741 G.O. Bond pay off

Ms. Saul noted this report was still preliminary due to needing a few more year-end adjustments to conform to State Auditor requirements for cash basis reporting. She noted the 2018 January/February financial reports would be provided at the March 26 council meeting.

Councilor Pope left the meeting to attend another meeting that required his attendance.

b. **City Manager Update.** City Manager Anderson stated the Chehalis Foundation is holding a gala on March 31 to celebrate their 15 years of success. It was her understanding that the Foundation is seriously considering naming a city project related to Recreation Park for their next big effort. She stated additional information will be coming from the Foundation.

7. Councilor Reports/Committee Updates.

a. Councilor Spahr attended the grand opening of Chehalis Coworks and the Pope's Kids Place Gala, which was very successful.

b. Councilor Lund also attended the Pope's Kids Place Gala. He stated the Longview Elks attended and made a \$5,000 contribution. He didn't think people realized that Pope's serves children in several counties beyond just Lewis County.

c. Mayor Dawes attended the Chehalis Coworks event.

8. **Executive Session.** At 5:48 pm, Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.140(4)(b) – Collective Bargaining not to exceed 6:15 pm and there would be no decision following conclusion of the executive session. The council convened into executive session at 5:52 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:04 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

March 12, 2018

The Chehalis city council met in regular session on Monday, March 12, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, and Bob Spahr. Councilor Chad Taylor was absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Office Manager; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Alex Brown of *The Chronicle*.

1. **Proclamations – W.F. West Boys and Girls Basketball Teams.** Mayor Dawes read a proclamation recognizing the W.F. West Bearcat boys basketball team for their second place trophy in the state 2A basketball tournament. The Bearcat girls were then honored with a proclamation for winning the state 2A basketball tournament championship. Most of the teams' players and coaches were in attendance to accept the proclamations.

2. **Boys and Girls Club of Chehalis.** John Setterstrom, Interim Executive Director, stated he has been involved in the non-profit world for several years and he and his wife have supported Boys and Girls Clubs. He stated he was contacted by the president of the Chehalis Boys and Girls Club to see if he was interested in serving as their interim director and he was honored to serve in that capacity. He stated the work of the Boys and Girls Club changes lives and he thanked the council for their support.

Councilor Lund stated the Boys and Girls Club is in great hands with John Setterstrom.

3. **Centralia-Chehalis Chamber of Commerce.** Alicia Bull, Executive Director, thanked the council for their support, particularly the lease of property where the chamber is located. The chamber works hard to promote tourism, and she and the city manager will be meeting to discuss the services provided by the chamber. Ms. Bull expressed appreciation for the city's support of the chamber with lodging tax funds. Ms. Bull distributed the chamber's 2018 directory, which included a list of chamber-sponsored events. She noted they try to include the city's logo on Chehalis event posters. She announced that the one-day food stop during the Seattle to Portland (STP) bike event is being moved from Centralia College to Recreation Park, which means a lot more riders in Chehalis.

Mayor Dawes wanted to make the chamber aware of available parking spaces adjacent to Green Hill School that the city leases.

Ms. Bull stated the chamber is working to promote business, doing ribbon-cuttings like crazy, and are very excited about the Chehalis Coworks space. Memberships continue to grow, and involvement with the One Lewis County initiative continues.

Councilor Lund stated that since the chamber is doing such a great job, could Chehalis help make up their \$20,000 budget shortfall. Ms. Bull stated the chamber is \$20,000 short, but they plan on trying to move forward with the same services.

City Manager Anderson stated the issue about how to make up the chamber's budget shortfall and how the scope of services may be adjusted will be part of the discussion Ms. Bull referred to earlier in her update.

4. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following:
- a. Minutes of the regular meeting of February 26, 2018;
 - b. February 28, 2018 Claim Vouchers No. 121767-121868 in the amount of \$112,620.42;
 - c. February 28, 2018, Payroll Vouchers No. 40114-40160, Direct Deposit Payroll Vouchers No. 9206-9304, and Electronic Federal Tax Payment No. 181 in the amount of \$774,438.53;
 - d. Resolution No. 1-2018, first reading – adopting the 2018 Parks, Recreation, and Open Space (PROS) Plan update;
 - e. Bids for rock, gravel, and asphalt;
 - f. Farm and Pasture Lease Agreement with Pamco, LLC for a three-year term expiring February 28, 2021; and
 - g. Appoint Mayor Dennis Dawes as the city's alternate to the Twin Transit Board.

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The motion was seconded by Councilor Lund and carried unanimously.

5. Interlocal Agreement with Lewis County for 9-1-1 Services for a Two-Year Term Expiring December 31, 2019.

Chief Schaffer stated that Centralia Police Chief Carl Nielsen representing Lewis County police chiefs, and RFA Fire Chief Mike Kytta, representing Lewis County fire departments, have been working closely with Communications Director Steve Mansfield to develop a new interlocal agreement (ILA). The proposed ILA defines the general scope of services, operations, administrative roles and responsibilities, and provides for the development of a Combined User Committee consisting of representation from the various user agencies. He believed the ILA was a good first step in working with the 9-1-1 center and correcting some issues that have been going on. The term of the ILA is two years, expiring December 2019.

Councilor Harris stated he was hesitantly supportive of the agreement. He stated the agreement provides that each agency pay their proportionate share of annual costs, but it doesn't give a clear idea about what the numbers are. Chief Schaffer stated none of the future costs have been outlined. He stated Lewis County funds a major portion of the center, along with funds from the user agencies. It was his understanding that Lewis County wants to see the center funded fully by the user agencies.

Councilor Harris asked if the county could be approached about making the center a utility so that funds collected for the center are used only for the center and not other county uses.

Mayor Dawes thought the taxes collected through telephone/cell phones had to be used for the center and no other county uses. City Attorney Hillier stated he didn't know the answer, but would speak with the county civil deputy and follow up with the council.

Mayor Dawes thought part of the concern came about when monies that were set aside for equipment reserve purchases were never made and the money was used elsewhere in the county. He stated it was possible that those funds were county general fund monies.

Councilor Pope asked who the other participating agencies were. Chief Schaffer stated there were 10 law enforcement agencies and 20 fire agencies. Councilor Pope stated the county wanted the entire costs to be borne by the user agencies, and asked if there were not users that represented the county. Chief Schaffer stated the Sheriff's Office would be one of the user agencies. He explained that outside of the Sheriff's Office, Lewis County is further funding the costs of the communications center more than what the user agencies are contributing.

Councilor Lund thought the base costs being paid by some districts is not enough to support the system. He wanted staff to be aware of the "shell game" by the county where money is taken from departments that make money to help fund other departments. With regard to base fees, Chief Schaffer hoped the committee established by the ILA will be able to have discussions with the communications center on how the different agencies are charged.

Councilor Lund asked if there was any update on the combined 9-1-1 communications center feasibility study for Chehalis and Centralia. Chief Schaffer stated the study is in the final phase and he believed the six-month timeline for completion was on track.

Mayor Dawes asked if the combined user committee would have any teeth. Chief Schaffer stated the committee will be in place to make recommendations to the director; however, it is much more formalized than what is currently happening and should be more useful and listened to. Mayor Dawes asked for an update in six months on how the ILA is working.

Councilor Spahr stated he would support approval of the agreement because there is currently no other place to go and it provides some headway for the users to have a say. He expressed concern about the base fees and what some departments are paying.

Councilor Ketchum moved that the City Council approve the Interlocal Agreement for Lewis County Communications Operation, Maintenance and Participation and authorize the City Manager to sign said agreement. The motion was seconded by Councilor Lund and carried unanimously.

Councilor Pope asked for a future presentation on the risks of not having a fully-functioning 9-1-1 system.

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6. **Wage Increases for Non-Represented Employees.** City Manager Anderson stated the presentation would include both wage increases for non-represented employees, as well as adjustments to some of the management structure. She stated the issue was discussed by the council budget subcommittee and is now coming to the full council for consideration and action.

Judy Schave reviewed the recommendations:

- **4.5% salary increase for all non-represented employees, retroactive to January 2018.** A 4% salary increase was built into the 2018 budget for all employees not subject to an approved collective bargaining agreement. The 4.5% increase is in consideration of contract settlements with two of the city's three employee bargaining groups. To be consistent with the three-year increases for the non-uniformed employee group, an additional 4.5% will be proposed in 2019 for non-represented employee if the budget allows.
- **Approve base salary increases for the Chief of Police and Deputy Police Chief positions retroactive to January 2017.** The Employee Rules and Regulations require a 10% differential between management and the Union employees they supervise. Due to the recent settlement of the collective bargaining agreement with the Chehalis Police Officers Guild, it is proposed that the City Council approve the base salary increases of these two positions retroactive to January 2017 to meet this requirement.
- **Approve reclassification of pay range for Fire Chief position, retroactive to January 2018.** This position has traditionally been classified at the same pay range as the Chief of Police Position. Due to the proposed salary adjustment made to the Police Chief position, it is proposed that this position be reclassified to pay range 12N from 9N, which will result in a 5% salary increase in 2018.
- **Approve reclassification of pay range for Public Works Director position, retroactive to January 2018.** As part of a reorganization that was done at the end of 2016, the Public Works Director assumed the role of supervising the Parks and Facilities Division. For taking on this additional responsibility it is proposed that this position be reclassified to 11N from 9N. This will result in a 5% increase in 2018.
- **Approve reclassification of pay range for Community Development Director position, retroactive to January 2018; and add Airport Operations Coordinator position to the 2018 Salary Schedule.** After reviewing the operational needs at the airport, it was determined that it would be more advantageous to place this department under the supervision of the Community Development Director and to create a new Airport Operations Coordinator Position to oversee all aspects of the daily operations at the airport. It is proposed that the Community Development Director position be reclassified to 11N from 9N for taking on this additional responsibility. This will result in a 5% salary increase in 2018. It is also proposed that the City Council add an Airport Operations Coordinator position to the 2018 Salary Schedule, which will be a cost savings to the City.
- **Approve Salary Schedule for the 2018 Budget.**

Ms. Schave explained the fiscal impacts of the recommendations. She stated a majority of the costs associated with the proposed adjustments have been previously budgeted and the additional costs will be allocated to the appropriate enterprise funds, as well as the general fund with relatively minor impacts in 2018. In regard to the proposed reclassifications of the Community Development Director, Public Works Director, and the Fire Chief the anticipated annual increase to the budget will be \$17,500, which will come from multiple funds. Additionally, by placing the airport under the supervision of the Community Development Director and creating the mid-management position of Airport Operations Coordinator, the city will save about \$21,000 in 2018, which will be allocated to the enterprise fund.

Councilor Lund expressed concern that too much was being placed upon Trent Lougheed. He stated Mr. Lougheed was too good a worker to have a bunch of stuff dumped on him. Ms. Schave acknowledged Councilor Lund's comments and stated both she and the city manager have discussed that issue with Mr. Lougheed and he is confident that he can handle the duties. Ms. Schave indicated the changes can be reevaluated in the future.

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City Manager Anderson stated the reorganization includes the creation of the airport operations coordinator – a mid-management position right below Mr. Lougheed to handle the day-to-day operations of the airport. She stated the change will be reevaluated as needed, but certainly on an annual basis.

Councilor Ketchum moved that the City Council authorize and approve the recommendations to include: authorize implementation of a 4.5% salary increase for all non-represented employees retroactive to January 2018; approve base salary increases for the Chief of Police and the Deputy Chief of Police positions retroactive to January 2017 pay period consistent with the Employee Rules and Regulations, Chapter III, Section 13 – Salary Compression, to maintain at least a ten percent base salary differential between management and union positions they supervise; approve reclassification of pay range for the Community Development Director to 11N/D retroactive to January 2018 pay period; approve reclassification of pay range for the Public Works Director to 11N/D retroactive to January 2018 pay period; approve reclassification of pay range for the Fire Chief to 12N/C retroactive to January 2018 pay period; authorize the Airport Operations Coordinator position to be added to the 2018 salary schedule; and approve the 2018 Budget Salary Schedule.

The motion was seconded by Councilor Harris and carried unanimously.

7. Administration Reports.

a. **Strategic Planning Update.** City Manager Anderson stated the council and management team met in January to prepare the city's strategic plan for the next three years. She stated the mission statement developed in January was, "*While honoring the past and preparing for the future, the City of Chehalis provides municipal services and programs for the benefit of residents, businesses and visitors in our community.*" A SWOT analysis was conducted, which led to the preparation of the three-year goals to include: maintain and enhance financial stability; enhance and modernize technology; increase and optimize staffing levels; improve and maintain infrastructure; and enhance and maintain facilities (Recreation Park, Dispatch Center, Fire Station). For each goal, six-month objectives were established. Ms. Anderson reported on the progress made to-date:

Maintain and enhance financial stability

- Present plan for future annexations to City Council for consideration. Proposed annexation area maps will be distributed to appropriate directors by March 9, 2018 for comment.
- Present to City Council for direction a scope of work and potential funding plan for an updated utility rate study. She stated the administration recommends not doing a rate study until 2019 following completion of the 2018 Water System Plan which is required by the State Department of Health. They further recommend that the update to the Storm Water System Plan be done before the next Utility Rate Study is done. The Storm Water Plan has not been updated since it was adopted and one rate increase is left for the Storm Water Utility in November 2018 from the rate increases the City Council passed in 2012.
- Present financial software upgrade recommendations to City Manager for consideration. On track for May 1.
- Present to City Council for consideration a commercial development master plan for leasable property at the airport. On track for June 1.
- Formulate and present to City Manager and City Council Budget Committee for consideration a plan to re-establish dedicated reserve funding. On track for July 1.

Enhance and modernize technology

- Evaluate current virus and ransomware protection products and policies and recommend changes, if needed, to the City Manager for consideration. On track for May 1.
- Evaluate the feasibility of having an IT Department vs. a contract IT employee and make a recommendation to the City Manager for consideration. On track for August 1.
- Identify citywide training needs on IT and use of existing software and create and present to the City Manager for consideration a plan to train all city employees. On track for August 1.

Increase and optimize staffing levels

- Evaluate staffing needs and present the results, with recommendations, to the City Manager for consideration by April 1. This objective is in progress. Future retirements at the management level are anticipated, particularly the public works director who will be retiring in June 2019. It is anticipated that Trent Lougheed will become the public works director. Based on comments earlier this evening, it was noted this is a lot work on one person.

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- Conduct cost analysis of each position needed and present results to City Manager. On track for July 1.
- Identify ways to finance staffing needs. On track for August 1.

Improve and maintain the infrastructure

- Present to City Council for consideration a consultant contract for design of the Sanitary Sewer Forcemain Improvement Project (Riverside and Prindle). On track for May 1.
- Complete the Transportation Benefit District Downtown Grind and Inlay Project of the Market Boulevard multi-use lane by June 1. Bid documents are being revised; will use small works roster bid process in March.
- Complete Stan Hedwall Sewer service by August 1. Bid documents being revised; will use small works roster bid process in March.
- Complete design of Sanitary Sewer Forcemain Improvement Project (Riverside and Prindle) by December 1.

Enhance and maintain facilities (Recreation Park, Dispatch Center, Fire Station)

- Update Park, Recreation and Open Space Plan and present to City Council for action. Completed: PROS plan discussed at February 26, 2018 council meeting, and adopted by council earlier on this agenda.
- Report to City Council final results of District 6 Fire consolidation. On track for March 26.
- Complete Phase I of Recreation Park design and recommend funding sources to City Council for action by May 1. Notice to proceed with 100% design documents for revised project scope issued to Skillings; design in progress.
- Report to City Council on the success in receiving grants for components of Recreation Park by June 11.
- Report on results of feasibility study regarding Chehalis-Centralia-Riverside Dispatch Center and make recommendation to City Council for direction by June 11.

City Manager Anderson stated the next strategic planning session is scheduled for Thursday, August 30, 2018.

With regard to the number of employees, Councilor Spahr stated the city has about 93 employees. In looking at the number of employees of other area businesses as reported in the 2018 chamber directory, he stated when it is said that the city is understaffed, he thought that might be a correct statement. He noted the city's employees are getting a lot of work done. The city has a lot of responsibilities and the number of city employees compared to some other firms is a tribute to what the employees are doing.

Mayor Dawes stated he wanted to see continued progress.

8. Councilor Reports/Committee Updates.

- a. Councilor Lund attended a fire committee meeting.
- b. Councilor Spahr attended an EDC board meeting.
- c. Mayor Dawes met with Commissioner Bobby Jackson and the Twin Transit manager regarding the potential of expanding transit service throughout Lewis County. He also attended the mayors meeting regarding internet to outlying areas in the county, along with a budget committee meeting, a fire committee meeting, a .09 committee meeting, and a ribbon cutting at Spry Digital Marketing.
- d. Councilor Harris report that Chehalis Coworks is already being supported enough to pay for half of their monthly bills.

9. **Executive Session.** At 6:21 pm, Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(i) – Litigation/Potential Litigation not to exceed 6:40 pm and there would be no decision following conclusion of the executive session. The council convened into executive session at 6:24 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:39 pm.

Dennis L. Dawes, Mayor

March 12, 2018

Caryn Foley, City Clerk

Approved:

Initials: _____

March 26, 2018

The Chehalis city council met in regular session on Monday, March 26, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, and Bob Spahr. Councilors Isaac Pope and Chad Taylor were absent (excused). Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; and Don Schmitt, Street/Storm Superintendent. Members of the news media in attendance included Alex Brown of *The Chronicle*.

1. Twin Transit. Derrick Wojcik-Damers, General Manager of Twin Transit, reported on the Countywide Transit Expansion Feasibility Study conducted by Nelson Nygaard. A transit conference will be conducted by the Board of Lewis County Commissioners on April 6 to discuss the issue. Twin Transit currently provides fixed-route and paratransit services in Chehalis and Centralia funded by a 0.2% local sales tax, and state and federal funding. The White Pass Community Services Coalition (WPCSC) operates the L.E.W.I.S. Mountain Highway Transit, but they plan to cease operations within the next two years.

Councilor Ketchum asked if residents paid into Twin Transit through their property taxes. Mr. Wojcik-Damers stated they do not.

Mr. Wojcik-Damers stated the study was conducted to evaluate the opportunity to expand the system to provide transit service to more parts of Lewis County, which would assume no change to existing Twin Transit service levels or routes.

Mayor Dawes asked if WSDOT could provide additional funding. Mr. Wojcik-Damers indicated there would be no additional funding from WSDOT. The legislature mandated a minimum match requirement and the WPCSC can no longer meet that requirement. Mayor Dawes wondered if the match could be raised by the communities on the east end of the county.

Mr. Wojcik-Damers stated the study determined that a county-wide transit system would be sustainable if a 0.2% sales tax was extended to the remaining parts of a new transit district using fixed-route and dial-a-ride services to connect residents, jobs, and communities.

Mayor Dawes had concern about a route to Olympia. He stated that was tried and it didn't work, and it cut local services that have never been restored. He thought Intercity Transit was very well entrenched in the Chehalis-Centralia area. Mr. Wojcik-Damers stated they are working to bridge the gaps in the region.

Councilor Harris did not want to see residents being shipped out of the area to shop. Mr. Wojcik-Damers stated they are not trying to do that, but they are focusing on commuters that live in the Twin Cities and work in Olympia, and vice-versa. There is a lack of employees in our area, along with areas of massive unemployment, with no connecting services to bring them into the Twin Cities. He stated he was providing a representation of what services could look like.

Lewis County Commissioner Bobby Jackson added some of what is being talked about today includes long-term goals with the primary objective to create mobility inside Lewis County. He thought it would be good for the economy and education. He stated their main objective is to serve folks in our community and to gradually restore services that were discontinued.

Mr. Wojcik-Damers stated next steps include a conference to discuss and consider expansion of present transit services county-wide, and each incorporated jurisdiction is being asked to send a representative to the conference.

2. American Behavioral Health Systems (ABHS). Tony Prentice, Administrator of ABHS, stated they will open a 22-bed acute detox facility at their Chehalis location effective April 1. He noted this was a secure facility that individuals cannot leave. The detox will be done and ABHS will work with the court system on the next steps for the individuals. Additionally, ABHS has opened another out-patient mental health facility in Centralia. He stated this has added 40 full-time employees in the two locations. He stated there have been concerns about how individuals will be released from treatment. He stated ABHS is required to return individuals to their county of origin.

Councilor Ketchum noted that when ABHS first came to Chehalis there were many concerns from citizens. He stated ABHS listened and did a great job of addressing the concerns. Mayor Dawes echoed Councilor Ketchum's comments.

3. Millett Field. Brittany Voie, Marketing Director for Thorbeckes Athletic Clubs, spoke about Millett Field. The field is named after Daniel Caldwell Millett, a former mayor of Chehalis and prominent attorney, who died in 1908. The field was formally deeded to the city after Mr. Millett's death. Historical accounts claim that the first athletic events happened on Millett

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Field as early as 1896, and it is believed that some of the first Swamp Cup football games took place at Millett Field around 1907. The Semi-Pro Timber League, American Legion, Babe Ruth, Little League, and Bearcat teams all played on the field. Other events that took place included all-star games, state championships, boxing matches, and dances. The field was open until the American Crossarm & Conduit EPA Superfund cleanup forced closure of the park following a flood, which caused soil contamination. In 2006, Thorbeckes partnered with the city to purchase and install playground equipment in the northern corner of the field, which today serves Thorbeckes and Lewis County Head Start. Thorbeckes would like to see the space used for recreation again. They plan to dedicate space in their lobby on the history of the field with photos, articles, and artifacts, and they would welcome help in identifying other relevant items to include in a display. She thanked the Lewis County Historical Museum and Mr. Steve Reichert for their help with the project. Some council members had memories of the field and participating in athletic events there.

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

- a. Minutes of the regular meeting of March 12, 2018;
- b. March 15, 2018 Claim Vouchers No. 121869-122020 in the amount of \$335,431.68; and
- c. Resolution No. 2-2018, first and final reading – declaring property to be surplus.

The motion was seconded by Councilor Lund and carried unanimously.

5. **Transportation Benefit District (TBD) Update.** Don Schmitt stated the city is now receiving proceeds from the voter-approved TBD. The proposed project selection list was based on several factors. The proposed financing strategy includes taking the majority of the monies received each year for smaller projects, like grind and overlays, that do not require grant funds. Other funds would be set aside for grant matching funds, design costs, etc. Staff plans to utilize funds to maximize TBD dollars by using available funding on eligible projects, which is typically a 10-14% match; using in-house design and inspection for smaller projects to reduce consultant costs; and by using "value engineering." Mr. Schmitt stated the estimated annual revenues are projected to be \$1.08 million. Staff presented the following projects for council's consideration:

2018

- Market Blvd. downtown parking – grind and repave multipurpose areas \$66,000
- National Ave. under Chamber Way – slide repair Scoping Phase
- Chehalis Ave. from Main to John Sts. – spot repairs Scoping Phase
- Chamber Way to Louisiana Ave. to dead end – grind and repave \$86,000
- Prospect St. – grind and repave slide repair area \$12,000

2019

- Pacific Ave. from Main to Park Sts. – street reconstruction; storm/waterline replacement; ornamental street lighting \$825,000
- Chehalis Ave. from 3rd to 9th Sts. - reconstruction Scoping Phase

With regard to Chehalis Avenue, Councilor Ketchum thought Lewis County put in an inferior road in front of the jail, and it is also partly deteriorating from heavy truck traffic from Darigold. He asked if those two entities should help with the costs of repair. Mr. Schmitt stated it would be a good conversation to have, although Darigold using the street is a permitted use, so it should be built to those standards.

Mayor Dawes asked about grant funding for Chehalis Avenue from 3rd to 9th Streets. Mr. Schmitt stated that portion of Chehalis Avenue is a local access street and does not qualify for grant funding.

Relating to National Avenue, the plan is to shift traffic over earlier since traffic reduces to one lane just beyond the slide. There was concern from some council members about doing that. There was also talk that a roundabout was a possibility for the National/Chamber intersection. Councilor Lund stated he was not in favor of another roundabout. Not knowing when the Chamber Way bridge could be replaced, the council indicated they would like to see the slide repaired without shifting traffic.

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Mr. Schmitt stated staff would like council's concurrence to move ahead with the 2018 proposed projects, and will incorporate council's feedback into the 2019-2024 Transportation Improvement Program scheduled for consideration in May.

With respect to National Avenue, City Manager Anderson stated staff could bring back some options and costs for addressing the slide.

The council concurred with the 2018 project list. Mayor Dawes stated he was happy that signs have already been purchased to notify the public that projects are being funded with TBD monies.

6. Administration Reports.

a. **Finance Report.** Chun Saul reported on the first two months of 2018's financial activities. She explained that 16.7% (2 of 12 months) was used as the target percentage for comparing the actual year-to-date outcome to the 2018 adopted budget. Expenditures exceeded revenues by \$371,537. She stated this was primarily caused by property taxes, explaining that the first half property taxes are not due until the end of April and the city will not receive those funds until May. She stated all other revenues were on target, while sales and use taxes were about 9% higher than this time last year. Ms. Saul stated most departments were under the 16.7% target. Those departments that had higher expenditures were due to WCIA insurance, which is paid in February; retroactive pay adjustments; and the purchase of a vehicle for the fire department.

Councilor Harris suggested that the PowerPoint presentation be placed on the city's website for the public to view.

b. **City Manager Update.** City Manager Anderson stated the library roof will be replaced, but due to weather the project will start next Monday. She noted the drive-up window will be closed during operating hours as that area will be used for staging. The project should be completed in two to three weeks. Ms. Anderson reminded everyone about memorial services for Orin Smith that are set for April 8 and 2:00 pm in Kane Hall on the University of Washington campus. She shared a framed copy of the newspaper article surrounding the commemorative naming of a portion of SW 16th Street in Orin Smith's name. The article was beautifully framed and generously donated by David Hartz, owner of Book 'N Brush. Mayor Dawes noted a floral arrangement will be sent on behalf of the city to the April 8 services.

7. Councilor Reports/Committee Updates.

a. Councilor Harris reported that the Chehalis Basin Partnership has been asked by the legislature to update their watershed plan to include strategies and projects for off-setting the consumptive water use of new "exempt" wells (Hirst decision), which can impact development. Funds will be allocated to the Partnership for the project.

b. Mayor Dawes attended the Twin Transit board meeting for Councilor Taylor.

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

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

April 9, 2018

The Chehalis city council met in regular session on Monday, April 9, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm 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: Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; and Glenn Schaffer, Police Chief/Acting City Manager. Members of the news media in attendance included Alex Brown of *The Chronicle*.

1. Chehalis Community Renaissance Team (CCRT). Annalee Tobey, Executor Director, announced that the CCRT received \$133,333 through the B&O tax credit program, which is the maximum, annual amount allowed through the Main Street Program. She thanked the city for their \$50,000 contribution, and all of the other businesses that made donations. Other CCRT activities include planning for ChehalisFest to be held July 28; launching the Experience Chehalis website by the end April; painting a second mural on the downtown restrooms; restoring and reinstalling downtown benches; continuation of the façade improvement grant program; launching a micro grant program for smaller improvements such as sandwich boards, window displays, etc.; working with W.F. West to establish a mentorship program; and working on creating a courtyard in the back of the Chehalis Coworks facility. Ms. Tobey noted the Coworks already has seven monthly memberships.

2. Port of Chehalis. Chief Executive Officer Randy Mueller reviewed accomplishments over the last year by the Port that included sales to Pacific Mobile Structures, Inc., Wood Products, Inc., and the Water Doctor; demolition and cleanup of four rental homes; construction of a regional storm water facility; expansion of Habein Road Industrial Complex; a new billboard; and new tenants including U-Joint, Pacific NW Pet Center, Wilson Oil, RG Construction, and RG Crushing. Current projects include Maurin Road Industrial Site 1; McBride Court building project; Dark Fiber project w/Lewis PUD; and creating a buildable lands inventory. Mr. Mueller stated the Port supports the city on several issues, including reestablishment of the city/county interlocal agreement for permitting; city annexations of UGA; downtown revitalization; flood prevention and habitat restoration; and transit. Future projects include STEM industrial park tours; working with local farmers/potential future ag center; and rewriting the Port's long-range capital projects list.

3. Youth Advocacy Center. Samantha Mitchell, Forensic Interviewer, stated the center is located at the NW Pediatric Center in Centralia. She stated the center provides services to child victims of sexual abuse, maltreatment, neglect, and physical abuse, and to vulnerable adult victims of abuse. The center provides medical exams, forensic interviews, mental health, and victim advocacy services using a multi-disciplinary team. Ms. Mitchell stated that since 2015, the number of children being served continues to rise. She provided several statistics relating to the ages of children served, medical referrals, the location of where the children reside, and the financial implications of abuse. According to the most recent census, there are 16,678 children under the age of 18 in Lewis County. It is estimated that 1,668 will be abused before their 18th birthday. She noted that the use of a children's advocacy center approach leads to a dramatic increase in felony prosecutions of child sexual abuse. Ms. Mitchell stated the center will be moving into NW Pediatric's new building this year, which means they will begin paying rent, but the location serves as a safe place for families to come. There is no stigma of people knowing that they are going to a child advocacy center.

4. Fire at Old Wastewater Treatment Plant. Chief Cardinale reported on the fire that took place yesterday at the city's old wastewater treatment plant. Multiple districts joined the Chehalis Fire Department in responding to the fire. He stated there was a dispatching glitch and they did not tone out off-duty personnel or him, so he was not aware of the fire until later that morning. He met with Steve Mansfield this morning to correct that problem. Chief Cardinale stated the building was a total loss. The cause is still being investigated, but it was most likely started by a transient. They experienced some water problems in the area, specifically very low pressure, which caused a delay in getting water on the fire. After speaking with Water Superintendent Dave Vasilauskas, it was determined that the problem is that the water line is only a 4-inch line built in 1905 that has a lot of encrustation, causing reduced flow. To address that, the Fire Department has already updated its response plan to include water tenders to augment responses to future fires in that area.

5. Citizens Business – Community Farmers Market. Mokey Skinner, President of the Community Farmers Market, addressed the council regarding the upcoming market season. She stated the Tuesday market begins June 5 and runs until the end of October. She invited everyone to the market's Friends & Family Night fundraiser at the Olympic Club on April 24 from 5:00 to midnight. She stated the market has grown over the years and they have been looking at ways to expand. Last year, they tried a seven-week pilot series of Friday markets from 4:00 to 7:00 to serve working families. They would like to expand the Friday market to a full season this year, working with the "brick-and-mortar" business owners to promote their services and specials during market days, and to make sure the additional foot traffic is beneficial to all. Ms. Skinner stated the market has

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started an ambassador program and talking to business owners to create growth, not just for the market, but for the downtown. She encouraged business owners who have comments or concerns to contact her directly. One issue that came up during her contacts related to parking and the market is working to address those concerns. Ms. Skinner thanked the city, the downtown business owners, and market customers for their support over the years. She presented the council with a letter of support from several business owners.

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

- a. Minutes of the regular meeting of March 26, 2018;
- b. March 30, 2018 Claim Vouchers No. 122021-122149 and Electronic Funds Transfer No. 22018 in the amount of \$232,533.63;
- c. March 30, 2018, Payroll Vouchers No. 40161-40204, Direct Deposit Payroll Vouchers No. 9305-9406, and Electronic Federal Tax Payment No. 182 in the amount of \$802,840.89;
- d. Interlocal agreement with the Town of Pe Ell for fire investigation services;
- e. Interlocal agreement with the City of Winlock for fire investigation services; and
- f. Award bid to Lakeside Industries in the amount of \$74,000 for the North Market Boulevard Grind and Inlay Project.

The motion was seconded by Councilor Lund and carried unanimously.

7. **Councilor Reports/Committee Updates.**

a. Councilor Harris stated he, along with Dr. Pope, Councilor Spahr, and Mayor Dawes, attended the Chehalis Foundation dinner. The event raised a lot of money.

b. Mayor Dawes attended the ribbon cutting for the Second Time Around Thrift Shop; the Chehalis Foundation dinner; and the mayors' meeting where the expanded transit system was discussed. Mayor Dawes stated *The Chronicle* reported that all cities, except Napavine, voted in favor of expanding transit countywide and putting a measure to the voters in November. Mayor Dawes stated the Chehalis city council took no action on the matter, so when he attended the meeting, his statement to the group was that he would not take a position one way or the other because Chehalis is already within the transit district and he thought the decision should be made from the cities not currently in the district. He told them Chehalis would cooperate with the ultimate decision of the group.

c. Councilor Pope stated the Chehalis Foundation was originally organized for the city of Chehalis so the city could take care of projects without raising taxes, and the Foundation has done that quite well, including Lintott/Alexander Park, the Gail & Carolyn Shaw Aquatics Center, the Kiddy Spray Park, and many other projects. The Foundation's next project is the renovation of Penny Playground. Donations dedicated to this project should be sent to the Foundation.

There being no further business to come before the council, the meeting was adjourned at 6:09 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

April 23, 2018

The Chehalis city council met in regular session on Monday, April 23, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm 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; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Deborah King, Permit Technician; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; and Don Schmitt, Street/Storm Superintendent. Members of the news media in attendance included Alex Brown of *The Chronicle*.

1. **Chehalis Fire Department Medal of Valor to Chris Quinlan**. Mayor Dawes and Chief Cardinale presented the Chehalis Fire Department Medal of Valor to Seattle Firefighter Chris Quinlan. On February 6, off-duty Firefighter Quinlan stopped to assist with a multi-vehicle accident on I-5 at Exit 74. Firefighter Quinlan pulled a man pinned in his burning pick-up truck and began providing emergency first aid. The driver was air lifted to Harbor View in critical condition. Firefighter Quinlan was awarded the Medal of Valor for assessing the situation, risking himself, and saving a life. Firefighter Quinlan expressed his appreciation to the council for the award and introduced his family. Also in attendance were Seattle Fire Chief Harold Scoggins, Lewis County Fire District 6 Chief Tim Kinder, and several members of the Chehalis Fire Department.

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

- a. Minutes of the regular meeting of April 9, 2018;
- b. April 13, 2018 Claim Vouchers No. 122150-122300 and Electronic Funds Transfer No. 32018 and 42018 in the amount of \$418,509.52;
- c. Set May 14, 2018 at 5:00 pm to conduct a public hearing on the city's 2019-2024 six-year transportation improvement program; and
- d. Accept airport pump station project as complete.

The motion was seconded by Councilor Pope and carried unanimously.

3. **Interlocal Agreement with Lewis County for Permitting within the City's Urban Growth Area**. Trent Lougheed stated the goals for the agreement included: develop a clear and concise agreement that was easy to understand; enable future development patterns to become more urbanized; identify responsibilities for both the city and the county during the permitting process for future development; establish clear procedures for the city to consider county comments on project permit applications; retain the right of due process for county residents who wish to appeal decisions made by the city; clarify annexation procedures that reduce financial impacts to the county for continued public infrastructure investments; and establish a simple system to resolve disputes. Mr. Lougheed stated a list of responsibilities for each party was developed to help achieve the goal to have the UGA reflect a more urbanized setting. He noted there were a few things the city cannot retain responsibility for (e.g., flood plain permits; anything that requires a SEPA, etc.). Based on 2017 development applications, Mr. Lougheed anticipated the city would have received an additional \$42,500 in revenues if the agreement had been place.

Councilor Spahr stated the agreement states that the county will have approval on final plats in the unincorporated UGA and that the board of county commissioners may take such action on a final plat application as they deem appropriate. Mr. Lougheed stated that means approval of a final plat to have it recorded. Lewis County Community Development Director Lee Napier added she believed that was language taken from the city's municipal code.

City Attorney Hillier stated the county has no say on preliminary plats. Once accomplished and the project built out, a stamp of approval from the county is required because it's still in the county's jurisdiction.

Councilor Spahr stated the agreement provides that any party may appeal to the county, a decision by the city's Development Review Committee, Planning Commission, or Hearings Examiner. He asked if the reverse could happen or would it be addressed in the section of the agreement that talks about arbitration. Mr. Lougheed stated that if it got down to that it would be more toward the arbitration. An appeal would almost be like a comment that the city would take into consideration, but the city is the one approving it. The county can appeal the city's determination just like anybody else can.

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Councilor Spahr stated he wished there would have been a work session on the issue. City Manager Anderson stated if the council wanted additional time, there was nothing to say the agreement had to be approved tonight.

Mayor Dawes stated he was quite involved in development of the agreement and he had a number of questions that were all resolved, including some of the same concerns brought up by Councilor Spahr. He stated he was comfortable with the agreement, but would leave it up to a majority of the council.

Councilor Pope stated "D" of Section 7 states, "The City shall pay the cost of all fire investigations within the unincorporated Urban Growth Area." It was his understanding that the provision was pursuant to state law and he would like the applicable RCW added. Mayor Dawes stated that Chief Cardinale was okay with the language as written, and was the same way everyone else is treated.

Councilor Pope asked if it would be a good idea to have an annual review of how things are going with the agreement. Mr. Hillier stated that as a practical matter, there would be no problem doing that. The agreement can be terminated with 30-days' notice, but it makes absolute sense to sit down with the county and visit every year about how things are going. Mr. Lougheed added that if any significant issues come up, the agreement can always be amended.

Councilor Ketchum thanked the county for opening this issue back up.

Councilor Harris echoed Councilor Ketchum's comment and specifically thanked Lee Napier and Trent Lougheed, and everyone else involved.

Commissioner Bobby Jackson stated the county believes a healthy Chehalis is a healthy county, and their goals from this point forward are to work with Chehalis, and every other city in the county, to ensure that much-needed development occurs.

Mayor Dawes stated his frustration from when the process first started to today is a lot better because all of his concerns were listened to and addressed. He was also glad about the good working relationship between the city and county.

Councilor Ketchum moved that the City Council authorize the City Manager to execute the Interlocal Agreement between the city of Chehalis and Lewis County. The motion was seconded by Councilor Pope. Mayor Dawes noted one needed correction to the document under Section 9 paragraph C, the first sentence should read, "The City agrees to reimburse the County for the depreciated value of capital road and/or stormwater construction projects and completed during the ~~ten-year~~ five-year period before annexation." Councilor Ketchum moved to amend the main motion to include the correction. Councilor Pope seconded the amendment, and the main motion carried unanimously.

4. Business Licensing Service Agreement with State Department of Revenue. Trent Lougheed explained that the state now requires that all cities have their business license renewals go through the Department of Revenue (DOR) Licensing Division, which will be implemented over the next 10 years. Chehalis was selected to be in the first group of 24 cities to join the Business Licensing System partnership (BLS). Mr. Lougheed stated there are no fees to the city associated at this point, and it will take some workload off city staff.

Councilor Ketchum was concerned that eventually the state would require funding from the cities.

Mayor Dawes was concerned about language in the agreement under "Purpose" where it talks about not only business licensing services, but "other regulatory activities except as expressly delegated to Revenue under this Agreement" and what that could include. He commented that it talks about the city having to obtain and maintain at its own cost, all necessary equipment and on-line services. The agreement also states that certain reports would have a cost.

Permit Technician Deborah King understood that the "other services" referred to has to do with collecting business taxes that the state is owed to ensure that the state is capturing all the taxes it is owed. With regard to additional equipment, Ms. King stated it will be an on-line program and is accessible by a select few, and those people will be able to access whatever information they want that is in the system. She wasn't sure what reports the agreement was referring to. Ms. King stated that some larger cities have been in the program for many years, and they like it.

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Councilor Ketchum moved to authorize the City Manager to sign the agreement with the Washington State Department of Revenue to participate in the Business Licensing System Partnership. The motion was seconded by Councilor Spahr and carried unanimously.

5. Commercial Development Plan for Airport. City Manager Anderson stated the council previously approved a contract with WH Pacific to prepare a conceptual master plan for development of the airport. Brandon Rakes introduced Tom Jones with WH Pacific to present the proposed commercial development master plan for the airport.

Mr. Jones stated Derek Sergison, landscape architect, was also in attendance. The focus area primarily included approximately 130 acres northeast of the airfield. They began by looking at the existing land uses, what exists currently, what development is starting to come on board, and looking at undevelopable portions. They then looked at elements from other projects. The four areas looked at included:

Aviation Area: This area is adjacent to and off from the active runway. Potential uses could include airport mechanics training and vocational schools, and expansion of hangars and jet services.

Upper Terrace Area: This area is along the I-5 corridor. In addition to more retail, this area could see the development of medical offices, or more service-type uses that would create family wage jobs.

Lower Terrace Area: This area is behind Home Depot and is shown as retail, but he didn't know of any retailer that would want to be behind the back side of Home Depot that has no visual connectivity to Louisiana Avenue. Potential uses could include businesses that don't need and rely on that visual connection, such as fitness centers or storage facilities.

Trailhead Park Area: This area is the furthest north and includes "Airport Lake" and is an area with a lot of activity. This area could include trailhead and wetland/airport overlooks, a community garden, and bike and trail connections. It could be a prime stop for the Seattle-to-Portland (STP) bike ride.

Mr. Jones stated there were many concepts and directions the city could go. The construction of Discover! Children's Museum is exciting to retailers and could generate a lot of spinoff. Events like the STP and Leap the Levee could be a catalyst for other events/activities. As far as next steps, he suggested the city take advantage of expertise in the commercial realty community to look at targeted uses, along with talking to schools/colleges/aviation businesses.

Councilor Ketchum stated the city has been sitting on this property for many years and something needs to be done now while the market is good.

Councilor Harris asked if the Lower Terrace Area had to be aviation-related, or could it be used for manufacturing. Mr. Jones stated the area was shown as retail, which is really not appropriate for that location. He stated manufacturing was certainly an option.

Councilor Harris thought the conceptual drawings showed "Airport Lake" as larger than it is. He asked if the idea was to make the lake larger and use it for wetland mitigation. Mr. Jones stated that was a thought, but would certainly need to be looked at with more detail.

City Manager Anderson stated the next steps would include taking the proposed concepts that can be adjusted based on market demand and need, and start branding it and market it out to the right people. City Manager Anderson asked if staff was on the right track from the council's perspective. The council concurred that staff should move forward on branding and marketing the project.

6. Administration Reports.

a. **Finance Report.** Chun Saul reported on financial activities for the first quarter of 2018. She stated the target percentage for three months' operations was 25%. Overall revenues and transfers were 22.8% of the budgeted amount, and year-to-date expenditures were at 19.0% of total appropriations, which means the city operated within normal budget parameters. The 2018 adopted budget included use of about \$228,000 from the beginning fund balance for some one-time expenditures.

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As of March 31, revenues were at 23.8% and expenditures were at 25.6%. Property tax collections were less than 1% due to the city not receiving the distributions from the county until May. It was also low because about 8.9% of the city's general property tax is placed in the Firemen's Pension Fund. This revenue was included in the general fund budget, as well as in the Firemen's Pension fund for the last two years in error. Total tax revenues through March were 22.0%. Charges for Services were also less than the targeted 25%, coming in at 11.5%. These charges include plan check review fees, charges for fire and police services, and parks & recreation fees. Parks & Recreation fees make up 55% of the budget in this category so these revenues are expected to pick up during the summer months. Ms. Saul stated that about 55% of revenues came from sales and use taxes, and 25% from utility taxes.

Total General Fund expenditures were 25.6% at the end of the first quarter. She noted most departments were below the 25% target, except Facilities & Parks, Police, and Fire due to projects, settlement of union contracts, purchase of uniforms, and purchase of minor equipment.

Ms. Saul stated in regard to Enterprise Funds, all funds operated within normal budget projections. Revenues ranged from 22.5% to 24.8%, while expenditures ranged from 16.4% to 12.8%.

With regard to Police and Fire expenditures, Councilor Spahr asked if those funds would level out. Ms. Saul believed the Fire Department would level out because the expenditures were one-time purchases for the year.

b. **City Manager Update.** City Manager Anderson noted that the second meeting in May falls on Memorial Day and if there was necessary business the regular meeting would be moved to Tuesday, May 29; however, at this time the administration recommends cancelling the meeting. The council fire subcommittee is working to schedule a meeting with District 6 to discuss potential consolidation and annexation.

7. Councilor Reports/Committee Updates.

a. Councilor Ketchum recognized the work of Permit Technician Deborah King. He stated that he is working with a company that has interaction with Ms. King and they have communicated to Councilor Ketchum that she is able to respond quickly to all their questions. He thanked Ms. King for all her hard work.

b. Councilor Harris thanked Lee Napier for her expertise.

c. Mayor Dawes attended the following: meeting with city and county staff regarding the interlocal agreement for permitting that was passed earlier this evening; the Twin City Kiwanis meeting and provided a "state of the city" update to the group; the annual Firemen's Pension Board meeting; and Business After Hours at Summit Funding.

d. Councilor Pope stated he was having issues opening some documents received via email. Councilor Harris stated he was having problems, as well. City Manager Anderson stated she would look into the issue.

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

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

May 14, 2018

The Chehalis city council met in regular session on Monday, May 14, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund (telephonically), Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources/Risk Manager; Don Schmitt, Street/Storm Superintendent; and Dave Vasilauskas, Water Superintendent. No members of the news media were in attendance.

1. Public Hearing – 2019-2024 Six-Year Transportation Improvement Program. Mayor Dawes closed the regular meeting and opened the public hearing.

Don Schmitt presented the 2019-2024 Transportation Improvement Program (TIP). Mr. Schmitt stated the administration continues to identify aspects of the city's transportation system needing improvement and developing the TIP is the first step in the annual process required by WSDOT. Projects that receive funding from state or other federal sources are required to be identified on a local TIP and once funding is received, they are placed on the Statewide Transportation Improvement Program, commonly known as the "STIP." Projects must be funded to be listed on the STIP, and the city currently has no projects listed.

There being no public comments on the proposed TIP, Mayor Dawes closed the public hearing and reopened the regular meeting. Mr. Schmitt stated a resolution will be presented for council consideration at the June 11 meeting to adopt the 2019-2024 TIP.

2. Proclamation – Police Week, May 13-19. Mayor Dawes read and presented a proclamation to Chief Schaffer declaring May 13-19 as Police Week.

3. Well City Award Recognition. Mayor Dawes stated the city receives the Well City designation through the efforts of the committee and the participation of employees, which affords the city a two percent reduction in health insurance premiums. He recognized committee members Brandon Rakes, Betty Brooks, Tracey Cox, Larry Dobyns, Lloyd Gruginski, Julie Hampson, and Judy Schave.

Judy Schave reported the city was one of 115 AWC Trust members who earned the 2018 Well City Award this year. She stated the average savings for every 100 employees covered under the HealthFirst 250 Plan in 2018 was about \$17,600. About 75% of the city's eligible employees and appointed officials are on this plan. Ms. Schave stated some of the committee's planned events and challenges during 2018 include:

- AWC's spring wellness challenge *Wander the Wonders*, May 1 – 30
- Community supported agriculture at the Chehalis Farmers Market
- 3rd running of *Leap the Levee 5k Fun Walk/Run*, June 16
- Helping to promote the Centralia to Chehalis Bike Ride
- Hosting two healthy lunch presentations later in the year
- AWC's *Race to Wellness Challenge*, October 1 – 30

Ms. Schave stated one of the biggest challenges continues to be getting people to sign up and participate. The new JIFF app through AWC provides employees options to earn their \$35 reward, which needs to be earned in order to help qualify the city to earn the 2% savings. Unfortunately, the JIFF app didn't come without issues when it was released last year and it took several months to work out most of the bugs. This discouraged some employees from participating. Because of the problem, AWC awarded the 2% discount to all members who had completed all of the other standards and had earned the Well City award in the previous two years. Chehalis met that criteria, so this year's award applies towards the city's 2019 premiums. She noted the city is currently at 29% participation, so at least 29 more people need to sign up and participate in order to reach the 50% goal to help qualify the city for the 2% discount in 2020. She invited council members and their spouses to participate.

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

- a. Minutes of the regular meeting of April 23, 2018;

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- b. April 30, 2018 Claim Vouchers No. 122301-122415 in the amount of \$220,684.85;
- c. April 30, 2018, Payroll Vouchers No. 40205-40250, Direct Deposit Payroll Vouchers No. 9407-9508, and Electronic Federal Tax Payment No. 183 in the amount of \$779,667.39;
- d. Resolution No. 3-2018, first and final reading – declaring city property to be surplus;
- e. Engineering services agreement with Gibbs & Olson in the amount of \$177,000 for the Chehalis water system plan update project;
- f. Memorandum of Understanding with Lewis County Seniors to provide \$20,000 to the Lewis County Seniors enrichment programs;
- g. Accept the Tract 5A fill project as complete and release retainage after all statutory requirements are met; and
- h. Cancel May 28 city council meeting.

The motion was seconded by Councilor Taylor.

Councilor Harris stated he questioned spending \$177,000 for the water system plan update, but after speaking with staff, he would support the motion. The motion carried unanimously.

5. Ordinance No. 987-B, First Reading – Amending the 2018 Budget. City Manager Anderson stated when the 2018 budget was adopted, there were some outstanding items, including collective bargaining agreements with Police and Fire. While the police contract settled, the fire contract will be settled by binding arbitration in September. There were also some unspent funds allocated to projects that were not completed that staff is recommending being carried over, namely fire department repairs. The unspent funds were represented as the ending fund balance, and the budget amendment recommends reallocating them for their stated purposes. As a result, the ending fund balance will go down, leaving a balance of approximately 12%. City Manager Anderson stated that in addition to reallocating funds for needs that still exist, staff is also recommending setting aside 1% or approximately \$92,000 for the Compensated Absences Fund and about \$92,000 for the Automotive/Equipment Reserve Fund. This is a step towards setting aside funds on an annual basis to prevent major shocks to the budget associated with multiple anticipated retirements, as well as the need to have safe and reliable vehicles and equipment. She indicated that if the amendment was adopted, it would leave a 10% operating reserve.

Chun Saul stated the proposed budget amendment included:

- Net citywide decrease in fund balances of \$728,165
 - Net revenue increase of \$124,483 (new appropriations, net of revenues \$223,406)
 - Net appropriations increase of \$852,598
 - 2017 budget carry-forward of \$504,709
 - New appropriations of \$347,889
- Transfers In and Transfers Out
 - General Fund
 - Compensated Absences Fund \$92,868
 - Automotive Equipment Reserve Fund \$92,868
 - Public Facilities Reserve Fund \$75,000
 - First Quarter Percent REET Fund to Public Facilities Reserve Fund \$80,000
 - Second Quarter Percent REET Fund to Public Facilities Reserve Fund \$80,000
- General Fund Overview - Decrease Fund Balance \$778,970
 - Estimated Revenues Decrease \$140,183
 - Appropriations Increase \$378,051 (2017 budget carry forward \$195,440 & new appropriation \$182,611)
- Est. General Fund Ending Fund Balance of \$1,034,822
 - Reserve 10% of Operating Revenues of \$928,681
 - Restricted Cash & Deposits of \$97,817
 - Unreserved fund balance of \$8,324

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Councilor Ketchum moved to pass Ordinance No. 987-B on first reading. The motion was seconded by Councilor Harris and carried unanimously.

6. **National Avenue Slide Repair**. City Manager Anderson noted there were additional handouts for the public, and anyone viewing the meeting could call the city if they had questions.

Trent Lougheed explained the right southbound lane of National Avenue beyond the Chamber Way underpass is showing significant signs of settlement/sliding. The area has perceived instability due to the continuation of settlement, and a soils report indicates the underlying native soils are actually very stable. The fill material placed on top of the native subgrade has settled and shifted over the years, and the problem worsens with the more weight (asphalt) that is added. Mr. Lougheed outlined the options for repairing the issue:

- Repair: High cost of additional geotech, slope stabilization, lane, and sidewalk reconstruction
- 2-lane reconfiguration: Grading, retaining walls, removal of a portion of landscaped area, and new pavement and sidewalk
- Lane reduction: Second lane not warranted due to posted speeds, traffic volumes, absence of driveways and intersections, and site distances

Mr. Lougheed stated staff was recommending that the right lane of the underpass be removed, which would provide the following benefits:

- Removal of fill with jute matting and revegetation to stabilize the area
- Least amount of disturbance to currently stable native soils below fill material
- Eliminates two potential collision points for merging traffic
- Project cost is much less
- Provides nice pedestrian corridor (useable independent of the final intersection alignment when the Chamber Way Bridge is replaced)
- New signage and pavement markings will reduce confusion of which lane to choose to access I-5 or downtown (for southbound traffic on National Avenue)
- Increased pedestrian safety

Mr. Lougheed stated the engineer's estimate for the proposed improvements was about \$193,000. Bid specifications would be completed in-house, resulting in minimal engineering costs of approximately \$3,000 for drafting services. He also recommended a 15% contingency (\$29,000) for unforeseen conditions, making the estimated cost \$225,000.

Councilor Ketchum moved that the project to alleviate sliding and improve the area of National Avenue impacted by soil movement move forward as recommended by staff. The motion was seconded by Councilor Pope and carried unanimously.

7. **Charging Services Agreement with EVgo Services, LLC, for Two Vehicle Charging Stations on Airport Property**. Brandon Rakes stated the Airport, in cooperation with EVgo, received a grant from WSDOT to fund the installation of public electric vehicle charging stations to expand infrastructure for this growing segment of the market. An agreement for the city to provide four parking spaces for the equipment is needed. Mr. Rakes stated there are currently no electric vehicle charging stations located in the commercial area around the airport, potentially losing the associated retail and restaurant business. He stated Chehalis was one of nine locations along I-5 to participate in the grant. The total cost of the project is \$1.46 million, funded in large part by state and federal grants. The Chehalis location would be next to the future site of the Discover! Children's Museum and its adjacent proposed park.

Mr. Rakes stated the city will need to fund the construction of a portion of the parking area that will eventually be used by the proposed park in order to provide the four parking spaces needed for two charging stations at an estimated cost of \$22,000. EVgo will fund all of the costs associated with the purchase, installation, and maintenance of the charging equipment, as well as all electricity charges. The agreement is for a five-year term beginning with the date the charging stations are first operational, and provides for automatic renewal for successive one-year periods. The city's portion also includes additional spaces to complete approximately half of the parking that will be needed by the park that is planned to complement the future Discover! Children's Museum. He noted any potential increases in sales related to the availability of the charging stations is difficult to predict, but stated the value is providing the traveling public to stop in Chehalis.

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Councilor Spahr felt it was wrong when the tax paying public subsidizes another part of the public that doesn't pay the same tax. An example is a gas tax that goes to repair and maintain roads. And, to add insult to injury, the government gives buyers of these vehicles a tax credit when they buy them. Councilor Lund agreed with Councilor Spahr's statement.

Mr. Rakes stated that a revised agreement was received from EVgo since the agenda report was written, but he had not had time to review the differences from the agreement included in the agenda packet. The council agreed that they would only approve the agreement included in the agenda packet.

Councilor Ketchum moved that the City Council approve and authorize the City Manager to sign the Charging Services Agreement with EVgo. The motion was seconded by Councilor Harris and carried 5 to 2. Councilors Lund and Spahr voted against the motion.

8. Preliminary Analysis of Proposed Annexation Areas. City Manager Anderson stated the agenda item was a strategic planning goal and tonight starts the discussion by presenting the council a proposed plan that identifies eight areas. If additional discussion beyond tonight's presentation was needed, staff would be happy to schedule a workshop. The overall process would require multiple items before the city council, and multiple public notices to the general public, as well as those impacted property owners. City Manager Anderson noted there were additional handouts for the public, and anyone viewing the meeting could call the city if they had questions.

Trent Lougheed provided an overview of the proposed annexation areas. One of the goals was to "clean-up" the city's borders. Areas 1-4 would "fill the gaps" along the Market/Jackson Highway corridor, while Areas 5-6 would start filling in the I-5 corridor. Areas 7-8 are intended to straighten out the city's northern border while annexing city-owned property that still remains outside of its jurisdictional borders. At this time, it is expected the city would pursue annexing multiple areas at a time because the process requires many steps as set forth by law. He stated the eight proposed areas were looked at in whole for a preliminary assessment of general impacts to the city:

- Based on the total number of calls for Police and for Fire for 2016-2017, there would have been an increase in calls of 1.2% for both Police and Fire
 - 2016/2017 annexation areas calls for Police service: 189 (15,697 in city limits)
 - 2016/2017 annexation areas calls for Fire service: 41 (3,405 in city limits)
- Street:
 - Roads within the Alderwood development are private, but can be converted to public ROWs if the roadway is upgraded to city standards
 - Gain in revenue from sales tax for the Transportation Benefit District is unknown since revenue is based on retail sales
- Water:
 - Service area would be unaffected
 - Loss of revenue from surcharges for utilities outside of city limits – \$12,600 per year
- Sewer:
 - Service area would be unaffected
 - Loss of revenue from surcharges for utilities outside of city limits – \$57,400 per year
- Storm:
 - Servicing larger surface area
 - Gain in revenue from residential stormwater charges – \$11,500 per year
 - Gain in revenue from commercial stormwater charges is unknown since charges are based on impervious coverage of lots, which would take considerable effort to calculate at this time

Mr. Lougheed stated staff was seeking input/direction from council regarding the start of the annexation process for any/all areas identified within the preliminary mapping areas, or if other specific areas should also be discussed.

Councilor Harris asked if there was sufficient fire flow for the Alderwood properties, and if not, would the city be responsible to increase the flows. Mr. Lougheed stated the city would be providing service with the fire flows available. The

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water system has no legal obligation to provide fire flow to any specific standard. However, if improvements were going to be made to the water system you would then need to upgrade to meet current fire flow requirements.

Councilor Spahr asked what it would take to bring the fire flows up. Rick Sahlin indicated it would require upgraded lines and a new reservoir.

Mayor Dawes believed the council was interested in moving forward on staff's proposal. Mayor Dawes stated there was an area on the map to the extreme north of the city limits that was excluded. He wondered what that area was and why it was not included. Mr. Sahlin indicated that area has a reservoir on it that provides fire protection to the former Elks building.

9. Administration Reports.

a. **City Manager Update.** City Manager Anderson stated a strategic planning update will be presented to the council in June, and she noted significant progress is being made on several objectives.

10. Councilor Reports/Committee Updates.

a. Mayor Dawes attended the following: mayors meeting, fire committee meetings, ribbon cutting for the Friday markets, and the Tri-Rotary auction for Discover! Children's Museum.

Councilor Ketchum left the meeting.

11. **Executive Session.** At 6:34 pm, Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(c) – Sale/Lease of Real Estate, and RCW 42.30.110(1)(i) – Potential Litigation not to exceed 7:15 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:35 pm. The executive session began at 6:42 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 7:16 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

June 5, 2018

The Chehalis city council met in special session on Tuesday, June 5, 2018, at the Chehalis-Centralia Airport. The purpose of the meeting was to hear a presentation from Rich Development on a proposed commercial development and to hold an executive session to discuss the sale/lease of property. Mayor Dennis Dawes called the meeting to order at 5:00 pm 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; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Loughheed, Community Development Director; and Brandon Rakes, Airport Operations Coordinator. Members of the news media in attendance included Alex Brown of *The Chronicle*; and Susan DeLaire of *Business to Business*.

1. Presentation from Rich Development on a Proposed Commercial Development. Greg Vena with Rich Development stated he is a partner in the company. A family-owned business that started in San Pedro, California, they have developed several retail shopping centers totaling about three million square feet of development, mostly in California and now in Washington, with developments in Spokane and Bellingham. They pride themselves on good tenant relationships. He stated they take a conservative approach when developing and usually have around 70% tenancy before buying property. He explained they became aware of property at the airport after trying to purchase the former Kmart building, which was unsuccessful. He started researching the area and thought this would be a good opportunity.

Councilor Harris asked if they took a community's demographics into consideration when developing. Mr. Vena stated they do as settings dictate the types of potential retailers. Mr. Vena stated their goal was to provide good jobs, tax revenue, and to select retailers that will bring along other retailers.

Dr. Pope left the meeting at 5:38 pm.

Mayor Dawes stated the city is fortunate to have several long-term businesses in the downtown area that he wouldn't want to see impacted. Mr. Vena acknowledged that and stated they wouldn't want to do that either.

City Attorney Hillier wanted to ensure that Rich Development understood that purchasing the property was not an option due to grants the city has with the FAA. Mr. Vena stated he understood why the property would have to be leased. He stated they are usually in the business of purchasing properties, but understood why that was not an option in this case.

Mayor Dawes asked if Rich Development had projects that involved government entities. Mr. Vena indicated they have had several relationships with government entities.

City Attorney Hillier believed Mr. Vena's comments showed a genuine reflection of wanting to do a development in Chehalis. He asked if Mr. Vena could share any potential anchor tenants. Mr. Vena stated the retailers he's working with have asked not to be identified at this time.

Mayor Dawes asked when something would occur if/when a letter of intent is agreed upon. Mr. Vena stated his discussions with potential retailers has been informal at this point without an agreement, but he estimated having retailers on board six months from having an agreement with the city.

Mayor Dawes noted that he didn't want to see anything that would compete with the city's neighbors to the north.

2. Executive Session. At 6:13 pm, Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(c) – Sale/Lease of Real Estate not to exceed 6:45 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting. The executive session began at 6:20 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:40 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

June 11, 2018

The Chehalis city council met in regular session on Monday, June 11, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm 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; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; and Don Schmitt, Street/Storm Superintendent. Members of the news media in attendance included Susan DeLaire with *Business to Business*; and Will Rubin of *The Chronicle*.

1. Proclamations – Recognizing W.F. West High School Track & Field Athletes Kendra Bottenberg and Colby White. Mayor Dawes read and presented a proclamation to Kendra Bottenberg for her WIAA 2A state championship in javelin, and a proclamation to Colby White for his WIAA 2A state championship in high jump.

2. Lewis Economic Development Council (EDC) Update. Matt Matayoshi provided an update on EDC activities. He stated the EDC is charged with retention and expansion of business, as well as recruitment of business and industry into not only Chehalis, but all of Lewis County. He noted Bob Spahr serves on the Board of Directors. The EDC has had successes over the past year, including recruiting two businesses to Chehalis (TransCold Distribution and Price Container); supporting the Chehalis Coworks with .09 grant funding administration; holding the first Smart Tank event with nine aspiring businesses presenting; and meeting with several companies, many of which are related to forest industry products and with distribution. Mr. Matayoshi thanked the council for their continued support.

Councilor Pope stated the purpose of the EDC was to encourage businesses to locate and stay in the area. He stated it would be nice if the EDC provided expertise to health care related facilities because those industries provide many family wage jobs. Mr. Matayoshi stated the community's largest employer is Providence, and the EDC sees the value of the health care sector, which continues to grow. He stated Providence provides both highly skilled and low skilled jobs.

City Manager Anderson acknowledged the work of the EDC and Matt Matayoshi in working cooperatively with the city in terms of providing information and resources, in particular regarding the city's water rights issue and actually funding an initial review of the situation. Mayor Dawes echoed the City Manager's comments.

3. Mayor Dawes recognized Nathan Cane, and his parents, who were in the audience. Nathan was attending the meeting to earn a Boy Scout merit badge.

4. Consent Calendar.

- a. Minutes of the regular meeting of May 14, 2018, and the special meeting of June 5, 2018;
- b. May 15, 2018 Claim Vouchers No. 122416-122568 and Electronic Funds Transfer Nos. 420181 and 52018 in the amount of \$444,103.80; and May 31, 2018 Claim Vouchers No. 122569-122675 in the amount of \$991,015.13;
- c. May 31, 2018, Payroll Vouchers No. 40251-40295, Direct Deposit Payroll Vouchers No. 9509-9612, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 184-187 in the amount of \$754,859.77;
- d. Award Chamber Way Grind and Inlay Improvement Project to Lakeside Industries, Inc., in the amount of \$73,500;
- e. Appoint Dennis Dawes and Jill Anderson as the city's voting delegates to the 2018 AWC annual business meeting;
- f. Memorandum of Understanding for FEMA Assistance to Firefighters Grant application for personal protective equipment;
- g. Interlocal automatic aid agreement between Chehalis Fire Department, Riverside Fire Authority, and Lewis County Fire District 6; and
- h. Offer to lease airport property (Tracts 7A, 8, and 9) by Rich Development Enterprises, LLC.

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City Manager Anderson noted there was an error on the item relating to the MOU for FEMA Assistance to Firefighters Grant. The agenda report indicated any proceeds would be split between the agencies one-third to each agency, but that figure was not noted in the application included in the agenda report.

Councilor Spahr moved to approve the consent calendar, including the amendment noted by City Manager Anderson. The motion was seconded by Councilor Taylor and carried unanimously.

5. Ordinance No. 987-B, Second and Final Reading – Amending the 2018 Budget. City Manager Anderson stated there were no changes to the ordinance since first reading.

Councilor Ketchum moved to pass Ordinance No. 987-B on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

6. Resolution No. 4-2018, First and Final Reading – Adopting the 2019-2024 Six-Year Transportation Improvement Program. City Manager Anderson stated there were no changes to the resolution since the public hearing.

Councilor Taylor moved to adopt Resolution No. 4-2018 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

7. Ordinance No. 988-B, First Reading – Amending Chehalis Municipal Code Titles 17 and 5.32. Trent Lougheed provided a summary of the proposed changes:

- Re-roof permits (“hot-work” “welding”) – *Adding a “no-fee” permit requirement to prevent fires when a re-roof project requires welding.*
- Updates to fee schedule for fireworks stand deposits – *Eliminating the deposit fee.*
- Streets in subdivisions – *Clarifying the regulations related to private streets.*
- Accessory dwelling units – *Providing provisions to allow for “Mother-in-Law” units in more zones if certain conditions are met.*
- Permit expiration and renewal – *Adding a fee to allow for the renewal of a permit instead of reapplication if the scope of work has not changed.*
- Address numbering – *Requiring larger address numbers on properties for easier emergency response.*

Councilor Spahr asked about the provision allowing “mother-in-law” units, but not rental units. He asked how that would be enforced, as there have been problems in the past. Mr. Lougheed stated the only real way to police that is that someone informs the city it is happening. He stated the property owner must sign an affidavit that says the unit will not become a commercial rental unit.

Councilor Lund liked the idea of making address numbers larger. He asked if they were required to be reflectorized. Mr. Lougheed stated that was not required.

Councilor Lund asked about buildings that did not have the larger numbers. He wondered if there was a plan to get everyone to change to the larger numbers, and perhaps make it an Eagle Scout project. Chief Cardinale thought that would be hard to do since the code doesn’t require existing buildings to make the change to larger numbers. He stated staff could do it from a public education standpoint. Councilor Lund knew it couldn’t be enforced to existing buildings, but he thought it could be something to make people aware of, perhaps by including information in the water bills. Chief Cardinale stated he would take the suggestion under advisement and report back to the council.

City Manager Anderson added the city could certainly put a note in water bills suggesting that citizens check their address numbers and consider replacing them with the larger numbers.

Councilor Lund also noted his street sign is covered with bushes and he is going to have his landscaper take care of it. Chief Cardinale stated staff does go around and make contact with property owners when streets signs are not visible.

Councilor Ketchum moved to pass Ordinance No. 988-B on first reading. The motion was seconded by Councilor Lund and carried unanimously.

June 11, 2018

City Manager Anderson showed a sign that will be erected for street projects that use local dollars. She stated those local dollars include a mix of funding sources, including Transportation Benefit District funds.

8. Administration Reports.

a. **City Manager Update.** City Manager Anderson provided a strategic planning update:

• Maintain and Enhance Financial Stability

- Present plan for future annexations – Done: Proposed annexation area maps presented to council 5/14/2018.
- Present financial software upgrade recommendations to City Manager – Done: Priorities are cash receipting software and new utility billing system. Next step is purchase and budgeting for expenditures.
- Present commercial development master plan for leasable property at airport – Done: Presented to council 4/23/2018.
- Formulate and present plan to reestablish dedicated reserve funding – In Progress: First budget amendment included initial allocations to dedicated reserves for compensated absences and equipment/automotive reserve funds.

• Enhance and Modernize Technology

- Evaluate current virus protection products and policies and recommend changes as needed – Done: Assessment completed. Current protocols okay with continuing updates.
- Evaluate the feasibility of having an IT department vs. a contract IT employee – Nearly Complete: IT committee preparing final recommendations.
- Identify citywide training needs on IT and use of existing software. Create plan for training employees as needed – In Progress: Survey completed. Adding online training resources. Next Step includes department specific training.

• Increase and Optimize Staffing Levels

- Evaluate staffing needs – Done: Departments submitted analysis and requests.
- Conduct cost analysis of each position needed – In Progress: Cost analysis of positions that could be added in 2018 nearly complete. Preliminary estimates for possible 2019 additions.
- Identify ways to finance staffing needs – In Progress: Anticipate more work through the budget process.

• Improve and Maintain Infrastructure

- Present consultant contract for design of sanitary sewer force main improvement project – Done: Contract approved by council 2/26/2018.
- Complete Transportation Benefit District downtown Market Boulevard grind and inlay multi-use lane project – Nearly Done: Work scheduled for June
- Complete Stan Hedwall sewer service – Revised: Bids came in over budget. Reassessing funding options.
- Complete design of sanitary sewer force main improvement project – Future objective December 2018.

• Enhance and Maintain Facilities (Recreation Park, Dispatch Center, and Fire Station)

- Update and present Park, Recreation, and Open Space Plan – Done: Adopted 3/12/2018.
- Report final results of District 6 fire consolidation – Done: Met 5/10/2018. Numbers do not work. Keep together for training and response. Meet again in September.
- Complete Phase 1 of Recreation Park design and recommend funding sources – Nearly Done: Notice to proceed with 100% design documents for revised project scope issued to Skillings. Design and grants in progress.
- Report on grant success for components of Recreation Park – Revised: Final grant presentations in July. Award schedule subject to committees.

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- Report on results of feasibility study regarding dispatch center and make recommendations – Revised: Plan to present the results in July.

City Manager Anderson reminded council of the mission adopted last August, which is: *“While honoring the past and preparing for the future, the City of Chehalis provides municipal services and programs for the benefit of residents, businesses, and visitors in our community.”* She noted the next planning session is set for Thursday, August 30, 2018.

9. Councilor Reports/Committee Updates.

a. Councilor Harris watched a webinar regarding solid waste and recyclables, noting recycling services may be impacted, which may raise costs or converting it all to trash. He also attended a Chehalis Basin meeting. A new director has been hired. Councilor Harris was concerned about a Memorandum of Understanding (MOU) from the Aquatic Species Restoration Plan (ASRP) steering committee as it relates to the possibility of implementation of large scale damage reduction actions (dam). The MOU stated the ASRP was not mitigation for aquatic species impacts associated with any large scale flood damage reduction action being considered by the Chehalis Basin Strategy, but noted that J. Vander Stoep gave a “thumbs up” to the MOU. It was explained that for funding purposes, these things are not funded collectively, they are funded individually.

b. Councilor Pope stated the Chehalis Community Renaissance Team is really doing a good job and is making a significant difference. He encouraged the city to continue to support the CCRT.

c. Councilor Spahr stated his family had a rollercoaster week with welcoming a new baby into the family, but also losing his mother-in-law.

d. Mayor Dawes attended the Chamber Business After Hours event at I-5 Dodge.

Mayor Dawes stated there would no executive session. There being no further business to come before the council, the meeting was adjourned at 5:58 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

June 25, 2018

The Chehalis city council met in regular session on Monday, June 25, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 4:30 pm with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, and Chad Taylor. Councilor Tony Ketchum arrived at 4:33 pm. Councilor Bob Spahr was absent (excused). Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Rick Sahlin, Public Works Director; and Patrick Wiltzius, Wastewater Superintendent.

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

Mayor Dawes closed the executive session at 5:01 pm and announced the council would take a short recess. Mayor Dawes reopened the regular meeting at 5:03 pm. Additional staff included: Ken Cardinale, Fire Chief; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; and Judy Schave, Human Resources/Risk Manager. Members of the media included Will Rubin of *The Chronicle*.

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

- a. Minutes of the regular meeting of June 11, 2018;
- b. June 15, 2018 Claim Vouchers No. 122676-122834 and Electronic Funds Transfer No. 520181 in the amount of \$360,298.02;
- c. Award bid for the Stan Hedwall 2018 sanitary sewer improvements project to Gill Construction in the amount of \$248,968.20;
- d. Revised Memorandum of Understanding for FEMA Assistance to Firefighters Grant application for personal protective equipment; and
- e. Resolution No. 5-2018, first and final reading – declaring property to be surplus.

The motion was seconded by Councilor Taylor.

Councilor Lund stated the June 11 meeting minutes stated his street sign was covered with bushes and that he was going to have his landscaper take care of it, and the Fire Chief responded by saying that staff goes around and makes property owners take care of that, but that was not true. Councilor Lund stated the city does not make people cut brush in city right-of-way. He clarified that he was talking about the street sign in city right-of-way, not his house numbers. City Manager Anderson stated it was her understanding that Councilor Lund was correct. Rick Sahlin stated staff does make property owners aware if bushes need to be trimmed back in city right-of-way to give them an opportunity if they would like to take care of it because sometimes the city's trimming of vegetation isn't the same as what a property owner's might be.

3. **Ordinance No. 988-B, Second and Final Reading – Amending Chehalis Municipal Code Titles 17 and 5.32.** City Manager Anderson stated an overview of the proposed amendments was provided at the previous council meeting. During the discussion, Councilor Lund asked about doing some public service announcements to make people aware that their house numbers should be visible from the street. Staff will look at using a utility billing insert and public service announcements to help get the word out.

City Manager Anderson stated that Councilor Spahr had questions about the accessory dwelling units and how that would be enforced. Councilor Spahr wondered if there were any ways to strengthen the requirement. City Attorney Hillier stated he believed the way the ordinance was written was probably the best that could be done. If the city finds that a unit is being occupied incorrectly, the city will act on it.

Mayor Dawes asked about the amendment to require a permit for re-roofing when “hot-work” or “welding” are involved. Chief Cardinale stated these types of re-roofing permits would include torches or flammable materials. Without having this permit, the work can go on and there is no way staff can check it to make sure that when a contractor leaves, they are leaving it in a safe condition. The permit will ensure that the city is aware of the work and once it is completed, it will be inspected.

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Mayor Dawes asked about the city's liability if a fire still occurs after being inspected by the city. Bill Hillier stated it would not add any more liability than usual. He stated there is immunity for governmental entities in this regard.

Councilor Ketchum asked for clarification on what was considered "hot-work." Chief Cardinale stated "hot-work" includes torching and any type of hot work that adheres materials to a surface. The permit will allow the city to ensure that the procedures being used are proper, that contractors have a fire extinguisher on hand, and that the contractor is briefed on what to be looking for to prevent fires. The city will then inspect the work with a thermal imaging camera to make sure there are no hot spots.

Councilor Ketchum moved to pass Ordinance No. 988-B on second and final reading. The motion was seconded by Councilor Pope and carried unanimously.

4. Strategic Planning Goal – Increase and Optimize Staffing Levels. City Manager Anderson stated one of the city's strategic planning goals is to increase and optimize staffing levels. She stated the goal recognizes the growing work load, along with the constriction of staff during the last recession.

Judy Schave stated one of the top five goals selected during the strategic planning session was to look at increasing and optimizing staffing levels, both immediate and near-term. There is a challenge to fill positions with either qualified applicants or with current employees who have the necessary skills and required certifications, as well as a desire to take on more challenging positions. The city has the ability to start training current staff to qualify them to test for the necessary certifications, which will give them the opportunity to apply for some of these positions. Ms. Schave stated each member of the management team was asked to evaluate their staffing needs, and 14 positions were submitted for consideration for 2018 to 2020. A cost analysis on the wages and benefits for each position was done and presented to the City Manager to evaluate the financial impact. The administration met with the council budget committee to review the proposals and recommendations, and the committee concurred with the proposed recommendations for positions to be filled in 2018. She stated staff was asking for council direction to hire a Utility Maintenance Worker position for 2018, and also to schedule a work session to discuss the remaining positions submitted for consideration for 2019 and 2020.

The positions recommended for 2018 include:

Water Distribution Operator 1/Meter Reader

- Temporary 18-month position.
- Two long-time employees due to retire – Water Treatment Plant Operator 1 and a Water Treatment Plant Operator II
- One employee in this department could easily move into the Water Treatment Plant Operator II position
- Another employee is interested in the Operator 1 position, but will require training and certification
- Estimated budget impact for wages and benefits: \$37,555 in 2018, and \$77,406 - 2019
- Funding: 100% Water

Planning/Development Manager

- With transition of current Community Development Director to the public works department and the recent resumption of permitting responsibilities in the Urban Growth Area, the community development department will be in need of a planning/ building manager
- Reallocate remaining 2018 funding for Community Development Director position, as a majority of their time will be dedicated to the utilities
- Additional funding received for overseeing the permitting and development of the UGA could also be used to offset a large portion of the cost of this new position
- Estimated budget impact for wages and benefits: savings of \$2,428 in 2018, and savings of \$4,797 in 2019
- Funding: 60% General Fund; 10% Water; 10% Wastewater; 10% Stormwater; and 10% Airport

Property/Facilities Manager

- Supervisory position eliminated from salary schedule in 2010 due to funding issues related to the economic downturn

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- Maintenance and improvement of facilities high priority to address maintenance deferred during recession and to invest in preventative maintenance
- Reclassify current Property Maintenance Technician II position to a Property/Facilities Manager
- Funding for property maintenance technician II position would be used to offset large portion of financial impact of new position in both 2018 and 2019
- Estimated budget impact for wages and benefits - \$4,256 in 2018, and \$12,484 in 2019
- 100% General Fund

Property Maintenance Worker

- By creating and utilizing current staff to fill Property/Facilities Manager position, this will result in a loss of one maintenance position
- Possible solution would be to hire a full-time, entry level property maintenance worker to offset loss, and consider assigning position to downtown area year-round
- While the addition of this position was generally supported by the Budget Committee, the Administration requests time to consider the request in context of other positions needed and the associated budget impacts and discuss at the proposed work session
- Outstanding collective bargaining agreement with Fire due to settle in September; unknown impact to general fund
- Estimated budget impact for wages and benefits: \$65 in 2018, and \$40,078 in 2019
- 100% General Fund

Ms. Schave stated positions for 2019 and 2020 to be discussed at the council work session include:

- Traffic Control Technician, Street Division
- Judicial Assistant/Sentencing/Monitoring, Municipal Court
- Police Officer, Police
- Receptionist, Police – *New Position*
- Reserve Volunteer Firefighter Program, Fire
- Finance Analyst, Finance – *New Position*
- Engineering Technician II, Public Works
- Administrative Assistant, Public Works Wastewater – *New Position*
- Property Maintenance Worker, Public Works
- Laboratory Assistant, Public Works

Councilor Ketchum asked what would happen if the positions were funded in 2018, but funding was not available in 2019. Ms. Schave stated staff estimated that funding would be available in 2019 for the proposed positions. City Manager Anderson stated the water distribution operator position is a temporary position necessary for succession planning. In terms of general fund impacts, for the planning/development manager position, there would be a temporary time until September 2019 where we would have some funding for an additional position – the community development director. The community development director will transition to public works upon the public works director's retirement, and a majority of those expenses would be reallocated to the utility funds. The property/facilities manager position is necessary position as the person is actually doing the work of the manager now. The administration is asking for this position in order for that person to have the responsibility and authority to manage the work load.

Councilor Pope moved to approve the updated 2018 Salary Schedule to include the addition of a Planning and Building Manager and a Property/Facilities Manager; approve additional funding in the amount of \$41,876 (General Fund \$4,321 and Water \$37,555) to cover the budget impact of the proposed temporary and long-term positions as outlined in the agenda report for 2018; and set July 26, 2018 at 5:00 pm for a work session to review the 2019/2020 requests for staffing needs. The motion was seconded by Councilor Lund and carried unanimously.

5. Administration Reports.

a. **Finance Report.** Chun Saul provided a financial report for the month ending May. She stated the target for five months was 41.7%. Overall, the general fund and major enterprise funds operated within budget parameters and overall revenues and expenditures were within normal budget projections.

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- General fund revenues were 42.6% of the budget and total tax revenues were 43.6% of the budget.
- General fund expenditures operated within budget parameters at 41.1% of 2018 budget expect for:
 - police department due to recent settlement of the collective bargaining agreement
 - fire department due to about \$78,000 in payroll benefits not being included in the adopted budget, which will be included in the second budget amendment
 - Non-departmental due to some expenses not yet incurred
 - City Council, Municipal Court, City Manager, Finance, and Human Resources related to contra expenses
- General Fund Expenditures by Functions/Activities:
 - Police 35%
 - Fire 24%
 - All Other 36%
 - Capital Debt/Transfers 5%

Ms. Saul stated the enterprise funds also operated within normal budget parameters:

- Wastewater: Total revenues 40.11% of 2018 budget; Operating expenditures 42.8% of 2018 budget
- Water: Total revenues 42.8 % of 218 budget; Operating expenditure 33.1% of 2018 budget
- Storm & Surface Water: Total revenues 48.6% of 2018 budget; Operating expenditures 41.5% of 2018 budget
- Airport: Total revenues 40.3% of 2018 budget; Operating expenditures \$34.4% of 2018 budget

Councilor Ketchum asked if the city might see an increase in sales tax due to the Supreme Court's decision relating to remote sales tax. Ms. Saul stated the funds the city receives from streamlined sales tax will go away June 30. She stated she would look into the new sales/use tax and provide more information to the council.

b. **City Manager Update.** City Manager Anderson asked Chief Cardinale to talk about fire danger. Chief Cardinale stated the fire danger level is critical and local fire chiefs will be recommending to the Board of County Commissioners to restrict outdoor burning prior to July 4.

City Manager Anderson stated Chief Cardinale has been working on a number of training programs with home owners for defensible space trying to have people take responsibility for their properties and make them as fire safe as possible. She also thanked Judy Schave for all the tireless work she did for the presentation she provided earlier this evening, along with the work by the Parks & Facilities crew for their work on beautifying the library and city hall. She also thanked the council for their support of city staff.

6. Councilor Reports/Committee Updates.

d. Mayor Dawes attended a flood project update by J. Vander Stoep, the ribbon cutting for the Farmers Market, the Business After Hours at Althausser Rayan Abbarno Law.

There being no further business to come before the council, the meeting was adjourned at 6:04 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

July 9, 2018

The Chehalis city council met in regular session on Monday, July 9, in the Chehalis city hall. Mayor Pro Tem Terry Harris called the meeting to order at 5:00 pm with the following council members present: Daryl Lund, Tony Ketchum, Bob Spahr, and Chad Taylor. Mayor Dennis Dawes and Councilor Isaac Pope were absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; and Glenn Schaffer, Police Chief. Members of the media included Will Rubin of *The Chronicle*.

1. **Port of Chehalis Update.** Randy Mueller, Chief Executive Officer of the Port of Chehalis, provided a summary of recent Port activities:

- Construction projects underway – Maurin Road industrial site; 10,000 sq. ft. building on McBride Court; Port office building parking lot.
- Berwick Creek flood and habitat project – not on Port property, but will benefit the community.
- Lewis County Flood Control District #1 Chehalis Industrial Park flood study - five recommended projects costing about \$1 million both in and out of the city limits in the UGA. EDA funding will be sought.
- Broadband projects to attract new business.
- “Connecting Educators and Industry” event at W.F. West High school to connect career and technical education teachers to employers. As a result, teachers were able to tour eight manufacturing sites in the Industrial Park.

2. **Citizens Business – Severe Weather Shelter Report.** Josh Gering with Hub City Mission (132 Kirkland Road, Chehalis) reported on the severe weather shelter program held at the fairgrounds from November 3, 2017 – March 25, 2018. 1,965 bed nights were provided over 86 nights with the help of about 100 active volunteers that kept the program running. The program helped vulnerable members of the community. Mr. Gering thanked the council for their financial support.

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

- a. Minutes of the regular meeting of June 23, 2018;
- b. June 29, 2018 Claim Vouchers No. 122835-122966 in the amount of \$319,045.81;
- c. June 29, 2018, Payroll Vouchers No. 40296-40373, Direct Deposit Payroll Vouchers No. 9613-9716, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 188-191 in the amount of \$853,448.28; and
- d. Agreement with Human Response Network to provide services to victims and survivors of domestic violence and sexual assault.

The motion was seconded by Councilor Lund and carried unanimously.

4. **Ordinance No. 989-B, First Reading – Relating to the Public Records Act.** City Manager Anderson acknowledged the work of the City Clerk in preparing the recommendations to update the city’s Public Records Act ordinance.

Caryn Foley stated legislative changes require the city to update its public records ordinance. Some of the changes include allowing the denial of requests for any and all records not relating to a particular subject; allowing the denial of automatically generated requests under certain criteria; and requiring a new tracking mandate for agencies with at least \$100,000 in annual staff and legal costs associated with fulfilling records requests. Ms. Foley noted Chehalis did not meet the \$100,000 threshold in 2017, which was the first reporting year. Another change related to the charges that can be assessed and included six alternatives: actual costs; an alternative flat fee of \$2; an alternative fee arrangement, statutory default fees; a customized access service charge; and waiving charges. Ms. Foley stated that after evaluating the alternatives, staff was recommending that Council adopt some of the default fees, the customized access service fee, and then waiving some charges. The recommendations included:

- 15 cents/page for photocopies after 100 pages
- 10 cents/page for scanning paper documents into an electronic format after 100 pages
- Actual costs for digital storage media, container, envelope, postage, delivery, and outside copying costs
- Actual costs for the use of information technology (IT) expertise

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- Waiving charges for uploading and transmitting scanned documents, and for victims or persons involved in an incident pertaining to police records

Ms. Foley stated the statutory default fees are the same as in the current ordinance, but the number of pages before a cost is incurred is proposed to be increased from 50 to 100. When using the Customized Access Charge, the requestor must be notified that services are required, and provided with an estimate of the cost to provide them the option of modifying their request to reduce the charges. Waiving fees for uploading and transmitting electronic documents are allowed under the statutory default fees, but Ms. Foley noted the allowable fees are pretty de minimis and not worth the staff time to process. She noted the real cost in providing records is the staff time involved in searching, organizing, reviewing, and redacting information, but those are costs that agencies are not allowed to charge for under state law. She added it is also the police department's practice to not charge victims or individuals involved in an incident.

Councilor Ketchum confirmed there would be no charge for records for the first 100 pages. Ms. Foley stated that was correct, but noted that if the request exceeds 100 pages, charges would be incurred back to the first page.

Councilor Taylor moved to pass Ordinance No. 989-B on first reading. The motion was seconded by Councilor Lund and carried unanimously.

5. Administration Reports.

a. **ADCOMM Feasibility Study for a North Lewis County Dispatch Center.** City Manager Anderson stated the city partnered with the Riverside Fire Authority (RFA) and the city of Centralia to produce the report. She stated City Manager Rob Hill and Police Chief Carl Neilsen were in the audience representing the city of Centralia. In addition, future County Manager Erik Martin and Commissioner Bobby Jackson were also in the audience. Ms. Anderson acknowledged the work of Chief Schaffer and Chief Cardinale relating to the project.

Chief Schaffer stated challenges with the current 911 system have come before the council several times over the last three years. Last year, the cities of Chehalis and Centralia, and Riverside Fire Authority contracted with ADCOMM to provide a feasibility study to determine if a Chehalis/Centralia 911 center was a viable option. The study was completed and has been provided to the council, and indicates that such a center is both feasible and allowable under state law. Chief Schaffer stated that 28 Lewis County agencies currently use the 911 county center and pay approximately two-thirds of the funding, and Chehalis Police and Fire, Centralia Police, and RFA fund more than half of that total since they account for a majority of the radio traffic handled by the center. He stated the study lays out information regarding a number of items:

- Type of public safety answering point of center (either primary or secondary), and how it would interact with the current 911 center regarding call routing and call answering.
- Staffing and operations depending on the functions provided by the center, as well as call volume and staffing levels to meet demands.
- Breakdown of different levels of staffing, schedules, and personnel costs.
- Facility requirements, utilities, radio tower, mechanical systems, and radio, telephone, and data requirements.
- Capital and operating budget that estimates costs of approximately \$3.8 million, and annual operating costs of about \$2 million. While estimated on the high side, there are several variables that could change these figures one way or the other.

Chief Schaffer stated the study did not include the context of the present and future costs of the current center. He stated Chehalis Police and Fire, RFA, and Centralia Police currently contribute 57% of the user agency fees to Lewis County 911, which amounted to \$989,011 in 2018. Since 2009, the Chehalis Police Department has seen a 58% increase in user fees, with an average of 10% per year over the past three years, and an anticipated 10 to 15% increase in 2019. Projecting out 10 years at a 10% increase per year, the cost for just Chehalis Police and Fire will top \$750,000 per year. The increase in user fees so far have not included any fees for the replacement or repair of infrastructure and equipment. There is also discussion now of a new facility needed for Lewis County, and it is expected that these fees would be extended to user agencies.

Chief Schaffer indicated that Chehalis, RFA, and Centralia continue to work with Lewis County to improve the current center. Representatives meet regularly with the center director and a combined user committee has been established to put representatives of all agencies around the table. The current interlocal agreement allows the combined user committee to make

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recommendations to the center director; however, Chehalis has no formal ability or authority to affect change outside the recommendations. He stated it was an ongoing process, and now that the study is complete, the four participating agencies will discuss the results, determine next steps, and explore other potential solutions to improving 911 services.

Councilor Spahr asked what the Lewis County Sheriff's Office and county fire districts pay. Chief Schaffer stated there are 28 agencies that pay into Lewis County 911. Those agencies include 18 fire districts and 10 law enforcement agencies. He explained the fees are divided into law and fire. Law enforcement agencies pay 70% of the user fees, while fire agencies pay 30%. Of that 70%, Centralia Police pays 40%, Chehalis pays 17%, and the Lewis County Sheriff's Office pays 34%.

City Manager Anderson stated that general estimates indicate that the Sheriff's Office picks up about 25% of the total user fees. She noted staff has run a lot of numbers and would like to discuss them with the council in a future workshop. She stated the funding formulas under the existing agreement are of concern. The county does not want to subsidize 911 operations, which is understandable, and the city is also concerned about that, particularly in light of the investment that is needed to improve current infrastructure. Ms. Anderson stated no one disagrees that the current infrastructure needs replaced and county is working to keep it together. She stated it was going to be expensive regardless of which path is taken and is why it is recommended that the four agencies continue to explore the option of a new 911 center, but also continue to work with Lewis County to improve the current system.

Councilor Ketchum agreed that either path is going to be a staggering amount of money, and that staff needs to look at all options while continuing to work with Lewis County. He thanked staff for all the work that went into the report.

Councilor Taylor believed everyone wanted to provide a quality 911 service to the community. He wished the current organizational structure provided all the user agencies a say in how the center was operated, not just controlled by the county. He supported staff's recommendation, but hoped there was a way that all agencies remained partners. He suggested that maybe it was time to look at a reorganization of how the center is operated.

Councilor Lund stated the agencies are not working together, and that you can't put a value on a life. Who is going to tell a family that the reason their family member died was because we weren't on top of things and people couldn't get along? He stated the city's chiefs are trying to do something for our community and there just bucking heads with the county. It's not worth waiting for someone to die before they start working together.

Councilor Taylor agreed. The current structure of the 911 center does not provide Chehalis a real voice or any authority. The key to being on an effective board that actually can make some decisions is having a voice and being able to fix something that is broken. He wanted to think that the county commissioners believed the same.

Commissioner Jackson stated one of the things he campaigned on was the safety of citizens. He stated the county doesn't deny there have been and continue to be issues with the 911 system, but he thought the new ILA provided for user groups to provide input. He assured the council that the county commissioners are concerned about public safety, that the call center is antiquated; and that equipment needs to be replaced. He stated he is an appointed member of the state emergency management 911 advisory committee. He wanted all the user agencies to work together and iron out disagreements and thought the new ILA was a good step in the right direction. Commissioner Jackson stated that at some point, we need to stop rehashing the past and move forward. He stated the county just installed a brand new system created by the federal government for dashed addresses to make it easier to find people. He stated the county wants to fix the issues and Steve Mansfield has done a tremendous job moving things forward. He stated he didn't think any conversation was off the table and he committed working toward a resolution that was beneficial and satisfactory to all.

Councilor Taylor asked if there was a commitment from the county to give the cities an actual voice to affect change and not just provide recommendations, perhaps by starting over organizationally with a real board of directors.

Commissioner Jackson noted the county is coming out of a very difficult previous administration and they've spent the last year-and-a-half trying to move forward to change the culture. While he couldn't speak for his fellow commissioners, he thought there was no conversation that was off the table, including the idea of a board of directors. He noted state law provides that counties are responsible for 911 services, so that was something to keep in mind.

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Councilor Lund stated if the law says the county is responsible for 911 services, then why doesn't the county pay for it? Commissioner Jackson stated 911 tax dollars, funding from the state, and funding from user groups pay for the system. Councilor Lund asked if that was how it was done in other counties. Commissioner Jackson guessed it probably was.

Councilor Ketchum stated he believed the consensus of the council was that we wanted to be heard, but we're not being heard, and you can't get rid of the past until you fix the past.

Councilor Taylor moved to accept the report and direct staff to continue to explore alternatives for the delivery of 911 dispatch services, including continuing to work with Lewis County Dispatch to improve the service and to identify possible long-term arrangements for creating an operationally and financially effective service-delivery model. The motion was seconded by Councilor Ketchum and carried unanimously.

City Manager Anderson noted the city is committed to working with the county on this issue and others.

b. **City Manager Update.** City Manager Anderson reminded everyone that the Seattle-to-Portland bicycle ride is this coming weekend and ChehalisFest is set for July 28.

6. **Councilor Reports/Committee Updates.**

a. Councilor Ketchum stated the first annual Human Response Network is this Friday at Riverside Golf Club. A trophy has been donated and they invite all first responders to participate and compete against each other for the prize. The cost is \$400 per team.

b. Councilor Lund stated there have been a lot of burglaries around town in the State Street area. He complimented the Police Department for their fast and courteous responses. He suggested that staff look at creating neighborhood watch programs to promote things that business owners and residents can do to help protect their property. City Manager Anderson noted the Police Department is actively investigating the robberies and she was looking forward to being able to communicate with the council that a person has been caught.

There being no further business to come before the council, the meeting was adjourned at 5:57 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

July 23, 2018

The Chehalis city council met in regular session on Monday, July 23, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm 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; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Randy Kaut, Deputy Police Chief; Chun Saul, Finance Director; and Lilly Wall, Recreation Manager. Members of the media included Will Rubin of *The Chronicle*.

1. **Citizens Business.** Paul Beattie presented information and a video regarding the upcoming Music in the Park series to be held at Recreation Park July 27, and August 3 and 10.

Councilor Harris suggested signs to direct visitors to the Green Hill parking lot area. Lilly Wall stated staff would take care of that.

2. **Citizens Business.** Commissioner Edna Fund stated the county is asking for volunteers from each of the three districts to be on a citizen budget committee. Commissioner Fund also shared the sad news that Margaret Shields passed away yesterday. Margaret was a long-time volunteer at the Lewis County Historical Museum, serving for 35 years.

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

- a. Minutes of the regular meeting of July 9, 2018;
- b. July 13, 2018 Claim Vouchers No. 122967-123107 and Electronic Funds Transfer Nos. 62018 and 72018 in the amount of \$306,164.03;
- c. Appoint Sheila Johnson Teeter to the Civil Service Commission for a six-year term expiring July 31, 2024;
- d. Interlocal Agreement with Riverside Fire Authority regarding maintenance and operation of emergency communications system; and
- e. Interlocal Agreement for Riverside Fire Authority to provide fire marshal services to Chehalis.

The motion was seconded by Councilor Harris and carried unanimously.

4. **Interlocal Agreement between Lewis County Fire District Six and Chehalis Fire Department for Temporary Use of a Water Tender for Wildland Fire Fighting.** Chief Cardinale stated the agreement would provide for use of the District's water tender during the summer months. This would allow the city to not have to use its type-1 engines when assisting on automatic aid responses to vegetation fires. It would also help in areas where water flow is insufficient, such as the fire at the old wastewater treatment plant. The agreement will benefit both departments and expires October 15.

Councilor Lund asked if the water tender was surplus to the District, and if it was, look into obtaining it permanently. Chief Cardinale stated the truck was obtained through surplus by the District and turned into a water tender.

Councilor Spahr moved to approve the Interlocal Agreement with Lewis County Fire District Six for the temporary use of a water tender vehicle and authorize the City Manager to execute the document. The motion was seconded by Councilor Lund and carried unanimously.

5. **Ordinance No. 989-B, Second and Final Reading – Relating to the Public Records Act.** City Manager Anderson stated a report was provided at the previous meeting and staff was recommending that the City Council pass the ordinance on second and final reading.

Councilor Harris moved to pass Ordinance No. 989-B on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

July 23, 2018

6. Administration Reports.

a. **Finance Report.** Chun Saul presented the second quarter financial report. Overall, all funds operated within budget parameters, except for the CDBG Fund, which will be addressed in the next budget amendment.

General Fund Overview: Total revenues and other receipts were 51.3% of budget, while total expenditures and transfers out were 48.4% of budget. Total expenditures/transfers out exceeded total revenues/other receipts by \$217,641, which was anticipated. At the end of June, the General Fund had about a \$1.8 million ending fund balance. The estimated ending fund balance at year-end 2018 is \$1 million. In terms of the percentage to the operating expenditures, that is about 9.5% of annual operating expenditures. The goal is to have a minimum of 10% in unreserved fund balance in the General Fund, so 9.5% is very close to that goal.

Mayor Dawes asked if the \$800,000 difference in the ending fund balance took into account some of the money put into various reserves, such as compensated absences and equipment reserve funds. City Manager Anderson explained that at the beginning of the year, the fund balance was artificially high because of money set aside, but those expenditures were not incurred until 2018.

Ms. Saul reviewed General Fund revenues by source, noting that overall, revenues were about 51% of budget projections. She noted the charges for goods and services were at 31.1%, but this category is only 4% of the total General Fund revenues, so the amount is not significant. Ms. Saul reported that the General Fund expenditures (budget to actual) were at 48.4% of the budget with all departments operating within budget parameters, except for the Police and Fire Departments due to expenditures substantially spent in the first two quarters for small tools and insurance in the Police Department, and for payroll benefit expenditures for city contributions to employees' Health Savings Accounts that were omitted from the 2018 budget, and small tools, uniforms, insurance, and professional services that are substantially spent during the first two quarters in the Fire Department.

Enterprise Funds Summary:

- Wastewater: Total revenues 50.4% of budget; wastewater sales 48.7% of budget (appx. \$63K below 50% target)
- Water: Total revenues 47.3% of budget; water sales 47.0% of budget (appx. \$77K below 50% target)
- Storm & Surface Water: Total revenues 57.9% of budget; operating expenditures 48.7% of budget
- Airport: Total revenues 50% of budget; fuel sales 43.8% of budget (appx. \$30K below 50% target)

Mayor Dawes suggested that fuel prices could be a factor since they go up and down so much.

Councilor Harris stated there was also a problem with the fuel tank, which caused it to be shut down for a period of time over the weekend.

Councilor Taylor asked if the \$30,000 in fuel sales was the gross amount. Ms. Saul indicated that was correct.

b. **City Manager Update.** City Manager Anderson stated that Commissioner Jackson was at the last meeting when staff presented the results of a feasibility study relating to the creation and operation of a dispatch center by Chehalis, Centralia, and Riverside Fire Authority. Following the meeting, Commissioner Jackson contacted Councilor Taylor about his suggestion that everyone get together and see if there was a way to work together to make the existing dispatch center work. Chehalis representatives would include up to three council members, the city manager, and the police and fire chiefs. She suggested the council create a subcommittee to address the 911 issues.

Mayor Dawes stated that if such a committee was formed there needs to be an understanding. A partnership means more than one entity making decisions, which does not now exist. Chehalis, Centralia, and Riverside are currently paying about 57%, but have zero voice. He thought the city should continue looking at alternatives, but look at ways of improving the current situation, including an equitable funding system. Mayor Dawes, and Councilors Pope and Taylor volunteered to serve on the committee.

City Manager Anderson noted the special council meeting on July 26, and ChehalisFest on July 28.

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6. Councilor Reports/Committee Updates.

a. Councilor Lund stated the Veterans Museum and the Steam Train are located on city property, some of which was donated to the city by Weyerhaeuser. He stated there was still property that is owned by Weyerhaeuser near those locations and he suggested that the city contact Weyerhaeuser to see if they would be willing to donate the land to the city to further the operations of both organizations, such as for additional parking. The council concurred and asked City Manager Anderson to look into the suggestion. Mayor Dawes suggested it would be nice to have letters of support from both organizations on how the property could be used.

b. Mayor Dawes attended Business After Hours at Riverside Golf Club, which was a fundraiser for Visiting Nurses. He noted Louisiana Avenue was recently chipped sealed and he thought it looked nice. He assumed it was due to the new chip spreader purchased last year. He also noted that the landscaping around city hall, the library, and downtown, along with the mural on the downtown restrooms looks nice and really dresses up the downtown.

c. Councilor Harris thanked the chamber for a successful operation of the Seattle-to-Portland bike ride last weekend. He also thanked Councilor Taylor and his family for volunteering at the event.

There being no further business to come before the council, the meeting was adjourned at 5:52 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

July 26, 2018

The Chehalis city council met in a special work session on Thursday, July 26, 2018, in the Chehalis city hall. The purpose of the meeting was to review the strategic planning three-goal to increase and optimize staffing levels. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Daryl Lund arrived at 5:19 pm. Councilor Tony Ketchum was absent (excused). Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Andrew Hunziker, Property/Facilities Manager; Trent Loughheed, Community Development Director; Dale McBeth, Municipal Court Judge; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources/Risk Manager; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. No members of the news media were in attendance.

1. Review Strategic Planning Three-Year Goal to Increase and Optimize Staffing Levels. City Manager Anderson noted there would be no specific recommendations for the council to act on. She provided council with the positions needed to enhance city performance and services, and the city's general financial conditions, specifically the General Fund. The positions included the following, totaling just under \$425,000 to the General Fund:

• Property Maintenance Worker	\$ 39,857
• Judicial Assistant – Sentencing/Monitoring (P/T to F/T)	\$ 17,827
• Patrol Officer	\$ 113,459
• Receptionist – part-time (Police)	\$ 31,954
• Traffic Control Technician	\$ 81,391
• Volunteer Firefighter Program	\$ 65,000
• Finance Analyst (59% General Fund)	\$ 69,009
• Engineering Technician II (7.17% General Fund)	\$ 6,252

City Manager Anderson stated staff is projecting that sales tax and other revenues will remain relatively stable in 2019, noting sales tax makes up 50% of the city's General Fund revenues, and can sometimes be volatile. The 2018 ending fund balance is projected to be 10.5% (including drug seizure money), which is consistent with the city's financial guidelines, but is lower than what is recommended by auditors. Ms. Anderson stated that earlier this year, council set aside just under \$93,000 for the purpose of compensated absences and auto/equipment reserve funds, which funds are not included in the 10.5% ending fund balance. Monies were also included in the Public Facilities Reserve Fund for projects like the library, Recreation Park, and fire station improvements. City Manager Anderson stated potential liabilities include an aging workforce with an estimated General Fund liability of \$600,000 in the next five years; vehicle and equipment replacements; and sales tax stabilization to fill in gaps when the economy experiences a downturn.

Councilor Pope stated the downturn in the economy was not the only reason for decreased revenues. The city has not taken advantage of using its banked capacity to increase taxes, and each time that didn't happen, the city got further behind. Councilor Harris agreed. It may not be much each year, but it does add up over time and could have saved a couple jobs.

Councilor Pope stated that about 50% of the cost for the positions was for benefits and he asked what those included. Judy Schave stated benefits include medical and dental costs, pension rates, FICA, Medicare, etc.

City Manager Anderson spoke about potential revenue growth and how much would be needed to fund the positions. She estimated that an ongoing 9.2% increase in sales tax would be needed to fund all of the positions. She stated that next steps include assessing the position requests; continuing to look at options for increasing revenues and cutting costs; continuing to pursue economic development; continuing to pursue grants and low-interest loans to fund major capital improvements; and providing additional opportunities to assess the city's financial position during the 2019 budget process.

Mayor Dawes suggested that when revenues come in over what was estimated that those monies be put into reserves to begin building them up.

Councilor Pope stated the city has a very good staff that does a wonderful job. What came to him was that the city has functioned without the proposed positions for several years, so what makes them necessary now and is there work that is not getting done. How has staff done the work that never went away. He stated the staff must be very dedicated to have taken up the slack. If there is a way to fund the positions, he wanted to see it done based on what staff has been asked to do over the years.

July 26, 2018

City Manager Anderson stated several projects had been deferred over the years that were finally addressed the past couple years.

Judy Schave stated the goal at the June 25 council meeting was to highlight what positions are needed to operate more effectively. There doesn't appear to be enough revenue for all of the positions at this time. A number of employees plan to retire in the next five years, which will have an impact on the Compensated Absences Reserve Fund, and will create an opportunity to review current position descriptions to determine if revisions are needed. She noted it should be kept in mind that the fire contract is still outstanding and the impact to the General Fund is unknown. Ms. Schave provided an overview of the position requests for 2019, which were touched on earlier by the City Manager. In addition, a part-time administrative assistant in the Wastewater Division would be fully funded by the Wastewater Fund.

Mayor Dawes thought it might be hard to reestablish the volunteer firefighter program, specifically finding interest from individuals willing to volunteer. City Manager Anderson thought it might be a stepping stone for those people wanting to get into fire service.

Councilor Lund asked about reserve police officers. Chief Schaffer stated finding someone who wants to do police work without compensation is difficult, plus the cost of training, makes it something he hasn't taken on. He stated the training requirements are much more involved than they were years ago.

Councilor Pope thought reaching out to kids while still in high school would help recruit people into the fire and police fields. He stated there were many retired people in these professions who would be good mentors and teachers. City Manager Anderson stated that while a good idea, the dilemma is that those types of programs take away from regular duties. She pointed out that the last few weeks have been kind of crazy for the Police Department with a rash of burglaries and some serious sex crimes that take investigation work. The department is down to one detective because the officers were getting burned out with overtime. This is an example of things not getting done or taking more time to get done.

Judy Schave stated two positions are being requested in 2020 to include a property maintenance worker and a part-time wastewater laboratory assistant. As noted earlier by the City Manager, the total cost of all proposed 2019 positions would be \$424,749 to the General Fund. Ms. Schave stated the total cost to the utility funds would be \$163,770. The two wastewater positions requested in 2020 total \$103,986. She stated a brief summary for each position was included in the agenda packet. Several questions were asked and answered with respect to the needs of some of the positions.

Mayor Dawes didn't believe there was any question from the council about the need for each position, but even if the council used all banked capacity to raise taxes, it wouldn't raise enough money in one year to fund all of the positions. He suggested that the administration prioritize the General Fund positions to bring back to the budget committee and ultimately the council. Councilor Pope expressed agreement that the administration has a much better understanding of the specific needs of each position.

City Manager Anderson stated staff would proceed accordingly, including presenting a better picture of the 2019 budget situation.

There being no further business to come before the city council, the meeting was adjourned at 7:08 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

August 13, 2018

The Chehalis city council met in regular session on Monday, August 13, 2018 in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Andrew Hunziker, Property/Facilities Manager; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief (Acting City Manager); and Mark Scheibmeir, Assistant City Attorney. Members of the media included Will Rubin of *The Chronicle*.

1. **Citizens Business.** George Dodd, Fair Commissioner, invited everyone to the Southwest Washington Fair, which runs August 14-19. Individuals wanting to be involved with the fair can be part of the fair commission or the booster club.

Mr. Dodd also spoke about the Veterans' Relief Fund Program that serves qualifying veterans and their spouses with funeral expenses, utilities, and rent. A couple things they have found to be lacking are transportation for veterans to the VA clinic and veterans needing to put in a claim. In response, the county is going to have a veterans' service officer through its Public Health Department to help veterans with filing a claim to provide them direct access into the VA system instead of having to do so through the VA clinic because the clinic does not have internet access, which delays submissions.

Mayor Dawes asked about no internet at the VA clinic. Mr. Dodd stated the VA clinic will not let the Veterans' Relief Fund organization have access to the internet because of security.

Councilor Spahr stated the media indicates that many of the homeless are veterans and he asked if the organization reached out to those people. Mr. Dodd stated they do reach about, but one of the problems is having a place to put veterans. There is no local facility besides the shelter where they can be placed. They can temporarily house them for one week in a hotel, but they only do that if they have a place to go following the week, such as a rehabilitation facility.

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

- a. Minutes of the regular meeting of July 23, 2018 and the special meeting of July 26, 2018;
- b. July 31, 2018 Claim Vouchers No. 123108-123279 in the amount of \$576,215.36; and
- c. July 31, 2018, Payroll Vouchers No. 40374-40443, Direct Deposit Payroll Vouchers No. 9717-9824, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 192-196 in the amount of \$825,350.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Resolution No. 6-2018, First and Final Reading – Declaring an Emergency Relating to the Asbestos Found in the Fire Department Building.** Acting City Manager Schaffer stated that earlier this year the city hired contractors to make improvements to the fire department building, including replacing windows and exterior doors, stripping and sealing floors, and installing an exhaust system in the apparatus bay. On August 1, it was discovered that the contractors scraped up flooring tiles that contained asbestos. In response, the fire department employees were evacuated from the building, the city began the process of accessing what levels of asbestos contamination existed, and how to go about abating the situation. The State Department of Labor & Industries and the Southwest Clean Air Agency were contacted immediately and staff began contacting contractors trained and licensed to test and abate the asbestos levels. On August 7, Now Environmental Services located in Federal Way conducted a settled dust investigation, collecting samples from the building. The samples were sent to an EPA accredited lab in New Jersey. The report indicated there was asbestos dust contamination in the lunch room, captain's office, sleeping quarters, chief's office, in the engine bay, and the ambulance bay. On August 9, a contract was signed with Tacoma Abatement Company to remove the remaining asbestos materials, properly clean the fire station, and take air samples as required by the state, which work will begin tomorrow. The entire circumstance was unforeseen and beyond the control of the city and presented a real and immediate threat to the proper performance of essential functions of the city, and certainly required immediate action, so the council is being asked to declare the situation an emergency pursuant to RCW 35.33.081 and RCW 38.52.070.

Councilor Spahr moved to adopt Resolution No. 6-2018 on first and final reading. The motion was seconded by Councilor Harris.

August 13, 2018

Councilor Pope asked if the cost for removal of the asbestos was for only a portion of the building. Acting City Manager Schaffer stated the first estimate was around \$60,000 to clean the first floor fire department areas. Staff intends to speak with the contractor about the second floor areas used by staff.

Councilor Pope stated it was bothersome to him because ever since he's been on the council he's been trying to get something done about the fire station and the safety of the firemen. The city is going to invest \$200,000 to \$300,000 to make it a safe place, but a new fire station is still needed.

Councilor Spahr asked if the rest of the floor tile would be taken up. If asbestos is found in residential homes, it is usually just sealed. Acting City Manager Schaffer stated the contractor started removing the tiles and it was his understanding that what was remaining is the gray backing material.

The motion carried unanimously.

4. Administration Reports.

a. **City Manager Update.** Acting City Manager Schaffer expressed thanks to Riverside Fire Authority and Lewis County Fire District 6 for their assistance in helping the Chehalis Fire Department remain functional during the asbestos situation.

5. Councilor Reports/Committee Updates.

a. Mayor Dawes attended the Music in the Park series, ChehalisFest, and the George Washington statue unveiling in Centralia.

There being no further business to come before the council, the meeting was adjourned at 5:15 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

August 27, 2018

The Chehalis city council met in regular session on Monday, August 27, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Tony Ketchum was absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Judy Schave, Human Resources/Risk Manager; and Patrick Wiltzius, Wastewater Superintendent. News media in attendance included Will Rubin from *The Chronicle*.

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

- a. Minutes of the regular meeting of August 13, 2018;
- b. August 15, 2018 Claim Vouchers No. 123280-123460 and Electronic Funds Transfer No. 720181 in the amount of \$456,555.40.
- c. Reappointments of Scott Blinks and Jeff Mecca to the Planning Commission for four-year terms expiring December 31, 2021;
- d. Award National Avenue Slide Repair and Traffic Revision Project to Gill Construction and Development in the amount of \$219,925;
- e. Award Taxiway Realignment Project to Sterling Breen Crushing, Inc., in the amount of \$2,521,908.83;
- f. Memorandum of Understanding with the Washington State Office of Minority and Women's Business Enterprises and the Washington State Department of Transportation for the State of Washington Unified Certification Program; and
- g. Annual debt compliance update.

The motion was seconded by Councilor Lund and carried unanimously.

2. **Agreement with Lewis Economic Development Council (EDC) for Economic Development Services**. City Manager Anderson stated the city has been a member of the EDC for many years and over the course of the last several years the city has been paying an amount of \$6,000 a year. This year the city is being asked to consider an additional contribution of \$2,000, bringing the annual total to \$8,000. The increase was included in the 2018 budget. The EDC has been an advocate for .09 funding, working with the city on water rights and making initial contact and payment for a water rights attorney to address the issue, and they have had a positive working relationship with the Port of Chehalis. City Manager Anderson stated Councilor Spahr is the city's representative on the EDC board. She also noted the proposed agreement would cover 2018 and 2019.

Councilor Spahr stated the EDC does a lot of things that are not seen. They have brought many businesses to Chehalis and the community, and he supported the agreement.

Matt Matayoshi, EDC Executive Director, thanked the council for their consideration and the partnership between the city and the EDC. He stated recently, the EDC has recruited Price Containers to the Port of Chehalis; recruited TransCold Distribution; supported a number of .09 projects; and continued entrepreneurial activities.

Councilor Lund stated Chehalis was lucky to have Matt Matayoshi as the EDC director.

Councilor Spahr moved to approve the agreement with the Lewis Economic Development Council to provide economic development services in 2018 and 2019. The motion was seconded by Councilor Lund and carried unanimously.

3. **Ordinance No. 990-B, First Reading – Providing for an Interfund Loan between the Water Fund and the Airport Fund**. City Manager Anderson noted Section 5 of the ordinance should read, "Said funds shall be available for use by the Airport Fund of the city" not the Water Fund. She stated the correction would be included in second reading of the ordinance.

Chun Saul stated the city took out a bank loan to fund the Airport Tract A site preparation work with an interest rate of 5% over a 10-year term. Staff is recommending that the loan be paid off using an interfund loan from the Water Fund to the

August 27, 2018

Airport Fund with a lower interest rate and shorter repayment period, which would save the city approximately \$58,000 in interest costs over the next four years. The city's Airport debt service budget will increase by \$8,641.71 in 2018, by \$34,567 for years 2019 through 2021, and \$25,925 in 2022. She believed the budget increase could be absorbed by the Airport's operating revenues.

Councilor Spahr asked if the payments to the bank could just be escalated on the current loan. City Manager Anderson stated there was no prepayment penalty on the loan. She stated staff would look into Councilor Spahr's suggested alternative and report back to council on second reading of the ordinance.

Councilor Spahr moved to pass Ordinance No. 990-B on first reading, including the amendment to Section 5 as noted by the City Manager. The motion was seconded by Councilor Harris and carried unanimously.

4. Administration Reports.

a. **City Manager Update.** City Manager Anderson provided a strategic planning update. The three-year goals established by the council in January included:

Maintain and enhance financial stability

- Present plan for future annexations – *Done. Proposed annexation area maps presented at May 14 council meeting.*
- Present a scope of work and potential funding for an updated utility rate study – *To be completed in 2019 following completion of the Water System Plan.*
- Present financial software upgrade recommendations to City Manager – *Done. Priorities are cash receipting and new utility billing system.*
- Present a commercial development master plan for the leasable property at the airport – *Done. Presented at April 23 council meeting.*
- Formulate and present a plan to re-establish dedicated reserve funding – *In progress. First budget amendment included initial allocations to Compensated Absences and Automotive/Equipment Reserve Funds.*

Enhance and modernize technology

- Evaluate current virus protection products and policies and recommend changes as needed. *Done. Assessment completed; current protocols okay with continuing updates.*
- Evaluate the feasibility of having an IT department vs. a contract IT employee. *Done. Current contract arrangement proved most cost effective.*
- Identify citywide training needs on IT and use of existing software. Create a plan for training employees as needed. *Ongoing. A variety of training resources are provided online.*

Increase and optimize staffing levels

- Evaluate staffing needs. *Done. Departments have submitted analysis and requests.*
- Conduct a cost analysis of each position needed. *In progress. 11 positions submitted for consideration from various departments.*
- Identify ways to finance staffing needs. *In progress. City Council work session held July 26 to review position requests and associated budget impact; Council directed administration and budget committee to evaluate funding available for the top priority positions during 2019 budget process.*

Improve and maintain the infrastructure

- Present consultant contract for design of Sanitary Sewer Forcemain Improvement Project. *Done. Council approved contract on February 26.*
- Complete the Transportation Benefit District Market Boulevard grind and inlay multi-use land project. *Done: Project completed in June.*

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- Complete Stan Hedwall sewer service. *Almost Complete. Pipe work completed; grinder pump stations anticipated to be delivered first week of September; project scheduled for completion September 14.*
- Complete design of the Sanitary Sewer Force-main Improvement Project. *Future Objective for December 2018*

Enhance and maintain facilities (Recreation Park, Dispatch Center, and Fire Station)

- Update and present the Park, Recreation, and Open Space Plan. *Done. Adopted March 12.*
- Report final results of District #6 fire consolidation. *Done. Met May 10; numbers do not work; keep working together for training and response; meet again in September.*
- Complete Phase 1 of the Recreation Park design and recommend funding sources. *Nearly done. Grants submitted to State; update on rankings expected in September or October; donations and LTAC funding identified for this project.*
- Report on grant success for components of Recreation Park. *Revised. Submitted three RCO grants on May 1; formal presentations made in August; info on City's ranking in September or October.*
- Report on results of feasibility study regarding Dispatch Center and make recommendation. *Revised. Feasibility study presented July 9; Council subcommittee appointed July 23; next steps to be discussed August 30.*

City Manager Anderson stated the next strategic planning session is August 30 at 8:30 am at the V.R. Lee Community Building.

City Manager Anderson asked Fire Chief Cardinale to provide a brief update on the state of the fire station. She thanked Chief Cardinale, Chief Schaffer, Rick Sahlin, Andrew Hunziker, and Trent Lougheed for their work on this issue while she was on vacation.

Chief Cardinale reported they were in the final phases of the asbestos abatement, finishing up on the second half of the station, which included the ambulance and apparatus bays, kitchen, captains' offices, alarm room, administrative offices, dorms, and bathrooms. All personal protective gear was cleaned and tested even though it came back as having no asbestos, along with any remaining uniforms. They expect the testing to come back next week. Lastly, the ambulance and ladder truck will be finished being cleaned and put back in service by the end of this week. Chief Cardinale stated all engines and equipment that are in service are stationed at District 6. Some utility and investigation equipment is still at the Chehalis station because they need to be plugged in.

City Manager Anderson thanked District 6 for hosting the city's firefighters. She also thanked the Chehalis firefighters for their flexibility during this time. She stated the administration is making every effort to make sure the work is being done to appropriate state standards.

b. **Finance Report.** Chun Saul provided a summary of financial activities of the city through the end of July. She noted the budget to actual comparison target was 58.3%, and overall, the city operated within normal budget parameters.

General Fund Overview

- Total revenues and other receipts 59.2% of 2018 budget.
- Total expenditures/transfers out 56.4% of 2018 budget.
- Total expenditures/transfers out exceeded total revenues/other receipts by \$304,490 or 30.2% of total projections.
- 88% of General Fund revenues received from taxes; major sources include sales/use, utility, and property taxes; two-year comparison shows about \$90,000 above 2017.
- Some departments' General Fund expenditures above the target of 58.3% as explained in previous meetings.
- General Fund expenditures come from Police and Fire at 53%, all other 36%, and capital debt & transfers 11%.

Enterprise Funds Overview

- **Wastewater:** Total revenues 58.0% of budget; total operating expenditures 56.0% of budget.
- **Water:** Total revenues 55.8% of budget; total operating expenditures 50.3% of budget.

August 27, 2018

- **Storm & Surface Water:** Total revenues 68.1% of budget; total operating expenditures 54.8% of budget.
- **Airport:** Total revenues 60.4% of budget; total operating expenditures 55.4% of budget.

5. Councilor Reports/Committee Updates.

a. Councilor Harris met with some citizens. He stated it was a good meeting and nice when citizens get involved and ask questions. Some things they would like to see included: road maintenance/improvements; police and fire department funding; increased, localized patrols and more citizen engagement; increased co-working with Centralia and Tacoma regarding homeless/transient issues; coordinate with the state to replace the Highway 6 bridge; pave the levee trail; and additional crosswalks. He also noted that the Chehalis Basin Partnership's September 28 meeting will include strategic planning to address the "Hirst decision."

b. Councilor Pope stated staff did an excellent job presenting grant requests to the state for Recreation Park. He stated he's noticed a couple properties that have been cleaned and that people in the community have also noticed.

c. Councilor Spahr attended the EDC membership meeting where a representative from SATECH gave a presentation on Impact Washington, a lean manufacturing consultant.

d. Councilor Taylor asked that the Twin Transit General Manager come to a future meeting to provide an update on the expansion of the transit system countywide, how buses move through and where stops are located, and the new transit hub in Centralia. He also noted that citizens have asked if the city can place "no camping" signs in city-owned parking lots as one citizen has reported almost running over a person that was sleeping in a lot and he didn't see.

e. Mayor Dawes attended the following: Business After Hours at ToledoTel, and a communications center meeting.

6. Executive Session. Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(i) – Litigation/Potential Litigation and RCW 42.30.140(4)(b) – Collective Bargaining not to exceed 7:00 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 5:59 pm. The executive session began at 6:02 pm. At 7:00 pm Mayor Dawes reopened the regular meeting and announced the council would continue in executive session until 7:30 pm and there would be no decision following conclusion of the executive session. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 7:30 pm.

Note: Councilor Spahr left the meeting at 6:16 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

August 30, 2018

The Chehalis city council met in special session on Thursday, August 30, 2018, in the V.R. Lee Community Building at Recreation Park. Mayor Dennis Dawes called the meeting to order at 8:30 am with the following council members present: Terry Harris, Daryl Lund, and Bob Spahr. Councilors Tony Ketchum, Dr. Isaac Pope, and Chad Taylor were absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Andrew Hunziker, Property/Facilities Manager; Randy Kaut, Deputy Police Chief; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director, Judy Schave, HR/Risk Manager; Glenn Schaffer, Police Chief; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. No members of the media or public were present.

1. **Strategic Planning Session.** Mayor Dawes welcomed everyone and stated the purpose of the special meeting was to hold a strategic planning session.

City Manager Anderson stated the group would be following up on the three-goals and six-month objectives set in the January planning session, and to revise, if needed, the three-year goals and set new six-month objectives. The session would also include the development of core values. She welcomed Marilyn Snider, a strategic planning facilitator with Snider and Associates, and Gail Tsuboi, a graphic recorder with Tsuboi Design.

Ms. Snider led the group through a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis since the January 19 planning session, and external factors/trends that will/might have an impact on the city – both positively and negatively. The group brainstormed core values and identified and adopted those of most importance. The three-years goals identified during the January planning session were reaffirmed as still being relevant. Additional six-month objectives were identified for each goal.

The next six-month planning session was set for February 28, 2019.

There being no further business to come before the council, the meeting was adjourned at 2:46 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

September 10, 2018

The Chehalis city council met in regular session on Monday, September 10, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm 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; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources/Risk Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Will Rubin from *The Chronicle*.

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

a. Minutes of the regular city council meeting of August 27, 2018, and the special city council meeting of August 30, 2018;

b. August 31, 2018 Claim Vouchers No. 123461-123592 in the amount of \$172,890.93;

c. August 31, 2018 Payroll Vouchers No. 40444-40509, Direct Deposit Payroll Vouchers No. 9825-9932, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 197-200 in the amount of \$807,305.76;

d. Accept the Public Works Reroof Project as complete and release retainage after all statutory requirements have been met;

e. Award bid for the Discover! Children's Museum Parking Lot Project to Sterling Breen Crushing in the amount of \$273,516; and

f. Settlement with Waste Action Project.

The motion was seconded by Councilor Lund and carried unanimously.

2. **Ordinance No. 990-B, Second and Final Reading – Providing for an Interfund Loan between the Water Fund and the Airport Fund.** City Manager Anderson stated a question arose during first reading of the ordinance regarding the savings of the proposed interfund loan transfer compared to paying off the bank loan at a faster pace. That analysis was done by the Finance Director and the proposed interfund loan has an approximate \$18,000 savings over paying off the bank loan at a faster rate.

Councilor Spahr moved to pass Ordinance No. 990-B on second and final reading. The motion was seconded by Councilor Pope and carried unanimously.

3. **Interlocal Agreement with Lewis County Fire District 6 for Temporary Station Use by Chehalis.** City Manager Anderson stated that during the course of renovations of the historic fire station, asbestos was uncovered and the miniscule amounts were distributed in the main operational area. At that time, firefighters were evacuated to the Lewis County Fire District 6 station. In order to proceed with renovations and to make sure there are no future disruptions to fire service during that time, the city has approached District 6 about continuing to host the firefighters, which is anticipated to be 45 to 60 days. She appreciated the city's firefighters had to work out of a new station, but believed that continuing it for the next 45 to 60 days was the best course to prevent further disruptions. The proposed interlocal agreement provides that the city would rent the District 6 station for \$1,400 per month for the firefighters and equipment.

Councilor Ketchum moved to approve the interlocal agreement with Lewis County Fire District 6 and authorize the City Manager to execute the document. The motion was seconded by Councilor Pope and carried unanimously.

4. **Ordinance No. 991-B, First Reading – Amending the 2018 Adopted Budget.** Chun Saul stated the net city-wide decrease in fund balances totaled \$793,125:

- General Fund – Total net increase in appropriations of \$65,197 for tree removal; drug enforcement supplies; planning manager; software, firefighter benefits, contra expenses, fire station asbestos, and a transfer to the CDBG Fund. The current estimated ending cash balance was a little over \$1 million and with the proposed budget amendment would be \$969,000.

September 10, 2018

- Wastewater Fund – Total net increase in appropriations of \$355,987 for attorney fees and settlement costs; and Stan Hedwall sewer connection project scope of work change.
- Water Fund – Total net increase in appropriations of \$310,906 for the interfund loan to the Airport Fund; and payroll costs relating to a new Water Distribution Maintenance Worker and a new Planning and Building Manager.
- Airport Fund – Increase in revenues by \$279,430 for the interfund loan from the Water Fund to the Airport Fund to pay off the bank loan taken out for the Tract A site preparation.

Councilor Spahr moved to pass Ordinance No. 991-B on first reading. The motion was seconded by Councilor Lund.

Councilor Ketchum asked what “contra” meant. Ms. Saul explained that contra expenses are for administration costs from certain departments that support other department funds, and some of those costs are allocated to other funds based on various criteria. She stated contra expenses are also called interfund services charges.

The motion carried unanimously.

5. Administration Reports.

a. **City Manager Update.** City Manager Anderson presented the results of the August 30 strategic planning session. The participants identified a number of core values that were important to Chehalis and narrowed the list of top values:

- Ethical Behavior
- Honesty and Integrity
- Professionalism
- Reliability
- Dedication and Hard Work
- Collaboration and Teamwork
- Service to the Community

The group completed a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis. Strengths and accomplishments since the January strategic planning session totaled 65+. Participants identified internal weaknesses and challenges, external opportunities and external threats. Council members reaffirmed the goals and new six-month objectives were then identified:

Maintain and enhance financial stability

- Ensure all Enterprise Funds establish designated fund accounts for capital improvement projects for 2019
- Formulate policies to re-establish dedicated reserve funding
- Update on Rich Development lease
- Commence annexation process
- Present scope of work and potential funding for updated utility rate study

Enhance and modernize technology

- Recommend vendor payment program
- Present system for citywide camera and alarm security
- Research and present program to facilitate credit card or bank account payments

Increase and optimize staffing levels

- Review potential funding for prioritized positions and make recommendation regarding potential positions
- Develop a new employee recognition program
- Develop/identify professional development program for managers and supervisors

Improve and maintain the infrastructure

- Complete Stan Hedwall Park sewer service
- Complete design of sanitary sewer forcemain improvement project

September 10, 2018

- Present a Transportation Benefit District implementation plan
- Present a Chehalis beautification plan

Enhance and maintain facilities (Recreation Park, Dispatch Center, and Fire Station)

- Draft letter to Lewis County for commitment to change current government structure and incorporate new structure into a new interlocal agreement (in discussions)
- Present marketing plan for fundraising for Penny Playground Project
- Report success in receiving grants for Recreation Park funding
- Report feasibility of Centralia, RFA, and Chehalis utilizing Thurston County 9-1-1 for dispatch services
- Re-evaluate current fire station
- Recommend 9-1-1 dispatch service organization

City Manager Anderson stated the next strategic planning session was scheduled for Thursday, March 7, 2019.

Councilor Ketchum asked about the difference in opinion about how a recent meeting went between the city and the county regarding dispatch services that was reported on in *The Chronicle*. Mayor Dawes suggested the council discuss the topic under council reports.

b. **Lewis County Program for Public Information (PPI) Committee.** Trent Lougheed stated that Lewis County is currently going through their six-year cycle under the Community Rating System and they are creating a Public Information Committee to provide public information and outreach. The county has asked Chehalis to participate, which would allow the city to earn credits toward its own CRS score. There is a minimum of five committee members required. One from each participating agency must be a certified flood plain manager, and for every staff member there must be one community member. The plan would be to have three staff members and three community members. It was recommended that the city's staff members be Celest Wilder and Hillary Hoke, both with flood plain manager certification. The city needs to come up with one community person involved with flooding.

City Manager Anderson stated a meeting is supposedly scheduled for next week, and typically, staff would ask the council for input on potential community members to serve on the committee and then to appoint them to represent the city. In light of the last minute request, staff is in a position now of asking council to provide ideas for names and then come back to the council for formal appointment.

Following brief discussion, Councilor Spahr moved to authorize the formation of a committee to assist Lewis County with their six-year CRS review and request that the names be submitted back to council for confirmation. The motion was seconded by Councilor Harris.

Councilor Taylor asked if this was a worthwhile use of staff time. Mr. Lougheed thought the time commitment would be minimal, and it would provide credits toward the city's CRS rating.

The motion carried unanimously.

6. Councilor Reports/Committee Updates.

a. Councilor Ketchum stated it was nice to be getting Hillary Hoke back to Chehalis.

b. Councilor Lund received an email from a citizen reporting the sluffing off a hillside under a city road. He called the City Manager and she got staff together and met the gentleman at the site and he was very happy at the city's response.

c. Councilor Spahr commented on the recent strategic planning session. He stated he has seen many of these types of plans sit on the shelf, but thought this one was a living plan that would be worked and added to.

d. Councilor Pope stated he was approached by a coach of a girls' soccer team that practices at Stan Hedwall Park, and was asked what could be done about the homeless that wander in and out of the park. The coach stated they cannot allow individual girls to go to the bathroom by themselves because they don't think it's safe.

September 10, 2018

Councilor Pope stated that Boistfort water has some situation and he was asked if Chehalis had enough water to supply Boistfort in the event it was needed. City Manager Anderson stated the person asking should contact Rick Sahlin.

Councilor Pope stated he is part of the council subcommittee on the dispatch issue and attended the recent meeting that was reported on by *The Chronicle*. He asked himself if that was the same meeting he attended and he came to the conclusion that somebody was lying in regards to the meeting, and someone needs to take account of their professional integrity.

e. Councilor Harris stated that regarding the strategic planning session, he appreciated the fact that the facilitator is excellent. It's nice to see the accomplishments and teamwork that goes on. He stated it is a measurable plan.

f. Mayor Dawes attended the following: ribbon cutting at Bartel's; the communications meeting; the grand opening of the Lintott Elementary School; the strategic planning session; the monthly mayors' meeting; and the chamber barbeque.

Regarding the communications meeting with the county, Mayor Dawes stated he agreed with Dr. Pope in that he was caught flat-footed with the county's view of the meeting. He thought it was a professional meeting, but taken as a threat to the county, which disappointed him, along with some inflammatory comments made to the paper. That being said, he stated the city was committed and asked for two weeks from the county to consider a number of options. He stated city staff has expressed a level of frustration that the council cannot ignore, and Chehalis was willing to come to a professional conclusion.

7. Executive Session. Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.140(4)(b) – Collective Bargaining not to exceed 6:30 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 5:52 pm. The executive session began at 5:58 pm. At 6:28 pm Mayor Dawes reopened the regular meeting and announced the council would continue in executive session not to exceed 6:45 pm and there would be no decision following conclusion of the executive session. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:42 pm.

Note: Councilor Spahr and Councilor Pope left the meeting at 6:29 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

September 24, 2018

The Chehalis city council met in regular session on Monday, September 24, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm 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; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; and Glenn Schaffer, Police Chief. Members of the news media in attendance included Will Rubin from *The Chronicle*.

1. **Proclamation – Senior Center Month.** Mayor Dawes read and presented a proclamation declaring September as Senior Center Month. Ron Averill accepted the proclamation on behalf of Lewis County Seniors.

2. **Recognition of David Hartz and Allyn Roe.** David Hartz and Allyn Roe were both recognized for their leadership roles on the Chehalis Community Renaissance Team (CCRT). Mayor Dawes read and presented proclamations to both men, and Andy Skinner, Vice President of the Renaissance Board, presented each with a plaque.

3. **Chehalis Basin Strategy Update.** Andrea McNamara Doyle, Director of the Office of Chehalis Basin (OCB), provided an update on recent progress of the group. She stated the Chehalis Basin Strategy (CBS) covers the entire 2700 miles of the Chehalis River, running through eight counties. The basin is a fertile and bucolic region with extreme flooding. It is an abundant region of natural resources and aquatic species, but has challenges with struggling aquatic species. Harvest has been limited by poor runs over the last 30 years and habitat productivity degraded. The CBS is attempting to address these issues with a holistic approach. Ms. Doyle stated the mission of the OCB was to aggressively pursue an integrated strategy and funding to address these issues through projects relating to habitat restoration, local flood reduction, and large-scale flood reduction. One large-scale proposal is the flood retention facility above Pe Ell. Strategy development has moved into project-specific review and the public has an opportunity comment on some of the next big steps, including the aquatic species restoration plan, final design of the North Shore Levee; a report on the Newaukum sub-basin feasibility, draft basin-wide flood proofing strategy, and the flood retention facility above Pe Ell. Ms. Doyle distributed a focus sheet on the environmental review process. The public comment period runs September 28 – October 29. Two public meetings on the Final EIS will be held on October 16 from 5:00 to 8:00 pm at Montesano City Hall and on October 17 from 5:00 to 8:00 pm at Centralia College. There will be another comment period after the draft environmental review documents are prepared. 2019 will be when the project-specific environmental review will be happening, and then in early 2020 the public will get another chance to comment. It's at that point that the Chehalis Basin board will have the information available to them, along with the Flood Control Zone District, to make a decision about moving forward on the flood control facility.

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

- a. Minutes of the regular city council meeting of September 10, 2018;
- b. September 14, 2018 Claim Vouchers No. 123593-123739 and Electronic Funds Transfer No. 82018 in the amount of \$409,525.19;
- c. Reject bid for the Shaw Aquatics Center Pool Resurfacing Project; and
- d. Resolution No. 7-2018, first and final reading – declaring city property to be surplus.

The motion was seconded by Councilor Lund and carried unanimously.

5. **Ordinance No. 991-B, Second and Final Reading – Amending the 2018 Adopted Budget.** City Manager Anderson stated a detailed report was provided at the last meeting, and staff was recommending passage of the ordinance.

Councilor Harris moved to pass Ordinance No. 991-B on second and final reading. The motion was seconded by Councilor Pope and carried unanimously.

6. **Audit Requirements for Recipients of Lodging Tax Funding.** Councilor Harris stated it was recently brought to the city's attention that the system the council developed a few years ago to help protect both the city and the entities that request lodging tax funds may have been a little bit of a knee-jerk reaction to the incident that happened at the Historical Museum. The audit requirement was to ensure that organizations were being run properly. He stated audits are very expensive and some of the non-profit groups don't have those kinds of funds. Beyond that, the city already requires the organization's:

September 24, 2018

- Total budget
- Current IRS filing (Form 990, 990-EZ, or 990-N)
- Balance Sheet or Statement of Assets, Liabilities, and Fund Balance
- Income Statement or Profit and Loss Statement
- Bank statements to confirm existence of cash balances and to coincide with financial statements
- Statement signed by the President and Treasurer that the documents presented are true and correct
- Verification of current registration with the Secretary of State Corporations Division and Charities Division, and IRS tax exempt status

Councilor Harris stated that because of the above-noted requirements, there has been a request to discontinue the audits.

Tom Bradley, a local CPA, addressed the council regarding the issue. Mr. Bradley stated that from the beginning he thought requiring small organizations to have an audit was overkill. He thought the financial documents the city requires with the application provide detailed information. Furthermore, the funds received through the lodging tax program are reimbursable and require invoices to show how the money was spent. He thought those items were a pretty good audit check.

Councilor Spahr asked who could perform audits. Mr. Bradley stated they have to be done by a firm that does those types of engagements, which he does not. Generally, those are larger firms. There used to be sole practitioner in the area, but that individual retired. Another local firm is doing some small audits, but they are still very expensive – around \$10,000 to \$12,000, while a review can run \$6,000 to \$8,000.

Mayor Dawes asked if the financial information the city was asking for was cumbersome. Mr. Bradley indicated it shouldn't be. He stated the list of documents was something he recommended to the council. The items required show that an organization's books and tax filings are up to date.

Councilor Harris stated the financial information submitted has primarily been reviewed by Caryn Foley. He asked if the council was interested in having a council subcommittee review the documents since it was the council asking for the information. It was suggested that the lodging tax advisory committee review the information.

Councilor Spahr moved that the City Council discontinue the requirement that organizations that receive Chehalis tourism funding over an extended period greater than five years be required to have an external audit. The motion was seconded by Councilor Pope and carried unanimously.

7. Administration Reports. City Manager Anderson stated that at the last meeting staff asked council to approve asking members of the public to participate in a public program for information regarding flood protection. Staff identified Duane Taylor and Ken Frazier to participate on the committee. A formal request for appointment will come before the council at an upcoming meeting.

8. Councilor Reports/Committee Updates. Mayor Dawes reminded council members to turn in their city manager evaluations to the City Clerk by Wednesday. Mayor Dawes attended the following: .09 committee meeting; a meeting with Japanese representatives looking at potentially locating in the Port of Chehalis; and Business After Hours at Linex.

There being no further business to come before the council, the meeting was adjourned at 5:51 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

October 8, 2018

The Chehalis city council met in regular session on Monday, October 8, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm 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; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Hillary Hoke, Planning/Building Manager; Andrew Hunziker, Property/Facilities Manager; Deborah King, Permit Technician; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; and Don Schmitt, Street/Storm Superintendent. Members of the news media in attendance included Will Rubin from *The Chronicle*.

1. **City Championship Award to Rep. Richard DeBolt.** Carl Schroeder with the Association of Washington Cities presented Rep. Richard DeBolt AWC's City Championship Award for his leadership to preserve the Public Works Trust Fund in 2017. Mr. Schroeder stated the fund supports infrastructure projects in smaller cities.

2. **Twin Transit Update.** City Manager Anderson stated Twin Transit has been working with Chief Schaffer with regard to the placement of temporary bus stops in Chehalis. The city received a number of concerns relating to safety issues associated with the stops and Twin Transit has been working with the city to resolve those issues. She also noted that Twin Transit employees help the city with opening and closing the downtown restrooms on the weekends, which is appreciated.

General Manager Derrick Wojcik-Damers provided an update to the council on activities and projects at Twin Transit. Twin Transit provides five routes and paratransit service in Chehalis and Centralia, operating seven days a week. He noted Sunday hours began in July. Mr. Wojcik-Damers stated the proposed regional transit center would accommodate up to 12 buses, a 9,000 sq. ft. administration building, staff and visitor parking, a public board room, three public restrooms, and onsite security and monitoring of activities. Construction is anticipated to begin in July 2019, pending successful grant awards. With regard to the countywide ballot measure, Mr. Wojcik-Damers stated it would provide a fixed-route service expansion to connect residents, jobs, and communities throughout all of Lewis County. A feasibility study was completed in January 2018 that showed a 0.2% sales tax increase in parts of the county not currently in the boundaries of Chehalis, Centralia, and Napavine could sustain the expansion of services. Following a Public Transit Improvement Conference, Lewis County Commissioners passed a resolution that would authorize a 0.2% sales tax increase to expand the present system to the entire county, except for Napavine since they requested to be excluded. The measure will be on the November 2018 ballot. Information is available at <http://lewiscountytransitmeasure.com> and Mr. Wojcik-Damers provided informational brochures for the public. He stated several groups support the ballot measure.

Councilor Spahr asked how bus route numbers were established. Mr. Wojcik-Damers stated Twin Transit routes are numbered by area/city (e.g., Chehalis routes are 10-19).

Councilor Harris noted the possibility of Greyhound using the regional center. He asked if they had been contacted to determine their interest. Mr. Wojcik-Damers stated they haven't talked to them because there is no facility yet, but Greyhound has a tendency to migrate into other bus centers because it helps expedite passengers and increase services.

Councilor Pope thanked Mr. Wojcik-Damers for the services they provide each year for the Eagles Christmas dinner. He appreciated that the regional center is being planned to consider future needs.

Mayor Dawes thought contacting Greyhound about their potential interest could have been written into grants. He stated if things move forward with the regional center, he didn't want to see any impacts to existing services provided to Centralia and Chehalis. He wanted the size of the center to be realistic to what is needed versus growth over the next 20+ years.

Councilor Taylor asked Mr. Wojcik-Damers to talk about the costs of the new center and funding strategies. Mayor Dawes suggested it would be nice to actually see the Transit's budget. Mr. Wojcik-Damers stated the transit center project is currently priced at \$7.4 million, including contingencies from beginning to end. He noted that the acceptance of federal grants could drive the cost up around 25%. Mr. Wojcik-Damers explained the need for 12 bus spaces.

Councilor Lund asked if space would be available for taxi services. Mr. Wojcik-Damers stated there would be space along the street. Councilor Lund asked why it wasn't included in the plan. Mr. Wojcik-Damers stated there was not a lot of taxi activity in town, so they didn't see that as a viable component to the plan. Councilor Lund suggested that they look into incorporating it.

October 8, 2018

3. **Citizens Business.** Lewis County Commissioner Edna Fund reminded the council about two upcoming public comment opportunities relating to the EIS (Environmental Impact Statement) for Chehalis River Basin Flood Damage Reduction Project. The meetings are October 16 in Montesano and October 17 in Centralia. Commissioner Fund noted that she attended the Community Farmers Market dinner last night and it was a wonderful event.

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

- a. Minutes of the regular city council meeting of September 24, 2018;
- b. September 28, 2018 Claim Vouchers No. 123740-123871 in the amount of \$653,825.80;
- c. September 28, 2018, Payroll Vouchers No. 40510-40563, Direct Deposit Payroll Vouchers No. 9933-10040, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 201-204 in the amount of \$877,777.37;
- d. Master ground lease agreement with Rich Development Enterprises, LLC for Airport Tracts 7A, 8, and 9 (located along I-5 between Dutch Bros. Coffee and I-5 Toyota);
- e. Ground lease agreement with U-Haul Co. of Washington;
- f. Accept North Market Grind and Inlay Project as complete and authorize release of retainage after all statutory requirements have been met; and
- g. Accept Chamber Way Grind and Inlay Project as complete and authorize release of retainage after all statutory requirements have been met.

The motion was seconded by Councilor Lund and carried unanimously.

5. **Ordinance No. 992-B, First Reading – Amending Chehalis Municipal Code Title 5 Relating to Business Licensing.** Mayor Dawes stated the agenda indicated a recommendation to pass the ordinance on first and final reading, but the agenda report recommendation was to pass it on first reading only. City Manager Anderson stated the agenda report was correct. Several questions have come up with regard to the ordinance, so staff was recommending passing it on first reading. One question was whether or not individuals could still get a business license at city offices. Businesses are encouraged to do everything on-line, but if someone comes into Community Development, staff will assist them if they do not have computer access. She stated license fees would remain the same at \$50 for the initial license; \$20 for an annual renewal; and \$25 a day for a temporary license.

City Attorney Bill Hillier explained that a handful of cities were chosen to be the first to partner with the state Department of Revenue to issue business licenses. The Association of Washington Cities was asked to create a model ordinance for cities to have in place by the end of October. Several questions came up relating to the model ordinance, so Mr. Hillier asked that council pass it on first reading, so that any needed revisions could be made prior to second reading. He stated the model ordinance provided a number of suggestions as to what constituted a business and should be licensed. Staff will review the list to determine if any should be removed. Mr. Hillier stated that Trent Loughheed tested the system and found it to be simple and should not be a problem for citizens to use. He stated staff will provide the ordinance for second reading at the next meeting that meets both the state's and city's requirements.

Councilor Harris asked what would prevent the state from dictating which types of businesses a city must license. Mr. Hillier stated the city's ordinance would control. He thought it would be difficult for the state to dictate the city's ordinance.

Councilor Spahr asked if the state begins licensing for cities, will they begin taking part of the revenue. Deborah King stated she was ensured by the state that they will not take any revenue, which is guaranteed for four years. Mayor Dawes was not confident that the state wouldn't eventually start taking some of the money. He thought it should be something that AWC keeps an eye on.

Councilor Spahr moved to pass Ordinance No. 992-B on first reading. The motion was seconded by Councilor Harris and carried unanimously.

October 8, 2018

6. **Administration Reports.** City Manager Anderson introduced Hillary Hoke as the city's new Planning/Building Manager. Hillary spent a number of years with the city of Chehalis as a permit technician before an opportunity for advancement with the city of Centralia. City Manager Anderson also noted the terrible fire that occurred at the Glas Guy last week. She acknowledged the efforts of the Chehalis and District 6 firefighters, and other mutual aid responders. Unfortunately, the building was a total loss, but no one was hurt and the fire was contained to the one building.

7. **Report on Recent Facility Improvements.** Andrew Hunziker provided a report on projects completed over the last year by the Parks and Facilities crew. Projects included Penny Playground bathroom renovation, new paint and roof; shelter and building painting at Alexander Park; paint at girls' fastpitch facility; library landscape overhaul; concrete floor in parks maintenance shop; renovated downtown benches; downtown bathroom mural; added recycling containers; painted garbage can lids; downtown hanging baskets and flower beds; and city hall wall and curb painting, and landscaping. Mr. Hunziker noted that several of the projects were in partnership with the CCRT, Twin Cities Rotary, Eagle Scouts, and local artists.

8. **Councilor Reports/Committee Updates.**

a. Councilor Taylor stated he has been approached about problems with the homeless population at Stan Hedwall Park, specifically relating to bathrooms and the RV shower facilities. Andrew Hunziker stated that the shower facilities are to be used only by those staying at the RV park, unfortunately, the showers are open all night, so they are not monitored at all times. He stated there have been some instances around the soccer area. He stated it is a public park and there was not much that could be done, but it is somewhat concerning. Chief Schaffer stated the police department has received only one official complaint, but have heard of other instances through rumor mills. He stated the police department patrols the park regularly.

Councilor Harris stated a person has "moved into" the bus shelter at Westside Park. Chief Schaffer stated he was working with Twin Transit so that future shelters or remodeling of shelters are designed to inhibit habitation. There is also laws that prohibit using a transit property contrary to what it is designed for. Councilor Taylor state Twin Transit will also assist when people are "living" in bus stops.

b. Councilor Pope again expressed his appreciation to Hillary Hoke for her efforts while working for the city of Centralia in regards to Pope's Kids Place.

c. Councilor Harris thanked Andrew Hunziker and his staff with their help with Christmas decorations. He also appreciated the efforts of first responders in the Glas Guy fire. He also thanked those involved in the writing of the agreement with Rich Development.

d. Mayor Dawes stated the council budget committee attended several meetings with department staff last week; and the mayors' meeting where several issues were discussed with local legislative representatives.

City Manager Anderson reminded everyone about the 60-hour closure of the Chamber Way bridge beginning at 7:00 pm on October 17, to complete the project.

9. **Executive Session.** Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(g) – Review Performance of a Public Employee not to exceed 7:00 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:33 pm. (Note: Councilor Spahr left the meeting at 6:33 pm. The executive session began at 6:37 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 7:01 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

October 22, 2018

Prior to the regular meeting of October 22, 2018, the city council held a work session at 4:30 pm on the 2019 preliminary draft budget. Council members in attendance included: Dennis Dawes, Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, and Bob Spahr. Chad Taylor was absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Hillary Hoke, Planning/Building Manager; Andrew Hunziker, Property/Facilities Manager; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; and Lilly Wall, Recreation Manager. Members of the news media in attendance included Will Rubin from *The Chronicle*.

1. 2019 Preliminary Draft Budget – General Fund Overview. City Manager Anderson provided a general fund summary, stating the draft budget was balanced using \$299,146 of general fund reserves. One-time reductions or revenues could likely fill the gap in 2019; however, a significant infusion of revenues or a significant reduction in expenses will be needed in 2020 and beyond. She noted several reductions, revenue adjustments, what was and was not included in the budget, and potential additional reductions and potential revenue growth. She stated that one-time reductions in spending are not sustainable; the existing fire station situation must be addressed; deferring maintenance has expensive long-term consequences; suspending training year after year can contribute to an environment of stagnation; moving General Fund money set aside for abatement, compensated absences, and equipment is a one-time fix; and current staffing levels in several departments are not yet back to 2008 levels. City Manager Anderson reviewed the regular property tax levy history and banked capacity, and provided the following options:

Banked Capacity Use (General and EMS) Plus 1 %	Increase in Revenue for City Services	Total Annual Increase for a Property with \$100,000 Value	Total Annual Increase for Property with \$200,000 Value
15.3% of Banked Capacity \$51,160.10	\$72,227.18	\$10.15	\$20.30
25% of Banked Capacity \$81,719.30	\$102,786.38	\$14.44	\$28.88

At 5:00 pm, Mayor Dawes announced to those joining via live streaming of the meeting, that the council was still in work session. Additional staff members included: Deborah King, Permit Technician; and Celest Wilder, Development Review Specialist.

Mayor Dawes asked for council members' thoughts on property taxes. Although no council members wanted to see property taxes go up, an increase was necessary to continue the current level of services provided by the city. Councilors Ketchum, Pope, and Harris, and Mayor Dawes favored using 25% of banked capacity, while Councilor Spahr preferred 15%, but was willing to consider 25%. Councilor Lund stated he did not want to raise taxes at all. Mayor Dawes stated it was the consensus of the council to use the 25% banked capacity option when preparing the preliminary budget. Citizens will have an opportunity to comment on the proposed budget during the first public hearing on Tuesday, November 13.

At 5:14 pm, Mayor Dawes opened the regular meeting.

1. Citizens Business. Lewis County Commissioner Edna Fund stated it was ten years ago that the opening of the Vernetta Smith Timberland Regional Library (TRL) was celebrated. TRL is trying to keep rural libraries open. She invited everyone to the Service Center for TRL in Tumwater at 5:30 pm on October 24 to testify about the importance of libraries.

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

- a. Minutes of the regular city council meeting of October 8, 2018;
- b. October 15, 2018 Claim Vouchers No. 123872-124029 and Electronic Funds Transfer No. 92018, 920181 and 102018 in the amount of \$505,442.13;

October 22, 2018

- c. Appoint Duane Taylor and Ken Frazier to the Multi-Jurisdictional Committee for the Program for Public Information;
- d. 2017-2019 collective bargaining agreement with IAFF Local 2510;
- e. Addendum to city manager contract for a cost of living adjustment consistent with terms of original employment agreement;
- f. Engineering services agreement with RB Engineering in the amount of \$134,200 for design of the Pacific Avenue Reconstruction Project; and
- g. Floodplain management planning progress report.

The motion was seconded by Councilor Lund and carried unanimously.

3. Ordinance No. 992-B, Second and Final Reading – Amending Chehalis Municipal Code Title 5 Relating to Business Licensing. City Manager Anderson stated the ordinance was presented to council at the last meeting. Since that time, revisions were made to the ordinance to make it a bit more practicable. The ordinance is a requirement to have the state perform the city’s business licensing, and also provides new language for special events, such as parades.

Councilor Spahr moved to pass Ordinance No. 992-B, as amended, on second and final reading. The motion was seconded by Councilor Lund.

Councilor Spahr asked for clarification for businesses under the \$2,000 threshold. City Manager Anderson stated that those businesses that have less than \$2,000 worth of business annually are required to get a license, but at no cost. She clarified that this pertained to businesses outside the city. An example would be someone renting space in a large shopping center. There has been concern that some of those types of scenarios could be used for selling stolen property. The provision allows the police chief to do background checks.

Mayor Dawes didn’t want to see policing of such things as lemonade stands and garage sales.

Councilor Harris stated he didn’t see listed, people who act as sports officials for school districts.

Councilor Lund had confidence in the current staff of the police department, but thought that could change with new people coming into the department.

The motion carried unanimously.

4. Approve Candidates and Funding Amounts of the Lodging Tax Advisory Committee for Use of 2019 Lodging Tax Funds; and Reappoint Committee Members. Councilor Harris stated the Lodging Tax Advisory Committee (LTAC) met recently and provided the following funding recommendations:

1. Chehalis-Centralia Railroad & Museum	\$ 35,000
2. Lewis County Historical Museum	\$ 40,000
3. Veterans Memorial Museum	\$ 30,000
4. Southwest Washington Fair	\$ 0
5. Friends of the Chehalis Community Renaissance	\$ 46,000
6. Centralia-Chehalis Chamber (Visitor Center Services)	\$ 40,000
7. Discover Lewis County	\$ 0
8. Chehalis Wedding Show	\$ 12,435
9. Youth Athletic Tournaments	\$ 20,000
10. Shaw Aquatic Center – Pool Liner	\$ 82,000

Mayor Dawes stated he appreciated the meeting minutes of the LTAC, as they answered questions he had. Councilor Harris stated the City Manager’s Administrative Assistant, Kiley Franz, was responsible for the well-written minutes.

October 22, 2018

Councilor Pope stated he has been asked by some people about the function of the chamber, when it looks like they are becoming a political action committee. Councilor Harris stated the tourism money awarded to the chamber goes toward the operation of the chamber's visitor center, including being open on the weekends; referring visitors to things around the entire county; and providing tourist links on their webpage. The chamber also sponsors various events to bring people into the community, which they do not use tourism funding to operate.

Councilor Pope asked the difference between what the chamber does versus what the CCRT does. Mayor Dawes offered that the chamber promotes visitors to come, while the CCRT does things that visitors see when they come.

Councilor Ketchum 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 2019. The motion was seconded by Councilor Pope and carried unanimously.

Councilor Spahr clarified that tourism dollars were not General Fund monies, but are monies paid by tourists when they stay in a hotel or other overnight accommodation.

Councilor Ketchum moved 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 Lund and carried unanimously.

It was the consensus of the council that each council member did not need all the funding requests. Staff will maintain the applications and make them available if council members would like to review them. They felt the LTAC meeting minutes and agenda report provided sufficient information.

5. Administration Reports.

a. **Finance Report.** Chun Saul provided a report on the city's finances through the month of September.

City-wide All Funds. The city operated within the budget parameters except the Community Block Grant Fund incurred unbudgeted expenditures exceeding its fund balance and currently has a negative cash balance of \$561. This will be addressed with a budget amendment in December. Revenues were 74.6% of budget (\$101,126 below 75% target amount), while expenditures were 62.5% of budget (\$3,156,143 below 75% target amount).

General Fund Overview. The city operated with budget parameters. Revenues were at 74.2% (\$72,000 below 75% target amount); expenditures were 71.9% (\$325,000 below 75% target amount); and the fund balance decreased by \$549,921 from beginning fund balance.

General Fund Revenues by Major Source. Tax revenues made up 86% of total general fund revenues through the third quarter (sales & use tax 55%; utility taxes 17%; property taxes 13%; and other taxes 1%).

General Fund Revenues - Budget to Actual. Property Taxes were 56%, but normal for this time of year; second half taxes due October. Sales Taxes were \$228,086 above the 75% target; a 9.2% increase from Sept. 2017; about 10% (\$379,229) from construction activities; slight increase from Marketplace Fairness Act (offset by reduction in SST mitigation payment). Utility Taxes were \$62,000 below 75% target amount; declined \$146,000 (10.9%) from September 2017 from PUD; gas, cable and telephone utility tax revenues continue to decline. State Shared Revenues included marijuana excise tax receipts of \$36,063 (September 2017 was \$3,450); SST mitigation payment decreased \$8,743 from a year ago. Other revenues included building permit/plan check fees at 57% of the budget (declined \$37,765 from a year ago); court revenues were 62% of the 2018 budget.

Mayor Dawes asked if the city received a utility tax on cells phones. Ms. Saul stated she would check into the question.

General Fund Expenditures by Function. These came from expenditures – \$7,475,776 (71.9%); Police & Fire – \$4,118,370 (55%); Public Works Street and Facilities, and Parks – \$1,195,745 (16%); and administration – \$536,204 (7%).

General Fund Expenditures. Most departments operated within budget parameters with expenditures at 71.9% (\$325,000 below 75% target amount). Exceptions included Police, Recreation, and Non-departmental.

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Enterprise Funds. Capital expenditures were far below target; all other expenditures were within normal budget projections.

Cash and Investments – All Funds. The city had about \$20 million in cash and investments with about \$3.3 million in restricted cash that is reserved per debt service requirement. The General Fund had some revenue generated from drug seizure that can only be used for specific purposes. The Water Fund has a significant amount for customer deposits that is considered reserve cash.

Mayor Dawes stated the Enterprise Funds were also restricted funds. He didn't want people thinking the city had \$20 million in cash and investments that could be used to balance the General Fund budget. He stated that there is about \$1.5 million in general fund monies. City Manager Anderson stated that was correct and needed to be clarified.

Ms. Saul stated that about 87% of cash is invested in interest bearing accounts. Total investment interest earnings through September 2018 amounted to \$172,549 for all funds.

6. Recognition of Eagle Scout. Mayor Dawes recognized Jacob Blumdahl who was in attendance working towards his Eagle Scout badge.

6. Councilor Reports/Committee Updates.

a. Councilor Lund attended the monthly meeting of steam train board and spent Saturday stuffing candy bags for the Halloween train rides. He stated the board has new officers and things are moving forward in a positive way.

b. Councilor Spahr attended the EDC monthly meeting.

c. Mayor Dawes stated the new Chamber Way bridge over I-5 is open; work is progressing on the realignment of National Avenue; and he read a proclamation honoring the late Margaret Shields. He thanked City Clerk Caryn Foley for drafting the proclamation that was well received. Mayor Dawes also attended one of the public comment meetings on the EIS scoping of the proposed Chehalis River dam.

City Manager Anderson reminded everyone that the next regular city council meeting would be held on Tuesday, November 13 due to the November 12 Veterans Day holiday observance.

6. Executive Session. Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(i) – Litigation/Potential Litigation not to exceed 6:45 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:05 pm. The executive session began at 6:16 pm. (Note: Councilors Pope and Spahr left the meeting at 6:42 pm). Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:44 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

November 13, 2018

The Chehalis city council met in regular session on Tuesday, November 13, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm 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; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Andrew Hunziker, Property/Facilities Manager; Trent Lougheed, Community Development Director; Dale McBeth, Municipal Court Judge; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; Don Schmitt, Street/Storm Superintendent; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Will Rubin from *The Chronicle*.

1. **Citizens Business.** Jeff Graham (PO Box 952, Chehalis) and Richard Graham (310 SE Valley View Way, Chehalis) addressed the council on issues with a portion of NW North Street. Jeff Graham stated his father, Richard, was the owner of 537 NW Center Street and a parcel on NW North Street. The issue involves access of the 30-foot hard-surfaced portion of NW North Street that dead-ends at the Burlington North Railroad. He stated there is no signage indicating that the road is a dead-end. He explained it has become an overflow parking, storage, and trash area, as well as a place to cook and can by Jeremy's Restaurant. He submitted several pictures showing examples of the problems. In late August, the street was almost completely blocked, but was cleaned up with help from the city's code enforcement. A meeting was held with the restaurant owner to ask them to keep the 30-foot roadway clear so they could access their property and leased alleyway. He noted the county would also like uninterrupted access to their two adjacent properties. Mr. Graham provided suggestions that he thought would solve the problem, including placing no parking signs on a portion of the street; and creating a loading zone to accommodate all the adjacent property owners for deliveries and garbage pickup.

Councilor Taylor stated these types of issues are normally handled by staff. Mr. Graham stated that in speaking with his counsel, it was suggested that the issue be brought before the county for the records. He added they have potential to either use the area themselves or lease to someone else, but the roadway needs to be accessible.

Mayor Dawes asked the city manager facilitate a meeting between the Grahams and staff to resolve the issue.

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

- a. Minutes of the regular city council meeting of October 22, 2018;
- b. October 31, 2018 Claim Vouchers No. 124030-124175 and Electronic Funds Transfer No. 1020181 in the amount of \$261,957.07;
- c. October 31, 2018, Payroll Vouchers No. 40564-40603, Direct Deposit Payroll Vouchers No. 10041-10149, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 205-210 in the amount of \$859,200.03;
- d. Acceptance of grant funding in the amount of \$85,000 for the Flood Storage Basin Master Plan – Phase II Project;
- e. Engineering Services Agreement with Skillings Connolly not to exceed \$85,000 for the Flood Storage Basin Master Plan - Phase II; and
- f. Corrected Master Ground Lease Agreement with Rich Development Enterprises, LLC for Airport Tracts 7A, 8, and 9 (located along I-5 between Dutch Bros. Coffee and I-5 Toyota).

The motion was seconded by Councilor Pope.

Councilor Taylor asked if local companies ever bid on city projects. Trent Lougheed responded that they do.

Mayor Dawes stated that since the Master Ground Lease with Rich Development rescinded the previously approved agreement, he wanted to know what the changes included. City Manager Anderson stated that in the preparation of the October 8 agenda, there were a couple different versions of the lease. The one that was the actual final was not the one attached to the staff report. The four sections that had changes included Permitted Assignments, Phase Assignments, Landlord Termination Right for Future Phases, and Right of First Refusal.

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Mayor Dawes asked if the agreement should be removed from the consent calendar. Mr. Hillier stated it was at the pleasure of the council and either way would be fine.

Councilor Spahr amended his motion to approve consent calendar items "a" through "e." Councilor Pope indicated he had no objections to Councilor Spahr's amendment.

The council discussed the hiring of local companies versus out of town companies, noting there are processes and procedures that the city must follow when bidding projects.

Trent Loughheed noted the city supports local professional services, as well. In the case of the engineering services agreement for the flood storage project, Skillings Connolly was chosen because their environmental section is probably second to none.

The motion carried unanimously.

3. Rich Development Master Ground Lease. Councilor Spahr moved to rescind approval of the Master Lease Agreement with Rich Development on October 8, 2018; approve the corrected lease agreement for Tracts 7A, 8, and 9 between with Rich Development Enterprises, LLC; and authorize the City Manager to execute the agreement. The motion was seconded by Councilor Taylor and carried unanimously.

4. Public Hearing – 2019 Proposed Budget and Revenue Sources, Taxes, and Levies. Mayor Dawes recessed the regular meeting and opened the public hearing at 5:27 pm for public comment on the 2019 proposed budget and revenue sources, taxes, and levies.

Chun Saul provided an overview of the 2019 proposed revenue sources, taxes, and levies as part of the legally required public hearing. Information on ad valorem and overall property tax assessments was included as background for Ordinance No. 993-B setting the amounts for ad valorem and EMS taxes, and for Ordinance No. 994-B stating the amount and percentage increase over the current year regular and EMS levies. The total General and General Fund Reserves total a little over \$10 million of the total revenue budget, which account for financial resources not required to be accounted for in other funds. All other funds have restrictions or commitments for very specific activities. Proposed expenditures total \$10,019,670, and she noted about 55% was allocated to police and fire. She stated the proposed budget was balanced using \$197,428 of General Fund reserves. General Fund revenues are estimated just over \$9.8 million.

Ms. Saul stated most revenues are external to council control except for property taxes, which may be increased on a limited basis with council approval. The law allows property taxes to be increased 1% above the previous year's highest lawful levy amount without a vote, plus any increase from new construction, annexation, and other adjustments. Cities can also use banked capacity. She stated Chehalis has not taken the allowed 1% increase for many years and has regular levy banked capacity of \$319,464.94 (21.8% of 2018 actual levy) and EMS levy banked capacity of \$7,412.25 (2.36% of 2018 actual levy). She noted several taxing districts/agencies may tax the same property, and the city's share of typical property taxes is 22.1%. Ms. Saul stated the total (regular and EMS) proposed levy amount was \$1,903,078 using 25% banked capacity and taking the 1% allowed increase, including increases in new construction and other adjustments. The increase from the 2018 levy is \$102,786.00. She stated the increase represented a \$14.22 property tax increase for every \$100,000 of assessed valuation.

Mayor Dawes asked if there was anyone from the public that would wish to comment on the proposed revenue sources, taxes, or levies. There were no comments by members of the public.

City Manager Anderson provided a presentation on the proposed budget. The total of all city funds was balanced with use of \$2 million beginning cash. With the exception of the General Fund, use of beginning cash is related to one-time capital expenditures. The proposed budget included general and restricted funds of \$27.96 million. She stated the budget was balanced using \$197,428 of General Fund reserves with an estimated General Fund ending cash balance of 7.9% of operating revenues. The expenditure budget was a little over \$10 million and she noted salaries and benefits made up almost 75% of the General Fund budget. She suggested that one-time reductions or revenue could likely fill the gap in 2019; however, a significant infusion of revenues or a significant reduction in expenses was needed in 2020 and beyond. The proposed General Fund Revenue budget was \$9,822,242 representing an increase of \$492,390 or 5.3% over the 2018 amended budget. She noted sales tax was the largest General Fund revenue source at 52.4%. Ms. Anderson stated sales tax was bolstered in 2017 and 2018 by significant construction, but that growth was projected to level off in the coming year.

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City Manager Anderson reiterated that the proposed property tax levy increase would represent about a \$14.22 tax increase per one hundred thousand assessed value. She noted again that sales tax, property tax, and utility tax are the three major revenue sources for the city. As far as expenditures, police and fire make up about 55% of general fund expenditures. City Manager Anderson reviewed some of the items in the budget and other items not included in the budget.

Mayor Dawes asked if there was anyone from the public that wanted to comment on the proposed revenue sources, taxes, levies, or the 2019 proposed budget. There being no public comment, Mayor Dawes closed the public hearing at 6:01 pm.

5. Ordinance No. 993-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2019; Ordinance No. 994-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2019; and Ordinance No. 995-B, First Reading – Adopting the Proposed 2019 Budget. Councilor Taylor moved to pass Ordinances No. 993-B, 994-B, and 995-B on first readings. The motion was seconded by Councilor Lund.

Councilor Taylor stated that since his time on the council, one of the biggest points of argument has been over the budget. He stated long-term council members have talked with him about the importance of keeping up with rising costs for the things that keep the city going. He stated this year things happened in his life that made him think about the services the city provides and what he wanted for the community, like roads and the employees who respond when needed. For a long time, he thought saying no to increased property taxes or fees justified his being a conservative person. He stated that when you look at fees and taxes that are collected at the local level, the dollars that are collected go to “boots on the ground” and back into the economy. He stated he didn’t take raising taxes lightly, but was something the council had talked about for years and was probably needed for a couple years. He thought it was time to invest, not only for the people that work here, but also for the community as a whole. He thought everybody that worked for the city had to cut back so much and find ways to provide services, sometimes on their own time, to make sure the job got done for the people that live here. He estimated it would personally cost him about \$8 per month to put a little money back into the community that has served him and his family.

Mayor Dawes stated staff has been very responsible with their budgets have tried every year to make everything stretch as far as they could and not spend their budget capacity. He stated it was the council’s job to find ways to do things better, such as looking at fire consolidation, and other ways to partner with our neighbors, and pursuing grants to help take the stress off local dollars.

Councilor Spahr stated the city’s projected revenues from property taxes are \$1,903,078 and the salaries of the police department alone are \$1,891,500. The revenue from property taxes barely covers the city’s police officers. It doesn’t count the rest of the city employees.

The motion carried unanimously.

6. Administration Reports.

a. **City Manager Report.** City Manager Anderson stated she was contacted by *The Chronicle* that some of the city’s recreation grants had made it to the next round. She had not heard that, but staff will confirm the news.

7. Councilor Reports/Committee Updates.

- a. Councilor Lund stated the steam train is getting ready for their Polar Express train rides, which are already sold out.
- b. Councilor Pope stated the Chehalis Foundation met earlier today and voted to support and take the lead on fundraising for the Penny Playground project. The goal is to raise \$300,000 to \$350,000 for the project.
- c. Councilor Harris applauded the council and staff for what they put together to unanimously support the proposed budget, noting it was always a difficult choice to raise taxes. He thanked the police department for creating more space in his hangar to work on Christmas decorations.
- d. Mayor Dawes attended an AWC Regional Meeting. He plans to share an idea with AWC about what can be done with the Firemen’s Pension Fund once there are no longer any obligations to pre-LEOFF firefighters and seeing if there is a way

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to use the money toward LEOFF liabilities for retired police and firefighters. He attended a meeting with U.S. Senator Maria Cantwell and spoke about the Clean Water Act and the lawsuits the city is faced with periodically. He also had an opportunity to speak with U.S. Representative Jaime Herrera Beutler about the same issue. Mayor Dawes attended a ribbon cutting for the Chamber overpass, the Centralia College gala, a meeting with Fire District 6 regarding consolidation, and a .09 committee meeting. He thanked the public works department for the well placed warning markers on SW 19th Street near the Middle School indicating potential drainage hazards.

Mayor Dawes announced there would be no executive session, and there being no further business before the council, the meeting was adjourned at 6:19 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

November 26, 2018

The Chehalis city council met in regular session on Monday, November 26, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm 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; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Hillary Hoke, Planning & Building Manager; Andrew Hunziker, Property/Facilities Manager; Trent Loughheed, Community Development Director; Dale McBeth, Municipal Court Judge; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; Don Schmitt, Street/Storm Superintendent; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Will Rubin from *The Chronicle*.

1. **Port of Chehalis Update.** Randy Mueller, Chief Executive Officer of the Port provided an update on recent activities including, hosting a visit by U.S. Senator Maria Cantwell; constructing a new 20,000 sq. ft. building on McBride Court, and looking into redevelopment of R.E. Bennett School.

Mayor Dawes asked if anything had developed in regard to visitors from across the Pacific Ocean. Mr. Mueller stated there should be news coming soon from the international site visit.

Mayor Dawes thanked Mr. Mueller for including the city when Senator Cantwell was in town.

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

- a. Minutes of the regular city council meeting of November 13, 2018;
- b. November 15, 2018 Claim Vouchers No. 124176-124324 and Electronic Funds Transfer No. 1020182 in the amount of \$1,491,575.51; and
- c. Professional services agreement with Allen Unzelman to provide hearings examiner services.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Public Hearing – 2019 Proposed Budget and Revenue Sources, Taxes, and Levies.** Mayor Dawes recessed the regular meeting and opened the public hearing at 5:09 pm for public comment on the 2019 proposed budget and revenue sources, taxes, and levies.

City Manager Anderson stated the council held a public hearing on November 13 on the anticipated revenues and the proposed budget for 2019, with presentations on the highlights and key points. The ordinances before the council today were being presented for second readings. While there were no changes to the budget figures in the ordinance, there was a proposed change to the salary classification schedule related to the wastewater superintendent position from a 7N to an 8N to proceed with recruitment of the position which was scheduled to be vacated in April due to retirement. The annual budget impact of the change is expected to be less than \$5,000 and dependent on the length of time it takes to recruit a new person and what level the person is hired at. This will be monitored in 2019 and a budget amendment will be presented if necessary. City Manager Anderson recommended that the council open the public hearing, receive any public comment, and then adopt Ordinances No. 993-B, 994-B, and 995-B.

Mayor Dawes asked if there was anyone from the public that wanted to comment on the proposed revenue sources, taxes, levies, or the 2019 proposed budget. There being no public comment, Mayor Dawes closed the public hearing at 5:13 pm.

4. **Ordinance No. 993-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2019; Ordinance No. 994-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2019; and Ordinance No. 995-B, Second and Final Reading – Adopting the Proposed 2019 Budget.** Councilor Spahr moved to pass Ordinances No. 993-B, 994-B, and 995-B on second and final readings. The motion was seconded by Councilor Taylor and carried unanimously.

5. **Ordinance No. 996-B, First Reading – Amending the 2018 Adopted.** Chun Saul stated some revenue figures changed using year-to-date actual receipts through October and looking at current and past year trends to estimate November and December to more closely reflect actual activities. The amendment included a net city-wide increase in fund balance by

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\$439,465, which includes \$14,215 in the General Fund (increase in revenues of \$108,320 and appropriations of \$94,105). The changes in General Fund estimates were:

- Local Sales Tax – \$150,000
- Utility B&O Taxes – \$(51,800)
- Fees for Services (court revenues, plan checks/permit fees) – \$(70,725)
- Federal & State Grants – \$25,800
- Other Taxes, State Shared Revenue, Recreation, and Interest – \$46,045

Councilor Taylor asked if there was a way to know why the utility B&O taxes were declining. Ms. Saul explained that these taxes are paid on the gross income for such things as gas, electricity, water, wastewater, telephone, and cable. She stated there is a trend that cable and phone taxes were decreasing. It was also a little warmer this year. Mayor Dawes suggested a lot of people are cutting their cable and phone in lieu of other options for those services.

In regard to expenditures and transfers out, a \$244,105 appropriation is needed for:

- \$12,000 – Human Resources for labor negotiation legal fees
- \$57,105 – One-time accrual cash-out (\$41,045); and other
- \$155,100 – CBA retroactive increase (\$138,00 for 2017 and 2018); and other
- \$13,900 – Grant writer and personnel benefits
- \$6,000 – Transfer to Dedicated Street 4% Sales Tax
- \$(150,000) – Budget transfer to HR and Fire related to Firefighters' CBA

Changes in other funds included:

- \$6,000 – Dedicated Street Fund from General Fund (4% sales tax)
- \$250,000 – Transportation Benefit District Fund from TBD sales tax revenue; \$10,000 from interest earnings
- \$24,000 – 1st and 2nd quarter percent REET Funds from tax revenues
- \$45,000 – Wastewater Fund from investment earnings; \$42,000 from utility tax assessment
- \$78,000 – Water Fund from investment earnings; \$21,000 from utility tax assessment
- \$40,000 – Storm Water Fund from fee revenues; \$11,250 interest earnings

Councilor Spahr moved to pass Ordinance No. 996-B on first reading. The motion was seconded by Councilor Lund and carried unanimously.

6. Administration Reports.

a. **City Manager Report.** City Manager Anderson anticipated that December 10 would be the last regular council meeting of the year. The annual Santa Parade is this Saturday at 11:00 am in downtown Chehalis.

7. Councilor Reports/Committee Updates.

a. Councilor Lund thanked Councilor Harris and the parks crew for all the wonderful Christmas lights. The steam train held their first rides last weekend and all went well. Councilor Lund stated he has been to the Community Development office and it is nice to have friendly and knowledgeable staff.

b. Mayor Dawes attended the chamber's Business After Hours event and the state auditor entrance conference. He stated he wanted to bring up a couple items:

- **Right-of-Way Fees.** The City Manager's weekly newsletter included information indicating that the city would begin implementing an existing charge for use of city sidewalks by business owners at the first of the year, and also requiring proof that the city was listed as an additional insured on the owner's insurance. He recalled that the ordinance was prepared to address businesses that wanted to put items on the sidewalk to offer for sale. A few years back various fees were increased and a \$100 fee was attached to a right-of-way permit, which included sidewalk use.

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He stated the fee to be implemented has raised the ire of some business owners. Mayor Dawes hated to see local businesses having to pay such a fee in addition to the local taxes they already pay. He indicated use of the right-of-way for projects was another thing, and thought they should be addressed differently. He stated another fee also applies to organizations that raise money for charities. Once in a while they put up event signs in the right-of-way that are then taken down and they're being charged \$50. He suggested that there be two requirements – have a current business license and provide evidence showing the city is an additional insured.

Councilor Spahr stated the letter sent to business owners states that any use of the city-maintained sidewalks required a permit. He asked who was required to maintain the sidewalks. City Manager Anderson stated the word “maintained” should not be in the ordinance because the sidewalk was to be maintained by the property owner. That mistake will be corrected.

Councilor Spahr stated he understood that the city has to control what happens on the sidewalks and that the city must be covered for liability. He didn't agree with charging \$100. He suggested charging \$10 or \$20 for the cost of doing business.

Councilor Harris thought in most cities you couldn't place things on the sidewalk because even if the city is named as an additional insured the complaint in an injury will always go after the deeper pocket. He was concerned with the number and condition of clapboards on sidewalks and thought there should be standards. He thought a fee was initially established so people wouldn't be placing items out every which way.

Councilor Lund agreed that the city should be charging businesses and local non-profits the fees.

Councilor Taylor thought there were probably three different issues – putting merchandise on the sidewalk, advertising signs placed in the right-of-way, and event signs in the right-of-way put out by non-profits. Mayor Dawes noted there are also businesses that erect “permanent” outdoor seating areas.

It was the consensus of the council to direct staff to review the ordinances to address the council's concerns.

- **Crosswalk at 16th and Market.** Mayor Dawes stated a lot of the high school kids cross Market to go to Dairy Dan's for lunch. He asked if staff could look into placing a crossing signal like the one on Market by Safeway. He stated the crosswalk would probably have to be reconfigured.
- **National Avenue Realignment Project.** Mayor Dawes asked if the road lane was going to have any reflectors or something to keep people from going off the road. Councilor Harris asked if there was going to be a curb because he has watched people going off the road into the dirt area intentionally. Trent Loughheed stated the way it has been reconstructed does not warrant any curbs. Once it's restriped it will make a difference. He asked for the council's patience until the project was completed and any concerns could be addressed at that time.
- **Use of Tablets by Council Members.** Mayor Dawes asked council members how they felt about using tablets to receive and review council meeting agendas. The general consensus of the council was not use tablets.

There being no further business to come before the council, the meeting was adjourned at 5:52 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

December 10, 2018

The Chehalis city council met in regular session on Monday, December 10, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm 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; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Andrew Hunziker, Property/Facilities Manager; Deborah King, Permit Technician; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; and Lilly Wall, Recreation Manager. Members of the news media in attendance included Cody Neuenschwander from *The Chronicle*.

1. **Chehalis Community Renaissance Team (CCRT) Update.** Annalee Tobey, Executive Director, thanked the council and staff for their support. She recognized the CCRT's board of directors and the businesses that support the CCRT through B&O tax contributions. 2018 projects and activities included expanded projects (bike racks, banners, cigarette receptacles); improvement projects (recycling pilot, refurbished benches, outdoor bulletin board, holiday decorations, flower plantings); availability of free fiber wifi at the CCRT office, Book N Brush, Twin Cities Trading Post, and the former Fechtner Jewelry building; continued success of Chehalis Coworks; promotion efforts (Lewis County Visitor Guide, Experience Chehalis Brochure, Historic Downtown Walking Tour Guide, Facebook, Instagram, e-newsletter, and ChehalisFest 2018); new professional photography; launching of the new Experience Chehalis website; and new businesses, new building owners, and expansions.

2. **Penny Playground Project Update.** Tom Gorman provided an update on the Penny Playground project. He and his wife, Jessica Hoymack, are chairing the project. The goal of the strategic planning committee is to bring together the community, working with the Chehalis Foundation and the city, to try and develop a reinvigorated Penny Playground – a modern, accessible, inclusive, and upgraded play structure that will continue to serve the residents of Chehalis and the surrounding communities. Mr. Gorman spoke briefly about grant writing, fundraising, and promotion efforts, and engaging the schools and various community groups to participate in the project.

Lilly Wall stated some city staff and a Chehalis Foundation member traveled to Minnesota to look at play equipment. The manufacturing company was state-of-the-art and the design team was awesome. Ideas will be sent to the design team and will result in marketing materials for fundraising. Donations can be made through the Chehalis Foundation for the project.

3. **Citizen's Business – NW North Street.** Pam Wildhaber and Jeremy Wildhaber, owners of Jeremy's Restaurant at 576 W. Main Street, addressed the council regarding parking issues on NW North Street and a letter received from the Police Chief. The letter stated that parking would be removed on the portion of NW North Street adjacent to her business, which would eliminate about 15 parking spaces. She wished the city had heard her side of the story before a decision was made because it has a huge impact to her business, specifically taking away the spaces where her employees park.

Mayor Dawes stated that when the issue was brought to the council last month by the Grahams, it was delegated back to staff for resolution. The council did not receive a copy of the letter that Ms. Wildhaber referred to, so they were unaware of what the solution was. He stated the council would certainly listen, but would again refer the matter back to the City Manager.

Ms. Wildhaber stated the letter indicated that the city would be eliminating parking on the 500 block of the street in its entirety. She stated they had requested the street to be vacated in 1989 and purchased 15' from the city as part of that process.

Mr. Wildhaber stated the Grahams did not purchase their half of the vacated street and they are now telling them they need a bigger driveway to accommodate semi-trucks trailers. He stated his family has been using the right-of-way for at least 29 years without a problem.

Mayor Dawes stated the point was well taken that they were not part of the discussion before a final decision was made. City Manager Anderson stated she would follow up with the Wildhabers.

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

- a. Minutes of the regular city council meeting of November 26, 2018;
- b. November 30, 2018 Claim Vouchers No. 124325-124440 in the amount of \$640,831.13;

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c. November 30, 2018, Payroll Vouchers No. 40604-40641, Direct Deposit Payroll Vouchers No. 10150-10253, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 211-214 in the amount of \$755,405.42;

d. Resolution No. 8-2018, First and Final Reading – Declaring City Property to be Surplus;

e. Consider Cancellation of the December 24 City Council Meeting;

f. Amendments to Apron Rehabilitation Project for engineering services and related expenses; and

g. Amendment to professional services agreement with Precision Approach Engineering for the Taxiway Realignment and Apron Rehabilitation Projects.

The motion was seconded by Councilor Lund and carried unanimously.

5. Ordinance No. 996-B, Second and Final Reading – Amending the 2018 Adopted Budget. City Manager Anderson stated the budget amendment was reviewed at the last council meeting and there were no changes made since first reading.

Councilor Harris moved to pass Ordinance No. 996-B on second and final reading. The motion was seconded by Councilor Spahr and carried unanimously.

6. Discussion of Permit Requirements for Use of City-owned Right-of-Way. City Manager Anderson stated that at the previous council meeting, the council discussed a letter sent by Community Development informing business owners that a provision of the Municipal Code was going to be enforced in 2019 relating to a right-of-way fee for use of city sidewalks. The uses requiring this \$100 permit fee included regular use of sidewalks, sandwich boards, putting out merchandise, as well as permanent structures in the right-of-way. There was concern by the council that the city requires building owners to maintain the sidewalk in front of their building and they did not want to require an additional fee for business owners to be able to use the sidewalk for such things as displaying merchandise or sandwich boards. Between the last council meeting and this meeting, there was not time to prepare an ordinance to address the council's concerns. There was also a desire by the council to suspend collection of the fee until the issue could be worked out in more detail.

Councilor Lund moved to suspend the fee until February. The motion was seconded by Councilor Taylor.

City Manager Anderson suggested that the fee be suspended until a new ordinance was established.

Deborah King clarified there was a difference between permanent uses and temporary uses, and this issue related to annual permits. She pointed out that fees were in the fee schedule, which is an appendix to the code, and appendices didn't have to go through the entire code revision process. The code spells out the three different types of right-of-way permits for construction, permanent uses, and temporary annual permits. She noted that several businesses currently pay the fee.

Mayor Dawes stated what brought this up was that he was on staff when the right-of-way permits came about and the idea was not to charge folks to place merchandise on the sidewalk during business hours. The only requirements were to get a permit at no cost and to provide proof of insurance naming the city as an additional insured; however, a fee was attached to the permit years later when other fees were reviewed. He didn't want to see the city collecting a fee for that type of use. He stated permanent structures were something different.

Councilor Taylor asked if sandwich boards or banners fell under the city's sign ordinance. Ms. King indicated they did not as they are temporary uses.

City Manager Anderson stated there may also be additional revisions needed to more clearly define what the permits are. There are also insurance issues that need to be addressed because there are inconsistencies in the code, and there might be a better way to address the situation, which was primarily the sidewalk uses identified.

Councilor Lund withdrew his motion and Councilor Taylor withdrew his second.

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Councilor Lund moved to require right-of-way permits and insurance as currently written in CMC 5.04 and 12.56, but temporarily suspend collection of the \$100 right-of-way occupancy permit for permanent occupancy associated with an adjacent business as currently identified in CMC Appendix Chapter A. Suspension shall remain in effect until such time as a new or

amended process and/or ordinance has been adopted. All other right-of-permit requirements and fees will remain as currently written. The motion was seconded by Councilor Taylor.

Councilor Spahr hoped that when the issue was reviewed by staff they ask what the purposes of the permit and fee were, and who would police it.

The motion carried unanimously.

Jerry Lord, owner of M&K Town Store at 515 North Market Boulevard, doubted the city's insurance carrier cared whether or not the city charged a permit fee. He understood the need for the code. He stated the sidewalks downtown were 12 feet wide, so anything within six feet adjacent to the buildings wasn't an impediment. He was more concerned about bikes and skateboards on the sidewalk not being enforced. He asked if the Planning Commission would be involved in reviewing the issue. He stated there was an RCW that provided that the cost of a permit should be based on what it costs to produce the permit. He suggested that six feet could be vacated on each side of Market Boulevard. It would not get in the way of any city utilities and the city could retain an easement. The city would get a lot more money off the vacation versus a \$100 permit fee.

7. Administration Reports.

a. **City Manager Report.** City Manager Anderson updated the council on the National Avenue project. Traffic control markings remain to be done, as well as repairs due to the recent rains, but it has been too cold or wet to do the appropriate traffic control markings. City Manager Anderson spoke briefly about a couple strategic planning goals:

- **Enhance and Maintain Financial Stability**
 - Dedicated Reserve Funding – Will revisit in 2020 to include funding for capital improvement projects.
 - Annexation – Update will be presented to council soon.
- **Enhance and Maintain Facilities:**
 - Fire Station – Alternatives for potential interim solutions will be presented to council in January.
 - Beautification Committee – Work will start on this objective in early 2019.

City Manager Anderson shared a plaque the city received from FEMA for successfully participating in the National Flood Insurance Program Community Rating System.

8. Councilor Reports/Committee Updates.

a. Councilor Taylor stated a special meeting of Twin Transit will be held December 18 at 9:30 am in these council chambers. He invited council members to attend.

b. Councilor Lund stated all holiday steam train runs are full and things are going well.

c. Mayor Dawes attended the Chehalis Santa Parade, the monthly mayors' meeting, a special Firemen's Pension Board meeting, and a fire consolidation meeting.

9. **Executive Session.** Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(i) – Litigation/Potential Litigation not to exceed 6:45 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:05 pm. The executive session began at 6:12 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:37 pm.

Dennis L. Dawes, Mayor

December 10, 2019

Caryn Foley, City Clerk

Approved:

Initials: _____