

July 24, 2017

The Chehalis city council met in regular session on Monday, July 24 in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, and Bob Spahr. Councilor Chad Taylor was absent (excused). Staff present included: Jill Anderson, City Manager; David Fleckenstein, Airport Director; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Lougheed, Community Development Director; Judy Pectol, Finance Manager; Brandon Rakes, Airport Administrative Assistant; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief, Judy Schave, Human Resources/Risk Manager; Don Schmitt, Street Superintendent; and Patrick Wiltzius, Wastewater Superintendent.

Mayor Dawes stated item 13 (Resolution No. 5-2017, First and Final Reading – Establishing an Order of Procedure for City Council Meetings) and item 14 (Parking Lot Leases and Parking Fines) would be pulled from the agenda and would be presented at future meetings.

1. **Recognition of David Fleckenstein, Airport Director.** Mayor Dawes and City Manager Anderson presented an award to David Fleckenstein, outgoing Airport Director. David is leaving the city to become the Director of Aviation for the Washington State Department of Transportation. Mayor Dawes stated this is a tremendous opportunity for David. City Manager Anderson stated David would be leaving a huge hole to fill, but certainly wished him well.

Mr. Fleckenstein thanked everyone for the opportunity to work for the city. He stated that working for WSDOT will allow him to still serve in a capacity that benefits the Airport and this community and he looked forward to continuing that relationship.

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

- a. Minutes of the regular meeting of July 10, 2017;
- b. July 14, 2017 Claim Vouchers No. 119662-119819 and Electronic Funds Transfer No. 62017 and 72017 in the amount of \$688,662.83;
- c. Amendment No. 1 in the amount of \$20,000 to the Engineering Services Agreement with Gibbs & Olson for the Coal Creek Sewer Extension Project;
- d. Reject bids for chip spreader; and
- e. Reject bids for Airport Tract 5A Fill and Grade Project.

City Manager Anderson explained why the bids for the chip spreader and the Tract 5A project were being rejected. When bids are prepared, specifications are prepared based on information available at the time, and can vary and create additional costs. The bids for the fill and grade project came in higher than anticipated due to high specifications and there is a lot of work out there right now, so bids are coming in really high. With regard to the chip spreader, the bids were high and through the process it was realized that we could potentially get the same quality of product with a different type of engine. Both bids will be rebid.

The motion was seconded by Councilor Pope and carried unanimously.

3. **Ordinance No. 975-B, Second and Final Reading – Modifying Chehalis Municipal Code 7.04 Relating to Vapor Product Crimes and Cybercrime, and Parking.** City Manager Anderson stated no changes were made to the ordinance since first reading. Councilor Ketchum moved to pass Ordinance No. 975-B on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

4. **Ordinance No. 976-B, Second and Final Reading – Adopting the 2015 International Building Code Council Codes.** City Manager Anderson noted there were no changes to the ordinance since first reading. Councilor Harris moved to pass Ordinance No. 976-B on second and final reading. The motion was seconded by Councilor Lund.

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Councilor Spahr asked that if the council finds something it doesn't like after the codes are adopted, can the council amend what was adopted. Mr. Loughheed stated that was correct, as long as it didn't interfere with public health and safety. The motion carried unanimously.

5. Ordinance No. 977-B, Second and Final Reading – Amending Chehalis Municipal Code Chapter 17.78 Allowing Micro-Breweries and Micro-Wineries in Commercial General and in Central Business District Zones. Councilor Lund moved to pass Ordinance No. 977-B on second and final reading. The motion was seconded by Councilor Harris. Mr. Loughheed noted there were no changes to the ordinance since first reading. The motion carried unanimously.

6. Ordinance No. 978-B, Second and Final Reading – Amending Chehalis Municipal Code Chapters 17.42.020, 17.45.020, and 17.48.020 Relating to Adjacent Lot Setbacks. City Manager Anderson stated the ordinance had no changes since last reading. Mr. Loughheed added the ordinance would make setbacks consistent for everyone. Councilor Ketchum moved to pass Ordinance No. 978-B on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

7. Administration Reports.

a. **Finance Report.** Judy Pectol stated the city is doing fine. The general fund looks on track compared to what was budgeted. A few revenues are coming in under budget estimates, but other items are coming in better than expected so, overall, things are fine. Ms. Pectol noted that marijuana enforcement revenue is at \$12,230, which is more than the \$7,500 that MRSC suggested we budget. There are still some general fund expenditures making it look higher than it will at year-end, like insurance that is charged early in the year. There are also expenses that haven't been paid, like the \$50,000 to the Main Street Program and the estimated \$37,000 that will be paid to Fire District 6 for the property taxes collected in 2017 for the property annexed south of town in 2016. The city will not pay the actual property tax receipts this year, but will pay estimates because Lewis County has determined that the amount of work required to determine exactly how much property tax we received for the annexed areas is enough work that they are only going to do it once. They will wait until 2017 is over to calculate exactly how much the city owes the district.

Mayor Dawes asked where marijuana enforcement is budgeted. Ms. Pectol stated it's not a specific line item and is the equivalent of sales tax revenue. Mayor Dawes noted the city does not receive a portion of all the other revenues collected by the state for marijuana.

Ms. Pectol confirmed that Lewis County paid off the airport's GO Bond and that will be reflected next month. The county also paid \$11,841, which was the balance of the airport fund after they paid principal and interest on the bond. No future monies will be received from the county for the airport.

Councilor Ketchum asked where the money came from to pay for the bond. Ms. Pectol explained that when the county was part owner of the airport and they controlled things, part of it was leftover money from when they obtained the GO Bond, they didn't spend all of it, and then revenues from the airport went into the fund while it was operated by the county. The first two years the city solely owned the airport, the city sent to the county money to pay the principal and interest payments. The county retained the last payment of \$1.5 million to pay that off when the city took over operating the airport.

Mayor Dawes clarified that was done when the Airport Board existed and was jointly owned by the county and the city. That is what got the county into the thinking that they wanted out of the airport business and part of the agreement to have them release their interest was that they were going to keep that amount of money within their budget so the bond could be paid off.

Mr. Fleckenstein stated the airport has been paying the principal and interest on the bond. The money the city is getting in interest was the money being retained by the county to pay off the bond.

Councilor Ketchum also questioned the county providing an estimate for property taxes for the newly annexed areas. By not calculating the exact property taxes and paying the city on time, they can collect the interest off the money they are not paying the city. He asked if the city should be getting the interest, as well. Judy Pectol stated the county is paying it to the city as it is received. The city has a contract with the Fire District that for 2017 the city will pay the district 100% of the property tax the city received on the annexed properties. At this time, the city does not know how much of the total received in property taxes

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is for the annexed areas. The city wants to pay the district the exact amount owed, but we will not know that number until after December 31 when 2017 is closed out. City Manager Anderson clarified that the city didn't want the district to have to wait until the end of the close of the year, so we're making estimated payments to the district.

b. **City Manager Update.** City Manager Anderson received good news today from WSDOT about the Chamber Way project. Their operating budget was approved by the Legislature and they do not expect any delays to the project. There will be an open house for the community at the Holiday Inn from 4:00 to 6:00 on July 26.

Chief Schaffer reminded the council about the memorial service for Reign, the K9 officer, tomorrow at 11:00 am in the commons of W.F. West High School.

8. Councilor Reports/Committee Updates.

a. Councilor Spahr attended the last EDC meeting.

b. Councilor Lund attended the Fair Commission meeting last week. He stated he's had several positive comments from Rotarians about City Manager Anderson and all the projects the city has going on.

c. Mayor Dawes attended a flood update on July 12 presented by J. Vander Stoep; the ribbon cutting for the first Friday night Farmers Market. He stated the Market is working with downtown business to get Market attendees to visit downtown businesses. He also attended the Business After Hours held at the Visiting Nurses golf fundraiser.

9. **Executive Session.** At 5:28 pm, Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(c) – Sale/Lease of Real Estate; RCW 42.30.110(1)(i) – Litigation/Potential Litigation; and RCW 42.30.140(4)(a) – Collective Bargaining not to exceed 60 minutes and there would be no decisions following conclusion of the executive session. Mayor Dawes closed the regular meeting and the council convened into executive session at 5:33 pm. The regular meeting was reopened at 6:22 pm, and there being no further business to come before the council, the meeting was immediately adjourned.

Dennis L. Dawes, Mayor

Attest:

Caryn Foley, City Clerk

Approved: 8/14/2017

Initials: cf