

November 13, 2017

The Chehalis city council met in regular session on Monday, November 13, 2017, 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, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilors Tony Ketchum and Daryl Lund were absent (excused). Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Andrew Hunziker, Property Maintenance Technician; Trent Loughheed, Community Development Director; Dale McBeth, Municipal Court Judge; Tim McGuire, Interim Finance Manager; Brandon Rakes, Airport Office Manager; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources Administrator; Don Schmitt, Street/Storm Superintendent; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Graham Perednia from *The Chronicle*.

1. **Washington State 911 Update.** Lewis County Commissioner Bobby Jackson stated he sits on the state Enhanced 911 Advisory Committee. He stated Adam Wasserman, Coordinator of Washington State 911 would provide an update on ESInet, which is the next generation for 911 communications, which will come to Lewis County beginning in June.

Mr. Wasserman stated each county is individually responsible for 911 operations and the state is responsible for making sure there is statewide dialing. They also help support some smaller counties with operations and larger counties with training. Currently underway is the replacement of the ESInet to provide improved technology and the ability to send texts, pictures, video, and other types of media to 911. It will also have improved geo-spatial routing for calls, which will help improve the location accuracy of callers, make sure calls are directed to the correct 911 center, and transfer information that call-takers take if they transfer a call to another location. The transition portion of the new network is very costly because two parallel networks will have to be run for a period of time to make sure there is no loss of 911 services. The process should be totally completed by October 2019.

Mayor Dawes asked if the 911 tax that is collected on cell phones stays with respective counties. Mr. Wasserman stated that 70 cents goes to the county and 25 cents goes to the state.

Mayor Dawes asked if the State Patrol (WSP) was part of the program. Ms. Wasserman stated they were, noting four receive calls directly from the public, while the other four are secondary, which Lewis County is. Calls for WSP come to Lewis County and are transferred to WSP.

Mayor Dawes stated he was under the impression that location information was available on cells phone already. Mr. Wasserman stated using a cell phone is just like using a landline. He stated they are working to get the FCC to require all telephone manufacturers and carriers in the US to automatically require that location data be used for 911 services.

2. **Public Hearing – 2018 Proposed Budget and Revenue Sources, Taxes, and Levies.** Mayor Dawes recessed the regular meeting and opened the public hearing at 5:08 pm. He stated the council budget committee comprised of Councilors Harris, Spahr, and himself, spent a considerable amount of the time in several meetings going over each department in the budget. He stated the proposed budget was a little more “progressive, but not aggressive” to address some items on a one-time basis that have not been able to be addressed for a number of years.

City Manager Anderson highlighted the process to develop the 2018 budget. She noted a few minor changes were made to various funds since distribution of the budget on November 1. The projected beginning fund balance for the General Fund is just under \$1.3 million, with a projected ending fund of just over \$1 million due to some one-time expenditures. She noted this reflects an 11% ending balance, which is slightly above the council's policy of keeping 10% as a reserve. The estimated beginning fund balance for all funds is \$14,627,773 with an estimated ending balance of just over \$15 million.

Mayor Dawes noted certain funds are enterprise funds that have restricted uses that cannot be used for General Fund purposes. City Manager Anderson stated that was correct, noting about 90% of the city's funds are restricted by either law or city policy. She also noted that about 54% of General Fund monies go to police and fire.

Ms. Anderson stated the General Fund is used for most municipal operations – the basic core responsibilities, including police, fire, recreation, planning and development, etc. There are not a lot of restrictions on those funds, but there are huge demands on the funds. She stated the revenue picture is generally stable with small increases in sales tax, property tax,

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and leasehold excise tax. Revenue reductions from 2017 are largely due to one-time grant revenues in 2017. Ms. Anderson noted the purchase of some new General Fund items in 2018:

- Tools for Planning and Building
 - Electronic cash register
 - Tablet for building inspector
 - New file cabinets
- 3 new vehicles (1 each in Police, Fire, and Community Development)
- Multiple one-time items to maintain facilities
 - Concrete floors for maintenance facilities
 - Landscaping at City Hall
 - Lease for new mowers
 - New commercial grade pool vacuum
 - Pool slide maintenance
 - Cleaning of library roof and window maintenance
 - Additional tree trimming
- Police radios
- Tazers
- Radio frequency for fire
- Salary increases for the non-uniformed employee group as agreed to in the collective bargaining process earlier this year.
- Outstanding salary issues related to other groups, including unrepresented employees
- Reclassification of the salary for Recreation Manager
- Reclassification of Finance Manager to Director
- Use of REET funds for building and pool maintenance and
 - Pool boiler
 - Pool liner (LTAC and REET funds)
 - Completion of Recreation Park design
 - Fire station repairs – completion of maintenance work started in 2017
- Public works roof and paint project includes a general fund allocation from multiple funds, including the General Fund

Ms. Anderson stated several items were not included in the 2018 budget:

- No new full-time staff positions
- No reductions in staff
- No raises for the City Council
- No reserve fund for future employee retirements
- No additional allocation building replacement fund
- No allocations for technology or vehicle replacement funds
- No funds for construction of Recreation Park improvements, including Penny Playground
- No funds for a new fire station
- No funds for new major general fund projects

Mayor Dawes stated that one of the things talked about by the budget committee was creating reserves for such things as retiring employee payouts if the projected ending fund balance comes in significantly higher than anticipated.

Councilor Harris commented that he would also like to see the reestablishment of a vehicle and equipment reserve fund.

Councilor Pope recalled that staff was looking at temporary arrangements for the fire department. City Manager Anderson stated that was correct. After reviewing a variety of options, including a temporary location, and additional testing of the building, a decision was made, in cooperation with the firefighters, that the city would put money into the building for the short term and focus efforts and resources to a long-term solution.

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City Manager Anderson stated the budget includes regional partnerships with the Lewis EDC, ongoing flood work, and a B&O Tax contribution to the Renaissance Main Street Program. It includes strategic planning and provides a consistent level of service. She concluded that the budget represents professionalism, partnership, and responsibility.

Councilor Spahr reiterated that the city was not imposing any tax increases with the 2018 budget.

Councilor Harris stated the city's budget is sales tax driven. With the last recession, the city lost 30% of its sales tax revenue, plus continues to be impacted by the streamlined sales tax issue. He stated the city has not used any of its banked capacity for years, but when the city was "bleeding" and if we would have had some of that money we could have at least put a tourniquet on an arm rather than dying completely. He understood that when times are bad you can't go after the people who are hurting the most. However, he thought a conversation was needed about taking it occasionally when truly needed. He thought it was poor planning to expect one half of the city's revenue sources to continually pay the bills, but be so easily and readily destroyed.

Councilor Pope noted that the city manager spoke about various partnerships, some of which the city makes a contribution to. He asked that those be reviewed to determine the cost-benefit to ensure the city is receiving some benefit and that the city discontinue contributions to organizations that do not benefit the city.

Mayor Dawes called for any public comment on the budget. There being no comments from the public, Mayor Dawes closed the public hearing at 5:43 pm and reopened the regular meeting.

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

a. Minutes of the regular meeting of October 23, 2017; and

b. October 31, 2017, Claim Vouchers No. 120678-120801 and Electronic Funds Transfer No. 102017 in the amount of \$499,817.80; and October 31, 2017, Payroll Vouchers No. 39934-39980, Direct Deposit Payroll Vouchers No. 8809-8909, and Electronic Federal Tax Payment No. 177 in the amount of \$732,321.32.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Ordinance No. 981-B, Second and Final Reading – Amending the 2017 Annual Budget.** City Manager Anderson stated the proposed ordinance was amended since first reading. Revenue projections have been increased slightly, while projected expenditures have also gone up, primarily due to public facility costs and union contract negotiations. The projected ending fund balance has been increased by \$266,168 since the original adopted budget. The ending fund reserve for 2017 is estimated to be \$1,292,910, which is 12.6% of projected revenues. She noted cautious optimism about the sustainability of the revenues, particularly sales tax. Specific changes included:

- Additional project expenses incurred by Parks & Facilities Fund on deferred maintenance
- \$25,000 for additional negotiation expenses
- \$11,000 for Riverside Fire Authority for Fire Marshall Services
- \$3,000 to replenish imprest (petty cash) funds
- \$14,802 for pedestrian bridge
- Transfer out of \$100,000 from 1st Quarter REET Fund to Public Facilities Reserve Fund
- Public Facilities Reserve Fund expenditure of \$100,000 for the Library Roof Repair
- Revenues/Appropriations for Wastewater Fund's SRF Loan – I & I Project
- \$376,416 in the Water Fund to correct recording of contra expenses
- Airport Fund for Development Master Plan expenses, (will be reimbursed through a .09 Fund Grant)
- Airport Fund for Tract 5A Loan

Mayor Dawes stated that when the council subcommittee was reviewing the 2018 budget the subject of REET funds came up. They talked about not spending down the funds for emergency purposes.

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Councilor Spahr stated the library roof is leaking and needs costly repairs. He asked if there would be a staff report to explain what was going on. He thought there could be questions from the public since the building is fairly new. City Manager Anderson stated there was no formal report planned, but she explained that there has been leaking for several years, potentially from a design flaw relating to the use of roof materials.

City Manager Anderson stated the total 2017 expenditures for all of the city's 20 funds have increased \$3,420,178. Total revenues have increased \$3,732,012, with a projected ending fund balance \$13,736,421, which is \$1,604,145 higher. The General Fund Ending Fund Balance is projected to be 12.6%. She stated the totals include the General Fund and legally restricted enterprise funds, which make up approximately 90% of the total fund reserve. She concluded by noting the city is fiscally sound, with reasonable and appropriate reserves.

Councilor Spahr moved to pass Ordinance No. 981-B on second and final reading. The motion was seconded by Councilor Pope and carried unanimously.

5. Ordinance No. 983-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2018.

6. Ordinance No. 984-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2018. Councilor Taylor moved to pass Ordinances No. 983-B and 984-B on first readings. The motion was seconded by Councilor Harris and carried unanimously.

7. Ordinance No. 985-B, First Reading – Adopting the Proposed 2018 Budget. Councilor Spahr moved to pass Ordinance No. 985-B on first reading. The motion was seconded by Councilor Harris and carried unanimously. Councilor Harris thanked everyone involved in putting the budget together.

8. Resolution No. 9-2017, First Reading – Declaring an Emergency Relating to the Repair of the Prindle Street Sewer Force Main. Rick Sahlin stated the Prindle Street sewer force main sprung a leak on October 31. Staff was able to get the main shut down in about 30 minutes of receiving the call. It was bypassed to a 10-inch force main, which is being used currently. Sterling Breen was hired to make the repair.

Patrick Wiltzius stated it was a very complicated repair. The 18-inch force main goes under I-5 from the Prindle Street pump station to the Shoreline/Louisiana area. It has a 36-inch casing with multiple materials and is 20 feet down. One repair was made, but there is another leak that is trying to be identified. It has to be on-line tomorrow because of the expected rainfall, but will require a long-term repair next year. He noted there were minimal environmental issues at this point. He estimated the emergency repair to be around \$200,000.

Councilor Taylor moved to adopt Resolution No. 9-1027 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

9. Contribution to the Community-Wide Homeless Severe Weather Shelter. City Manager Anderson stated there has been a community-wide effort to create a severe weather shelter for the homeless. Through a community partnership led by Bethel Church and the city of Centralia there has been the opening of a shelter at the fairgrounds when the temperature drops below 38°. A number of people and organizations have stepped up to participate. The city of Chehalis has been asked to participate with a \$3,000 contribution for the cost of the rental units for the months of January, February, and March.

Mayor Dawes asked if there would be a review of how the event goes – if it worked well, etc. City Manager Anderson stated it is being looked at as a pilot program to see if it works and then plan accordingly for future years.

Councilor Pope asked if children were included. City Manager Anderson stated it was her understanding that families are usually put up in hotels for safety reasons.

Councilor Harris stated he likes the idea of not comingling males and females. He heard that the facilities are nice and clean, and people can have their clothes washed and are able to shower.

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Councilor Spahr asked how they could prevent individuals coming from other areas and expanding the program into something that can't be maintained. City Manager Anderson stated that was a challenging question and many cities are dealing with this issue. She reiterated it is a pilot program to hopefully answer this and other questions.

Councilor Spahr asked how individuals would get from wherever they are to the fairgrounds. Mayor Dawes stated Twin Transit would be providing transportation.

Councilor Pope thought homeless issues should be dealt with by faith organizations, but on the basis of emergency, he thought the city should participate.

Councilor Taylor wondered if the homeless problem was really increasing or was there just more exposure of a problem that has always been there.

Mayor Dawes thought it was a good public-community partnership for the city to participate in.

Councilor Spahr moved to approve a contribution of \$3,000 to offset the costs of providing portable buildings for the community-wide severe weather shelter for the homeless. The motion was seconded by Councilor Pope and carried unanimously.

10. Administration Reports.

a. **City Manager Update.** City Manager Anderson stated the Port of Chehalis approached the city about purchasing the rail line used by the steam train. The Port has also approached the steam train group and they have indicated a desire to purchase it. City Manager Anderson asked if the council had any interest in the rail line. The council had several questions that needed to be answered before making any decisions. City Manager Anderson thought the Port was in the process of getting an appraisal and noted this is all very preliminary. She stated what she heard the council saying was to add this to the list of things to research.

City Manager Anderson stated a strategic planning had been scheduled for November 20, but the facilitator is very ill and not able to make the event. The facilitator plans to be back in operation in January and the session will be rescheduled at that time.

11. Councilor Reports/Committee Updates.

a. Councilor Harris is beginning to install Christmas decorations throughout the city.

b. Councilor Pope attended the Chehalis Renaissance meeting. He stated they are doing a lot of work and the networking going on in the group is fantastic. He expects to see a lot accomplished next year and is happy that the city is supporting the group through the Main Street B&O tax program.

c. Councilor Spahr attended an EDC board meeting. There is a lot going on and there is a need for commercial and industrial buildings in this area. He also participated in the Pope's Kids Place bowling tournament this past weekend.

d. Councilor Taylor thanked the budget committee for all their work. Councilor Taylor is the city's representative on the Twin Transit Board and they will be interviewing for a new manager this month. Eighteen applications were received.

e. Mayor Dawes visited the first grade class at St. Joseph School on October 27, which is really enjoyed. The class made him a book with thank you notes and drawings, and photos their teacher had taken. He stated he met one of Vivian Roewe's (former Chehalis mayor and council member) great granddaughters. He also attended the November 3 mayors' meeting and the November 11 Veterans Day parade.

12 **Executive Session.** At 6:34 pm, Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(c) – Sale/Lease of Real Estate; RCW 42.30.110(i) – Litigation/Potential Litigation; RCW 42.30.110(g) – Review Performance of a Public Employee; and RCW 42.30.140(4)(a) – Collective Bargaining

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not to exceed 8:00 pm and there would be no decisions following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:37 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 8:00 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved: 11/27/2017

Initials: cf