

2019 Meeting Date	Harris	Ketchum	Lund	Pope	Dawes	Spahr	Taylor
Jan 14	P	A(ex)	P	P	P	P	P
Jan 28	P	P	P	P	P	P	P
Feb 11	A(ex)	P	P(ph)	P	P	P	P
Feb 25	P	A(ex)	P	P	P	P	P
Mar 7 (Special)	P	A(ex)	P	P	P	P	P
Mar 11	P	P	P	P	P	P	P
Mar 25	A(ex)	P	P	A(ex)	P	P	P
Apr 8	P	P	P	P	P	P	P
Apr 22	P	P	P	P	P	P	P
May 13	P	P	P	P	P	P	P
May 27 (canceled)	--	--	--	--	--	--	--
Jun 10	P	P	P	P	P	P	P
Jun 24	P	P	P	P	P	P	P
Jul 8	P	P	P	P	P	P	P
Jul 22	P	A(ex)	P	P	P	P	P
Aug 12	P	P	P	P	P	P	P
Aug 26	P	A(ex)	P	P	P	P	A(ex)
Sept 9	P	P	P	A(ex)	P	P	A(ex)
Sept 18 (Special)	P	A(ex)	A(ex)	P	P	P	P
Sept 23	P	P	P	P	P	P	P
Oct 14	P	P	P	P	P	P	P
Oct 28	P	P	P	P	P	P	P
Nov 12 (Tuesday)	P	P	A(ex)	P	P	P	P
Nov 25	P	A(ex)	P	P	P	P	P
Dec 9	P	P	P	P	P	P	P
Dec 23 (canceled)	--	--	--	--	--	--	--

P = Present

P(ph) = Present (telephonically)

A = Absent

A(ex) = Absent (excused)

R = Resigned

S = Special

January 14, 2019

The Chehalis city council met in regular session on Monday, January 14, 2019, 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; Hillary Hoke, Planning & Building Manager; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director, and Glenn Schaffer, Police Chief. Members of the media included Will Rubin from *The Chronicle*.

1. **National Law Enforcement Appreciation Day.** Mayor Dawes stated National Law Enforcement Appreciation Day was January 9. He wanted the chief and members of the Chehalis Police Department to know that the council supports them and understands the difficult job they do on a daily basis. He stated there had already been six police officers across the nation who had lost their lives since the first of the year.

2. **Citizens Business.** Commissioner Edna Fund announced that Homeless Connect was Thursday, January 24 from 10:00 am to 2:00 pm at the 4-H building at the SWW Fairgrounds. The annual event includes a free lunch, haircuts, coats, socks, and more. Agencies will be on hand to connect individuals to services such as veterans, mental health, substance abuse, DSHS, and housing. This year the event will also be held in Morton on January 25 at the Robert Lyle Community Building.

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

- a. Minutes of the regular meeting of December 11, 2018;
- b. December 31, 2018 Claim Vouchers No. 124585-124692 in the amount of \$177,293.08; and December 14, 2018 Claim Vouchers No. 124441-124584 and Electronic Funds Transfer No. 112018 in the amount of \$293,764.24;
- c. December 31, 2018, Payroll Vouchers No. 40642-40681, Direct Deposit Payroll Vouchers No. 10254-10357, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 215-218 in the amount of \$846,683.30; and
- d. Opening a separate interest-bearing account with Security State Bank relating to the tenant deposit from Rich Development Enterprises, LLC.

The motion was seconded by Councilor Lund and carried unanimously.

4. **Resolution No. 1-2019, First and Final Reading – Adopting the Program for Public Information.** City Manager Anderson noted the agenda report indicated suspending the rules to adopt the resolution; however, that was not necessary for a resolution.

Hillary Hoke stated the Program for Public Information (PPI) was a public outreach program to distribute information. The cities of Chehalis and Centralia, and Lewis County joined forces to choose generic topics so everyone was distributing the same basic information. Each agency will also choose specific topics that will be tailored for each agency. The goal is to lower insurance premiums for residents. Information will encourage residents to contact their respective agency to determine which outreach project best fits their property. It was noted that the program was for flood prevention activities and flood insurance information. Ms. Hoke stated possible topics include elevation, flood-proofing, obtaining insurance, and how to lower insurance rates. The materials will be distributed through general mail, flyers, website posting, and eventually social media. Target audiences include flood plain owners, and real estate and insurance agents. Once adopted, the PPI Committee will meet annually to monitor progress and update the program as needed.

Councilor Taylor moved to adopt Resolution No. 1-2019 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

5. **Administration Reports.**

a. **National Avenue Realignment Project.** Trent Lougheed stated there were quite a few complaints during construction of the National Avenue Realignment project. All traffic markings have been completed, but some damage needs to be repaired.

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Mayor Dawes thought damage would continue to happen without some sort of curbing. Mr. Lougheed stated that once the Chamber Way overpass project happens, it is intended to bring all traffic to the upper part of Chamber Way with a round-about, so eventually there will be no traffic under the bridge.

Councilor Harris agreed that there needed to be some kind of delineation to keep people out of the grassy area. City Manager Anderson stated staff would keep assessing any problems and determine if any additional infrastructure was needed.

b. **Airport Economic Update.** Brandon Rakes updated the council on the Washington Aviation Economic Impact Study through the State Department of Transportation to quantify aviation's economic contributions and to summarize the benefits airports provide. Submitted information included the number of businesses, tenants, employees, and sales volumes on Airport property, along with grant history and number of airport staff. Study results won't be available for some time; however, preliminary internal examination indicated a very valuable and healthy Airport. It is estimated that 1,150 people are employed on Airport property (data sourced from ReferenceUSA.com), with annual estimated sales volume of \$235 million. Next steps for economic development include the due diligence phase with Rich Development to conclude by March 15, 2019. If Rich Development remains on the current schedule construction is anticipated by fall of 2019. He anticipated that once construction begins, there would be an increase for Tract 5A and remaining tracts, which would create an ideal time for new marketing relationships with realtors, the Port of Chehalis, and the Lewis EDC.

c. **City Manager Update.** City Manager Anderson echoed the comments made by Mayor Dawes at the beginning of the meeting in regard to law enforcement officers and the entire Police Department.

6. Councilor Reports/Committee Updates.

a. Councilor Lund attended the fire consolidation meeting, and the annual Chehalis-Centralia Steam Train meeting in which he was elected Vice President.

b. Councilor Spahr attended the EDC board meeting, and the fire consolidation meeting.

c. Councilor Pope attended the Chehalis Foundation meeting at which City Manager Anderson and Chehalis School Superintendent Ed Rothlin were made ex-officio members. The funding structure for Penny Playground will be presented at the next board meeting.

d. Mayor Dawes attended a meeting relating to 911 communications and options for moving forward, a special Twin Transit board meeting, Business After Hours, and a mayors' meeting. The Historical Museum's annual dinner meeting is February 2 at 4:00 pm at the museum. With regard to the fire consolidation meeting, topics included on-going housing of Chehalis firefighters and borderless response. Mayor Dawes stated the council previously provided direction to the council subcommittee to go forward with certain ideas, fully understanding that anything would take a full council vote. One of the things being looked at was a third-party feasibility study. He wanted to make sure the council was still comfortable with the process, which the council concurred. He noted that whatever is done needs to make financial sense. Mayor Dawes stated a letter was going out to the city's state senator and representatives for assistance for things such as water retention and Recreation Park.

There being no further business to come before the council, the meeting was adjourned at 5:31 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

January 28, 2019

The Chehalis city council met in regular session on Monday, January 28, 2019, 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; Hillary Hoke, Planning & Building Manager; Andrew Hunziker, Parks & Facilities Manager; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director, and Glenn Schaffer, Police Chief. Members of the media 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 January 14, 2019;
- b. January 15, 2019 Claim Vouchers No. 124693-124805 and Electronic Funds Transfer No. 182018 and 1820181 in the amount of \$545,232.95; and January 15, 2019 Claim Vouchers No. 124806-124872 in the amount of \$485,072.35;
- c. Agreement with FCS Group for a utility rates and capital facility charges study in the amount of \$66,000;
- d. Purchase of new Kubota tractor and associated implements to J&I Power Equipment in the amount of \$54,100; and
- e. Change Order 3 and acceptance of Stan Hedwall Sewer Project as complete and release retainage once all statutory requirements are met.

The motion was seconded by Councilor Lund and carried unanimously.

2. Resolution No. 2-2019, First Reading – Application and Acceptance of a WSDOT Grant in the Amount of \$140,184 for Taxiway Realignment Project. Brandon Rakes stated that last year the city applied for and received a grant from the Federal Airport Administration for a \$2.8 million project that was 90% funded. The administration would like to apply for an additional 5% match funding through WSDOT totaling approximately \$140,184 for taxiway realignment.

Councilor Spahr moved to adopt Resolution No. 2-2019 on first reading and authorize the City Manager to apply for and accept the WSDOT grant supplementing AIP Project Number 3-53-0012-018-2018 in the amount of \$140,184 for airport construction. The motion was seconded by Councilor Lund and carried unanimously.

3. Phase 1 Annexation Proposal and Process. Hillary Hoke provided information for implementing Phase 1 of a multi-phase annexation process. Staff identified eight potential areas for annexation. RCWs regulate that cities can't annex areas outside of their adopted Urban Growth Area (UGA), eliminating Areas 6 and 8, which are located north of the city limits. The remaining areas were reviewed for ease and feasibility, and to keep the total assessed value of the area(s) to be annexed under 5% of any special purpose district's total assessed value. Using the largest special purpose district, the target number was around \$56 million. Staff reviewed options to keep within the target amount. Ms. Hoke explained that if the 5% is exceeded, a special purpose district may request studies, market analyses, and other documentation to determine the impacts of the annexation, the possible relinquishment of assets, etc., which would be conducted and paid for by the City.

Mayor Dawes asked if Area 8, located north of the airport, included the former Blaser Farm, and was it included in any UGA. Ms. Hoke indicated it did include the Blaser property, but was currently not included in any UGA. Bill Hillier added a city may annex property not within its UGA if owned by a city, but there are other properties in that area that are not owned by the City.

Councilor Harris asked if the area was within Centralia's UGA that they gave up last year. Councilor Spahr stated it was not within Centralia's UGA.

Ms. Hoke stated that as of the remaining areas, Areas 3 and 4 cannot be annexed at the same time because they exceed \$56 million.

Mayor Dawes asked why Area 7 (Lintott/Alexander Park) would be on the tax rolls if it was owned by the City and why it would be considered when calculating the 5% target. City Attorney Hillier stated he would find out the answer to the question. Ms. Hoke stated that although taxes are not collected, the property still has an assessed value.

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Ms. Hoke stated staff came up with three options and was recommending Option 2, which would annex Areas 1, 2, 5, and 7. She noted several previous surveys and legal descriptions were already developed for some of these areas. The assessed value of the areas totaled \$43,548,200.

Mayor Dawes asked why District 6 wouldn't be included so as not to create an island. City Manager Anderson stated that in looking at the options, Option 2 cleans up the boundaries. The next phase would include Areas 3 and 4, which would straighten out the southern border.

Mayor Dawes asked what the timing was for Phase II. City Manager Anderson stated it was her understanding that the council would like to proceed with annexations and do them on a regular basis until the City's UGA is incorporated. Ms. Hoke noted the island where District 6 is located already exists.

Councilor Lund understood that the Alderwood area had water and sewer, and fire-flow problems. If the City takes that over, would it become the City's responsibility? Bill Hillier stated the City already owns those systems. He also noted that the road is a private one, which the city will not have to maintain. The City has an automatic response agreement with District 6 to respond to the area.

Rick Sahlin reiterated that the water and sewer systems are the City's. When Alderwood was built a second water tower was added, but without major changes there is not fire-flow protection in that area.

Councilor Lund asked again if the City's liability would change if the area was annexed. City Attorney Hillier stated no. City Manager Anderson indicated staff would further discuss to address any issues related to liability that might be increased with annexation.

Councilor Pope stated water flow was previously discussed for that area and he thought steps were to be taken to improve it. Bill Hillier stated that included the second tower that Rick Sahlin mentioned. It addressed domestic needs, but didn't totally fix the fire-flow requirements.

Councilor Spahr stated he understood not wanting to go over the 5% target, but Option 3 was under 5% and included more properties. Ms. Hoke explained the biggest difference between the options was timing. To prepare the application and create all of the required documents, Option 3 would require the most time and effort, such as contracting with a licensed surveyor to develop maps and legal descriptions.

City Manager Anderson noted there were numerous steps in the annexation process, in addition to working with the Boundary Review Board and County Assessor. She estimated completing annexations in two-year cycles.

Councilor Spahr moved to direct staff to proceed with the Phase 1 proposal to annex properties within Areas 1, 2, 5, and 7 as identified. The motion was seconded by Councilor Pope and carried unanimously.

4. Administration Reports.

a. **Finance Report.** Chun Saul provided a year-end report for 2018, noting that overall, cash balances increased from 2017. She reviewed a summary of all funds with their beginning cash balances, total revenues and transfers in, total expenditures and transfers out, changes in fund balances during the year, and ending cash balances. Year-to-date (YTD) total revenues were \$626,809 above the 100% expected amount, while YTD expenditures were \$2,462,220 below the 100% expected amount. General Fund YTD revenues were \$173,413 above the 100% target amount. YTD expenditures were \$646,508 below the 100% target amount, so the ending fund balance decreased by \$238,180 (\$819,921 less than expected). The 2018 budget included the use of about \$1 million of reserve funding, but only \$238,000 was used, which exceeds the council's policy of maintaining a 10% reserve.

Mayor Dawes stated there were maintenance projects that had been deferred, so anything above the 10% could be used for projects and/or other priorities. City Manager Anderson stated that was correct. \$200,000 was used to balance the 2019 budget, and reserve accounts for automotive/equipment and compensated absences were not funded in 2019. She stated staff would present proposals to the council at a later date.

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Chun Saul stated sales and use tax revenue came in at 104.1% of the 2018 budget, which includes criminal justice and brokered natural gas sales taxes. About one-half million of sales tax was from construction activities, so it may decline in 2019. Mayor Dawes suggested that the budget committee meet at the end of the first quarter to look at potential projects/purchases for the full council's consideration.

Councilor Taylor asked what the Fire Department did to not spend almost \$200,000 of their budget. Ms. Saul indicated that overtime was less. Councilor Taylor asked if it was related to less calls or process changes. City Manager Anderson stated she would find that out from Chief Cardinale.

Ms. Saul stated all Enterprise Funds operated within normal budget parameters and revenues either met or exceeded budget projections, except for Wastewater, which came in at about 98%.

Ms. Saul provided a summary balance of the City's cash and investments as of December 31, 2018. The city's total cash, deposits, and investments were \$20,203,176. Of that amount, about \$1.8 million makes up the General Fund and all other funds are restricted or designated to finance particular activities. She noted that about \$15 million of total cash was invested in the Local Government Investment Pool, and around \$2.3 million was in U.S. securities bonds. Investment earnings for 2018 totaled \$285,834.

Councilor Taylor asked if there were restrictions on where the City's money could be invested. Ms. Saul stated the City's money must be covered by the Federal Depository Insurance Corporation and the Washington Public Deposit Protection Commission.

City Manager Anderson asked if the council would prefer changing the monthly finance reports to quarterly, since the reports are much more detailed and informative than in the past. A monthly report could still be distributed. The council concurred.

b. **City Manager Update.** City Manager Anderson stated one of the strategic planning objectives was to create a committee to look at such things as property maintenance, etc., and she asked if the council would appoint members to join staff.

Councilor Pope stated that in the past, it has been difficult to address these types of issues. He asked if the committee would look at putting more teeth into the ordinances. Mayor Dawes stated the committee would determine what the council would like done and then make recommendations to strengthen ordinances. Councilors Pope, Spahr, and Taylor volunteered to serve on the committee. The council discussed several properties needing attention.

4. Councilor Reports/Committee Updates.

a. Councilor Taylor stated the Twin Transit Board was conducting an investigation on their general manager and he would have more to report at a later date. He also attended a Lewis County Transportation Strategy Council meeting where they discuss federal funds that come through the county that are then distributed to cities. The Public Works Department submitted a couple projects last September that were approved for funding this year.

Rick Sahlin added it was grant money that Centralia had, but had issues with their project. If the money is not spent, it goes back to the federal government. The projects include NE Kresky from Staples to the city limits, and Interstate Avenue from Parkland to the city limits, which will be a joint project with Lewis County.

Mayor Dawes asked Mr. Sahlin to explain why the two road projects were chosen when other streets may appear to be in worse shape. Mr. Sahlin stated the streets have to be federal aid routes and match money had to be available.

b. Councilor Pope stated the council used to have a Growth Management Act (GMA) committee. City Manager Anderson stated since her time in Chehalis there hadn't been any need for the GMA committee to meet. Mayor Dawes thought the GMA committee would be a good group to participate in the annexation process.

c. Councilor Harris attended a Chehalis Basin Partnership meeting. The group is busy working on the "Hirst Fix." Councilor Harris reported he was reelected to chair the group.

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d. Mayor Dawes attended the chamber banquet. He congratulated I-5 Auto Group that was recognized as business of the year, and Dr. Peter Wagner who received the Evergreen Award.

Mayor Dawes announced there would be no executive session. There being no further business to come before the council, the meeting was adjourned at 6:18 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

February 11, 2019

The Chehalis city council met in regular session on Monday, February 11, 2019, 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, Daryl Lund (telephonically), Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Terry Harris 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; and Glenn Schaffer, Police Chief. Members of the media included Will Rubin from *The Chronicle*.

1. **Citizens Business – Commissioner Edna Fund.** Commissioner Fund distributed the Chehalis Basin Long-Term Strategy Update, as well as contact information and meeting schedule for the group. One of the strategies includes lobbying legislators for more dollars for the strategy. Commissioner Fund also addressed measles. It was thought that there were a couple cases in Lewis County, but tests showed the individuals had the flu. There have been 51 cases statewide, mostly in Clark County. A bill relating to exemptions for not vaccinating is currently before state legislators. Dr. Pope stressed the need for vaccinations.

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

- a. Minutes of the regular meeting of January 28, 2019;
- b. January 31, 2019 Claim Vouchers No. 124873-124998 in the amount of \$134,236.63;
- c. January 31, 2019, Payroll Vouchers No. 40682-40718, Direct Deposit Payroll Vouchers No. 10358-10461, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 219-223 in the amount of \$824,759.50;
- d. Set February 25, 2019 at 5:00 pm to conduct a public hearing to amend the City's 2019- 2024 Six-Year Transportation Improvement Program; and
- e. Resolution No. 2-2019, second and final reading – application and acceptance of a WSDOT grant in the amount of \$140,184 for taxiway realignment project.

The motion was seconded by Councilor Pope and carried unanimously.

3. **Administration Reports.**

a. **Chamber Way Bridge Update.** Trent Lougheed updated the council on changes to the state's bridge rating system that have impacted Chamber Way Bridge. The new criteria rated the bridge at 18.56. A rating below 40 qualifies for state assistance through an 80% grant and 20% local match. Because of the new rating, the city must post the bridge with weight restrictions. Mr. Lougheed reviewed the restrictions and examples of what the signs will look like. He noted the restrictions will not impact the city's emergency vehicles. Staff will apply for a grant in April to replace the bridge and should know by July whether or not it will be funded. Transportation Benefit District funds will be used for the local match. Staff also plans to contact BNSF Railroad to determine if they are able to contribute to the match. Mr. Lougheed explained the complex procedure for rating bridges and explained that the city hires an engineer to inspect the bridge on a routine basis.

b. **Fire Station Update.** City Manager Anderson stated there has been much talk about the deficiencies of the building and the need to invest in it due to some deferred maintenance for a building that is almost 100 years old. Unfortunately, during the course of renovations there was the release of asbestos and that caused the need to evacuate the building and the firefighters to District 6. Since that time there have been questions about why the firefighters can't go back into the building since the asbestos was remediated. A meeting was held with the firefighters last week with an expert in the field addressing their questions about potential health impacts. The expert's assessment was the chances of there being anything in the building that would have caused any type of ill effect was next to nothing.

City Manager Anderson stated that the asbestos situation caused her to not want to put the firefighters back in the building until all renovations were completed, and then to take a look at what the building needed – to look at what the risks and rewards could potentially be by continuing to invest in the building. As staff went back through the structural analysis document and assessed information, and in taking a second look and seeing another year of deterioration, staff recommended that the firefighters stay at District 6. She expected District 6 would bring new terms for a longer-term lease of their station.

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Trent Lougheed presented information on the administration's recommendation to not move the firefighters back into the station:

Structural Systems: In March, 2017, a structural analysis was performed by James Ashley-Cole, P.E., because of past problems such as roof issues and a section of ceiling that fell.

Building Improvements: In April, 2017, preparations to budget for and begin improvements of critical components of the building structure were identified and estimated to cost about \$250,000. The improvements included seismic anchoring/bracing, replacing some of the damaged structure, and to conduct a structural analysis of the roof structure. During 2017 and 2018, it was noticed that there were more leaks coming in up against the window sills and door frames close to the edges of the building even after the roof was replaced about five years ago (estimated). This indicated there were more issues that could not be seen. When asbestos became airborne in August 2018, the building needed to be evacuated. It was determined that the costs to improve the building would be much more than the estimated \$250,000.

Situation Today: The structure is not in imminent danger of collapsing due to its own weight, but there are components of the structure that are in danger of failing during events such as seismic or storm. There will be no occupancy of the building until the roof is further evaluated, and there will most likely be additional deficiencies discovered when architectural coverings are removed to improve known deficiencies.

Performance Standards for Fire Stations: There are performance standards for fire stations and the fire station is considered a Level IV, Seismic Hazard Level BSE-1N (1-A), which requires an essential facility to be able to withstand an earthquake structurally and not collapse, and if it does stand up, it still has to be operational. He stated there was no seismic anchoring or bracing of any kind in the building. The cost to make the structure comply with the criteria of an essential facility would cost well more than a new fire station. He was reluctant to recommend making any further investment into the structure.

City Manager Anderson stated the question was asked about what would be done with the building if not used as a fire station. She stated that would need to be discussed in the coming months or years as there is more information, but the focus has been on getting the firefighters what they need at District 6.

Councilor Pope stated the problems have existed for many years and felt the building should be torn down.

Mayor Dawes agreed that the building wasn't the priority. The priority was finding a solution and a decision needs to be made quickly to begin planning for whatever type of station is ultimately needed.

Mr. Lougheed stated the engineer indicated there would probably be unacceptable levels of over-stress in several structural systems and the probable cost to retrofit the building would likely exceed the cost of a new facility.

Station Alternatives: An interim station site was identified between Walmart and Home Depot at an estimated cost range from \$530K to \$740K. A long-term solution could be the basement at city hall, but that would come with issues and costs such as installation of a traffic signal on Market (\$150 to \$200K); reconfiguring the basement and other parts of the building; vehicles would be outside and deteriorate at a faster rate; a temporary bay for the fire engines; challenging quarters for the firefighters; and disruption to the public. Another option is staying at District 6. It is available now thanks to the District's willingness to help; is a safe and professional station; and is cost effective as long as District 6 is willing to rent space. The downside would be response times going up an average of 30 seconds, potentially higher to the North part of town; the City's long-term insurance rating would be impacted; it is not a permanent solution; and some investment in the District 6 station is needed to accommodate Chehalis over a period that could be several years while a new fire station is built.

City Manager Anderson stated the city is in the process of having lockers built and installed at District 6 for firefighter gear; looking at long-term storage of apparatus that is not needed in the interim; and looking at storage at District 6 for some items that are needed now. City Manager Anderson stated she couldn't thank District 6 enough for how accommodating they have been. Chief Cardinale and Administrative Assistant Barbara Lovelady are now sharing office space at the District.

Next Steps: The City needs to build a new fire station, in which several factors need to be considered.

Mayor Dawes stated that with regard to evaluating sites based on the need for Chehalis only, with as long as it takes to go through the annexation process, before we take on any more annexation other than what we're undertaking right now, we're

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going to know if we need to build a satellite station or a headquarters station. He indicated it wasn't being based on annexation, but on combining or staying the way it is now. City Manager Anderson stated the slide referenced by Mayor Dawes was referencing consolidation with District 6 rather than annexation of additional land.

Mayor Dawes stated the process for a feasibility study has started. He stated everybody was in a tough spot, but he commended staff for the work they have done so far. There have been comments about response times, but there is no guarantee where staff could be in the city at any given time.

City Manager Anderson anticipated that District 6 would be coming back with some updated lease terms to reflect a longer-term arrangement.

Mayor Dawes stated the next meeting with District 6 is March 20 and it is anticipated that a firm be selected to conduct the feasibility study and that recommendation would be presented to council.

Councilor Taylor asked if staff knew what the monthly costs were to operate the fire station. City Manager Anderson stated there was a mechanism used to do that for Enterprise Funds, but that is not something that is done for General Fund costs.

c. **City Manager Update.** City Manager Anderson thanked everyone that has worked on the fire station issue, especially Chief Cardinale for his leadership to the city and Lewis County. She also thanked Chief Schaffer and the city's police officers, public works staff, and the firefighters for their work during the snow event.

4. Councilor Reports/Committee Updates.

a. Councilor Taylor stated that over the last couple months, he has developed a new-found respect for the form of government that the commissioners have to serve under. A three-member board is a difficult thing to deal with, especially when you have a situation. He spoke about the events leading up to the resignation of Twin Transit General Manager Derrick Wojcik-Damers. An internal investigation was done, and although not officially completed, showed there were no laws broken, but there were findings of mismanagement practices. There have been negative comments about the separation agreement, but the board evaluated all the information provided to them and made a decision that would cause the least amount of financial impact to Twin Transit. They are in the process of evaluating steps to find a new General Manager and he wanted to make sure that Twin Transit was run in the most efficient, cost effective, and transparent way. He thanked Jill Anderson, Bill Hillier, Caryn Foley, and Kiley Franz for their help through this situation.

b. Mayor Dawes stated he thought Councilor Taylor represented the city's interests very well through the Twin Transit issue. He hoped they found an individual that would evaluate and make what is there the best it can be, and to improve services where they could. He also hoped that Twin Transit query board members about meeting attendance and notify alternative representatives if needed. Mayor Dawes attended a mayors' meeting, and the Historical Museum annual dinner. He echoed the comments of the City Manager regarding the city's first responders and public works staff during the snow event.

c. Councilor Pope stated he received phone calls about burglaries in the Snively area. Chief Schaffer stated over the past three or four weeks, a series of break-ins have occurred in that area, mostly vacant residences. The instances are far between and they don't know if they are necessarily one person. He stated there have been very few things missing. Mayor Dawes stated there are a lot of transients walking around at night.

d. City Manager Anderson acknowledged Administrative Assistant Kiley Franz's attendance at the meeting to learn how to run council meetings while Caryn Foley is on vacation.

There being no further business to come before the council, the meeting was adjourned at 6:06 pm.

Dennis L. Dawes, Mayor

February 11, 2019

Caryn Foley, City Clerk

Approved:

Initials: _____

February 25, 2019

The Chehalis city council met in regular session on Monday, February 25, 2019, 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; Kiley Franz, Acting City Clerk; Bill Hillier, City Attorney; Hillary Hoke, Planning/Building Manager; Andrew Hunziker, Property/Facilities Manager; 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, HR/Risk Manager; Don Schmitt, Street/Storm Superintendent; Dave Vasilauskas, Water Superintendent; and Lilly Wall, Recreation Manager. Members of the media included Katie Hayes from *The Chronicle*.

1. Public Hearing – Proposed Amendments to the 2019-2024 Six-Year Transportation Improvement Program.

Mayor Dawes recessed the regular meeting and opened the public hearing at 5:00 pm. Rick Sahlin stated that at the previous meeting, Councilor Taylor reported that the Lewis County Transportation Strategy Council awarded the city funds for two projects. One was for NE Kresky Avenue, which was on the city's Six-Year TIP for construction in 2022. Staff proposed to move the project to 2019. The other project was for SW Interstate Avenue, which wasn't on the Six-Year TIP. Staff proposed to add the project for construction in 2019. In order to do that, a public hearing must be held to amend the TIP. The city's portion for the Kresky and Interstate projects was estimated to be \$118,125 and \$85,030, respectively. The Interstate project will be a joint project with the county and they will act as the lead agency for the project.

Mayor Dawes asked Mr. Sahlin to explain why these two streets were identified when other streets may be in worse condition. Mr. Sahlin stated that streets have to be on the federal aid route to be eligible and have to be able to be completed in 2019, and funds obligated for construction by October 2019.

Mayor Dawes noted that Market Boulevard from 13th Street to the city limits was included for construction in 2023. He asked if it could be done sooner if it qualified for grant funding. He didn't know if the street would last that long without some kind of maintenance. Rick Sahlin explained that depending on the grant funding, doing maintenance sometimes lowers the city's eligibility for funding. Trent Lougheed stated the three phases for Market Boulevard were identified as the downtown core, from Park Street to 13th, and from 13th to the city limits.

No members of the public commented on the proposed amendments. Mayor Dawes closed the public hearing at 5:07 pm.

Mayor Dawes noted an item was added to the agenda under New Business regarding the purchase of property.

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

- a. Minutes of the regular meeting of February 11, 2019;
- b. February 15, 2019 Claim Vouchers No. 124999-125132 and Electronic Funds Transfer No. 12019 in the amount of \$311,123.09;
- c. Interlocal agreement for equipment use with City of Centralia;
- d. Award bids for rock, gravel, and asphalt;
- e. Resolution No. 3-2019, first and final reading – amending the 2019-2024 six-year transportation improvement program; and
- f. Project partnership agreement with Lewis County for Interstate Avenue paving project.

The motion was seconded by Councilor Lund and carried unanimously.

3. Recreation Park Renovation Project Update. City Manager Anderson recognized members of the Chehalis Foundation who were in attendance and acknowledged the significant commitment in funds they have made to the project. City Manager Anderson spoke about the history and importance of Penny Playground to the community, but also noted that the facility was deteriorating. A new structure is being planned for the next generation, and to honor the spirit of the existing facility.

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City Manager Anderson stated some people may wonder why the city was taking on a major park renovation when there are other major things needed, such as a new fire station. She explained that when grant monies are involved, there are specific restrictions on how that money may be used. The grants and donations being received are specifically for the park project and they cannot be used for anything else.

Lilly Wall stated Penny Playground is a regional facility with unlimited value to the community, with ballfields that have impressively served the community for 25+ years. It is a shining example of community involvement and is the result of incredible community effort, specifically the fastpitch complex, but the park is deteriorating due to age and it needs to be upgraded. Project partners include the Chehalis Foundation, the city, and the Penny Playground Strategic Planning Committee. Community members include Chehalis Rotary, local businesses, Lewis County Developmental Disabilities, Twin Cities Rotary, and TransAlta. The goal of the Penny Playground renovation is to create a modern, accessible, inclusive, and upgraded play structure to serve the residents of Chehalis and surrounding communities for generations to come. The ballfield goal is to create a state-of-the-art facility for high school and youth fastpitch programs that will attract teams to the community to play in tournaments, creating an economic driver for local businesses. Walkways and trail design will include upgrading existing walkways and creating a trail around the perimeter of the park that will meet current ADA standards. Ms. Wall reviewed the project budget and funding sources:

Project Budget	\$3,750,000
Ballfield	\$1,864,000
Penny Playground	\$1,350,000
Walkways, trails and drainage	\$ 536,000
Funding Sources	
Secured Funds	\$1,306,000
Pending Funds	<u>\$1,700,000</u>
Total	\$3,006,000
Funding Shortage	\$ 744,000

Ms. Wall stated Chun Saul would speak next about options for the funding shortage. She also outlined the items that would not be included in the project – significant parking upgrades due to BNSF denial of the requested easement; light poles and light fixtures on the main walkway through the park; backstops and dugouts; shade cover in ballfield complex; security cameras for ballfield complex and playground; and concession stand upgrades for cooking.

Councilor Harris suggested that local companies be contacted to see if they would be willing to provide in-kind services/materials to be able to include the items not currently included. Ms. Wall indicated they would certainly consider that as they do community outreach.

Ms. Wall stated that if all funds are secured (grants, fundraising, loans/bonds) the project timeline would have construction begin in August with completion in October 2019. She stated the timeline would need to be adjusted pending funds are not secured.

Councilor Taylor thanked the many people that started the Chehalis Foundation, especially Joanne Schwartz, a former city employee and current member of the Foundation. He thanked all the members of the Foundation for what they have done for the community. Ms. Wall, Mayor Dawes, and Councilor Harris echoed Councilor Taylor's comments.

4. Financing Options for Recreation Park Renovation Project. Chun Saul stated the funding gap for the project was \$744,000.

City Manager Anderson stated it was anticipated that the city would secure a loan or council-manic bond, and that the primary source of repayment would be lodging tax dollars, which are restricted monies. The Lodging Tax Advisory Committee has communicated support for this over the course of the last two years and has set aside money in anticipation of the project.

Ms. Saul stated that with the estimated construction timeline outlined by Lilly Wall, the funding would need to be available in mid-September to pay the first pay estimate to the contractor. She provided two financing options through the Office of the State Treasurer:

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LOCAL Program

- Structured as a financing contract (lease)
- Pools various lease agreements across all LOCAL participants and packages them as a security called a Certification of Participation (COP), similar to municipal bonds
- Structured with regular principal and interest payments and sold to investors
- Recreation Park improvement project qualifies as real estate transaction, maximum term of 20 years
- Participation dependent on credit approval.

Private Placement Financing

- Debt obligation arranged with a single investor (i.e., bank, insurance company, individual), instead of public issue with multiple investors
- Requires City Council approve delegation bond ordinance – outlines the parameters (i.e., max par amount, maturity, interest rate, etc.)
- Engage private placement agent and bond council
- Maximum payment flexibility
- Prepayment flexibility (negotiable)
- Lower legal fees than traditional municipal bonds
- Expedient funding (about 8 weeks)
- 15-year maximum maturity recommended – interest rate is typically lower and there are more bidders. (There are more bank purchasers that can only go out 15 year or less).

Ms. Saul reviewed the pros and cons for each option:

LOCAL Program

Pros: No upfront issuance costs; issuance cost is lower and included in the interest rate

Cons: Timing restriction/application deadlines: 3/22/19 for 6/25/19 funding (not ideal); and 7/15/19 for 10/22/19 funding (potential); prepayment restriction – 10-year no-call period

Private Placement Financing

Pros: City controls financing terms and options; city has control of timing for funding; maximum payment flexibility; prepayment flexibility; takes about 8 weeks to close a deal; potentially slightly better interest rates (bank-qualified financing vs. non-bank qualified); no continuing closure requirement

Cons: Up-front issuance costs, estimated at bond council \$4,500; private placement agent \$8,500-\$12,500

Ms. Saul provided estimated debt service payment scenarios for \$825,000 for both 15 and 20-year terms. She noted that the interest rates used were estimates from the LOCAL, with actual interest rates determined on the day of sale. When the issues non-voted, long-term debt there is a statutory requirement that limits how much the city can issue. The city would be okay with meeting that limitation; however, there is a city policy stating that the annual debt service on all non-voted, long-term obligation debt cannot exceed 3% of general fund revenues. She stated the city's remaining annual debt payment capacity through 2022 is about \$49,753.

Councilor Taylor thought the council had discussed increasing the 3% to 5%. City Manager Anderson stated that since it is council policy and not a state requirement, the council has the right to make an exception, suspend, or revise the policy.

Councilor Lund stated the community has given so much in the past and he was comfortable with the loan amount.

Ms. Saul stated that lodging tax funds have been identified as the resource needed to pay all or most of the payments associated with a bond/loan. The Lodging Tax Advisory Committee has discussed this possibility and conceptually recommended committing \$50,000 a year to pay off a bond/loan for improvements for Recreation Park. There is also a question about how much lodging tax money is available to pay for the annual debt service for this project and whether the LTAC would consider committing more than \$50,000 a year since the project now includes synthetic turf to expand the tournament season.

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Ms. Saul stated that staff was recommending that the City Council approve debt financing in the amount of \$825,000 (not to exceed \$1 million) with a maximum maturity of 15 years, using private placement financing, and that lodging tax funds be used to repay all or most of the debt service payments (minimum of \$50,000 up to 100% of annual debt service estimated at \$69,000 to \$71,000).

Councilor Pope moved that the City Council approve a council-manic debt issue of not to exceed \$1 million, for a maximum maturity term of 15 years through a private placement process. The motion was seconded by Councilor Lund.

Councilor Harris stated the Lodging Tax Advisory Committee has been extremely wonderful in supporting other parks projects and tourism projects. The ballfields are responsible for bringing the second largest amount of tourism into the community. In 2017, the LTAC agreed to reserve \$50,000 in 2018 for the project, and did the same in 2018 for 2019, so there is already \$100,000 in restricted funds for the project. He stated the committee could meet at any time to consider the project further.

The motion carried unanimously. Mayor Dawes thanked everyone involved in the project and encouraged anyone with questions to contact staff.

5. Purchase of Property for Future Water Line. City Manager Anderson stated that late Friday, the city received a notice from Lewis County offering a piece of property that had previously been identified as a location for a new water line, which staff would like to purchase for \$1,200.

Dave Vasilauskas stated the 2019 budget included money to look at replacing some of the Chehalis River pump line. The existing alignment is under I-5, the railroad tracks, and Millett Field. There is a possibility of relocating the line and the property for sale could be used for the new replacement line to the water plant.

Councilor Spahr moved to approve the purchase of property, parcel tax number 005272002000 in an amount not to exceed \$1,200. The motion was seconded by Councilor Pope and carried unanimously.

6. Introduction of Scouts. Mayor Dawes recognized Scouts that were in attendance to earn one of their merit badges in citizenship in the Nation. Emmie Prock and Thomas Prock from Chehalis introduced themselves.

7. Administration Reports.

a. **City Manager Update.** City Manager Anderson stated a strategic planning session was scheduled for March 7, and would highlight the changes from the last update in December. She reviewed the city's mission statement and three-year goals.

Maintain and Enhance Financial Stability

- Rich Development lease approved by City Council 11/13/2018
- City Council provided direction in January to proceed with annexation process
- City Council approved contract with FCS Group 1/28/2019 for updated rate study

Enhance and Modernize Technology

- Vendor payment program will require additional software at a cost of \$6,000
- Process to accept credit card and on-line payments; plan to acquire cashing software with this option expanded to include utility billing system; considering costs and evaluating systems to integrate into city's financial system to present in June 2019.

Increase and Optimize Staffing Levels

- New employee recognition program will be revisited in the future; other HR matters and mixed informal feedback has postponed this item.
- Professional development program for managers/supervisors successful. New supervisor hires will attend 3-day building supervisory skills training through WCIA's training program. City's three new supervisors completed all or most of training classes. Additional supervisors are planning to take one or more classes in 2019.

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Improve and Maintain Infrastructure

- Completed design of sanitary sewer force main improvement project; bid April 2019 for construction this summer.
- Incorporated Transportation Benefit District Implementation Plan into TIP; revisit objective during next workshop.
- City Council appointed committee to Chehalis Beautification Plan; first meeting to be held March 1.

Enhance and Maintain Facilities

- Recreation Park project progressing positively; success in receiving grants.
- 911 Dispatch – working jointly with Centralia and RFA to determine options for this service; Lewis County has expressed interest in exploring using Thurston County 911, as well.
- Re-evaluate current Fire Station; ongoing issue; provided City Council structural concerns about building; continuing to work with Lewis County Fire District #6 on annexation option and longer term rent of their station; District #6 is expected to present new lease terms in the next month.

City Manager Anderson stated that the core values that we want to demonstrate in both word and deed while working through these objectives include Ethical Behavior; Honesty and Integrity; Professionalism; Reliability; Dedication and Hard Work; Collaboration and Teamwork; Service to the Community. She stated the next planning session will be held March 7 in the council chambers beginning at 8:15 am.

8. Councilor Reports/Committee Updates.

a. Councilor Taylor reported that the Twin Transit Board is meeting frequently. They plan to try and hire a new manager on their own without using a search firm. Several resumes have already been received.

b. Councilor Lund reported he attended a council parks committee meeting. He thanked Public Works for alerting the steam train that they had an unusually large water consumption.

c. Mayor Dawes and City Manager Anderson attended a meeting with the Corps of Engineers; the Corp Colonel of this region will attend the April 5 mayors' meeting. On February 15, he testified on a bill that deals with the Firemen's Pension Fund. Mayor Dawes also attended another meeting with the Corp held recently in Centralia, and a ribbon cutting at the new Village Concepts facility for seniors. He passed along comments he had received about the Community Development Department that staff is very easy to work with and is very accommodating. The annual Firemen's Pension Board meeting was held February 20 to set the annual rates for the three remaining pre-LEOFF firefighters, and he attended the chamber's Business After Hours held at the Boys and Girls Club, and the EDC banquet.

There being no further business to come before the council, the meeting was adjourned at 6:31 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

March 7, 2019

The Chehalis city council met in special session on Thursday, March 7, 2019, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 8:15 am 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; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Hillary Hoke, Planning/Building Manager; Andrew Hunziker, Property/Facilities Manager; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director, Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; Don Schmitt, Street/Storm Superintendent; Chief; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. No members of the media 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 progress of the goals and six-month objectives from the last planning session held in August 2018. She introduced Marilyn Snider, a strategic planning facilitator with Snider and Associates, and Kiley Franz, who would be providing recording services.

Ms. Snider reviewed the city's mission statement, core values, and three-year goals. The current three-year goals were reaffirmed as still being relevant. She then led the group to identify:

- Strengths and accomplishments since August 2018
- Current internal weaknesses/challenges
- External factors/trends that may impact the city in the coming year, both positively and negatively
- Review and revise, if needed, the three-year goals
- Six-month objectives for each goal

The next six-month planning session was set for September 18, 2019.

There being no further business to come before the council, the meeting was adjourned at 1:55 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

March 11, 2019

The Chehalis city council met in regular session on Monday, March 11, 2019, 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. Chad Taylor arrived at 5:01 pm. 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; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; and Patrick Wiltzius, Wastewater Superintendent. No members of the media were present.

1. **Centralia-Chehalis Chamber of Commerce Update.** Executive Director Alicia Bull stated the chamber sits on property owned by the city, which the chamber leases, and she thanked the council for that support. She distributed a list of several 2018 activities, and the 2019 Visitors Center Marketing Plan showing how the chamber plans to use the lodging tax funds awarded by the council. She also presented the 2019 chamber business directory and a list of chamber-sponsored events. She noted that the chamber includes the city's logo on all posters/event information because of the city's sponsorship level. Recreation Park will again be the official stop for this year's Seattle to Portland bike ride, along with several other events and activities. In 2019, the chamber will work on a Choose Local Visitor Guide to include dining, shopping, playing, etc. They plan to revamp the chamber's website, and update their pad maps. She thanked those that came to the chamber banquet, as well as for the lodging tax funds awarded to the chamber. She stated it was exciting that Centralia was contributing the same amount as Chehalis. She thanked Councilors Ketchum and Lund for serving on the chamber board.

2. **Chehalis Basin Board.** Lewis County Commissioner Edna Fund distributed a copy of the "Flood Damage Reduction Actions Previously Considered" that was put together by the Chehalis Basin Board. It included a history dating back to 1931 of what had happened through the years to deal with flooding. Mayor Dawes stated there was still a lot of work to do, but having everyone on the same page provided optimism to get something done.

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

- a. Minutes of the regular meeting of February 25, 2019;
- b. February 28, 2019 Claim Vouchers No. 125133-125228 in the amount of \$173,694.96;
- c. February 28, 2019, Payroll Vouchers No. 40720-40755, Direct Deposit Payroll Vouchers No. 10462-10564, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 224-228 in the amount of \$786,365.64;
- d. Interlocal Agreement with Lewis County for backup building inspection and plan review services; and
- e. Maintenance Agreement with Lewis County Water & Sewer District #4.

The motion was seconded by Councilor Lund.

Councilor Spahr asked if Lewis County Water and Sewer District actually pertained to water. Patrick Wiltzius stated it did not. It was a title given by the county even though it doesn't relate to water.

The motion carried unanimously.

4. **Administration Reports.**

a. **City Manager Update.** City Manager Anderson stated a strategic planning session was held March 7. She noted 53 accomplishments were identified by the participants for work over the last six months. Participants also reviewed some opportunities, threats, and weaknesses, which were all used to put together objectives for the next six months. She thanked the council and management team for their active participation. City Manager Anderson passed out buttons to promote the Penny Playground project. She noted it was fun to see the schools participating in the promotion.

5. **Councilor Reports/Committee Updates.**

a. Councilor Taylor stated Twin Transit was holding a special meeting tomorrow. He thought things were moving in a positive direction.

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b. Mayor Dawes attended the I-5 Mixer and a mayors meeting. He, along with Council Taylor, met with Jean Fairgrieve who has been very interested in the goings-on at Twin Transit. She provided a lot of valuable insight. Mayor Dawes attended the strategic planning session that the city manager spoke about, as well as a .09 committee meeting. One was for an \$800,000 grant to the Port of Chehalis for a rail spur for a multi-county grain storage facility. Other grants were approved for recommendation to the county for Vader and Winlock. Another application that may be coming before the committee relates to a study by the University of Washington for a bio-refinery on IPAT property near TransAlta. Lastly, he attended a commissioners' meeting regarding Twin Transit. He was happy to report that the question about whether or not the boundaries of Twin Transit were expanded was put to rest – they have not been expanded.

c. Councilor Pope asked Mayor Dawes to again explain the difference between the funding for Penny Playground and taxes, as he did at the last meeting. Mayor Dawes stated there were some comments on Facebook that the council was choosing one department over another to do the project. The money being used for the Penny Playground is coming from grants that cannot be used for any other purpose. Other funds are lodging tax funds that are generated from hotel/motel taxes that are used for tourism. Very little, if any, General Fund money would be used for the project, other than some used in the initial planning.

6. **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 6:15 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 5:24 pm. The executive session began at 5:31 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:16 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

March 25, 2019

The Chehalis city council met in regular session on Monday, March 25, 2019, 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, Daryl Lund, and Bob Spahr. Chad Taylor arrived at 5:07 pm. Councilors Terry Harris and Dr. Isaac Pope were absent (excused). Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Hillary Hoke, Planning & Building Manager; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; and Dave Vasilauskas, Water Superintendent. Members of the news media included Will Rubin of *The Chronicle*.

1. **Port of Chehalis Update.** Chief Executive Officer Randy Mueller provided an update on Port activities.

Railroad: CCR&M (steam train) is nearly compliant with all legal and regulatory requirements of the Port and various railroad regulators. With just \$5 million in insurance coverage, the Port believes the CCR&M is insufficiently insured to cover Port assets, but increasing the coverage is financially unfeasible for the CCR&M. He stated the insurers for the city and the Port do not cover anything train-related, so any claims beyond the coverage amount would likely bankrupt both the city and Port. The Port is preparing to transfer the Curtis Rail Line out of Port ownership. If the city wanted to join the Port and “get out of the train business,” now would be the time. The city could transfer its rail assets to the Port for eventual sale with the rail line.

Construction: The Port will sign a construction contract this week to build its first new building in 20 years, with construction starting in the spring and finishing in the fall. The building is located at 105 McBride Court in the cul-de-sac behind the port offices and will have space for multiple small businesses. The Port is talking with multiple future tenants. Special thanks to Mayor Dawes for his leadership and support on the county’s Distressed Counties (.09 fund) committee. The city has been a consistent supporter of Port projects, which is greatly appreciated. Watch for an announcement soon about the name of the building.

RE Bennett and Cascade Schools: The project team began work on a feasibility study for renovating and repurposing the school properties. Last week Mr. Mueller accompanied the architectural and engineering team inspecting the roof, foundation, and everything in between at RE Bennett. It will be about four to six months to get the results of the study, along with detailed renovation costs for a few different types of uses.

Airport: For about a year now, city and Port staff have been talking about working together to better attract new commercial development at the airport. Both have common interests in seeing job growth in Chehalis, and each of the organizations has unique strengths. The Port has interest in working with the city in two main areas – a future airport office park to capitalize on the convenient freeway access and nearby amenities, and aviation-related industrial space such as commercial hangars and aviation-related light manufacturing. A business model for such an arrangement would be the development of an agreement where the Port leases areas in the city’s airport master plan. The Port would then develop and sublease the areas, with the city and Port splitting the proceeds after expenses. Work to refine these ideas will continue with direction from the council and the Port commission.

Mayor Dawes stated the project related to the .09 funding was a great project and multi-county effort. He stated a partnership between the Port and the airport would be exciting.

Councilor Spahr asked if the FAA required proceeds at the airport to stay with the airport. City Attorney Hillier stated the city could lease to the Port, and the Port would then sublease, which is no different than what is currently happening out there.

Mr. Mueller understood the airport was an enterprise fund. What they were looking at was job creation and any money would go back into airport property for future development. He stated they are looking at various models.

2. **Tree City USA Designation.** Pete Hammer (322 NE Washington Avenue, Chehalis) requested that the council consider becoming a Tree City USA through the National Arbor Day Organization. He cited several benefits that trees provide. Mr. Hammer stated there were four standards required to receive the designation – a tree board or department, which could include citizens and/or city officials; a tree care ordinance; a community forestry program with an annual budget of at least \$2 per capita; and an Arbor Day observance and proclamation.

Mayor Dawes asked if the city’s poplar tree plantation would count for the forestry program standard. Mr. Hammer believed it would.

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Mayor Dawes stated it was sometimes difficult to get people to serve on committees. He asked City Manager Anderson to follow up with Mr. Hammer.

3. **5G Technology.** Galilee Carlisle (635A Lost Valley Road, Chehalis) spoke about the proposed 5G technology. Ms. Carlisle stated she has done over 10 years of research and education on the impacts of digital technology on human health and behavior. She hoped that the cities of Chehalis and Centralia would let her present a longer presentation to help problem-solve and strategize in greater depth. She indicated that FCC radiation guidelines that regulate the siting of wireless antennas had not been changed since 1996, but what has changed was our exposure to wireless technology, which impacts human health and behavior. Doctors and scientists are saying it should be held off until other studies could be done, and many cities have passed resolutions to void the FCC regulations on siting antennas until further health studies could be done. Ms. Carlisle provided information to give the council additional background about 5G.

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

- a. Minutes of the special meeting of March 7, 2019;
- b. Minutes of the regular meeting of March 11, 2019;
- c. March 15, 2019 Claim Vouchers No. 125229-125378 and Electronic Funds Transfer No. 22019 in the amount of \$397,003.15;
- d. Resolution No. 4-2019, first and final reading – declaring property to be surplus;
- e. Engineering services agreement with Kennedy Jenks in the amount of \$81,327 for design of the Chehalis River raw water pipeline;
- f. Shared services agreement for equipment and personnel rental; and
- g. Discontinue interlocal agreement with Lewis County for fire investigation services.

The motion was seconded by Councilor Lund.

Mayor Dawes wanted to make it clear that the discontinuance of the interlocal agreement with Lewis County for fire investigation services was due to staffing and no kind of dispute between the entities. He stated that once personnel that can do fire investigations was back up, it was certainly something that could be reexamined.

The motion carried unanimously.

5. **Amendments to Right-of-Way Permit Requirements.** Hillary Hoke stated that in December, the council directed staff to temporarily suspend the right-of-way permit fee of \$100 for signs and temporary uses until such time as code revisions could be drafted. The current code provides the following:

- Disturbance of Right-of-Way (construction activities) - \$50
- Short-Term and Temporary Use of Right-of-Way (less than 30 days) - \$50
- Long-Term and Permanent Use of Right-of-Way (permanent or more than 30 days) - \$100

Housekeeping Changes:

- Current code: Gives discretionary authority to City Manager for cash deposit and/or insurance requirements on a case-by-case basis.
Proposed change: At the recommendation of WCIA, all right-of-way uses should require standard commercial general liability insurance.
- Current code: City Manager listed as authority for reviewing, granting and/or denying ROW permits.
Proposed change: List City Manager or authorized designee.

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- Current code: Identifies specific departments responsible for adoption of policies and enforcement.
Proposed change: Delete references to specific departments. Responsibilities and enforcement can involve coordination with several different departments.

Major Changes:

- Right-of-way use permits for short-term temporary use of rights-of-way may be issued for activities that will not physically disturb or alter the right-of-way, but require the closure of a public street during such periods of time.
- Use of rights-of-way for structures and activities that involve short-term and temporary uses that require the closure of a public street must obtain this type of permit.
- The short-term and temporary uses requiring a public street closure include, but are not limited to, festivals, parades, street dances, concerts, etc.

ROW Permit Fees:

- For Disturbance of Right-of-Way Permit (construction activity) - \$50.
- For Short Term and Temporary Use of Right-of-Way Permit Not Requiring Public Street Closure - No Fee.
- For Short Term and Temporary Use of Right-of-Way Requiring Street Closure - \$100 fee per occurrence.
- For Long Term and Permanent Use of the Right-of-Way Permit - \$100 annual fee.

Changes to CMC 17.93.040.B(1):

- Current code: Restricts sandwich board signs to Central Business District only.
Proposed change: Allow sandwich board signs in any commercial zone where adequate space is available.

Councilor Spahr moved that the City Council approve the proposed changes to CMC 12.56, 17.93.040, and Appendix Chapter A, and direct staff to proceed with the CMC amendment process. The motion was seconded by Councilor Lund and carried unanimously.

6. Councilor Reports/Committee Updates.

a. Councilor Taylor stated around 65 applications for a new Twin Transit general manager are under review.

b. Mayor Dawes, along with Councilor Harris, attended the 2017 audit exit conference, and Business After Hours at Rainier Connect. He congratulated the staff involved on the WellCity committee in earning WellCity recognition once again, a designation that saves two percent on the city's medical premiums.

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)(g) – Review Performance of a Public Employee; and 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. Mayor Dawes closed the regular meeting at 5:41 pm. The executive session began at 5:45 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: _____

April 8, 2019

The Chehalis city council met in regular session on Monday, April 8, 2019, 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 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; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media included Will Rubin of *The Chronicle*.

1. **110th SWW Fair.** Todd Mason, Citizens Advisory Committee Member, spoke about the 110th edition of the fair. This year's theme is "Happy as a Hen, Come Celebrate 110!" The committee is trying to get the community more involved, increase attendance, and determine what is important to people about the fair. Each year they try to come up with different ideas. This year there will be a "red neck" competition; the first annual fair retail window display content; and a parade down the midway on opening day. Mr. Mason invited everyone to the April 23rd kick-off meeting at 5:00 pm in the Community Events Building.

2. **Introduction of Joe Clark.** Councilor Taylor introduced Joe Clark, the new Director of Transit Services, who was chosen from over 65 applicants. Mr. Clark stated he was honored and privileged to accept the position. He believed this was an opportunity to really change how we view and use public transportation.

Mayor Dawes hoped the first thing that Twin Transit worked on was to make the system the best it could be within existing boundaries, and that a future transit site was built for our needs with idea of future expansion. He encouraged the board to speak with the firm used to hire the former Transit manager to seek some type of reimbursement. Councilor Taylor stated that was something they would certainly pursue.

3. **National County Government Month.** Lewis County Commissioner Edna Fund stated April was "I Love County Government Month." She stated that earlier today, the Board approved a distressed county application for a grain terminal at the Port of Chehalis. She noted that Lewis County was number one in the state for Christmas tree sales, and poultry and egg sales.

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

- a. Minutes of the regular meeting of March 25, 2019;
- b. March 29, 2019 Claim Vouchers No. 125379-125514 in the amount of \$233,778.03;
- c. March 29, 2019 Payroll Vouchers No. 40756-40795, Direct Deposit Payroll Vouchers No. 10565-10668, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 229-233 in the amount of \$889,477.87;
- d. Engineering services contract with Jacobs Engineering Group in the amount of \$35,000 to address air emissions at the Chehalis Regional Water Reclamation Facility;
- e. Supplemental agreement with Skillings Connolly, Inc., in the amount of \$8,508 related to the Recreation Park Renovation Ballfield Project;
- f. Joint agreement with the Chehalis Foundation for facility planning, design development, and fundraising for the Recreation Park Improvement Project; and
- g. Agreement with Lexipol for conversion of fire department policies and ongoing policy management services.

The motion was seconded by Councilor Lund.

With regard to item "d," Councilor Harris asked if there were new standards for hydrogen sulfide and chloroform. Mr. Wiltzius stated they were original standards. When the city went through the permitting process for building the treatment plant, organizations had various requirements. The facility has been unable to meet some of the permit limits of the Southwest Clean Air Agency (SWCAA) relating to operating the odor control system and the division's emergency generators. It also requires that the influent wastewater be tested for hydrogen sulfide and chloroform. The process being proposed should address the permit requirements.

The motion carried unanimously.

April 8, 2019

5. **Ordinance No. 997-B, First Reading – Amending the 2019 Budget.** Chun Saul provided an overview of the proposed budget amendment for all city funds; an update on the General Fund 2018 ending fund balances (2018 budget to actual); recommendations for assigning General Fund balances; and an overview of the proposed budget amendment for the General Fund.

Mayor Dawes noted the \$3.4 million were total funds and a majority of those funds were Enterprise Funds that could only be used for certain purposes.

Councilor Taylor asked if money in specific reserve funds was considered part of General Fund reserves. Ms. Saul stated the GFOA Best Practice did not include funds in specific reserves.

Councilor Spahr moved to pass Ordinance No. 997-B on first reading. The motion was seconded by Councilor Taylor and carried unanimously.

6. **Wastewater Superintendent Position Incentives.** City Manager Anderson stated the city has had difficulty trying to find a replacement for retiring Wastewater Superintendent Patrick Wiltzius. Six applications were received after an extensive recruitment, and neither of the two candidates interviewed were a good fit. She explained that a high percentage of level 4 operators were nearing retirement, so the administration has been looking at incentives that might entice candidates to apply. The city has historically offered travel costs to potential interview candidates, and City Manager Anderson stated the first part of her request was to authorize a \$7,500 moving allowance to help attract a replacement as part of a second recruitment that will also expand the search to level three operators who could fulfill the requirements for obtaining level 4 certification.

The second part of the request was to offer a 10% salary increase (approximately \$800 a month) to the current Superintendent to extend his retirement for up to one year. City Manager Anderson stated the council budget committee discussed the proposal and had legitimate concerns about setting a precedent of providing incentive pay to retain an employee and the impact on other members of the management staff. They generally agreed that having the discussion about offering the incentive pay outweighed having a temporary contract with a consultant or other agency to manage the department, and to have staff in flux.

Councilor Ketchum thought it was a good plan and the right thing to do, and wasn't concerned about setting a precedent. Councilor Taylor agreed.

Councilor Spahr stated he didn't have any problems with the request, and thought several cities were in similar situations.

Councilor Lund thanked Patrick Wiltzius for his willingness to stay on and agreed with the City Manager's plan.

Councilor Harris stated he fully supported the situation, but also understood the potential difficulties that would have to be dealt with when they come.

Councilor Pope thanked Patrick Wiltzius and supported the process.

Mayor Dawes stated he understood the business aspect of the situation, but had concerns with what could happen down the road. If these types of positions are in such demand nationwide, how do you keep people in Chehalis. He was also concerned about offering \$7,500 in moving expense. Someone could stay for only six months and leave, and the city would be out that, as well. He wished a name would not have been put to the issue, as this was a position issue.

Councilor Pope asked if a college degree was necessary for the position. Mr. Wiltzius stated not necessarily. It can be the equivalent of education and training. Councilor Pope suggested the school system should consider offering these types of trainings.

Mayor Dawes asked what other cities pay their level 4 operators. Mr. Wiltzius stated he did not know the answer, but thought that Chehalis was in line or pretty close to what other cities pay.

April 8, 2019

Councilor Ketchum moved to authorize providing the Wastewater Superintendent incentive pay of 10% of the gross monthly salary for up to a year, beginning with the April 25, 2019 payroll period; and authorize the City Manager to expend up to \$7,500 for relocation assistance if the selected candidate needs to move from out of the area to Chehalis to accept the position. The motion was seconded by Councilor Spahr and carried unanimously.

7. Administration Reports.

a. **City Manager Update.** City Manager Anderson highlighted a few of the six-month objectives set for the goals that were reestablished at the March 7 strategic planning work session:

- Maintain and enhance financial stability: annexation procedures and utility rate study
- Enhance and modernize technology: look at using more security cameras; software to increase payment options for customers and vendors
- Increase and optimize staffing levels: employee recognition and training programs
- Improve and maintain the infrastructure:
 - Streets: TBD and other street projects – identify long-term project opportunities and constraints
 - Sewer: start construction of the Riverside Forcemain Project
 - Water: identify alignment of Chehalis Raw Water Line Replacement
 - General: Beautification Plan
- Enhance and maintain facilities:
 - Recreation Park: Secure loan and go out to bid for construction this summer
 - Dispatch Center: Work with County to pursue feasibility study to evaluate regionalization with TCOMM in partnership with Centralia and RFA
 - Fire Station: Identify site for a new station; engage consultant for a feasibility study for annexation

Mayor Dawes asked if there was any timeline from the county relating to their interest in pursuing regionalization with TCOMM. Commissioner Fund indicated that County Manager Martin has been working with City Manager Anderson on this issue, and he will be providing a report to the county commissioners in the near future. City Manager Anderson stated she committed to the county manager that she would bring a funding proposal to the council once the scope of work for a feasibility study was completed.

8. Councilor Reports/Committee Updates.

a. Councilor Harris has heard concerns from citizens about McFadden and Dobson Parks related to homeless individuals occupying the area. One citizen asked if a sign could be placed at the trailhead so that people know what they're walking into. Another issue brought to his attention was that Catholic Community Services (CCS) is located along National Avenue near a particular type of business, and there is concern about whether or not they are actually sober when they leave the business. CCS has had two of their vehicles totaled. Unfortunately, law enforcement had to explain to them that it was private property and there wasn't a lot that could be done on private property, but it's a situation where the marijuana facility is impacting things.

b. Councilor Pope had several people talk with him about sidewalks, specifically the lack of sidewalks in the Snively area and kids walking to the new schools. He stated installing sidewalks down Snively has been discussed in the past, but residents would have to give up some of their parking. A sidewalk connecting the school to the swimming pool has also come up.

c. Councilor Spahr thanked Councilor Harris for bringing up the issue regarding McFadden and Dobson parks. He wondered if the Beautification Committee could discuss this. He stated it was an issue that needed to be addressed regionally.

d. Councilor Taylor stated there is an area along the hillside near National Avenue and Coal Creek Road that looks like a landfill. He agreed it was an issue, and also understood that law enforcement's hands are sometimes tied as to what can be done. He stated he had also received reports of people living in motorhomes next to the mission on Chehalis Avenue.

April 8, 2019

e. Councilor Ketchum stated the historical museum was holding clean-up days at 9:00 am on April 13 and 20.

f. Mayor Dawes added a budget subcommittee meeting, and a mayors meeting that included the section Colonel from the Corps.

There being no further business to come before the city council, the meeting was adjourned at 6:23 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

April 22, 2019

The Chehalis city council met in regular session on Monday, April 22, 2019, 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; Hillary Hoke, Planning & Building Manager; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; and Don Schmitt, Street/Stormwater Superintendent. Members of the news media included Will Rubin of *The Chronicle*.

1. **Proclamation – Administrative Professionals Week.** Mayor Dawes read a proclamation in recognition of Administrative Professionals Week – April 22-26. He expressed appreciation to all of the city’s administrative professionals.

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

- a. Minutes of the regular meeting of April 8, 2019;
- b. April 15, 2019 Claim Vouchers No. 125515-125663 and Electronic Funds Transfer Nos. 32019 and 42019 in the amount of \$431,917.81;
- c. Appointments of Peter Hammer and Michele Gallagher to the Historic Preservation Commission for three-year terms expiring April 22, 2022;
- d. Set May 13, 2019 at 5:00 pm to conduct a public hearing on the city's 2020-2025 Six-Year Transportation Improvement Program; and
- e. Resolution No. 5-2019, first and final reading – declaring property to be surplus.

The motion was seconded by Councilor Lund.

Michele Gallagher and Peter Hammer introduced themselves and thanked the council for their appointments to the Historic Preservation Commission.

The motion carried unanimously.

3. **Ordinance No. 997-B, Second and Final Reading – Amending the 2019 Budget.** City Manager Anderson stated a full presentation on the proposed budget amendment was provided at the April 8 council meeting. She noted there were no changes since first reading and noted staff would be happy to address any questions.

Councilor Ketchum moved to pass Ordinance No. 997-B on second and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

4. **Administration Reports.**

a. **Finance Report.** Chun Saul provided the 2019 first quarter finance report, which focused on 2019 first quarter operating results; budget to actual comparison; citywide total for all funds combined; general overview of revenues, expenditures and fund balance summary, revenues by source – budget to actual and trend, and expenditures by department – budget to actual; and overview of Enterprise Funds overview. Ms. Saul also provided a treasurer’s report. She noted the city operated within normal budget parameters during the first quarter.

b. **City Manager Update.** City Manager Anderson stated the administration would be watching sales tax trends since it makes up more than half of the General Fund budget. With the adoption of the first budget amendment, the city is just at its 10% reserve policy.

5. **Councilor Reports/Committee Updates.**

a. Councilor Lund stated the city-owned steam train is in need of repairs, taking it out of service this season; however, Councilor Lund has a friend who has a steam engine and they are working out a lease to bring it on board. The engine is known as the “chicken” as it stood outside a chicken restaurant for many years. He noted the Easter train runs had over 1,000 riders.

April 22, 2019

b. Councilor Spahr attended the funeral service for Jack Aselton, a former Chehalis police officer.

c. Mayor Dawes attended the Transportation Strategy Council meeting and the funeral service for Jack Aselton.

There being no further business to come before the city council, the meeting was adjourned at 5:35 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

May 13, 2019

The Chehalis city council met in regular session on Monday, May 13, 2019, 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; Hillary Hoke, Planning & Building Manager; 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, HR/Risk Manager; Don Schmitt, Street/Stormwater Superintendent; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager, and Patrick Wiltzius, Wastewater Superintendent. Members of the news media included Will Rubin of *The Chronicle*.

1. **Public Hearing – 2020-2025 Six-Year Transportation Improvement Program (TIP)**. Mayor Dawes recessed the regular meeting and opened the public hearing at 5:00 pm.

Don Schmitt stated that over the last few years there had been added significance to these presentations now that there are funds from the Transportation Benefit District. He provided an overview of projects in design and/or construction this year under the current TIP, along with proposed projects under the 2020-2025 TIP to be completed in 2020 and 2021.

Mayor Dawes asked what happened to moving the entrance/exit on Louisiana Avenue at the Twin City Town Center. City Manager Anderson stated the property owner was trying to facilitate a lease for property at the southern end of the Town Center to make that project happen.

Mr. Schmitt stated new weight restriction postings for the Chamber Way bridge over the railroad tracks were up. Cost estimates for the replacement of the bridge were \$34 million for a four-lane bridge and \$20 million for a two-lane bridge. He noted the maximum grant funds available were \$12 million. He noted that Transportation Improvement Board funding included urban arterial and arterial preservation funds, both of which have a 10% local match requirement. Mr. Schmitt stated that as of April 30, 2019 the current TDB Fund balance was just over \$1.45 million. Estimated revenue for the remainder of 2019 and all of 2020, along with estimated costs (engineering/ construction/local matches), the estimated 2020 ending fund balance would be just a little more than \$58,000. He noted the estimates did not include the cost of any local matches for the Chamber Way bridge or Market Boulevard project.

Councilor Harris noted that signage should go up with every project to let people know what TBD dollars are being used for.

Mayor Dawes state Market Boulevard wasn't scheduled to get anything done until 2024. Unless maintenance was done, he did not think the road would make it that long. He stated several sections were not acceptable.

Mayor Dawes called for public comment on the proposed 2020-2025 Six-Year TIP. There being no public comment, the public hearing was closed at 5:21 pm and the regular meeting was reopened.

Councilor Spahr moved to direct the administration to prepare a resolution for consideration at the June 10 City Council meeting to adopt the 2020-2025 Six-Year Transportation Improvement Program. The motion was seconded by Councilor Pope and carried unanimously.

2. **Well City Award Recognition**. Mayor Dawes recognized and presented certificates to the city's Wellness Committee members, including Judy Schave, Julie Hampson, Brandon Rakes, Samantha Thayer, Lloyd Gruginski, and Tracey Cox. He stated the award provides a two percent reduction in the city's health insurance premiums. Judy Schave stated the program is to promote a healthy lifestyle. Upcoming programs include food baskets from the Community Farmers Market, an employee interest survey, Leap the Levee 5K fun run/walk on June 15, the Centralia to Chehalis Bike Ride on July 20, and an employee picnic this summer.

3. **Proclamation – Police Week**. Mayor Dawes read and presented a proclamation to Chief Schaffer in recognition of Police Week – May 12-18. He thought it was important to support law enforcement officers every day of the year for the difficult job they do. Chief Schaffer asked everyone to remember the Rick Silva family as June 18 approaches, which marks four years since Officer Silva passed.

4. **2019 Discover Lewis County Farm Bureau Farm Guide**. Commissioner Edna Fund distributed the 2019 Farm Bureau Farm Guide, which includes several places to eat fresh, local food.

May 13, 2019

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

- a. Minutes of the regular meeting of April 22, 2019;
- b. April 30, 2019 Claim Vouchers No. 125664-125787 in the amount of \$260,145.35;
- c. April 30, 2019, Payroll Vouchers No. 40796-40830, Direct Deposit Payroll Vouchers No. 10669-10773, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 234-238 in the amount of \$800,945.29;
- d. Award bid for construction of Riverside Force Main Replacement Project to C&R Tractor and Landscaping in the amount of \$633,785.60;
- e. Amendment No. 1 to the engineering services agreement with Gibbs & Olson for the Riverside Force Main Replacement Project for construction management services in the amount of \$82,500;
- f. Engineering services agreement with SCJ Alliance for design of a new high-level water reservoir pump station in an amount not to exceed \$182,100.80;
- g. Change Order #4 in the amount of \$19,195.68 for the National Avenue Slide Restoration Project;
- h. Consider cancelation of May 27, 2019 City Council meeting; and
- i. Refund of right-of-way occupancy permit fees for temporary uses.

The motion was seconded by Councilor Taylor.

Councilor Spahr pointed out that some of the costs associated with the change order for the National Avenue road project were due to damage. He stated there were photos of some of the damage being done and asked if there was any way to track those individuals down and go after their insurance. Chief Schaffer stated he didn't know if they could go after their insurance, but he would certainly take a look at the photos.

Councilor Harris asked how long the roadway would be shut down to install the curbing on National Avenue. Don Schmitt estimated one to two work days.

Councilor Harris stated the bid for the Riverside Force Main project was significantly less than the other bids. Patrick Wiltzius stated the bid was reviewed by Gibbs & Olson and after checking references, they recommended awarding the bid, which was also reviewed by the city attorney's office. Mr. Wiltzius noted staff was also comfortable with all of the subcontractors to be used on the project.

Councilor Spahr stated the Riverside Force Main project would replace a 10-inch line with a 14-inch line and asked how much capacity that would provide for the future. Mr. Wiltzius stated he didn't have the exact capacity information in front of him, but noted it was evaluated as part of the project and was sufficient for current conditions.

The motion carried unanimously.

6. **Interlocal Agreement with Lewis County Fire District 6 for Extended Use of Fire Station Facilities.** City Manager Anderson stated the city's fire personnel and equipment were relocated to the District's facility last August due to asbestos being uncovered at the city's fire station. The stay was thought to be temporary; however, structural issues were found, and it was decided not to move the city's fire personnel back into the building. City staff have been working with District 6 on a long-term contract. In tracking the costs associated with having the city's fire personnel at District 6, the District found that the current rate of \$1,400 per month was not sufficient long-term. The proposed agreement provided for a monthly rental amount of \$3,000 retroactive to January 2019. The city would have 60-days' notice to terminate the agreement, and it provided appropriate indemnifications. City Manager Anderson stated the agreement was reviewed by the city attorney, city staff, and WCIA.

Councilor Harris moved to approve the Station Use Interlocal Agreement with LCFD #6 and authorize the City Manager to execute the agreement. The motion was seconded by Councilor Pope and carried unanimously.

May 13, 2019

7. Police Department Records Technician, Evidence, and Parking Enforcement Positions. Chief Schaffer reviewed the civilian positions in the department, which included two records technicians at a 15A on the pay scale; one evidence/parking enforcement officer at a 16A; one administrative assistant at 17A; and one community services officer at an 18A. The workload and responsibilities of the records technicians have increased, and the job is nothing like it was 10 to 15 years ago. Chief Schaffer stated that over the last 10 years, several tasks performed by the records technicians were identified as having a moderate to significant increase in responsibility and time, specifically the National Incident Based Reporting System, concealed pistol license and pistol transfers, file purging, press releases, and public records requests. Additional responsibilities and new mandates include use of a statewide computer system called ACCESS. One records technician is in charge of training, rule adherence, security, audits, and user certification for ACCESS. The other records technician is in charge of SPILLMAN, which requires administrative authority, training, and meetings. In addition, the records technicians receive all phone calls and provide front counter services. Chief Schaffer stated that effective July 1, 2019, new state mandates take effect with how firearms are sold and purchased, and it is anticipated that these new mandates will increase this task substantially.

Councilor Pope asked if the city charged a fee for background investigations. Chief Schaffer stated the department only charges for finger-printing. He stated he would check to see if the city could statutorily charge a fee.

Chief Schaffer stated the current evidence custodian/parking enforcement officer position was currently vacant, which opened an opportunity with the additional tasks the records technicians have to complete. He requested raising the salary of the records technician position from 15A to 17A.

City Manager Anderson added the nature of the work that's been done over the last decade has changed from a clerical nature to administrative work that requires analysis and decision making that complies with state law.

Councilor Taylor stated it seemed that several positions throughout the city start out as one thing and a lot more work is added over the years. City Manager Anderson believed that had happened, particularly with the "clerical positions." There are very few positions in today's work place that don't require the ability to work independently. In addition to the records techs, the court staff and city clerk are daily faced with meeting deadlines established by the state, and that require the ability to analyze data and state law and apply that independently. Those positions have traditionally been low paid because they used to be considered "clerical" and not necessarily important. One reason this item was being brought to the council now was because of the opening of the parking enforcement officer position. Typically, these requests happen through collective bargaining or through the budget process.

Mayor Dawes stated there were a lot more burdens placed on local governments by the state with no money.

Chief Schaffer stated the second proposal was to create an evidence/records technician position at a 16A. The current evidence/parking position would be eliminated. The final proposal was to create a part-time parking enforcement officer at a 15A. Chief Schaffer stated parking complaints, abandoned vehicles, and other issues outside the downtown core area have been shifted to the community services officer. The approximate annual fiscal impacts of the proposal were:

- Records technician position salary increase for two employees – \$9,200
- Part-time parking enforcement officer – \$26,530, including benefits
- Evidence/Records position – no new financial impact.

Councilor Taylor moved to approve a salary increase for the Police Records Technician position from a 15A to a 17A; the elimination of the Parking/Evidence Technician position; the creation of Records Assistant/Evidence Technician at a 16A; and the creation of a part-time Downtown Parking Enforcement Officer at a 15A. The motion was seconded by Councilor Lund and carried unanimously.

Mayor Dawes requested that Chief Schaffer be prepared to talk about parking fees during preparation of the 2020 budget.

8. Administration Reports.

a. Recreation Park Project Update. Lilly Wall stated staff received confirmation that the project received two state grants and one federal grant totaling \$1,350,000, along with a \$250,000 capital request endorsed by Rep. DeBolt. She stated

May 13, 2019

the city was fortunate to have the support of Rep. DeBolt and Sen. Braun representing the 20th District. Staff was working with the Recreation Conservation Office who was reviewing various construction elements of the project. She believed construction would begin in August as scheduled. Fundraising for the community portion has begun. The project was the recipient of the Lewis County Rotary Auction, and a fence-penny fundraising campaign was underway. "Pennies" can be purchased for \$100. Chehalis Foundation members are currently visiting local service clubs. This Sunday, May 19, the time capsule reveal will begin at noon. Ms. Wall thanked the council for their support of the project.

b. **City Manager Update.** City Manager Anderson recognized Lilly Wall and Tracey Cox for their work on the Rotary auction, and Rotary for selecting the Recreation Park project for the auction.

9. **Councilor Reports/Committee Updates.**

a. Councilor Harris stated Connie Bode attended the last CCRT meeting and also recognized Lilly Wall, specifically for her grant presentations to the Legislature about the Recreation Park project.

c. Mayor Dawes attended a mayors' meeting where dispatch issues were discussed, and the Rotary auction. Mayor Dawes stated a bill that he worked on with Senator Braun regarding the Firemen's Pension Fund was passed during the legislative session. The city collects 22.5 cents per 1,000 to fund pre-LEOFF firefighters. After 1970, the LEOFF I retirement system was created and retirees under this plan (both police and fire) have a benefit where medical costs are covered for life, but there was no funding mechanism for those benefits like there was for the pre-LEOFF firefighters. He worked with Senator Braun to continue the collection of the 22.5 cents once there are no longer any pre-LEOFF retirees, which funds would be dedicated to the use of LEOFF I responsibilities until there are no longer any LEOFF I responsibilities. After that time, anything left in the fund could be used for any other city purpose. He stated the bill was signed by the Governor last week.

10. **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; RCW 42.30.110(1)(b) – Selection of Site or Acquisition of Real Estate; and RCW 42.30.110(1)(g) – Review Performance of a Public Employee, not to exceed 7:10 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:21 pm. The executive session began at 6:23 pm. At 7:10 pm, Mayor Dawes announced the executive session would continue until 7:20 pm. At 7:20 pm, Mayor Dawes announced the executive session would continue until 7:30 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 7:30 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

June 10, 2019

The Chehalis city council held a special training session on Monday, June 10, 2019, at 4:00 pm in the Chehalis city hall. Those in attendance included Mayor Dennis Dawes, and Councilors Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; and Caryn Foley, City Clerk. Morgan Damerow, Washington State Assistant Attorney General provided Public Records Act training for elected officials. The training session concluded at 4:59 pm. Mayor Dawes announced that the council would take a short break before convening into the regular meeting.

The regular meeting of Monday, June 10, 2019, was called to order by Mayor Dawes at 5:06 pm. Additional staff members present included: Ken Cardinale, Fire Chief; Bill Hillier, City Attorney; Hillary Hoke, Planning & Building Manager; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Don Schmitt, Street/Stormwater Superintendent; and Dave Vasilauskas, Water Superintendent. Members of the news media included Will Rubin of *The Chronicle*, and Steve George with KMNT Radio.

1. **Recognition of Chehalis Water Department.** Mayor Dawes presented a Silver Certificate of Achievement to the Chehalis Water Department for attaining the filtered water turbidity optimization goal of 0.10 NTU or less for five continuous years, 2014-2018. The certificate was issued by the Office of Drinking Water of the Washington State Department of Health.

2. **Recognition of Rick Sahlin, Public Works Director.** Mayor Dawes read and presented a proclamation and gift honoring Rick Sahlin upon his upcoming retirement after 37 years with the city. Mayor Dawes and City Manager Anderson both spoke very highly of Rick's long career with the city, especially the institutional knowledge that can't be replaced. City Manager Anderson presented Rick's wife, Nikki, with flowers in thanks for her support of Rick's time with the city. An open house will be held on Friday, June 21, from 11:00 a.m. to 2:00 p.m. at the V.R. Lee Community Building to honor Rick and to celebrate his birthday!

3. **Barn Bash and TestIT Mobile App.** Commissioner Edna Fund stated the 2nd Annual Barn Bash is June 15 from 7:00 p.m. to 11:00 p.m. at the fairgrounds. Barn Bash is a fundraiser hosted by the SWW Fair Association to raise funds for youth ribbons that are awarded to 4-H kids. Commissioner Fund also announced a new app called TestIT to identify areas with low or no connectivity to help ensure adequate funding for broadband infrastructure across the country. She stated that Lewis County does not have good broadband, and it is estimated that it could cost upwards of \$1.5 million for total connectivity. Documentation is needed to show that the county does not provide access for everyone.

4. **Consent Calendar.** Mayor Dawes noted that Consent Calendar item, "Award bid to Anderson Poolworks for the Shaw Aquatics Center Pool Resurfacing project in the amount of \$285,215.20" would be moved to New Business.

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

- a. Minutes of the regular meeting of May 13, 2019;
- b. May 15, 2019 Claim Vouchers No. 125788-125927 and Electronic Funds Transfer Nos. 52019 and 420191 in the amount of \$1,232,369.41;
- c. May 31, 2019 Claim Vouchers No. 125928-126037 in the amount of \$165,524.98 and voided Check No. 125814 in the amount of \$770.00;
- d. May 31, 2019, Payroll Vouchers No. 40831-40870, Direct Deposit Payroll Vouchers No. 10774-10886, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 239-243 in the amount of \$817,092.33;
- e. Discontinuance of interlocal agreement with the city of Vader for fire investigation services;
- f. Discontinuance of interlocal agreement with the city of Winlock for fire investigation services;
- g. Lewis/Grays Harbor Ambulance Service Consortium Interlocal Agreement;
- h. Lewis/Grays Harbor County Ambulance Service Consortium Ambulance Transport Services Contract;

June 10, 2019

- i. Set June 24, 2019 at 5:00 pm to conduct a public hearing on the city's water use efficiency plan;
- j. Award engineering services agreement to Skillings Connolly for the Kresky Avenue resurfacing project in the amount of \$66,000;
- k. Resolution No. 8-2019, first and final reading - set date and time of July 22, 2019 at 5:00 pm for a public hearing on petition to vacate a portion of NW North Street;
- l. Professional services agreement with Dr. Peter McCahill to provide Lewis County medical program director services; and
- m. Appoint City Manager Jill Anderson as the city's voting delegate to the 2019 AWC annual business meeting.

The motion was seconded by Councilor Lund and carried unanimously.

5. Award Bid to Anderson Poolworks for the Shaw Aquatics Center Pool Resurfacing Project in the Amount of \$285,215.20. Trent Lougheed stated three bids were received: 1) Cascade Industrial Services – \$186,653.11; Anderson Poolworks – \$285,215.20; and Lee Contractors – \$387,632.99. After careful review of the bids and a cost-benefit analysis, staff was recommending awarding the bid to Anderson Poolworks whose proposal was to plaster the pool instead of epoxy/painting it. Mr. Lougheed noted that plastering is now the preferred method over painting. He explained that plastering the pool was expected to last 15 to 20 years. He stated Anderson Poolworks had very good references and 25 years of experience. He reiterated that plastering is now the preferred method because of the potential of paint failure, having to drain the pool every four years to repaint, and then refilling the pool, which is costly and a loss of resources, as well. Over a 20-year period, plastering would cost about \$511,000, while painting would cost about \$745,000. Mr. Lougheed stated funding for the project would come from the General Fund, Lodging Tax Fund, and Public Facilities Reserve Fund (REET and general reserves). A five percent contingency fund was also being recommended.

Councilor Spahr asked about the durability of plaster and guarantees. Mr. Lougheed stated plastering used to not be the preferred method, but new technology, such as binders and fibers, makes it the preferred method. He noted the contractor had to meet the warranties included in the bid specifications.

Councilor Pope asked what the existing pool had now. Mr. Lougheed stated it was paint on top of concrete, which has failed.

Councilor Taylor asked about the bid process used. Mr. Lougheed stated staff used a request for proposal process, so bidders were not required to bid on a specific scope of work.

Councilor Ketchum expressed appreciation for the review and recommendation of staff. Mayor Dawes echoed Councilor Ketchum's comments. He asked that the project be monitored after completion to ensure the process holds up and staff is on top of it, to make sure that any needed work is taken care of under the warranty.

Councilor Lund asked if there were plans to set up a fund to begin setting aside funds for the next time the project needs to be done. Mr. Lougheed stated setting aside \$10,000 per year would provide \$150,000 in 15 years.

Councilor Ketchum moved to award the bid for the Shaw Aquatics Center Pool Resurfacing Project to Anderson Poolworks in the amount of \$285,215.20; to authorize a project contingency of \$14,261; and to authorize the City Manager to execute change orders not to exceed the total project budget including, the contingency allocation. The motion was seconded by Councilor Pope and carried unanimously.

Councilor Pope asked if the Chehalis Foundation had a maintenance fund for the pool. City Manager Anderson stated that was her understanding, but the city did not request funds for this project.

Councilor Harris thanked the Lodging Tax Advisory Committee for their support of the project.

June 10, 2019

6. Ordinance No. 998-B, First Reading – Granting a Non-exclusive Franchise to Puget Sound Energy. Rick Sahlin stated the current franchise expired in 2012. Staff has been working with PSE since 2013 to get to this point. The new agreement has a 15-year term and the ability to extend another five years at the discretion of the council. There were no huge changes to the agreement. Insurance language was updated after review by the Washington Cities Insurance Authority and the city attorney. Beyond that, the only other changes related to grammatical corrections and updated contact information. Mr. Sahlin noted staff thought the agreement was put to rest in 2017, but never heard anything from PSE until recently, in response to the city withholding a right-of-way permit from PSE in hopes of getting the agreement taken care of. He noted one minor correction to the ordinance that would be correct for second reading.

Councilor Harris stated that in section 6 – Records Installation and Planning – it refers to “reasonable request.” He asked what that meant. City Attorney Hillier stated it referred to the scope of the question.

Councilor Ketchum moved to pass Ordinance No. 998-B on first reading. The motion was seconded by Councilor Lund and carried unanimously.

7. Resolution No. 6-2019, First and Final Reading – Adopting the 2020-2025 Six-Year Transportation Improvement Program. City Manager Anderson stated a full report was provided at the May 13 council meeting. City Manager Anderson provided follow-up to discussion during the meeting. Maintenance at 13th and Market is scheduled, along with traffic improvements at the crosswalk at 16th and Market. Staff is also looking at potential project costs for a roundabout at Airport and West, along Louisiana, as well as trying to get some additional information from WSDOT on their plans for widening the freeway.

Councilor Taylor moved to adopt Resolution No. 6-2019 on first and final reading. The motion was seconded by Councilor Harris and carried unanimously.

8. Resolution No. 7-2019, First and Final Reading – Accepting Federal STP(US) Grant for NE Kresky Avenue Repaving Project. Don Schmitt stated the resolution is needed as part of the grant process for the project.

Councilor Spahr moved to suspend the rules requiring two readings of a resolution. The motion was seconded by Councilor Harris and carried unanimously.

Councilor Spahr moved to adopt Resolution No. 7-2019 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

9. Urban Growth Area (UGA) Expansion Request from Raindrop Properties. Hillary Hoke stated the city received an application to transfer lands currently located in the city of Centralia’s UGA to Chehalis’ UGA. The application was submitted by Raindrop Properties in March and was forwarded to the Lewis County Planned Growth Committee for initial review. That review resulted in a request for additional information and analysis. The petitioner’s consultant submitted an analysis response last week and if council directs staff to continue with the process, along with the additional staff comments and review, that report would be submitted to the Planned Growth Committee at their June 19 meeting.

Ms. Hoke stated the 2017 Chehalis Comprehensive Plan estimates a population increase of 11,320 people by the year 2040. Analysis of existing available lands for development estimates a deficit for residential land uses at 230 acres in order to accommodate that projected population increase. The current proposal to add approximately 677 acres to the current UGA boundary will offset that deficit. The land is located between Kresky Avenue and Centralia-Alpha Road and contains 10 parcels and a total of 677 acres. It contains steep slopes and other environmentally sensitive areas, so the entire 677 acres would not be open to development but what is available for development would more than offset the 230-acre deficit. Preliminary analysis showed the extension and upgrade of City of Centralia service systems would be substantially more difficult than extending Chehalis services. Required services may be adequately provided with upgrades to the city’s systems, and those upgrades would be at the expense of the petitioner. Ms. Hoke stated staff was requesting council direction on whether to proceed with the review process.

Councilor Ketchum asked what kind of services were necessary. Ms. Hoke stated it would be water and sewer services. Councilor Ketchum recalled that information was provided that the city may not have enough water service to provide. Trent Loughheed stated staff met with the State Department of Ecology and was in the process of applying for an additional point of withdrawal on its Newaukum water rights, which would allow the city to utilize its entire water right even when the river levels

June 10, 2019

of the Newaukum get low. The city could take the water out of the Chehalis River, which would allow the city to a new water treatment plant and reservoir.

Councilor Harris moved to direct staff to continue to process and review the requested UGA expansion application through the Planned Growth Committee process and provide a formal recommendation to the City Council regarding the proposed UGA boundary amendment at a future City Council meeting. The motion was seconded by Councilor Taylor and carried unanimously.

10. **Administration Reports.**

b. **City Manager Update.** City Manager Anderson encouraged everyone to conserve water as it was been a pretty dry winter. She thanked the council for recognizing Rick Sahlin upon his upcoming retirement, and again thanked Rick for his 37 years of service.

Mayor Dawes stated he didn't want people to think the city was running short of water at this point in time.

11. **Councilor Reports/Committee Updates.**

a. Councilor Taylor stated Twin Transit would be holding their meetings at Centralia College for the remainder of the year. They will be meeting in the Walton Science Center. He stated the new director, Joe Clark, was doing a great job his first month in. A golf tournament was scheduled for June 29 at 9:00 am at Riverside Golf Club to benefit The Human Response Network.

c. Mayor Dawes attended a Business After Hours at Chehalis Coworks; the unveiling of the Penny Playground time capsule; a ribbon cutting celebrating the 15th year of the Chehalis Farmers Market; and the monthly mayors' meeting.

Mayor Dawes announced there would be no executive session. There being no further business to come before the council, the meeting was adjourned at 5:54 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

June 24, 2019

The Chehalis city council met in regular session on Monday, June 24, 2019, 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, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Terry Harris arrived at 5:10 pm. Staff present included: Ken Cardinale, Fire Chief; Kiley Franz, Acting City Clerk; Brian Kelly, Assistant City Attorney; Trent Loughheed, Public Works Director/City Engineer (Acting City Manager); Brandon Rakes, Airport Operations Coordinator; Glenn Schaffer, Police Chief; and Dave Vasilauskas, Water Superintendent. Members of the news media included Will Rubin of *The Chronicle*.

1. **Public Hearing – City’s Water Use Efficiency Plan.** Mayor Dawes closed the regular meeting at 5:00 pm and opened the public hearing.

Dave Vasilauskas stated the city’s Water Use Efficiency (WUE) Plan needed to be updated. One of the steps includes getting input from citizens regarding water conservation measures. Mr. Vasilauskas stated that citizens are welcome to contact him if they have any thoughts on the matter.

Mayor Dawes asked if the information was on the city’s website. Mr. Vasilauskas stated the city’s water quality report is available online.

Mayor Dawes called for comment on the WUE Plan. There being no public comment, Mayor Dawes closed the public hearing and reopened the regular meeting at 5:03 pm.

2. **Proclamation – General Aviation Appreciation Month.** Mayor Dawes read and presented a proclamation to Brandon Rakes proclaiming June as General Aviation Appreciation Month.

3. **Chehalis Community Renaissance Team Update (CCRT).** Annalee Tobey reported on recent activities:

- Business Academy offering various classes
- Façade grant – five in progress; microgrants also available
- Only four vacant spaces currently available downtown
- Totally Pawsome moving to new location across from current location to expand their business
- Coworks doing well with 18 monthly memberships; courtyard space coming soon
- Artists continue to work on building murals, trash can lids, and benches
- ChehalisFest is July 27

Ms. Tobey stated that 2019 marks 10 years since the Renaissance Plan was adopted. The group is beginning to look at developing a mission and vision statement, as well as reviewing the current logo and organization name. She thanked the city for its continued support of the program.

4. **Lewis EDC Update.** Matt Matayoshi reported on various partnerships with the city, including providing data for various grants; beautification sponsor; funding of study relating to water rights; and support of .09 grants. In addition to .09 grants for city projects, the EDC has supported various grants county-wide. Mr. Matayoshi stated the second annual Smart Tank event had 13 participants. The next event is set for July 12.

Councilor Lund asked who the “sharks” included. Mr. Matayoshi stated the EDC partners with an organization that provides some of the “sharks” and they also have a couple local people – Dr. Joe Dolezal and Amanda Hubbert-Smith.

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

- a. Minutes of the regular meeting of June 10, 2019;
- b. June 14, 2019 Claim Vouchers No. 126038-126185 and Electronic Funds Transfer No. 520191 in the amount of \$341,446.21; and
- c. Acceptance of public infrastructure project at the Discover! Children’s Museum site – project and bid alternate closeout.

The motion was seconded by Councilor Lund and carried unanimously.

June 24, 2019

6. Ordinance No. 998-B, Second and Final Reading – Granting a Non-exclusive Franchise to Puget Sound Energy. Acting City Manager Lougheed indicated there were no changes since first reading of the ordinance.

Councilor Taylor moved to pass Ordinance No. 998-B on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

7. Financial Feasibility Study of Potential Annexation of the City of Chehalis into the Lewis County Fire District 6 Service Area. Chief Cardinale stated this item moves ahead a study on the possible annexation of the fire department into Lewis County Fire District 6, by having a financial consultant look at the numbers. He stated the scope of work was included in the agenda. The timeframe for completion of the study depends on how fast the city and district provide information to the consultant. Once all the information is presented, Chief Cardinale stated he would provide the council with an update and timeframe for completion.

Mayor Dawes understood it could be about six months as some information may need a little updating. Chief Cardinale stated a significant amount of information was already provided to the consultant back in January and that information has been updated. The consultant provided a list of further information that will be needed, which both the city and district are working on.

Chief Cardinale stated the consultant was Bill Cushman, who was the financial consultant for Snohomish County Fire District 1 and has done work with Riverside Fire Authority and Lewis County District 6. He is well respected in his field and thought the city and district would be happy with the end product.

Councilor Ketchum moved to authorize the City Manager to execute a contract with William Cushman, Financial Consultant for a Fire Service Annexation Feasibility Study and approve the expenditure of up to \$8,000 for the project. The motion was seconded by Councilor Pope and carried unanimously.

8. Administration Reports.

b. **City Manager Update.** Acting City Manager Lougheed stated bids were opened on Thursday for the Recreation Park project. Seven bids were received and are being reviewed.

9. Councilor Reports/Committee Updates.

a. Councilor Ketchum stated the Lewis County Historical Museum will be selling slices of pie at Borst Park on July 4.

b. Mayor Dawes stated he and Councilor Lund met with Fire District 6 commissioners regarding the annexation study taken care of previously on the agenda. He also attended a .09 committee meeting, the Business After Hours event, and the luncheon for former Public Works Director Rick Sahlin.

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

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

July 8, 2019

The Chehalis city council met in regular session on Monday, July 8, 2019, 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, Public Works Director/City Engineer; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Don Schmitt, Street/Storm Superintendent; Lilly Wall, Recreation Manager; and Dave Vasilauskas, Water Superintendent. Members of the news media included Will Rubin of *The Chronicle*.

1. **Port of Chehalis Update.** Randy Mueller reported on recent activities:

- RE Bennett/Cascade schools redevelopment feasibility study
- Airport partnership planning
- New building construction on Maurin Road
- Rail reload and agricultural service center
- International client talks about wood pellet manufacturing plants)
- CCR&M (still working towards transfer of rail line to CCR&M)
- CCRT (funding \$40,000 this year; Chehalis Coworks successful; Port supports monthly Downtown Business Academy events, blight removal, beautification, and redevelopment)

Mayor Dawes asked about airport partnership planning and whether or not the area could be extended to the Chamber Way railroad overpass to maybe find some dollars that could be in addition to what the city is finding. He wondered if there might be grant funding available to the Port that would not be available to the city. Mr. Mueller stated there are usually more grants available to cities than ports, but he was always happy to look at partnerships. He added the structure was a valuable piece of infrastructure and when you start thinking about transportation and economic development, that would be one that would certainly qualify.

2. **Pioneer Pie Social.** Commissioner Edna Fund reminded everyone about the Pioneer Pie Social on July 14 at 1:30 pm at Claquato Church.

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

- a. Minutes of the regular meeting of June 24, 2019;
- b. June 28, 2019 Claim Vouchers No. 126186-126273 in the amount of \$139,427.69 and voided Check No. 126132 in the amount of \$204.57 and Check No. 126134 in the amount of \$16.00;
- c. June 28, 2019, Payroll Vouchers No. 40871-40926, Direct Deposit Payroll Vouchers No. 10887-11010, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 244-249 in the amount of \$982,986.55;
- d. Amendment #1 to engineering services agreement with Jacobs Engineering Group in the amount of \$20,000 to address air emissions at the Chehalis Regional Water Reclamation Facility;
- e. Award Recreation Park Improvement Project to KBH Construction in the amount of \$2,281,383;
- f. Construction services agreement with Skillings Connolly, Inc., in an amount not to exceed \$157,927 for the Recreation Park Improvement Project; and
- g. Resolution No. 9-2019, first and final reading – declaring property to be surplus.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Ordinance No. 999-B, First Reading – Providing for the Issuance and Sale of a Limited Tax General Obligation Bond Not to Exceed \$1 Million to Finance the Recreation Park Renovation Project.** City Manager Anderson stated the city could now award the bid for the ballfield improvement component of the project, with the goal of starting construction in August. She stated the council provided direction earlier this year to proceed with placing a council-manic bond for the project. City Manager Anderson didn't believe the full \$1 million would be needed.

July 8, 2019

Chun Saul stated the ordinance appoints the city manager, and the finance director in the absence of the city manager, as the designated representatives. Ms. Saul reviewed the parameters set forth in the ordinance, and outlined the responsibilities of participants in the process, including the City Council, the designated representatives; D.A. Davidson & Co., the placement agent; and Foster Pepper PLLC, the bond counsel. Ms. Saul stated the total estimated project budget as of today was \$4,071,669. The project would be funded through secured funding of \$3,055,430; \$208,239 from additional outstanding donations; and estimated proceeds from the bond. The preliminary schedule of events, ranging from first reading of the ordinance to bond closing, was reviewed.

Ms. Saul outlined the fiscal impact. The bond constitutes a general indebtedness of the city and that the city pledges full faith, credit, and resources for annual debt service payments. The Lodging Tax Advisory Committee voted to pay the annual debt service up to \$75,000 per year, but it remains a general obligation debt. The bond price, interest rate, and required annual debt service payment will be determined upon bond closing in August.

Councilor Taylor asked if two readings were required for the ordinance. City Attorney Hillier advised that two readings were required for any financial indebtedness to a city.

Dave Trageser, Placement Agent and Managing Director of D.A. Davidson & Co. explained that once the ordinance was passed on final reading, the Request for Proposals would be distributed to financial service providers that would be purchasing the bond. A bidder would then be selected, followed by closing of the bond and making the funds available, which was expected to be late August. Interest rates are currently stable, barring any major economic announcement that could rock the market.

Councilor Taylor asked if it would be one bidder or multiple bidders buying the bond. Mr. Trageser stated it was being done as a private placement of the bond, with one sophisticated investor because it was a smaller bond issue and a way to keep the issuance costs fairly low.

Councilor Lund asked how much would be wired to the city. Mr. Trageser stated the wire would originate from the bond purchaser. The actual amount will be set, which will be less than \$1 million based on information received from city staff.

Councilor Lund stated the ordinance provides for up to \$1 million, but the current amount needed is around \$800,000. He asked why we wouldn't take the entire \$1 million in case something came up during construction. City Manager Anderson anticipated a total issue of \$825,000 with a net of about \$808,000. She stated there is a contingency built into the project, and that amount is what the LTAC has generally committed to. If for some reason, the use of lodging tax money changes in the future by the state, we want to keep the bond issue in an amount the city could handle. She agreed that with a project of this level, you just never know what could happen and having the full \$1 million would be nice. She stated if that was what the council wished to do, staff could bring back what that would cost at the next meeting.

Councilor Harris suggested the City Manager made a good point about the potential for changes in use of lodging taxes by the state.

Councilor Spahr moved to pass Ordinance No. 999-B on first reading. The motion was seconded by Councilor Pope and carried unanimously.

5. Interlocal Agreement with Lewis County Fire District #6 for Sharing of Fire Chief Services. City Manager Anderson stated the city's fire personnel were moved to the District 6 headquarters station in August 2018 after Station 48 had to be vacated due to safety concerns, and the District has gone out of their way to accommodate the city. After the District's chief resigned in April, the District asked if Chief Cardinale could act as their interim chief until a replacement could be found. City Manager Anderson stated she was hesitant at first, but the District had again approached the city to reconsider. She noted the proposed agreement had not been approved by the District Commissioners, but they will meet tomorrow night to consider it. Special assignment pay for Chief Cardinale would cost the city salary plus employer paid benefits, which would be just under \$5,000 per month. The initial thought about how to divide the chief's time was 50% city business; 30% district business; and 20% joint city and district business. That proposed division of pay was estimated to be around \$6,200 to the District for 40% of the chief's pay to the city. After meeting with the chair of the District Commissioners, those figures were adjusted to be 57%, 23%, and 20%, respectively, resulting in a little less than \$5,200 to the District.

July 8, 2019

Other key terms of the agreement would be that the chief would remain an employee of City, except for a provision related to L&I coverage; the contract would begin retroactive to July 1, 2019 and end on January 2, 2020, with a clause allowing the City Manager to extend for an additional six months; either party could terminate the agreement with 15-days' written notice; and each party agrees to mutual indemnification. City Manager Anderson recommended that the council approve the proposed ILA subject to the modification of the draft agreement to reflect that the District will pay a monthly fee to the City for fire chief services in the amount of \$5,189.76, which represents approximately 33% of the chief's salary and employer paid benefits, including special assignment pay; authorize the City Manager to execute the document subject to written acceptance of the final terms by the fire chief and the District; and approve special assignment pay for the chief retroactive to the effective date of the agreement until the termination of the agreement.

Councilor Spahr stated this was a heck of a burden to the chief and his family. Chief Cardinale stated his wife was very supportive and understood the situation. He recognized what the District had provided the city during the situation with the city's fire station. He also looked at it as an opportunity to continue to have the crews grow together and that the vision to have them join in the future will come to fruition.

Councilor Taylor agreed that it was an investment in the potential combining of the departments in the future and he thanked Chief Cardinale for his willingness to take on the additional duties. He added the District has been gracious in letting the city "live in their house" for several months now.

Mayor Dawes asked if the revised figures outlined by City Manager Anderson were generally something the District would agree with. City Manager Anderson stated the District was in agreement with the revised figures.

Councilor Ketchum moved to:

- Approve the proposed ILA with Lewis County Fire District #6 in substantially the same form as presented, subject to the modification of the draft agreement to reflect that the District will pay a monthly fee to the City for Fire Chief Services in the amount of \$5,189.76, which represents approximately 33% of the Chief's salary and employer paid benefits, including special assignment pay.
- Authorize the City Manager to execute the document subject to written acceptance of the final terms by the Fire Chief and LCFD #6 Board of Commissioners.
- Approve Special Assignment Pay for the Fire Chief retroactive to the effective date of this agreement until the termination of the agreement.

The motion was seconded by Councilor Pope and carried unanimously.

6. Administration Reports.

a. **City Manager Update.** City Manager Anderson stated Music in the Park starts on July 12 with additional shows on July 19, and 26, and the STP is this weekend.

7. Councilor Reports/Committee Updates.

a. Councilor Harris asked that Chief Schaffer pass along thanks regarding comments in the Chief's weekly newsletter about commendations of two officers. Councilors Pope and Spahr echoed their thanks.

b. Councilor Lund wished a happy birthday to Mayor Dawes on July 10.

c. Councilor Taylor stated Joe Clark continues to do a good job at Twin Transit and has brought forth a lot of good ideas for improving the transit system. He's been working with city staff to locate some pull-outs that will help traffic flow. He stated the proposed new transit center will not happen, and that Mr. Clark is looking at options to present to the board on how to utilize the property where it was to be located.

July 8, 2019

d. Mayor Dawes attended the AWC Conference, along with the City Manager. One item discussed was HB1406 relating to affordable housing, which would allow cities to be reimbursed for eligible programs from a portion of the state's sales tax. Mayor Dawes stated he had a deep understanding of what law enforcement is going through; he also passed along his thanks to officers and all first responders.

e. Councilor Pope stated the July 4 celebration held at Rene Remund's farm was one of the best in a long time. He stated there are still people that celebrate our country for what it is.

There being no further business to come before the council, the meeting was adjourned at 6:03 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

July 22, 2019

The Chehalis city council met in regular session on Monday, July 22, 2019, 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; Hillary Hoke, Planning & Building Manager; Trent Lougheed, Public Works Director/City Engineer; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; and Don Schmitt, Street/Storm Superintendent. Members of the news media included Will Rubin of *The Chronicle*.

1. **Public Hearing – Petition to Vacate Right-of-Way at NW North Street.** Mayor Dawes closed the regular meeting and opened the public hearing at 5:00 pm. Hillary Hoke stated the street was originally established as a 60' right-of-way (ROW). In 1989, the southern 15' abutting Wildhaber's location was vacated, reducing the ROW to its current width of 45'. The current application would reduce the width by a further 15' on the opposite side for the other adjacent property owner (Graham). In reviewing the application, staff identified five options:

- Option 1 – Grant the request as written
- Option 2 – Grant request and create no parking zones on both sides
- Option 3 – Vacate the entire width of 45'
- Option 4 – Deny the request
- Option 5 – Deny the request and create no parking zone

Ms. Hoke discussed the pros and cons for each option and stated that staff was recommending Option 5. The entire 45' ROW would be clear and unobstructed at all times. It would be difficult, but smaller cars and potentially some trucks could possibly turn around in the area. The adjacent owner (Graham) would not have their request granted and there would be approximately four to five parking spaces lost adjacent to the Wildhaber property.

Councilor Pope asked if any comments were received by the county as an adjacent property owner. Ms. Hoke stated no comments were received from the county.

Councilor Pope asked if North Street was the only way the petitioner could access their property. Ms. Hoke stated it was the only access to the parcel in the petition. The petitioner owns an adjacent parcel that has access off of Center Street. Councilor Pope asked about the significance of having the ROW. Ms. Hoke stated there were two separate properties. The owner could sell the subject property and the only access would be from North Street. They also need a wide enough space for larger vehicles to access.

Mayor Dawes asked why Option 3 was not being recommended. Ms. Hoke stated the petitioner was not interested in pursuing that option.

Councilor Pope asked about Burlington Northern ROW and possible access. Ms. Hoke stated no one can legally use railroad ROW without permission.

Councilor Lund asked how wide the street actually was. Ms. Hoke stated she didn't measure it, but an actual ROW width would be different than pavement width.

City Manager Anderson stated the financial impact was roughly \$7,500 per 15' of ROW for each party. If the 15' was vacated to the adjacent owner (Wildhaber) that would potentially impact the petitioner (Graham) from getting large vehicles into their property. The reasons for staff's recommendation were to maintain clear ROW, address ongoing issues related to parking, and maintain full access to the petitioner's property. A number of city departments have spent time on these issues.

Ms. Hoke noted that ROW permits could still be issued for deliveries/drop-offs, etc.

Councilor Harris asked how that would be monitored. Ms. Hoke stated it would be similar to the permit a furniture store uses for deliveries made to their building on Pacific Avenue.

Mayor Dawes asked which option would be the optimum choice that would take away the problem and best serve both businesses. Don Schmitt stated he thought that would be Option 3, but he didn't know how that would impact the petitioner.

July 22, 2019

Jeff Graham and Richard Graham (petitioners) spoke in favor of the vacation, stating it would allow them to develop their property to its maximum potential within proper setbacks. Jeff Graham stated they do have a building on Center Street, but the only access to the North Street property is off of North Street. They do have a current lease with Burlington Northern, but the railroad could one day say no more lease, and they would no longer have access to their property. Mr. Graham stated parking of vehicles in the ROW was a problem. Leaving parking in certain areas would not allow large vehicles the property. People also access the area via railroad property because there is no proper signage indicating the road has no outlet.

Councilor Harris asked if the problem was a matter of having the proposed building being 10' or 15' shorter. Mr. Graham stated all they were trying to do was maximize the piece of property to build as close to the street as they could. The vacation would allow them to build with a 10' setback and then fence 5' of the property.

Mayor Dawes asked Mr. Graham why Option 3 wouldn't be advantageous to both parties. Mr. Graham didn't think having a co-ownership would work and they had no interest in such a relationship.

Councilor Taylor stated no parking would not fix the setback requirements. Mr. Graham stated he would like the same privilege that afforded the Wildhabers to maximize their building, but he would not build out to the roadway.

Councilor Taylor asked if variances were available to address the required setbacks. Mr. Hillier stated variances were available for changing any laws, and may be available, but that was something he would need to review.

City Manager Anderson noted that variances were typically offered in regard to unique property features that prevent the use of property, which go through the Hearings Examiner process.

Mr. Graham asked if a barricade could be put at the end of the street to stop access to railroad property. Don Schmitt stated it would depend if North Street was an access across railroad ROW or was railroad an access across North Street back in 1989. If it was North Street ROW, the current barricades were in the correct spot. He saw no problem placing a barricade at the end of the street.

Councilor Spahr asked what kind of business they were proposing that would not require parking. Mr. Graham stated they plan to make a storage yard for equipment or a storage building that would have in-and-out access. The parking they use now is through a lease with the railroad.

Councilor Harris asked about parking requirements. Hillary Hoke stated one parking space per storage unit was required.

Pam Wildhaber and Jeremy Wildhaber spoke against the vacation. Ms. Wildhaber stated the building done on their vacated property was permitted and approved by the city. She asked if Option 2 would eliminate all parking. Hillary Hoke indicated it would eliminate about four parking spaces on the south side of the street.

Pam Wildhaber stated that in 1989, Bob Nacht said the proposed vacation was for property between the existing property line and the existing curb line and would not include the curb or any portion of the existing roadway. The existing street was approximately 30' wide and allowed parallel parking on either side, so historically, there has always been parallel parking on both sides of the road.

Jeremy Wildhaber said their business trucks park there, semi-trucks load and unload there, and all their catering trucks use that as a thoroughfare.

Councilor Harris asked if they were using part of the roadway. Mr. Wildhaber indicated they were.

Mr. Wildhaber was confused as to how no parking signs were erected on city ROW without the public being involved. He stated they didn't know what the problem was or what the Grahams wanted to do with their property, but they are saying they want the same rights as the Wildhabers. Mr. Wildhaber stated they had the opportunity to buy that land 30 years ago. If they want a bigger driveway, he suggested they build it on their property and they would have plenty of room.

Ms. Wildhaber stated taking away parking from the entire street would be detrimental to her business and to tax revenue received by the city.

July 22, 2019

Mayor Dawes stated the placement of signs was delegated to staff and he suggested the Wildhabers could discuss that with staff at another time, so that the public hearing could stay on point.

Councilor Pope asked how Option 5 would impact the Wildhabers. Ms. Wildhaber stated she was concerned about deliveries to her business, which occur on all days and at all times.

Councilor Spahr asked how trucks associated with the restaurant exit. Mr. Wildhaber stated they use railroad ROW to exit, which they have spoken with the railroad about. Councilor Spahr stated that was trespassing and if the railroad decided to block that access, they would no longer have that access.

Mayor Dawes warned the railroad could change on a dime and local railroad staff do not speak for headquarters. He also stated his concern with loading zones was that they can be abused and treated as private parking spots.

Councilor Pope asked for staff to provide true boundaries of the property so council could see the actual property lines. City Manager Anderson stated staff could do that, but with staffing issues it make take until the second meeting in August.

Jeff Graham stated he recently had the property surveyed and a registered survey was available at the courthouse.

City Manager Anderson stated it was her understanding that the gravel placed in the city ROW was permitted. The barricade that was placed in city ROW was not permitted. As far as staff can tell, the no parking signs were put up by city staff in order to preserve room on the narrow street. Both property owners needs and desires to use their property to its upmost benefit was important, but were taking a fair amount of very limited time by many people and it would be nice to have it resolved.

Councilor Spahr believed the city made a mistake in granting the vacation in 1989, but that can't be undone. He expressed concern about emergency service access. He stated he was leaning toward Option 5.

Mayor Dawes closed the public hearing at 6:10 pm and reopened the regular meeting.

Councilor Taylor thought each property owner should be given the same opportunity, and he moved to approve the vacation – Option 1. The motion was seconded by Councilor Lund. The motion failed 4 to 2. Those voting against the motion were Councilors Harris, Pope, and Spahr, and Mayor Dawes.

Mayor Dawes asked Ms. Wildhaber how losing 4 spaces under Option 5 would impact her business. Ms. Wildhaber stated it would not be the end of the world, but every parking space was valuable. Mayor Dawes asked how long a typical loading/unloading took. Ms. Wildhaber stated it could be a half-hour to an hour.

Councilor Spahr asked if the Grahams had specific plans for the property. Mr. Graham indicated they had a plan, but until they had something concrete with regard to the vacation, nothing was in stone.

Councilor Pope asked Mr. Graham how Option 5 would impact him. Mr. Graham stated he would not be able to add to his development. The vacation is for setback to maximize the lot.

Councilor Lund asked if it would help if Mr. Graham went to the city's Hearings Examiner about a variance from the setback requirements. Mr. Graham stated no parking would still be needed even if they got the setback variance.

Councilor Spahr moved to approve Option 5 and direct staff to present an ordinance for first reading at the regularly scheduled meeting on August 12. The motion was seconded by Councilor Pope.

City Manager Anderson clarified that if Option 5 was granted, an ordinance was not needed. The power to establish parking has been delegated by the council to the Police Chief.

Mayor Dawes stated that Option 5 was to deny the application and create a no parking zone along both sides of NW North Street from the Graham property to the BNSF railroad ROW and from the Wildhaber building to the BNSF ROW.

Councilor Spahr stated a loading zone would address the Wildhaber's concerns and should not interfere with the Graham's property.

July 22, 2019

Councilor Lund stated Councilor Pope requested correct drawings of the situation because the pictures being looked at now were not right. He stated council needed to see the correct boundary lines and asked if the council could request from the Hearings Examiner whether or not the Grahams could obtain a setback variance.

City Attorney Hillier stated a request for a variance would have to come from the property owner, not the council.

City Manager Anderson stated staff would happy to provide what Councilor Pope asked for.

Upon further discussion about how to proceed, Councilor Spahr withdrew his motion and Councilor Pope withdrew his second to the motion. Mayor Dawes asked that the matter be brought back for action by council with the information requested by Councilor Pope.

Mr. Wildhaber stated they had no part in creating the five options and asked if a sixth option could be created. Mayor Dawes stated the options were created by staff and if Mr. Wildhaber wanted to add another option, he could forward it to the City Manager and staff would consider it.

Trent Loughed thought staff could be prepared to bring something back to council at the next meeting. Mayor Dawes asked that staff notify the parties when the matter would be on the agenda.

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

a. Minutes of the regular meeting of July 8, 2019; and

b. July 15, 2019 Claim Vouchers No. 126274-126409 and Electronic Funds Transfer Nos. 62019 and 620191 in the amount of \$364,552.22.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Ordinance No. 999-B, Second and Final Reading – Providing for the Issuance and Sale of a Limited Tax General Obligation Bond Not to Exceed \$1 Million to Finance the Recreation Park Renovation Project.** City Manager Anderson noted no changes had been made to the ordinance since first reading; however, staff reviewed the budget and revised the plan to use \$900,000 instead of \$825,000 for perimeter landscaping or decorative fencing along 13th Street to reduce the potential for little kids running into the street, and for landscaping around the VR Lee Building and Fred Hess Kitchen.

Mayor Dawes suggested using a private well for irrigation purposes to make sure any landscaping was taken care of.

Nancy Nerass, bond counsel attorney with Foster Pepper, provided an overview of the bond ordinance process.

Councilor Lund moved to pass Ordinance No. 999-B on second and final reading. The motion was seconded by Councilor Harris. Mayor Dawes thanked Councilor Lund for suggesting that staff review the budget. The motion carried unanimously.

City Manager Anderson noted a groundbreaking ceremony would be planned for late August or early September.

4. **Ordinance No. 1000-B, First Reading – Amending the 2019 Annual Budget.** Chun Saul provided an overview of the proposed budget amendment and highlighted changes relating to the various departments in the General Fund. Amendments to the Public Facilities Reserve Fund related to the Recreation Park renovation project and the pool liner replacement project. Ms. Saul noted changes to other various funds.

Mayor Dawes noted part of the transfers out were funds that the council directed be put into various reserve funds.

Councilor Spahr moved to pass Ordinance No. 1000-B on first reading. The motion was seconded by Councilor Pope and carried unanimously.

July 22, 2019

5. Administration Reports.

a. **Finance Report.** Chun Saul provided the 2019 second quarter finance report for all funds including the General Fund and Enterprise Funds. Overall, year-to-date revenues and expenditures were within budget projections and parameters. She stated staff was keeping a close eye on sales tax.

Mayor Dawes suggested it was important to look at all tax revenues, noting building taxes always go up and down. He thought that watching all revenue tax trends was important, especially as next year's budget is reviewed by the council budget committee.

Ms. Saul reported the city's total cash and investments as of June 30 was \$22,887,839, noting that only \$1.3 million was for the General Fund. All other funds are restricted and can only be used for very specific programs and activities.

b. **City Manager Update.** City Manager Anderson stated Hillary Hoke accepted a position with a neighboring jurisdiction and she was so sorry to see her go. She reported that one of the city's life guards, Luke Griffith, saved the life of a baby who was choking.

Mayor Dawes asked that Luke attend a future council meeting to be recognized. He also requested that the police officers involved in life saving measures by administering first aid to a non-responsive individual at the Main Street park-n-ride attend a council meeting. He stated that if the employees were uncomfortable coming to a council meeting, he would be happy to attend a staff meeting.

6. Councilor Reports/Committee Updates.

a. Councilor Spahr attended an EDC meeting. He announced that his daughter was recently promoted to Corporal in the United States Army.

b. Councilor Pope stated the Chehalis Foundation has done a lot for the city and schools, and he invited everyone to their first annual holiday gala on November 23. They are looking for sponsors and individuals to buy tables. Part of the money from the event will go toward Penny Playground.

c. Mayor Dawes stated the last two Music in the Park events were very well attended, and the last event will be this Friday. Mayor Dawes also attended Business After Hours held at Visiting Nurses. He stated ChehalisFest was this Saturday and he would be cooking pancakes at the Historical Museum from 8:00 a.m. to 11:00 a.m.

7. **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)(b) – Selection of Site or Acquisition of Real Estate; RCW 42.30.110(1)(c) – Minimum Price at Which Real Estate Will be Offered for Sale/Lease; and RCW 42.30.110(1)(g) – Review Performance of a Public Employee, not to exceed 8:15 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 7:33 pm. The executive session began at 7:35 pm. At 8:15 pm, Mayor Dawes announced the executive session would continue until 8:30 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 8:29 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

August 12, 2019

The Chehalis city council met in regular session on Monday, August 12, 2019, 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: Glenn Schaffer, Acting City Manager; Caryn Foley, City Clerk; Trent Loughheed, Public Works Director/City Engineer; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; and Mark Scheibmeir, City Attorney. Members of the news media included Will Rubin of *The Chronicle*.

1. **Discover! Children's Museum (DCM) Update.** Allyn Roe, President and Larry McGee, Vice President, provided an update on Discover! Children's Museum. Mr. Roe stated DCM still has plans to develop a museum on city-owned property near Home Depot and have raised \$2 million of the \$3 million goal. Several grants were applied for, but unfortunately those were not successful. DCM recently hired a consulting group to solidify its message and begin one-on-one asks from local individuals. DCM has held off doing that, and he noted all contributions received to-date have come unsolicited. DCM continues to work with Reliable Enterprises to house a Head Start preschool in the museum.

Larry McGee stated many grant funders are focusing on homelessness and health. DCM continues to be in contact with the new state Department of Early Learning to find the best examples of preschools. He noted that professionals say that if a child isn't reading at grade level at the end of 3rd Grade, their future can be predicted and often it isn't good. As a result, DCM is looking at alternatives to expand the amount of preschool the museum can accommodate without reducing exhibit space. Mr. McGee stated the process was taking longer than anyone wanted, but the group is in it for the long-haul. He noted they see the museum as a county-wide project and will be seeking support county-wide.

Councilor Spahr asked where the group's contributions have come from and where people can make donations. Mr. McGee stated they were wide-ranging – anywhere from \$5,000 to \$100,00. Contributions can be made by contacting him or Mr. Roe and through DCM's website – discovermuseum.org. He added the group received \$45,000 from last year's Rotary auction.

Mayor Dawes stated the group received a \$1 million grant from the state and asked if there was a sunset on the grant. Mr. Roe stated they need to make sure it is re-appropriated in the next cycle.

Mayor Dawes stated it was his understanding that some grantors don't support capital campaigns. Mr. McGee stated that was correct, in fact they just met with a representative from PSE who would like to support the museum once it is up and running.

Mayor Dawes knew the group had been working on the project for several years and have been asked to hold off on fundraising because of other community projects. He thought the museum could be a very valuable asset for the surrounding community. Mr. McGee stated the group could easily get a loan but does not want to add that debt load to the museum.

2. **Introduction of Guest.** Will Cummings introduced himself and stated he was attending the meeting to earn a Boy Scout merit badge.

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

- a. Minutes of the regular meeting of July 22, 2019;
- b. July 31, 2019 Claim Vouchers No. 126410-126540 in the amount of \$456,371.27;
- c. July 31, 2019, Payroll Vouchers No. 40927-40980, Direct Deposit Payroll Vouchers No. 11011-11135, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 250-254 in the amount of \$848,114.37;
- d. Accept National Avenue Slide Restoration Project as complete and release retainage to Gill Construction after all statutory requirements have been met;
- e. Accept Airport Pump Station Project as complete and release retainage to Rognlin's, Inc. after all statutory requirements have been met; and
- f. Debt management and post-issuance compliance update for fiscal year ended December 31, 2018.

The motion was seconded by Councilor Lund and carried unanimously.

August 12, 2019

4. **Ordinance No. 1000-B, Second and Final Reading – Amending the 2019 Annual Budget.** Chief Schaffer stated there were no changes to the ordinance since first reading.

Councilor Harris moved to pass Ordinance No. 1000-B on second and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

5. **Councilor Reports/Committee Updates.**

a. Councilor Harris thanked the Chamber for hosting the candidate debates last week.

b. Councilor Spahr stated at the last meeting he announced his daughter was promoted to an Army Corporal, but in fact she was promoted to Colonel.

c. Mayor Dawes attended ribbon cuttings for Safe Cover Roofing and A Plumbing Doctor. The last Music in the Park event was the largest crowd ever, the fair begins tomorrow, and the Recreation Park groundbreaking will be held August 26 at 3:00 pm.

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 5:45 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 5:22 pm. The executive session began at 5:24 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 5:43 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

August 26, 2019

The Chehalis city council met in regular session on Monday, August 26, 2019, 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 Lougheed, Public Works Director/City Engineer; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; and Don Schmitt, Street/Storm Superintendent. Members of the news media included Will Rubin of *The Chronicle*.

1. **Lewis County Citizen Budget Committee.** Commissioner Edna Fund stated the county was seeking volunteers to participate in the county's 2020 budget process. Applications are due September 13 and are available on the county's website. Commissioner Fund stated she enjoyed the Recreation Park project groundbreaking event this afternoon.

Mayor Dawes stated it was a great event and had an excellent turnout.

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

- a. Minutes of the regular meeting of August 12, 2019; and
- b. August 15, 2019 Claim Vouchers No. 126541-126708 and Electronic Funds Transfer No. 72019 in the amount of \$438,695.36.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Petition to Vacate Right-of-Way at NW North Street.** City Manager Anderson stated the item was initially discussed during a public hearing about four weeks ago. That public hearing was closed and the discussion by the city council was continued to this evening. Late Friday, an email was received from Pam Wildhaber presenting an option 6, which the council was made aware of.

Trent Lougheed provided an overview of the issue and a summary of the options that were considered, including the option provided by the Wildhaber family. In 1989, 15' on the Wildhaber side was vacated and the proposed application would match that on the other side of the road. The existing ROW width is 45' due to the previous vacation approval. The current proposal is to vacate the northern 15' to make a 30' ROW. The options identified by staff include:

- Option 1 – Grant the request as written
- Option 2 – Grant request and create no parking zones on both sides
- Option 3 – Vacate the entire width of 45'
- Option 4 – Deny the request
- Option 5 – Deny the request and create no parking zone

Mayor Dawes stated the option proposed by the Wildhabers was basically a modified version of Option 3 to vacate the entire 45' with 15' going to the Grahams and 30' going to the Wildhabers with an easement to the Grahams upon agreement between the parties.

Mr. Lougheed stated staff recommended Option 5 to deny the vacation and create no parking on both sides.

City Manager Anderson stated staff was concerned about the option proposed by the Wildhabers since there was a long history of difficulties between the two parties.

Mayor Dawes asked Pam Wildhaber if staff adequately and correctly outline Option 6. Ms. Wildhaber stated yes.

Mayor Dawes asked Jeff Graham if he was aware of Option 6. Mr. Graham stated he was not.

Scott Blinks, representing the Grahams, stated the Grahams only wanted to fix the horrific problem that exists on NW North Street. Granting the vacation petition was the only solution to the predicament. In 1989, the city council received three objections to the Wildhaber petition to vacate and the petition was granted anyway. Now the only objection to the Graham

August 26, 2019

petition was from the Wildhabers. A governmental entity cannot favor one citizen over another. A privilege cannot be granted to one citizen and the same privilege denied to another citizen. Denying the grant petition would be an arbitrary and capricious act. He asked the council to grant the petition by accepting Option 2.

Councilor Spahr was concerned about people being able to turn around if Option 2 were granted. He stated the railroad could cut off access at any time.

Mr. Blinks stated there were no permanent structural improvements planned or anticipated by the Grahams in the 15' they were requesting to acquire from the city. It was merely for extending the setback requirements. He stated Option 6 would be a violation of the city's municipal code 12.32.060(e), which stated a vacation could only be granted where no abutting owner becomes landlocked or access would be substantially impaired.

Mayor Dawes stated to hold the current council subject to a past council was unfair. Mr. Blinks stated he did not mean to disparage the current council.

Trevor White, representing the Wildhabers, thought Option 6 would give the Grahams what they want and allow more space for the Wildhabers. The city would receive twice the revenue for the vacation and the city would not have to be directly involved in the matter any longer.

Pam Wildhaber thought the option was win-win for everyone. She offered to purchase the property from the Grahams for list price. She stated every parking space allowed her to generate revenue.

Councilor Spahr disclosed that he had the property for sale at one time as a realtor, which listing expired a year-and-a-half ago. He stated he was contacted today to see if he would make contact with the Grahams to see if they were interested in selling. Richard Graham told him it was in Jeff's hands. Councilor Spahr stated the council meeting minutes from 1989 discussed how the 15' vacation would be dedicated to parking, but a building ended up being built on the property.

Pam Wildhaber explained there has always been a fruit stand on the corner. After the property was vacated, a walk-in cooler was placed under an awning on the subject side of the building. When the building was turned into a restaurant, they enclosed the existing awning.

Mayor Dawes stated the building issue was a separate issue apart from the vacation request. He didn't believe Option 6 would get the desired result and would rely on the parties to negotiate ownership where one party owns two-thirds. Any agreement would also have to go on into perpetuity to maintain an easement.

Mr. White stated it was common to sell a piece of property with an easement attached to it.

Councilor Pope assumed Option 5 was in the best interest of the city, including the safety of all citizens. Mr. Lougheed stated the city had to provide the safest result possible and if the city maintains a 45' ROW and parking is not eliminated on both sides, that does not allow someone safe maneuvering.

Councilor Pope expressed concern about emergency service access.

Councilor Spahr moved to approve Option 5 and deny the vacation request of Richard Graham for the northern 15' of NW North Street ROW that abuts his property line; direct staff to create no parking zones along both sides of NW North Street from the Graham's western property line to the BNSF railroad ROW and from the southwest end of the Wildhaber's building to the BNSF railroad ROW; and clarify that the option requires all materials blocking the City ROW to be removed. The motion was seconded by Councilor Pope.

Councilor Spahr stated he was concerned about the turnaround area. He wanted to see the Grahams ask for a waiver of property setbacks to help them do what they want to do.

Councilor Lund stated he was against the motion. He agreed with the comments made by Mr. Blinks and the statute he cited that if one party is allowed to do something, the other party should have the same opportunity.

August 26, 2019

Mayor Dawes clarified that the statue cited by Mr. Blinks referred to landlocking a property.

The motion carried 4 to 1. Councilor Lund voted against the motion.

Mayor Dawes encouraged the two parties to get together and come up with something that would work. It would have to be agreeable to both parties before it was ever brought to the council and would need involvement from city staff at the beginning.

4. Administration Reports.

a. **City Manager Update – Strategic Planning.** City Manager Anderson provided an update on the strategic plan and three-year goals that included maintaining and enhancing financial stability; enhancing and modernizing technology; increasing and optimizing staffing levels; improving and maintaining infrastructure; and enhancing and maintaining facilities. City Manager Anderson noted some of the six-month objectives since the last strategic planning session in March. The next strategic planning session is scheduled for September 18.

5. Councilor Reports/Committee Updates.

a. Councilor Harris thanked the school district for allowing the police department to use Cascade and R.E. Bennett Schools for K9 use, and Code Enforcement Officer Angie Elder for the safety issue on West Street with the RV situation.

b. Mayor Dawes attended the opening ceremonies for the fair and a Business After Hours at Dick's Brewing. He thanked staff for the nice groundbreaking ceremony today for Recreation Park.

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)(b) – Selection of Site or Acquisition of Real Estate and RCW 42.30.110(1)(c) – Minimum Price at Which Real Estate Will Be Offered for Sale/Lease, 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 5:58 pm. The executive session began at 6:02 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:29 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

September 9, 2019

The Chehalis city council met in regular session on Monday, September 9, 2019, 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 Dr. Isaac Pope and Chad Taylor were absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Lougheed, Public Works Director/City Engineer; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; and Lilly Wall, Recreation Manager. No members of the news media were present.

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

- a. Minutes of the regular meeting of August 26, 2019;
- b. August 30, 2019 Claim Vouchers No. 126709-126840 in the amount of \$412,357.02;
- c. August 30, 2019, Payroll Vouchers No. 40981-41032, Direct Deposit Payroll Vouchers No. 11136-11261, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 255-259 in the amount of \$855,723.70;
- d. Offer to lease Tract 16-B on NW Louisiana Avenue (by Home Depot/Taco Bell) by Riptide 6, LLC;
- e. Resolution No. 10-2019, first and final reading – delegating signing authority to the Finance Director for reimbursement on federally funded transportation projects; and
- f. Implementation of ACH (Automated Clearing House) payment options for accounts payable (AP) vendor payments.

The motion was seconded by Councilor Lund and carried unanimously.

2. **Recognition of Richard DeBolt by the Washington Recreation and Park Association (WRPA).** Mayor Dawes stated one of the projects the city has been working on was Recreation Park. Richard DeBolt was one of many that led the charge in making sure that \$12 million were allocated by the Legislature for the Youth Athletic Facilities Program, which included not only the Recreation Park project, but 25 other communities' projects. Rep. DeBolt also endorsed another grant for \$257,500 for Recreation Park. Mayor Dawes thanked Rep. DeBolt for his efforts on behalf of the 20th District.

WRPA state lobbyist Doug Levy and WRPA President-Elect Paul Simmons recognized Rep. DeBolt with a certificate of appreciation of his efforts to secure \$12 million in the 2019-2020 Capital Budget for Youth Athletic Facilities Program giving kids throughout the state enhanced access to ballfields and courts, higher quality play time, and positive outlets for healthy living.

Rep. DeBolt thanked the community, specifically Lilly Wall for testifying in front of the House and the Senate. He stated that our kids are what make our communities special. He thanked everyone for the award.

3. **Purchase of Exterior Ballistic Vests for Police Officers.** Chief Schaffer stated many officers would like to change from interior to exterior ballistic vests. Currently, all gear worn by the officers is on their belts, which is uncomfortable and hard on backs and hips. The exterior carriers would allow for much of the gear to be worn off of the belts to relieve some of the stress. The cost to outfit 12 officers would be \$475 each. The vests were not budgeted in 2019, but because the process for ordering takes some time, Chief Schaffer requested that the vests be purchased immediately instead of waiting until 2020.

Councilor Harris asked if a budget amendment would be necessary. Chun Saul indicated that was correct.

Councilor Spahr asked if exterior vests were something new. Chief Schaffer stated they were becoming more common and are very popular in the military.

Councilor Spahr moved to appropriate \$5,700 from the General Fund to the Police Department's budget for the purchase of exterior vests. The motion was seconded by Councilor Harris.

Mayor Dawes expressed his support of the purchase. The motion carried unanimously.

September 9, 2019

4. Administration Reports.

a. **City Manager Update.** City Manager Anderson stated Recreation Park construction was moving forward. The contractor is performing in an outstanding way, as is the construction manager. The Tri-Club Rotary group will be awarding a check to the Chehalis Foundation and the City on Wednesday at noon at the V.R. Lee Building in the amount of \$47,000, which were the proceeds from the auction held last spring for Penny Playground. A strategic planning session is set for September 18 in the City Hall basement, which is open to the public.

5. Councilor Reports/Committee Updates.

a. Councilor Lund stated he has received comments from citizens concerned about the homeless people in the area of the water filter plant and parks along the hillside.

b. Councilor Harris attended the ribbon cutting for the new schools and was able to spend some time with both the Shaw and Smith families.

c. Mayor Dawes attended the Centralia city council's workshop on fireworks on August 26. They discussed both limiting the sale and discharge of fireworks. It appears they will curtail the hours and days to discharge fireworks. He thought it was a losing battle because he didn't think complaints were coming from fireworks that are legal, but rather those from tribal reservations. It is also difficult to enforce. He thought it was something that could be brought up at the strategic planning session. He also attended the mayors' meeting. The November meeting will be the legislative round-table. He also asked if the box-spring sitting along National Avenue across from Callison's could be picked up. He didn't know where it came from, but asked staff to contact the furniture store on Market and ask them not to leave old furniture out in case that is where it came from.

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)(b) – Selection of Site or Acquisition of Real Estate; RCW 42.30.110(1)(g) – Review Performance of a Public Employee; and 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 5:25 pm. The executive session began at 5:27 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:30 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

September 18, 2019

The Chehalis city council met in special session on Wednesday, September 18, 2019, 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, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilors Tony Ketchum and Daryl Lund were absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Andrew Hunziker, Property/Facilities Manager; Randy Kaut, Deputy Police Chief; Trent Lougheed, Public Works Director; Brandon Rakes, Airport Operations Coordinator; 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. No members of the media 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 progress of the goals and six-month objectives from the last planning session held in March 2019. She introduced Marilyn Snider, a strategic planning facilitator with Snider and Associates, and Gail Tsuboi, Graphic Recorder with Tsuboi Design.

Ms. Snider reviewed the city's mission statement, core values, and three-year goals. Ms. Snider led the group to identify:

- Strengths and accomplishments since March 2019
- Current internal weaknesses/challenges
- External factors/trends that may impact the city in the coming year, both positively and negatively
- A vision statement
- A review of the three-year goals, which were reaffirmed
- Six-month objectives for each goal

Note: Councilor Taylor left the meeting at 1:35 pm. The work session continued without a quorum since no action was required by the council.

The next six-month planning session was set for May 14, 2020.

The special meeting concluded at 3:04 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

September 23, 2019

The Chehalis city council met in regular session on Monday, September 23, 2019, 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; Erin Hillier, City Attorney; Trent Loughheed, Public Works Director/City Engineer; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; and Dave Vasilauskas, Water Superintendent. No members of the news media were present.

1. **Proclamation – CROP Hunger Walk**. Mayor Dawes read and presented a proclamation to Valerie Sullivan designating October 6 as CROP Hunger Walk Day in Chehalis.

2. **Proclamation – Childhood Cancer Awareness**. Mayor Dawes read and presented a proclamation designating September as Childhood Cancer Awareness Month.

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

- a. Minutes of the regular meeting of September 9, 2019;
- b. Minutes of the special meeting of September 18, 2019;
- c. September 13, 2019 Claim Vouchers No. 126841-126976 in the amount of \$1,130,838.34 and voided Check No. 126827 in the amount of \$32.00;
- d. Acceptance of grant funding: State of Washington Recreation and Conservation Office Amendment No. 1 to Agreement No. RCO #19-1187 for Phase II of the Flood Storage Basin Master Plan;
- e. Engineering services agreement with Skillings Connolly, Inc., for an amount not to exceed \$316,675.53 for the Flood Storage Basin Master Plan – Phase II;
- f. Resolution No. 11-2019, first and final reading – declaring property surplus; and
- g. Floodplain management planning annual progress report.

Mayor Dawes stated that item “f” would be removed from the Consent Calendar and moved to New Business.

The motion was seconded by Councilor Lund and carried unanimously.

4. **Resolution No. 11-2019, First and Final Reading – Declaring Property Surplus**. Mayor Dawes stated there was an addition to the list of property to be declared surplus.

Chief Schaffer stated an officer retired last week, and it was customary for the officers to get together and purchase the officer’s firearm to present upon retirement. The firearm first needs to be surplussed and then the officers purchase a replacement firearm. Chief Schaffer stated the property was a Smith & Wesson M&P 40 caliber firearm with serial number DTY7701.

Councilor Ketchum moved to adopt Resolution No. 11-2019, as amended, on first and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

5. **Recreation Park Improvement Project – Request to Use Funds Designated for the Project to Proceed with Change Orders to Advance the Work Needed**. City Manager Anderson stated staff was asking for authorization to spend money already designated for the project for work by KBH Construction.

Trent Loughheed stated the City Council authorized the City Manager to execute an agreement with KBH Construction for \$2,104,704.24 plus a 3% contingency for ballfields and amenities. The total project budget of \$4.2 million included the playground, sidewalks, lighting, and additional improvements. Part of the total project was for playground equipment and artificial turf through government contract services. Staff was requesting authorization of an additional \$612,500 for additional items not included in the original work – additional sidewalks, drainage, a small irrigation line, electrical for lighting, fencing and

September 23, 2019

back-stop netting, excavation and repair of soil at fields 3 and 4 due to wet areas from an existing irrigation leak, replacement of mechanically seeded outfields with imported sod on all four fields to ensure playability next season, and a contingency for additional unforeseen challenges. Staff was recommending that the City Council authorize the City Manager to manage and execute additional change orders to the existing contract with KBH Construction for work at Recreation Park not to exceed \$612,500, which would increase the total contract to \$2,780,345.24.

Councilor Spahr stated he was confused as to whether this was adding cost to the contract. Mr. Lougheed explained it would add cost to the contract, but it was not adding cost to the total project.

Councilor Harris moved to authorize the City Manager to manage and execute additional change orders to the existing contract with KBH Construction for work at Recreation Park not to exceed \$612,500, which would increase the total contract to \$2,780,345.24. The motion was seconded by Councilor Pope and carried unanimously.

6. Chehalis River Raw Water Pipeline Replacement Study Project. Trent Lougheed stated the pipeline is used to pump water from the Chehalis River to the water treatment plant, which is about 7,500 feet long and is 18-inch steel. It is approximately 60 years old and is near the end of its life. The City hired the engineering services of Kennedy Jenks to look at the replacement project. Mr. Lougheed described four alternative routes for replacing the line, including the disadvantages of each option. He stated Alternative 2 was the favorable option. Even though it is the longest route it has the highest percentage of conventional construction methods, while minimizing micro tunneling, and it is the least costly. Mr. Lougheed stated the costs of each option were:

- Alignment 1 – \$31 million
- Alignment 2 – \$17.8 million
- Alignment 3 – \$22.1 million
- Alignment 4 – \$18.4 million

Mr. Lougheed stated the costs included a 30% contingency. He stated the costs were much higher than anticipated so they looked at two alternatives for Alignments 2, the preferred option, which significantly reduced the project cost. Alignment 2B would be \$7.1 million and Alignment 2A was \$8 million. Both options would not replace the entire line.

Councilor Ketchum was concerned about not replacing the entire line and what issues that could cause in the future.

Councilor Taylor asked what the funding strategy was. Mr. Lougheed stated he was attending the Infrastructure Assistance Coordinating Council conference to learn about financing options.

Councilor Taylor asked how often the line was used. Dave Vasilauskas stated it depended, but typically it's about 1,800 to 2,000 gallons from the Newaukum and about 1,200 to 1,500 from the Chehalis during the summer months. If the Newaukum gets high turbidity then the Chehalis is used.

Councilor Lund stated the Chehalis wasn't just a backup source, which he thought was mentioned previously.

Councilor Spahr asked for clarification of the costs of Alignments 2, 2A, 2B. Mr. Lougheed explained that the cost would be either \$7.1 million for 2B, or \$8 million for 2A, as long as the necessary permits from WSDOT were obtained. Alternative 2, at \$17.8 million, was the same route, but with micro-tunneling.

Councilor Spahr asked what micro-tunneling was. Mikael Lubovich with Kennedy Jenks explained that micro-tunneling was essentially what was done with the Seattle tunnel, but on a much larger scale. One of the reasons the cost was so high related to the lines that had to cross under wetlands, I-5, and Burlington Northern (BN). BN requires case piping under their facilities, which would require a large pipe and then another conduit back that would be the water carrying pipe.

Councilor Lund asked why the pipe would not be replaced entirely to the reservoir. Mr. Lougheed explained that staff would be looking at the Newaukum water line and how to potentially tie it in. The lines may be broken apart if a second treatment plant was built. If a second plant was needed, we don't want to replace something that we're not going to use.

Councilor Lund asked why a new pipe couldn't be shoved through the existing pipe. Mr. Lubovich stated that was an option, but there are several bends in the wetland area and you can't navigate those bends at that length without having to excavate the bends and pull pipe.

September 23, 2019

Mayor Dawes asked why, structurally speaking, Mr. Lubovich recommended 2B. Mr. Lubovich stated the full evaluation of the four options looked at more than just cost, and established Alignment 2 as the recommendation. Further discussion was held and 2A and 2B were developed to reduce costs.

Councilor Pope asked what the safest option was, structurally. Mr. Lubovich stated the condition of the existing pipe needed to be considered. There has been no interior pipeline inspection. Option 2B included inspection of the pipe to verify the portion that the city does have access to is in fact not in the best condition and should be replaced.

Councilor Pope thought the city needed to look toward the future because it could cost more in the future. He thought an investigation of the pipe should be done.

Councilor Lund asked if Mr. Lubovich had a tool to run down the pipe to do a UT of the pipe. Mr. Lubovich stated there are companies with tools that can do a condition inspection/videoing. Ultrasonic measurement devices measure the thickness of the pipe. You can also dig down to the pipe to test the pipe.

Mayor Dawes thought the entire line should be replaced so there weren't problems in the future with the portion that wasn't replaced. The council could go with the recommendation of Kennedy Jenks to go with 2B and then include an option in the bid specs to complete the remaining portion of the line to the treatment plant. Mr. Lubovich stated there have been sources of leaks in the pipe and they have been areas upstream of where we're looking at connecting to.

Councilor Ketchum moved to authorize staff to look at Alignment 2 and taking the line all the way up to the water treatment plant. The motion was seconded by Councilor Spahr.

Councilor Taylor asked if staff could provide further analysis of the condition of the pipe. Mr. Loughheed stated staff was unable to get leak detection equipment on the pipe because there were no access points/valves, but there are substantial issues because 100 gallons a minute are being lost between the pump and the plant.

Councilor Spahr asked which was better of 2B and 2A. Mr. Loughheed stated that for cost effectiveness and getting the best product in the end, it was 2A.

Councilor Spahr stated it was mentioned that a second plant might be built in the future. He asked where it would be located and how would going up to the current plant hinder that. Mr. Loughheed stated the city didn't have the property for a second plant so it really depended on where we can acquire the property at the correct elevation and determining if the Chehalis River would go to the new plant or the current plant. Most likely it would be best to go all the way to the plant and have the current treatment plant be strictly for Chehalis River water if we get another plant.

Councilor Pope stated there were no costs presented for extending the line to the plant. He didn't think the council could make a real decision until that information was provided. Mr. Loughheed stated that if the line went all the way to the plant, a new line would have to be constructed and the old one would be abandoned, otherwise it would require completing shutting down the water system.

City Manager Anderson stated that additional work to assess taking the line all the way to the plant would require an amendment to the contract with Kennedy Jenks.

Mayor Dawes asked if a motion was needed or could the council, by consensus, direct staff to explore replacing the line all the way to the treatment plant. City Manager Anderson thought providing direction was sufficient.

Councilor Ketchum withdrew his motion. Councilor Spahr withdrew his second to the motion.

Trent Loughheed asked if council would like staff to present an agreement for design services once a recommended alignment was selected. Mayor Dawes thought the council needed to figure out what they wanted to do first.

September 23, 2019

7. Administration Reports.

a. **City Manager Update.** City Manager Anderson stated a strategic planning workshop was held last Wednesday to review the city's three-goals, mission statement, and core values, and to develop a vision statement. Periodic updates will be brought to the city council between now and the next planning session set for May 14, 2020.

8. Councilor Reports/Committee Updates.

a. Mayor Dawes attended the following: September 11 Rotary Club meeting where a check was presented to the Chehalis Foundation for Penny Playground; September 12 chamber barbeque; first budget committee meeting on the 12th; a .09 committee meeting on the 13th; and the goal and vision setting meeting on the 18th.

9. **Free Disposal Vouchers.** Commissioner Edna Fund announced that next Monday was the last day to use free disposal vouchers at the transfer station.

10. **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)(b) – Selection of Site or Acquisition of Real Estate; RCW 42.30.110(1)(c) – Minimum Price at Which Real Estate Will Be Offered for Sale/Lease; RCW 42.30.110(1)(i) – Potential Litigation; and RCW 42.30.140(4)(b) – Collective Bargaining, not to exceed 7:30 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:09 pm. The executive session began at 6:16 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 7:30 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

October 14, 2019

The Chehalis city council met in regular session on Monday, October 14, 2019, 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; Kiley Franz, City Manager's Administrative Assistant; Brian Kelly, City Attorney; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media included Celine Fitzgerald of *The Chronicle*.

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

- a. Minutes of the regular meeting of September 23, 2019;
- b. September 30, 2019 Claim Vouchers No. 126977-127099 in the amount of \$541,282.18;
- c. September 30, 2019 Payroll Vouchers No. 41033-41078, Direct Deposit Payroll Vouchers No. 11262-11384, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 260-264 in the amount of \$917,632.78;
- d. Change Order No. 1 in the amount of \$167,087.88 for the Riverside Force Main Replacement Project;
- e. Water Use Efficiency Plan update;
- f. Resolution No. 12-2019, first and final reading – delegating signing authority to the Airport Operations Coordinator for reimbursement on federally and state funded infrastructure projects – Taxiway Realignment;
- g. Resolution No. 13-2019, first and final reading – delegating signing authority to the Recreation Manager for reimbursement on federally and state funded facility improvement projects – Recreation Park; and
- h. Budget request for professional services for firemen's pension fund actuarial valuation.

The motion was seconded by Councilor Lund.

Mayor Dawes spoke about item "d" and stated it was his understanding that the change order was needed due to electrical and/or cable lines that were in the right-of-way but were not located. Once found, the route had to be changed to go around the lines, which increased the project cost. Patrick Wiltzius clarified the lines were telecommunications/fiber optic lines. He explained that during the process, the city called in a design locate to trigger agencies to locate their lines so engineers can design accordingly. It appears that some agencies did not locate their lines. A construction locate was then called in and was responded to about a week late after construction was started and had to be stopped to redesign the project. He didn't know if recouping the costs was something that could be pursued. He suggested it could be addressed when franchise agreements are renewed.

Mayor Dawes stated city staff did everything they were supposed to do, but it was very frustrating that the agencies did not locate their lines and the city was on the hook for the redesign.

The motion carried unanimously.

2. **Lodging Tax Advisory Committee (LTAC) Recommendations for 2020 Tourism Funds and Reappointment of Committee Members.** Councilor Harris, chair of the LTAC, thanked the applicants for reviewing their projects with the committee and Kiley Franz for her assistance to the committee. He reviewed the requests and LTAC recommendations:

	Request	LTAC Recommendation
1. Chehalis-Centralia Railroad & Museum (personnel)	\$ 25,000	\$ 15,000
2. Lewis County Historical Museum	\$ 45,000	\$ 40,000
3. Veterans Memorial Museum	\$ 30,000	\$ 30,000
4. Chamber of Commerce Building/City of Chehalis Utilities	\$ 50,000	\$ 50,000
5. Chehalis-Centralia Railroad and Museum (marketing)	\$ 35,000	\$ 35,000

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6. Chehalis Community Renaissance Team	\$ 49,000	\$ 27,000
7. Centralia-Chehalis Chamber (Visitor Center Services)	\$ 40,000	\$ 40,000
8. Discover Lewis County	\$ 5,000	\$ 0
9. Artrails	\$ 12,000	\$ 5,000
10. Southwest Washington Fair	\$ 18,500	\$ 10,000
11. Chehalis Wedding Show	\$ 12,435	\$ 12,435
12. Youth Athletic Tournaments	\$ 15,000	\$ 15,000
TOTALS	\$336,935	\$279,435

Councilor Harris stated the projected 2020 beginning fund balance for the Tourism Fund was \$430,483. \$50,000 is kept as a reserve and the committee agreed to pay up to \$75,000 a year to pay back the loan on the Recreation Park project. This year the amount was \$63,395.91. He pointed out that the request from the CCRT was \$49,000; however, after discussion, they are no longer going to produce the Lewis County Visitors Guide, so that is why the LTAC recommendation is \$27,000.

Mayor Dawes asked if Centralia was contributing any tourism funds to the chamber building/utilities. Councilor Harris stated the city was requesting those funds for potential relocation of the chamber building since the city owns the land that the chamber building sits on. The building will remain on the same property but will be moved to accommodate future I-5 widening. He didn't believe that Centralia had announced any of their LTAC recommendations to-date.

Mayor Dawes stated he had concerns about the steam train, specifically when the steam locomotive would be running again and the financial condition of the group. He stated advertisements still referred to steam train rides, but it was really a diesel locomotive pulling the trains right now. He hoped that if the money was appropriated, they would see the steam train running again, and work that needs to be done on the tracks and bridges was done. He was concerned about the city's liability. He stated he supported the steam train and wanted to see it be a success.

Mary Kay Nelson, representing the steam train, stated they have done the best they can given their web address was steamtrainride.com. They are doing their best to not post pictures of the steam locomotive and have a disclaimer on the website and Facebook that the diesel engine is currently being used since the steam locomotive is under construction. They have "train checks" that they have not had to use in case people come and didn't realize the diesel was being used. They have not seen a decline in ridership. The target date to have the steam train running is May 2020. She noted extra runs have been added to the Polar Express trains. Ms. Nelson stated a bid was submitted to the Port of Chehalis for purchasing the track, which has been maintained by the steam train for the past 30 years. It was difficult to go after grants because the locomotive and tracks are not owned by the association. She stated ridership covers their operating expenses, but not the major upkeeps. She stated she was committed to the project to get the ship righted. She stated they have talked with the Veterans Museum about making a beautiful park-like complex along the freeway to drive people off the freeway.

Councilor Pope asked if the steam train had its own liability insurance. Ms. Nelson indicated they did.

Councilor Harris stated the steam train had a third request that came in late and the LTAC will meet to review the request relating to repair work on the locomotive. A recommendation will be coming back to the council.

Councilor Spahr moved to approve the candidates and funding amounts, both individually and collectively, of the Lodging Tax Advisory Committee for use of lodging tax funds for 2020; a reserve amount not to exceed \$75,000 a year for the debt service related to the Recreation Park Improvement Project; and the reappointments of Todd Chaput, Gloria Choi, Jena Sorenson, Alicia Bull, Rick Burchett, and Chip Duncan to the Lodging Tax Advisory Committee. The motion was seconded by Councilor Pope and carried unanimously. Councilor Taylor abstained from voting.

3. Recreation Park Improvement Project – Request to Use Funds Designated for the Project to Proceed with Change Orders, and Utilize Contract Purchasing for Playground Equipment and Services. Lilly Wall stated the project budget was \$4,146,669. \$2,946,169.75 was previously approved by council, leaving a balance of \$1,200,499.25. The remaining balance would be used to complete ballfields and general site work; purchase of playground surfacing material and play structures; and "wish list" items. The request includes an increase of \$305,499.25 including sales tax and a 5% contingency for the ballfields and general site work. The funds will be used to complete the activities being done at the park by KBH Construction and provides the needed funds to allow the purchase of materials, equipment and supplies for project-related work to be completed by city staff as part of the wish list. The requested allocation also includes funds in the amount of \$895,000 to

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purchase the playground equipment and surfacing, which will be procured through government purchasing contracts. The projected completion date is February 2020.

Councilor Ketchum moved to authorize the City Manager to spend the remaining budget allocated for the Recreation Park Improvement Project, which was \$1,200,499.25 to complete the project, which includes the following activities and expenditures: purchase playground equipment and surfacing utilizing contract purchasing in an amount not-to exceed \$895,000, including tax and a 5% contingency; manage and authorize additional change orders to the contract with KBH Construction within the project budget needed to facilitate completion of the project; purchase materials, equipment, and supplies for project-related work that will be done by City staff; and purchase additional items or materials needed to enhance the project if project funding is available. The motion was seconded by Councilor Spahr and carried unanimously.

4. Investment Policy Update. Chun Saul stated the city's current policy was adopted in June 1994 and modifications were needed to meet current standards and practices. She stated the primary objectives, in priority order, were to preserve principal (safety); to meet cash flow needs (liquidity); and consider investment risk and cash flow needs (return on investment). Major changes included the addition of a governing authority section; a prudence section; a list of prohibited investments; maximum maturities – changed from 4 years to 5 years; reporting frequency – changed from monthly to quarterly; and an updated diversification section. Ms. Saul also reviewed minor changes to the document.

Councilor Ketchum moved to approve the modifications and adopt the Investment Policy. The motion was seconded by Councilor Lund and carried unanimously.

5. Administration Reports.

a. **City Manager Update.** City Manager Anderson thanked the public for their patience during the Recreation Park project. She reminded everyone that city hall be handing out candy on Halloween and the Trick or Treat Transit will be available.

6. Councilor Reports/Committee Updates.

a. Councilor Taylor stated Twin Transit has been holding community meetings, which have been well attended. He stated Director Joe Clark has put together a presentation and he suggested that Mr. Clark be invited to a future meeting. He stated amazing things are happening under his leadership. Some wait times for buses have decreased and turnouts will be added along Market Boulevard. Buses now have GPS and Wifi, and you can buy bus passes online. He stated several old buses were surplus to local non-profits.

b. Mayor Dawes attended the following: budget committee meetings; mayors meeting; and groundbreaking for Penny Playground. He and City Manager Anderson also participated in creating a video that will be shown as part of the Chehalis Foundation gala.

c. Councilor Taylor stated he spoke with the City Manager regarding Tim Eyman's initiative (I-976) that will be on the upcoming ballot and he asked if it would impact the city. They didn't think it would since it only relates to car tab fees and the city's Transportation Benefit District relies on sales tax. He stated it got him to thinking that the city has such limited resources already and should be thinking about additional revenue sources.

Councilor Harris stated the council budget committee has also been thinking about new revenue streams, specifically for the general fund. Mayor Dawes stated one example was using the Firemen's Pension Fund to fund LEOFF I medical expenses if an actuarial study determines the fund is sufficient to pay the estimated demands of pension benefits.

City Manager Anderson the city has a bridge project that will need state funding. It is those types of projects that could have an unknown impact to future projects if I-976 passes – many or more projects going after a smaller pot of money.

7. Commissioner Edna Fund expressed condolences to the family of Keith Blackwell who passed away last Friday. She stated an open house would be held on October 26 at 2:00 pm at the old Jackson Courthouse, along with celebrating Julie McDonald Zander's new book on Washington Territory's Grand Lady – The Story of Matilda (Glover) Koontz Jackson. The 5th Annual Roundtable with the Legislators will be on November 1 from 9:00 am to noon at the courthouse. She also reminded everyone that October was breast cancer awareness month and she encouraged all women and men to get their check-ups.

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8. **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)(c) – Minimum Price at Which Real Estate Will Be Offered for Sale/Lease; and RCW 42.30.110(1)(g) – Review Performance of a Public Employee, 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 6:03 pm. The executive session began at 6:06 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 7:14 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

October 28, 2019

The Chehalis city council met in regular session on Monday, October 28, 2019, 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; Tammy Baraconi, Planning & Building Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Brian Kelly, City Attorney; Andrew Hunziker, Parks & Facilities Manager; Devlan Pool, Wastewater Superintendent; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media included Celine Fitzgerald of *The Chronicle*.

1. Introduction of New Planning & Building Manager Tammy Baraconi and New Wastewater Superintendent Devlan Pool. Tammy Baraconi and Devlan Pool were introduced and welcomed to the city.

2. Port of Chehalis Update. Randy Mueller, Chief Executive Officer, provided an update on Port activities: ribbon cutting in December for the newly constructed 20,000 sq. ft. building; acceptance of a bid for the Curtis rail line from the Chehalis-Centralia Railroad and Museum; farm industry work underway; Chehalis Coworks will be made a permanent fixture in downtown Chehalis; and passed 2020 budget that includes \$30,000 to CCRT (Chehalis Community Renaissance Team) and doubling their marketing budget. The MIT Living Wage Index was going up from \$15.72 to about \$16.20 and was the benchmark the Port uses for the kinds of business they attract. He stated the Port Commission would like to have a joint session with the council to talk about things that are of mutual interest.

Mayor Dawes thought the full council needed to be part of the discussion. He asked Mr. Mueller to work with the City Manager to arrange a date.

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

- a. Minutes of the regular meeting of October 14, 2019;
- b. October 15, 2019 Claim Vouchers No. 127100-127246 and Electronic Funds Transfer Nos. 92019, 920191 and 102019 in the amount of \$1,316,411.90;
- c. Addendum to city manager contract to provide for a cost of living adjustment and executive leave;
- d. Resolution No. 14-2019, first and final reading – approval for application of Community Aviation Revitalization Loan Program for airport improvements – above-ground fuel storage facilities; and
- e. Resolution No. 15-2019, first and final reading – setting a public hearing regarding petition to vacate right-of-way (unnamed alley) within the Darigold site on NW Chehalis Avenue.

The motion was seconded by Councilor Taylor and carried unanimously.

4. Implementation of Online Bill Pay Program for Utility Customers and Council Policy Directions for Payment Transaction Fees. Chun Saul stated there was a growing demand from utility customers for options for making payments, and it was also a strategic planning goal of the council. Several options were explored to utilize modern technology, improve customer service, and simplify staff workload and improve efficiency. The ideal program needed to provide full integration with the city's current utility billing software, which was Springbrook. It was determined that Springbrook's CivicPay was best suited for what the city was looking for. It would provide real-time transactions and no need for staff to upload data to a third-party provider or to the city's system. Features included real time access to account data 24/7; a stand-alone counter terminal for making payments in person; and an Interactive Voice Response (IVR). Costs include an annual subscription service around \$4,000 and payment transaction fees. She stated the council needed to decide whether the City would pass the fees onto the customers or if the City would pay the fees. She noted there was a utility interchange rate offered by credit card companies for utility customers. If a city charges a convenience fee, it would not receive the discounted rate. Ms. Saul stated there were three different types of fees allowed by card companies – surcharge, service fee, and convenience fee. If the city paid the transaction fees, the estimated annual cost was \$27,380. She stated staff was recommending that the city pay the transaction fees because the program would provide convenience to customers and to city staff. If more customers utilize the online bill pay services, the city would reduce the cost of printing and mailing all paper bills and staff time for processing paper bills and payments, which could offset a portion of the transaction fees. She estimated the program could go live in January or February 2020.

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Councilor Taylor asked if a property owner who had multiple properties could view/monitor all of their accounts in one place. Ms. Saul stated she would have to check with utility billing.

Councilor Pope asked if staff would review the cost effectiveness of the program and provide that information to the council. Ms. Saul stated staff would do that.

Ms. Saul stated the city currently uses Official Payments, a third-party vendor for customers to pay with a debit/credit card or an eCheck by paying \$5.95 to Official Payments, who collects the money and gives the full utility payment to the city. The process is not integrated with the city's system, so city staff then has to manually enter the transactions.

Councilor Lund thought the program would save more than the \$27,000 to implement it. He commended Ms. Saul for finding the program.

Councilor Taylor asked how many customers use Official Payments to pay their bills. Ms. Saul stated there are 3,480 utility accounts, both residential and commercial, that generate about 25,000 bills per year. Official Payments transactions over the last 12-month period generated 880 payments, which is about four percent of total bills.

Councilor Harris asked if dedicated phone lines would be needed and would residential accounts go to monthly billing instead of bimonthly. Ms. Saul believed it would be computerized, but she didn't yet have all the details. City Manager Anderson stated there were no plans to change to a monthly billing cycle, but customers can make monthly payments.

Councilor Ketchum moved to authorize the city administration to enter into an agreement with Springbrook to subscribe to CivicPay service and implement the CivicPay program, and further authorize the city's utilities to pay the convenience fee as a cost of doing business to increase efficiency and improve customer service. The motion was seconded by Councilor Lund.

Councilor Spahr asked how the city could get out of the program if it didn't work. Ms. Saul stated the city could discontinue the program if needed.

The motion carried unanimously.

5. Agreement with Greg Lund and Century 21 Lund, Realtors for Professional Real Estate Services. City Manager Anderson stated the agreement would engage Greg Lund and Century 21 Lund, Realtors to be the city's representative in purchase of a site for a new fire station. The current station location does not meet current and future demands for an 'essential facilities' building. A potential site is located in the vicinity of Chamber Way and State Avenue. A professional real estate person is needed to represent the city in the negotiation process. The term of the agreement would be for four months initially and provide for payment of \$100 per hour. She estimated the cost to be \$20,000 or less.

Councilor Lund stated he would be abstaining from voting on the issue since he was a cousin to Greg Lund.

Councilor Taylor stated he would also be abstaining from voting on the issue since his daughter worked for Mr. Lund.

Councilor Ketchum moved to authorize the City Manager to execute the agreement with Greg Lund and Century 21 Lund, Realtors for professional realtor services and the associated expenditure of funds. The motion was seconded by Councilor Pope.

Councilor Spahr stated the agenda report noted that, "Compensation of \$100 per hour with provisions for credits to the City associated with commissions that could be paid by the seller of property." He wanted to make sure it was understood that the language provided that Mr. Lund would not be paid by both the seller and the city.

The motion carried unanimously with Councilors Lund and Taylor abstaining.

6. Administration Reports.

a. **Finance Report.** Chun Saul provided the 2019 third quarter finance report, including an overview of city-wide totals for all funds combined. Overall, year-to-date revenues and expenditures were within budget projections and parameters.

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Mayor Dawes stated the report noted that business license revenues were above the targeted amount. He wondered if that was a result of the state taking over the collection of those fees. Ms. Saul stated she would check into it.

Ms. Saul reported that total revenues exceeded total expenditures in the Enterprise Funds for utilities and the airport. The city's total cash and investments as of September 30, 2019 were \$24,057,864, with only \$1 million for the General Fund. All other funds are dedicated or restricted for specific activities. About 89.1% of the total balance was invested and earned interest with year-to-date interest earnings of \$323,000, which are allocated to each fund based on their proportionate share of the investments. The net earnings rate for the Local Government Investment Pool was 2.448%, which was going down dramatically.

With regard to telephone taxes, Councilor Taylor asked how the city's charges were assessed. Ms. Saul explained that the city has a six percent utility tax, which was set by ordinance. Councilor Taylor asked if city governments had the ability to assess other charges for service(s). Ms. Saul stated she would have to research the question.

Councilor Taylor wanted to ensure that the appropriate amount of interest earnings were being allocated to the various General Fund departments that provide services to Enterprise Fund departments. Mayor Dawes stated the budget committee looked at that and made sure they were allocating appropriate charges that emanate from General Fund activities.

b. **Parks & Facilities Projects Report.** Andrew Hunziker briefed the council on some of the 2019 accomplishments of the Parks & Facilities division. He stated there were still a few additional projects that will be completed by the end of the year. Projects proposed in 2020 include landscaping around buildings at Recreation Park; city entrance landscaping on National Avenue; replacement of ballfield fencing in partnership with Little League at Hedwall Park; and upgrading the center restroom at Stan Hedwall Park. Mr. Hunziker noted they are also planning projects for 2021, specifically to facilities at Stan Hedwall Park. He thanked the council for their continued support.

c. **City Manager Update.** City Manager Anderson again welcomed Tammy Baraconi and Devlan Pool to the city. Governor Inslee will be in Lewis County on October 31st to discuss affordable housing. Mayor Pro Tem Harris will represent the city. The Trick-or-Treat Transit will be running on Halloween from 3:00 pm to 5:30 pm, which city hall will be participating in.

7. Councilor Reports/Committee Updates.

a. Mayor Dawes stated budget committee meetings were completed with each department. They have decided to meet quarterly next year to keep on top of things.

8. **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)(b) – Selection of Site or Acquisition of Real Estate; and RCW 42.30.140(4)(b) – Collective Bargaining, not to exceed 7:45 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:32 pm. The executive session began at 6:38 pm. At 7:45 pm Mayor Dawes reopened the regular meeting and announced the council would continue in executive session until 8:15 pm. At 8:15 pm, Mayor Dawes reopened the regular meeting and announced the council would continue in executive session until 8:20 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 8:18 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

November 12, 2019

The Chehalis city council met in regular session on Tuesday, November 12, 2019, 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, Dr. Isaac Pope, and Bob Spahr. Councilor Chad Taylor arrived at 5:15 pm. Councilor Daryl Lund was absent (excused). Staff present included: Jill Anderson, City Manager; Tammy Baraconi, Planning & Building Manager; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Erin Hillier, City Attorney; Andrew Hunziker, Parks & Facilities Manager; Trent Lougheed, Public Works Director; Dale McBeth, Municipal Court Judge; Devlan Pool, Wastewater Superintendent; Brandon Rakes, Airport Operations Coordinator; 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 included Steve George of KMNT Radio and Celine Fitzgerald of *The Chronicle*.

1. **Proclamation – Recognition of Retiring Wastewater Superintendent Patrick Wiltzius**. Patrick Wiltzius was recognized with a proclamation read by Mayor Dawes and presented by Mayor Pro Tem Harris. Patrick's wife, Lynn, and his son, Phillip were also in attendance. Patrick thanked past and present councils, city managers, and city staff. He stated his appreciation for the opportunities given to him during his career. He stated the city was a great place to work.

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 28, 2019;
- b. October 31, 2019 Claim Vouchers No. 127247-127379 in the amount of \$776,842.82;
- c. October 31, 2019 Payroll Vouchers No. 41079-41111, Direct Deposit Payroll Vouchers No. 11385-11492, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 265-269 in the amount of \$810,400.54.
- d. Adoption of federal grant management policy;
- e. Resolution No. 16-2019, first and final reading – approval for application of Community Aviation Revitalization Loan Program for airport improvements – hangars; and
- f. Additional Lodging Tax Advisory Committee recommendations for 2020 tourism funds – Chehalis-Centralia Railroad and Museum for steam locomotive repairs.

The motion was seconded by Councilor Pope.

Mayor Dawes asked for clarification that the money being allocated to the steam train would be used to get the steam locomotive back up and running. Councilor Harris stated it would be used strictly for repairs to the locomotive.

The motion carried unanimously.

3. **Citizens Business – Request to Adopt a Resolution in Support of Refugees**. Sarah Brown, Washington State Area Coordinator for Amnesty International, requested that the city adopt a resolution in support of refugees. She stated they had a program called IDEA (Inclusion, Diversity, Equity, and Accessibility). The resolution would be non-binding and would show support for refugee resettlements. Refugees leave their countries because of conflict or fear of their government. The resolution would basically say that Chehalis was welcoming of refugees. She explained that refugees go through a rigorous process before being admitted into the United States. Once here, resettlement agencies sponsor them, and they have 90 days to find a job and place their children in school.

4. **Public Hearing – Proposed 2020 Budget, Revenue Sources, Taxes, and Levies**. City Manager Anderson thanked the council, the council budget committee, staff, and specifically Finance Director Chun Saul for their work on preparing the proposed budget. She noted ongoing trends, which were concerning for the future, and the cost of providing services was going up higher and faster than the revenues that support it. People are required to provide those services and about 50% of the city's budget goes to police and fire services, and 70% for salaries and wages. When you talk about all city funds, the vast majority (20 out of 21) are restricted by policy or law. City Manager Anderson stated the two public hearings related to proposed 2020 revenues and the proposed 2020 budget.

November 12, 2019

Mayor Dawes closed the regular meeting and opened the public hearing at 5:17 pm on proposed 2020 revenues.

All Funds – Chun Saul provided an overview on revenue projections for the 2020 budget, overall property tax assessments, and explained the process in preparing and adopting the budget. With estimated revenues of \$23,961,352 and estimated expenditures of \$26,527,123, \$2,565,771 would be used from the beginning fund balance. Other than general funds, use of reserves related to one-time capital expenditures.

General Fund – Ms. Saul stated estimated expenditures were \$10,324,818, while revenues were \$9,977,976. The budget was balanced using \$346,842 from General Fund reserves (beginning cash), which was about 7.5% of the General Fund's revenue budget. She noted the council's policy goal was to maintain 10% reserves in the General Fund. Ms. Saul summarized General Fund revenues and noted that about 87.5% came from taxes.

Tax Levies – Ms. Saul noted most revenues were external to the city, but property taxes could be increased on a limited basis with council approval. Cities with less than 10,000 population could increase their levy amount by 1% without a vote, plus the value of new construction, annexation, and other adjustments added to the tax roll. Voter approval was needed beyond the 1% maximum allowed. The maximum statutory levy rate was \$3.60 per \$1,000 assessed value, minus the Library District at approximately \$0.40, plus Firemen's Pension Fund levy at \$0.225, leaving a maximum statutory levy rate at approximately \$3.425. She stated the city had not taken the 1% allowed increase for many years, and the proposed budget would use no banked capacity. Ms. Saul reviewed property tax distributions, noting that several taxing districts/agencies may tax the same property. The 2020 budget included a total levy amount of \$1,946,389 (\$1,616,190 for the regular levy and \$330,199 for the EMS levy). The overall percentage of change in property taxes from 2019 was 1.129408% (1.152110% for the regular levy and 1.018375% for the EMS levy). The estimated tax increase amount for every \$100,000 of assessed value was \$2.86 to the city's portion of the property tax.

Mayor Dawes asked if any members of the public wished to comment on 2020 proposed revenues. There being no public comment, the public hearing was closed and the regular meeting was reopened at 5:39 pm.

Mayor Dawes closed the regular meeting and opened the public hearing at 5:39 pm on the proposed 2020 budget.

Mayor Dawes noted that during the previous public hearing, Ms. Saul talked about using \$2.5 million in reserves. He wanted to make sure it was understood that was for large projects in the Enterprise Funds. He explained that reserves are built to use for large projects (e.g., a water line).

All Funds – Chun Saul stated the 2020 proposed budget was balanced using \$2.6 million from the beginning fund balance. With the exception of general governmental funds, use of the beginning fund balance was related to one-time capital expenditures. Total estimated expenditures were \$26.5 million.

General Fund – Ms. Saul provided a General Fund budget overview, noting the 2020 proposed budget was balanced using \$346,842 of General Fund reserve (beginning cash). The 2020 estimated General Fund ending fund balance was \$752,528 or 7.5% of total revenues. She noted the council goal of maintaining 10% in reserves and noted the GFOA (Government Finance Officers' Association) best practice was to maintain two months of operating expenditures in the General Fund, which is 16.7%. Ms. Saul noted the average one-month payroll was \$627,000. The proposed revenue budget was estimated at \$9,977,976. Ms. Saul provided a two-year General Fund budget trend showing revenues to be less than expenditures, making the budget not structurally balanced. One-time reductions or revenue will fill the gap in 2020; however, a significant infusion of new revenues or a reduction in expenses would be needed in 2021 and beyond. She noted sales tax was the largest revenue source for the General Fund and the projected increase in sales tax was about 0.1% from the amended 2019 budget. She noted sales tax was bolstered in 2017 and 2018 by significant construction spending, but as of October 2019, sales tax from construction spending decreased by \$169,845 or 41% from 2018. She stated sales tax growth was projected to level off in the coming year. The combined sales tax rate was 8.2%, with only 0.85% coming to the city's general services. The Chehalis Transportation District receives 0.2%. Ms. Saul stated 2020 expenditures totaled \$10,324,818, noting some of the planned expenditures that were included and some that were not included in the budget.

City Manager Anderson stated there were budget trends that were of concern, including projected retirements and their associated cash-outs in 2021, which is estimated at over \$300,000. She stated we should start planning for 2021 and beyond. In 2020, the council budget committee plans to meet quarterly and hold a city council workshop in the first half of 2020 to develop long-term planning to improve fiscal stability; develop a plan for structurally balanced budgets in 2021 and 2022; and identify

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potential new revenues. She stated the city's fee schedule needs to be reviewed; positions need to be revisited as people retire; watch economic and revenue trends; and continue to monitor revenues and expenditures carefully.

Discussion was held about the city having to pay for utilities (water/sewer) used by various city buildings from the General Fund to Enterprise Funds. City Attorney Erin Hillier stated that in general, under the law and according to the State Auditor, it was required. City Manager Anderson stated staff was looking at ways to reduce those costs.

Mayor Dawes asked if any members of the public wished to comment on the 2020 proposed budget. There being no public comment, the public hearing was closed and the regular meeting was reopened at 6:14 pm.

5. Ordinance No. 1001-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2020; Ordinance No. 1002-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2020; and Ordinance No. 1003-B, First Reading – Adopting the Proposed 2020 Budget. Councilor Ketchum moved to pass Ordinance Nos. 1001-B, 1002-B, and 1003-B on first readings. The motion was seconded by Councilor Harris. The motion carried 5 to 1. Councilor Ketchum voted against the motion, stating he thought the city should be using some of its banked capacity.

6. Administration Reports.

a. **City Manager Update.** City Manager Anderson again recognized Patrick Wiltzius for all his contributions to the city. She stated the Chehalis Foundation's annual gala was November 23.

7. Councilor Reports/Committee Updates.

a. Councilor Harris stated he and the city manager attended a meeting with Governor Inslee to talk about affordable housing. He was able to attend the Sounders championship win!

b. Councilor Spahr stated the EDC was holding a planning session on Thursday.

c. Councilor Taylor stated he attended the Seahawks game in California against the 49ers. He stated it was an amazing game!

d. Mayor Dawes attended the November mayors meeting, which was a legislative roundtable. Items discussed related to a regional 911 center, flooding, water treatment plant and water rights, Chamber railroad bridge, and downtown revitalization. He thought the next legislative session would have much focus on the recent car tab initiative.

8. 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 6:45 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:26 pm. The executive session began at 6:31 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 25, 2019

The Chehalis city council met in regular session on Monday, November 25, 2019, 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; Tammy Baraconi, Planning & Building Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Andrew Hunziker, Parks & Facilities Manager; Brian Kelly, City Attorney; Trent Lougheed, Public Works Director; Dale McBeth, Municipal Court Judge; Devlan Pool, Wastewater Superintendent; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; Don Schmitt, Street/Storm Superintendent; Dave Vasilauskas, Water Superintendent; and Lilly Wall, Recreation Manager. Members of the news media included Celine Fitzgerald of *The Chronicle*.

1. Public Hearing – VAC 19-200 – Petition to Vacate Alleyway at the Corner of SW Chehalis Avenue and W Main Street. Mayor Dawes closed the regular meeting at 5:01 pm and opened the public hearing.

Trent Lougheed stated Darigold submitted an application to vacate the portion of alleyway adjacent to their property at 423 W Main Street and 1 SW Chehalis Avenue. The city's Development Review Committee reviewed the proposal and recommended approval. The council adopted Resolution No. 15-2019 to set tonight's public hearing. The only utilities in the alleyway are a stormwater line that is part of Darigold's onsite stormwater management system. Darigold owns all surrounding parcels. Mr. Lougheed noted the other portion of the alleyway was vacated in 1983. If approved, the applicant will compensate the City based on the appraised value of \$8,200, which will be deposited into the General Fund.

Mayor Dawes asked if any members of the public wished to comment on the proposed vacation.

It was the consensus of the council to have staff prepare an ordinance for council's consideration to vacate the alley.

There being no public comment, Mayor Dawes closed the public hearing and reopened the regular meeting at 5:05 pm.

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 12, 2019; and
- b. October 31, 2019 Claim Vouchers No. 127380-127523 and Electronic Funds Transfer Nos. 1020191 and 112019 in the amount of \$1,374,119.06.

The motion was seconded by Councilor Taylor and carried unanimously.

3. Public Hearing – Proposed 2020 Budget, Revenue Sources, Taxes, and Levies. Mayor Dawes closed the regular meeting and opened the public hearing at 5:07 pm.

City Manager Anderson stated no changes were made to the 2020 proposed budget since the last meeting when staff provided a thorough presentation.

Mayor Dawes asked if any members of the public wished to comment on the 2020 proposed budget. No public comment was received.

Mayor Dawes noted that following the November 12 meeting an article was in the paper. While it was technically correct that the city would be expending a little more in 2020 than what it would be taking in, he thought it was important to point out that in some funds (i.e., the Water Fund), there were some large projects that were going to occur, which would take \$1.4 million out of the reserve for that fund. He stated funds are set aside to save up for these types of large projects.

Mayor Dawes closed the public hearing and reopened the regular meeting at 5:11 pm.

4. Ordinance No. 1001-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2020; Ordinance No. 1002-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2020; and Ordinance No. 1003-B, Second and Final Reading – Adopting the Proposed 2020 Budget. Councilor Spahr moved to pass Ordinance Nos. 1001-B, 1002-B, and 1003-B on second and final readings. The motion was seconded by Councilor Lund and carried unanimously.

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5. Ordinance No. 1004-B, First Reading – Amending the 2019 Annual Budget. Chun Saul provided an overview of the proposed amendments to the 2019 Budget. The net city-wide increase in fund balance was \$519,857 with an estimated ending fund balance of \$17,991,770. Other than the General Fund, all other funds were legally restricted or committed to very specific activities. The General Fund would decrease by \$16,715 with an estimated ending fund balance of \$773,716, which was 7.7% of the General Fund's operating revenues. She noted council policy was to maintain 10% operating reserves in the General Fund. Ms. Saul summarized General Fund expenditures, stating the total net increase in appropriations was \$31,715. Ms. Saul summarized amendments to each of the Enterprise Funds.

Councilor Spahr moved to pass Ordinance No. 1004-B on first reading. The motion was seconded by Councilor Taylor and carried unanimously.

6. Resolution No. 17-2019, First and Final Reading – Contracting with Municipal Research and Services Center to Participate in MRSC Rosters Program. Trent Lougheed stated the city currently publishes and maintains its engineering, small works, and vendors rosters in-house. The total annual cost of advertising is about \$330; however, it takes a lot of staff time to prepare the advertisements and keep track of all the records. MRSC Rosters allows local jurisdictions to utilize one set of rosters, which will provide a much larger pool of registered roster participants to choose from. The service fee will be \$135 per year, which is based on the city's total capital expenditures averaged over five years. The fee will remain the same until the City reaches an average of \$5 million in total capital expenditures. It will save approximately \$200 per year in advertising costs, but the main savings would be in staff time. He explained that council policy states that resolutions having a financial impact have two readings, but in order to meet the December 1 deadline for entering into a contract with MRSC, staff was asking that the council suspend the rule requiring two readings of the resolution.

Councilor Harris moved to suspend the rules requiring two readings of a resolution. The motion was seconded by Councilor Taylor and carried unanimously. Councilor Harris moved to adopt Resolution No. 17-2019 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

6. Resolution No. 18-2019, First and Final Reading – Adjusting Fire Safety Permit Fees. Tammy Baraconi stated the city does not have its own fire marshal and currently contracts with the Riverside Fire Authority (RFA) for plan reviews and inspections for fire permits. The city currently charges a flat fee of \$35 for all fire related permits, but pays RFA \$27,500 per year. This year alone, the city received less than \$1,000 in permit fees. RFA currently charges 1.8% of the valuation of the fire system plus a \$50 administration fee for permits issued on behalf of Centralia. She stated staff was recommending a fee of 1.9% that would cover plan review, inspections, and administration costs. Ms. Baraconi stated other jurisdictions typically calculate plan review and inspection fees based upon valuation in the same way that building permit fees are calculated. She provided several examples of how local jurisdictions charge for fire safety permit fees based on a cost analysis at \$1,000, \$25,000, \$50,000, and \$100,000. She stated the \$1,000 cost analysis would apply to a new single-family home. About \$1,000 of the building costs would be for a fire suppression system, which was required for a 2,000 sq. ft. home if there was not a fire hydrant within 600 feet that meets fire flow requirements. The other cost analysis figures applied to larger commercial projects. She stated the fire suppression systems for the new schools had about a \$500,000 value, but they only paid \$35 for their permit. Multiple hours were spent reviewing the plans, inspecting the work, and making sure an occupancy permit could be issued.

Councilor Spahr asked how much RFA was paid for their work on the school's fire permit. Ms. Baraconi stated it was done under the \$27,500 annual contract. Since the city pays a flat annual fee to RFA, hours are not tracked for individual projects.

Ms. Baraconi stated staff was proposing a 1.9% flat rate fee with no administrative fee. It was also recommended that a \$200 fee be created for work that involves less than ten sprinkler heads or modifications to existing fire panels.

City Manager Anderson clarified that the 1.9% fee was just for a project's fire suppression costs, not the entire cost of the project.

Councilor Taylor asked if remodeling a 2,000 sq. ft. home would trigger a fire suppression system? Ms. Baraconi stated that increasing the square footage would allow the city to review and make sure the project met today's codes. She noted that was a state code.

Councilor Taylor thought it would be appropriate to charge for actual costs. Ms. Baraconi stated that provision was in the city's current code and was set at a minimum of \$100 per hour.

November 25, 2019

Mayor Dawes stated a number of fees came up during budget committee meetings, and thought it was something that needed to be looked at. He noted the city's building fees were also low.

Councilor Spahr moved to adopt Resolution No. 18-2019 on first and final reading. The motion was seconded by Councilor Harris and carried unanimously.

7. Administration Reports.

a. **City Manager Update.** City Manager Anderson stated that staff plans to begin reviewing the fee schedule after the first of the year. She stated a workshop will be held the first part of the year to identify where we go from here. She thanked the council and staff in preparing the budget, particularly Chun Saul. She wished everyone a Happy Thanksgiving and noted the Santa Parade was Saturday, December 7.

8. Councilor Reports/Committee Updates.

a. Councilor Taylor thanked Terry Harris for his work on the gingerbread house at the corner of 13th and Market and the train display near the swimming pool.

b. Councilor Lund echoed Councilor Taylor's thanks to Councilor Harris. He stated he attended a meeting with Fire District 6 last week.

c. Councilor Pope stated the Chehalis Foundation gala was very successful and well attended.

d. Councilor Harris thanked the Christmas committee and his family and friends for helping with the gingerbread house.

e. Mayor Dawes added his thanks to Councilor Harris for all the Christmas decorations he puts up throughout the town. He stated it looks better with each year. He attended the following meetings/events: fire consolidation and Chehalis Foundation gala. He thanked staff for the traffic revision at State and Main Streets and for installing a crosswalk light at 16th and Market.

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)(b) – Selection of Site or Acquisition 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 at 6:04 pm. The executive session began at 6:09 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: _____

December 9, 2019

The Chehalis city council met in regular session on Monday, December 9, 2019, 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; Tammy Baraconi, Planning & Building Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Erin Hillier, City Attorney; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; Don Schmitt, Street/Storm Superintendent; and Lilly Wall, Recreation Manager. Members of the news media included Celine Fitzgerald of *The Chronicle*.

1. **Proclamation – Support of Refugees.** Mayor Dawes read and presented a proclamation to Sarah Brown with Amnesty International in support of refugees.

2. **Recognition of Mayor Pro Tem Terry Harris.** Mayor Dawes read and presented a proclamation and a plaque in recognition of Councilor Harris' 16 years of service as a member of the council. The proclamation summarized an extensive list of committees and subcommittees that Councilor Harris served on. As stated on the plaque, Mayor Dawes thanked Councilor Harris for always representing the city with integrity, humility, and heart-felt commitment to the community. Finally, Mayor Dawes presented Councilor Harris with a gift from his fellow councilmembers in hopes that he use it to enjoy with his family.

Councilor Harris stated he loved working with his fellow council members and very much appreciated being part of that.

3. **Chehalis Community Renaissance Team Update.** Executive Director Annalee Tobey provided an update on CCRT activities. She thanked the council and staff for their support. Ms. Tobey highlighted the façade grant program, design projects, Chehalis Coworks, the Downtown Business Academy, and art and promotion projects. She reviewed new businesses and building owners, and expansions. 2020 projects will focus on an expanded Main Street District to include State Avenue, merchandising Chehalis-themed items, Chehalis promotional cards in area hotels, and strategic planning and program review. She recognized and thanked those businesses and the city for their 2019 B&O tax contributions. Finally, Ms. Tobey honored Councilor Harris with a framed photo, with signatures of thanks, for the wonderful gingerbread house that he created, and for all his leadership on the CCRT, particularly on the holiday decorations committee.

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 25, 2019;
- b. November 27, 2019 Claim Vouchers No. 127524-127631 in the amount of \$2,073,287.21;
- c. November 27, 2019, Payroll Vouchers No. 41112-41143, Direct Deposit Payroll Vouchers No. 11493-11599, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 270-273 in the amount of \$792,986.81;
- d. Master interlocal agreement for reimbursable work with Lewis County;
- e. Change Order No. 1 in the amount of \$270,871.70 for the Taxiway Realignment Project;
- f. Resolution No. 19-2019, first and final reading – declaring city property to be surplus; and
- g. Consider cancelation of the December 23 city council meeting.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Ordinance No. 1004-B, Second and Final Reading – Amending the 2019 Annual Budget.** City Manager Anderson stated a full presentation was given at the last council meeting and noted no changes had been made since first reading.

Councilor Harris moved to pass Ordinance No. 1004-B on second and final reading. The motion was seconded by Councilor Pope and carried unanimously.

6. **Ordinance No. 1005-B, First Reading – Vacating Alleyway at the Corner of SW Chehalis Avenue and W Main Street.** City Manager Anderson stated an overview of the vacation request was provided at the last council meeting. She noted no comments were received during the public hearing.

December 9, 2019

Councilor Spahr moved to pass Ordinance No. 1005-B on first reading. The motion was seconded by Councilor Taylor and carried unanimously.

7. Contract for Indigent Defense Services and Grant Agreement for Improvement of Public Defense Services.

Melody Guenther stated the issue involved a new indigent defense services contract and a grant for the improvement of delivery of public defense services. The city is required to provide indigent defense to individuals who can't afford to hire their own attorney, and currently contracts with two private defense attorneys to provide that service. The current contract has been in effect since 2015 and needs to be updated to include a new fee schedule and requirements related to a grant. The attorneys requested a compensation increase. In consideration of the request and the city's limited resources, court staff applied for a state grant administered through the Office of Public Defense (OPD) and received a \$20,000 grant – \$10,000 in 2020 and \$10,000 in 2021. The grant can be used for interpreter services for attorney-client communications; increased public defense attorney compensation; public defense training; investigation services; and expert witnesses. It cannot be used to supplant local funds being spent on public defense services prior to receiving the grant. The city is responsible for continuing to pay at least the same amount for public defense services as it did prior to receiving the grant. The city may re-apply for the grant in 2021 for another two-year period.

Ms. Guenther stated the current contract incorporated the public defense standards per city Resolution 8-2014 that were adopted to comply with state statutes. Ms. Guenther reviewed the terms of the new contract. The rates proposed in the new contract were comparable to rates paid in other local jurisdictions. The city's current public defense attorneys have indicated in writing that they were willing to provide services under the terms proposed in the new contract. Based on a two-year average of case assignments, the compensation increase for the contract would total \$12,030. The \$10,000 grant would offset the increased compensation with the balance of \$2,030 to be paid by the city. She noted adequate funds were included in the 2020 budget.

Councilor Spahr moved to approve the contract for indigent defense services and authorize the City Manager to sign the contract, and to authorize the City Manager to sign the grant agreement for improvement of public defense services. The motion was seconded by Councilor Pope.

Ms. Guenther thanked the council for their support of the municipal court, noting there had been some very challenging issues the last few years between new Supreme Court rulings and state statutes, as well social issues.

The motion carried unanimously.

8. Administration Reports.

a. **City Manager Update.** City Manager Anderson asked for confirmation of February 3 for a joint meeting with the Port of Chehalis commissioners to discuss several issues. The council requested the workshop be from 4:30 to 6:00 pm. City Manager Anderson provided a strategic plan update from the September planning session. She reviewed the mission and vision statements, and core values. The council's three-year goals were reaffirmed and included: maintain and enhance financial stability; enhance and modernize technology; increase and optimize staffing levels; improve and maintain the infrastructure; and enhance and maintain facilities. She reviewed eight-month objectives for each goal. Major projects included: Recreation Park and Penny Playground; a new fire station; possible fire service annexation into Lewis County Fire District #6; future options for 9-1-1 dispatch; and annexation of Urban Growth Area properties. The next strategic planning session was set for Thursday, May 14, 2020.

9. Councilor Reports/Committee Updates.

a. Councilor Taylor stated there was an upcoming transportation meeting in Cathlamet where they would be discussing electrification of I-5 and how to implement charging stations. He stated it had been a pleasure serving with Councilor Harris and he was very happy that Councilor Harris chose to live in Chehalis.

b. Councilor Lund expressed appreciation for the holiday decorations in the council chambers, and he wished everyone a Merry Christmas and Happy New Year. He stated it had been a pleasure working with Councilor Harris.

c. Councilor Spahr echoed everyone's sentiments for Councilor Harris. He stated he would be missed on the council.

d. Councilor Pope stated it had been fun sitting next to Councilor Harris and enjoyed their quiet laughs. He also stated it had been a great pleasure working with Councilor Harris and he would really miss him.

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e. Councilor Harris stated his parents taught him at a very early age to be humble and he looked to his father for guidance on how to accept gratuities, rather they come in physical form or in thanks, and he still has never really figured out how to accept them properly. He stated he couldn't express enough how much of an honor it was to sit with his fellow council members and do the work they do. He stated he wouldn't trade it for the world. He expressed his appreciation to the council and staff. He stated the two best decisions were the hiring of the last two city managers. He expressed his love and appreciation for Chehalis.

e. Mayor Dawes attended the mayors meeting and the Christmas parade.

There being no further business to come before the council, the meeting was adjourned at 6:14 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____