

June 28, 2010

The Chehalis city council met in regular session on Monday, June 28, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:31 p.m. with the following council members present: Terry Harris, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope was absent (excused). Staff present included: Tim Grochowski, Acting City Manager/Public Works Director; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Peggy Hammer, Human Resources Administrator; and Ben Smith, City Intern. Members of the news media included Paul Walker of KITI.

1. **Interview Applicants for Chehalis River Basin Sub Zone Appointment.** Prior to the regular meeting, the council interviewed three applicants, one of which would need to be appointed to the Chehalis River Basin Sub Zone, later in the meeting. The applicants include: Daniel Maughan, Susan Rosbach, and Katherine Humphrey.

2. **Family Reading Month – July 2010.** Mayor Ketchum presented Dr. James Miller with a proclamation declaring the month of July, as 'Family Reading Month' in the city of Chehalis.

3. **Governor's Smart Choice Award for Implementation of the Chehalis Renaissance Plan.** Mayor Ketchum reported, last Thursday at the AWC Conference, he and Councilors Spahr and Dawes, along with Chehalis Community Renaissance Team (CCRT) Chair, Larry McGee, and Co-chair, Allyn Roe, received a special award from Governor Christine Gregoire.

Chairman McGee reported there were only three places in the state that received an award for implementation. They included: Bellingham, Tacoma, and Chehalis. Chairman McGee noted the success of the plan was due to the number of people who were working hard on implementing it, adding the cooperation of many of the city staff was extraordinarily good.

Chairman McGee presented certificates to the council and various staff, while Co-chair Roe presented the council with the engraved vase they received from the Governor's office. Chairman McGee reported certificates were also received for Caryn Foley, Administrative Assistant to the City Manager, and Joanne Schwartz, former Economic Development Administrator.

Chairman McGee recognized Co-chair Roe, adding even with his day job he managed to spend a surprising amount of time on the project, and it was also great to be working with him. He also recognized Ms. Foley, adding the amount of work she had done, and her sincere interest in the project was extraordinary.

4. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:
- a. Minutes of the regular meeting of June 14, 2010;
  - b. Claim Vouchers No. 97046-97201 in the amount of \$978,044.78 dated June 15, 2010; and
  - c. Authorize the acting city manager to execute the interlocal agreement between the City and Lewis County for the purpose of retaining a technical expert and other critical services relating to the current Federal Emergency Management Administration (FEMA) floodplain/floodway mapping project.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Staff Reports.**

a. **May Financial Report.** Acting City Manager Tim Grochowski reported Eva Lindgren was out ill, but he would be happy to pass on any questions they might have concerning the report.

Councilor Spahr stated he would like to start seeing a month-by-month comparison on the sales and use tax revenue, similar to the tourism tax revenue report that was given to the council prior to the meeting. Mayor Ketchum requested the sales and use tax revenues comparison sheet be provided to the council every month.

The council talked briefly about the increase in tourism revenue. Acting City Manager Grochowski believed it had something to do with the new Holiday Inn on Main Street. Councilor Dawes reminded the council that when he attended their

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one year anniversary, the manager expressed how happy they were with what they were experiencing, as far as the number of conferences and guests they were getting. He noted they were also very complementary on the city staff, with reference to the things they were bringing into town.

Acting City Manager Grochowski indicated the hotel was holding quite a few events and conferences. Councilor Dawes stated it was good to see those types of things happening and if they could continue to get a lot of the smaller groups coming in, it would ultimately make a big difference.

b. **Centralia City Manager Interviews/Reception.** Acting City Manager Grochowski reported the city of Centralia was holding a reception followed by interviews and questions, for the four finalists who were vying for the position of city manager. He stated the council was invited to attend, noting the reception started that evening at 6:00 p.m., and the interviews and questions would start at 7:00 p.m.

c. **City Hall Landscaping.** Acting City Manager Grochowski reported last week he met with the Renaissance Team and Patti Kaija from Kaija's Inc. He noted Ms. Kaija volunteered her services to fill the planter boxes located in front and around city hall, before City Manager MacReynold returned from Scotland. He noted Ms. Kaija and Chairman McGee were in the process of filling out a right-of-way permit to do the islands downtown with annuals, for now. Acting City Manager Grochowski reported they were also working with city staff on temporary water hookups.

Chairman McGee stated it was his job to find the money for the project, and was pleased to report he had received a phone call earlier that day from Dwayne Aberle, President of Security State Bank, stating he wanted to give some money to dress up the islands in the downtown area.

Acting City Manager Grochowski reported Airport Manager/ Co-chair Roe and his crew would be taking over the Arkansas Way roundabout and all of the islands in that area, adding the first thing to do would be to take care of all the weeds.

Councilor Dawes stated he spoke to City Manager MacReynold about the planters in front of city hall and wondered why they couldn't transplant the roses in there because out at 13<sup>th</sup> Street the weeds were getting higher than the roses, and suggested it was going to kill them. He indicated he was glad to see something going in there because it didn't look good the way it was.

## 6. **Council Reports.**

a. **Events Attended by Councilor Dawes.** Councilor Dawes reported he attended the ribbon cutting for the 2010 Community Farmers Market, adding it was great to see it going again. He also attended the Association of Washington Cities (AWC) Conference last week down in Vancouver and was surprised at the number of attendees, noting he thought attendance might drop off a bit this year. Councilor Dawes reported they had a number of timely topics to review, which was good to see; and, he was happy to see the city and the CCRT get the award for their work on the Renaissance Plan.

Councilor Dawes reported he would be out of town at the time of the next council meeting and asked to be excused.

b. **Flood Authority Update.** Councilor Taylor noted Bob Nacht sat in for him at the last Flood Authority meeting, so he didn't have anything to report. He asked if it possible to have Julie Balmelli-Powe take his place on the flood authority, since they had already appointed her to represent the city on the sub zone. Councilor Taylor reported Ms. Balmelli-Powe was able to attend all the meetings, and could give a lot more detailed reports every month. He thought she also attended the Chehalis River Basin Partnership meetings, as well.

City Attorney Bill Hillier stated he didn't see that there was a requirement for the city to be represented by an elected official. Councilor Taylor believed they were able to have an appointed designee attend the meeting and be able to vote. Lewis County Commissioner Bill Schulte reported each entity was allowed to have a primary and an alternate. He suggested the city send a letter to the Flood Authority designating a primary and alternate to represent the city. Mayor Ketchum directed staff to draft a letter for the council's consideration and approval at the next regular meeting, to designate Julie Balmelli-Powe as the primary representative for the city and Council Taylor as the alternate.

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c. **Meetings Attended by Councilor Spahr.** Councilor Spahr reported he also attended the AWC Conference last week. He noted one of the award winners for a project was the city of Hoquiam, who put together a sidewalk project which had city crews providing the labor, and people paying for the materials. Councilor Spahr stated he often thought it would be kind of neat to do something similar for our community, even for drainage ditches and such.

Councilor Spahr reported on the traffic seminar he attended, having to do with photo cameras at stop lights. He stated the Legislature had concerns because they were afraid communities would try to make money off of them, but instead what they found was the cameras were actually pulling revenues down. Councilor Spahr reported because people knew they were there they were slowing down, and in some instances, some citations for speeding were significantly reduced if they were caught on camera, opposed to being pulled over by an officer.

Councilor Spahr also attended a healthcare workshop, noting the physician who presented the information said it was a good bill; but not a good bill; and hoped in the next 10 years they could make it a good bill; but in the meantime, we were going to get less care, it was going to cost us more, and premiums were going up. He also attended a Department of Ecology session and a session on the brain, which he found to be very interesting.

d. **Meetings Attended by Councilor Harris.** Councilor Harris reported he met with the Chehalis Business Association earlier in the month and everything looked great and on track for their Planes, Trains, and Automobiles event coming up on August 7.

Councilor Harris commented on Bellingham being one of the other Smart Choice Award winners, noting it was interesting that Tom Beckwith was a key player in what was happening in Bellingham, with regards to their reconstruction and downtown projects.

Councilor Harris reported he was unable to extend his lease with the mall for his personal business, but was working very hard to make sure his business relocates, in some fashion, within the city limits of Chehalis.

Councilor Harris asked if there were any classes or seminars noted at the AWC Conference on streamline sales tax. Councilor's Dawes and Spahr both indicated it didn't even get mentioned.

7. **Appoint Second Representatives to the Chehalis River Basin Sub Zone.** Mayor Ketchum reported, prior to the meeting, the council interviewed three good applicants who applied to represent the city on the Chehalis River Basin Sub Zone. Mayor Ketchum opened the floor for discussion.

Councilor Taylor stated it was nice to get to hear from the applicants and to get their points of view on certain issues. He stated he appreciated having the chance to interview them.

Councilor Harris felt the council needed to articulate what they were looking for. He believed their intention from day one was to look for a holistic approach for the entire basin. Councilor Harris thought all three candidates said in their own way that their visions were not large enough yet to see exactly what the council was looking for. He noted water retention was good in every one of the contributors and understood that dredging was an issue and should still be on the table, even if it gets turned down. Councilor Harris stated there was also talk of channeling part of the river to be used only during flood situations. He noted he didn't hear a lot of perspective from any of the three, which was why he asked the question, if they had an unlimited checkbook, what would each of them do.

Councilor Harris suggested, whoever they select, the council needed to sit down with them to make sure they are on the same page and relay what the council needs them to say.

Councilor Spahr felt when talking about something as complex as flooding, you had to have the background and credentials to argue your point. He made mention of the fact that the Department of Ecology was a real fun group to work with, noting he himself had the passion to argue with them, but he didn't have the background. Councilor Spahr stated he liked what Mr. Maughan had to offer and would like the council to consider him for the appointment.

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Councilor Dawes stated he appreciated the fact that knowledge on a subject was important, but was not always a prerequisite. He felt they also needed a little bit of passion because there were going to be enough people out there to give their expert opinions. Councilor Dawes reported they were very lucky to have four individuals that were willing to work on this type of situation because as everyone knows, it been cussed, discussed and studied since the 1930's, and nothing's been done. He suggested any type of science that dealt with any part of it had probably been looked at it in one way or another. Councilor Dawes felt they needed someone to represent the city's interest that understands the politics of the area; that can work with other folks; and can bring knowledge from past or personal experience.

Councilor Taylor stated he had the same concern with reference to the political issues, but felt knowledge was also extremely important. He noted he was looking at either Ms. Rosbach or Mr. Maughan. Councilor Taylor stated he liked Mr. Maughan for his knowledge, and felt he would have the ability to grasp everything he was going to have to learn and make decisions on; and he also liked Ms. Rosbach because of the political stuff they were going through and the decisions that would need to be made. He talked briefly about Mr. Maughan's experience with the Tribes, noting they were probably very positive. Councilor Taylor quickly explained to Mr. Maughan that the Tribe saw the idea of water retention as a bad thing. He did note; however, that Mark White stated one time that he would support water retention if the science proved it to be effective.

Councilor Taylor indicated he was torn between three people that would all be great on the committee. He noted the only reason he wouldn't vote for Ms. Humphrey was because her husband was recently appointed to represent the city of Centralia on the same committee.

Councilor Lund stated he thought everybody was great, but with reference to politics, he felt Ms. Rosbach had the most experience, since she had been dealing with politics since she was a kid. He believed they needed someone with common sense, not just someone who was well educated. Councilor Lund stated he liked Ms. Rosbach.

Councilor Dawes suggested, rather than putting a motion on the table, he would like to see them first take a vote to see if they had four votes for one of the candidates. Mayor Ketchum asked Commissioner Schulte if the city could have three appointees. Commissioner Schulte stated the committee could only have five total appointments; two representatives for Chehalis; two for Centralia; and one for the county.

Councilor Taylor asked if the county was accepting applications for their appointee. Commissioner Schulte indicated they only had six people submit applications, so the county was looking at the same list sent to both Centralia and Chehalis. He noted they would be picking from the two applicants left on the list. Commissioner Schulte noted the two names the commissioners were considering were Mr. Maughan and Ms. Rosbach.

Councilor Harris moved to appoint Daniel Maughan to represent the city of Chehalis on the Chehalis River Basin Sub Zone.

The motion was seconded by Councilor Spahr and carried 5-1. Councilor Lund voting against the motion and Mayor Ketchum abstained.

**8. Agreement for Flood Insurance Rate Map Review.** City Attorney Hillier stated, in the wake of the action by the county this morning in passing the interlocal agreement and graciously stepping up with \$50,000 in funding, City Manager MacReynold wanted to move forward with hiring a technical expert. He noted through a process they went through six different resumes on different companies and pinned it down to Robert Montgomery, with Anchor QEA, LLC. City Attorney Hillier reported a standard agreement was included in the agenda packet for the council's review and consideration.

Councilor Spahr moved that the council authorize the acting city manager to execute the agreement with Anchor QEA, LLC, in an amount not to exceed \$40,000 for the review of the FEMA Flood Insurance Rate Maps for the Chehalis River Basin.

The motion was seconded by Council Harris.

Commissioner Schulte thanked the council for taking the lead, adding the final outcome of the maps would have more of an impact on Chehalis than any body else in Lewis County. He noted the city had been more successful than the county in getting other agencies to donate funding, and they would continue to support the city in what ever way they could.

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Commissioner Schulte noted the only thing he would ask, as noted in the interlocal agreement, would be that they sit down and discuss actions before they were taken. He stated he didn't disagree with the choice the city made; however, it was the first time any of the others heard about who the city selected. Commissioner Schulte stated he didn't want to delay the process, but it would be nice if the other paying participants had a say in who gets selected.

City Attorney Hillier stated it may have been an issue, but didn't believe it was. He reported there was a discussion before City Manager MacReynold left and he emailed the information out on Mr. Montgomery to all the stake holders and asked for their comments. City Attorney Hillier thought the same message was sent to Commissioner Schulte, as well. Commissioner Schulte noted he received it, but he thought they were going to sit down and talk about it. He reported he did not hear anything from their attorney's office, adding Michael Golden would probably like to comment on that. Commissioner Schulte stated he just wanted to make sure they were not leaving anybody out of the selection process.

Councilor Dawes agreed, but it seemed to him that they were a little under the gun because at the time they thought they were going to be releasing the maps much sooner. Commissioner Schulte stated he understood they were under the gun and that City Manager MacReynold was going to be leaving, so rather than have a face-to-face meeting it was sent out by email.

Mayor Ketchum asked if anybody else responded to the email. City Attorney Hillier noted City Manager MacReynold was the one who called for the responses and gave staff the direction to move forward with it. Airport Manager Roe noted the email stated if there were any objections they were supposed to reply to the email. City Attorney Hillier suggested the group could probably sit down and have a face-to-face when City Manager MacReynold returns.

Commissioner Schulte noted he talked with their civil deputy, Glen Carter, whose understanding was, the interlocal agreement stated they would sit down and have discussions on any decisions; however, it was noted at the point the decision was made to hire the firm, the interlocal was not yet signed.

The motion carried unanimously.

**9. Request to look at the City's Business License Ordinance.** Councilor Taylor brought up the issue of off-site auto sales that take place at local businesses, such as K-Mart. He explained, when out of town companies bring in their automobiles to sell, the paperwork gets processed at their home offices, which is where the sales tax goes. Councilor Taylor stated he was concerned about local businesses, and the loss of sales tax revenue to the city.

Councilor Dawes thought they were supposed to have a business license for Chehalis, which made the point of sale in Chehalis. Councilor Taylor noted the point of sale was in Chehalis; however, according to the Department of Revenue, the sales tax goes back to the company's home base on those types of sales.

Councilor Taylor stated, because there was no real benefit to the city, he would like to propose a moratorium or do something to not allow off-site sales to happen in Chehalis.

City Attorney Hillier noted there were a couple of ways to handle it. He noted they could amend the current business license ordinance, or they could look at doing a moratorium. City Attorney Hillier felt they would be better off served by further developing the business license ordinance to make sure the city benefits from it.

Mayor Ketchum asked if any of the council would be opposed to staff looking at it and bringing back something for their consideration. Councilor Harris thought they might be opening up a can of worms by denying someone from coming in to sell, but felt they could probably come up with some kind of language to deal with the issue.

Councilor Dawes thought it was interesting that they could conduct the sale here, yet the point of sale was considered to be from their home base. City Attorney Hillier noted, years back, the point of sale was the criteria for the sales tax delivery, and the city was getting the sales tax. He indicated the issue back then was they were competing with local business. Councilor Dawes and City Attorney Hillier agreed, the situation at WalMart had to do with the fact that it was a violation of the lease the Airport Board had with WalMart, which was why those off-site sales were discontinued back then. Councilor Dawes didn't think they could preclude businesses from coming in if they want to do what it takes to get a business license.

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Councilor Taylor felt local business was hurting because of out of town companies coming in to do off-site sales. He believed competition was a good thing as long as the company comes in with the intention of staying for a long time. He noted one of his clients had an automobile dealership and he would need to requeuse himself on the matter.

Mayor Ketchum directed staff to look into the issue, noting if they continue to allow off-site sales, the sales tax needed to stay with the city and not go elsewhere.

Councilor Taylor asked about putting a hold on any new permits until they figure out what they are going to do. Acting City Manager Grochowski reported the administration had contacted the community development department to find out if there were any applications pending, and there were none. He noted all business license applications go through the development review committee and they had 28 days to make a decision on whether to approve an application, or not. Acting City Manager Grochowski indicated he would speak with the Bob Nacht when he returns to the office next week.

Councilor Lund thought competition was good and asked if it meant they weren't going to allow other businesses to come in if someone else had a business selling the same thing. Mayor Ketchum noted the issue was when businesses come here they need to make sure their sales directly benefit the city, rather than having the benefit going somewhere else.

There being no further business to come before the council, the meeting adjourned a 7:00 p.m.

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Mayor

Attest:

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City Clerk

**SUGGESTED MOTION**

**I move that the council approve the minutes of the regular city council meeting of June 28, 2010.**