

January 25, 2010

The Chehalis city council met in regular session on Monday, January 25, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Dennis Dawes. Councilor Taylor arrived at 6:08 p.m. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Kelvin Johnson, Fire Chief; and Bob Nacht, Community Development Director.

1. **Work Session – Lewis County Multi-Jurisdictional Hazard Mitigation Plan.** Bob Nacht introduced Emil Pierson, Community Development Director from the city of Centralia, to brief the council how they got to where they were with regards to the Lewis County Multi-Jurisdictional Hazard Mitigation Plan.

Mr. Pierson reported the process was about updating the Lewis County Multi-Jurisdictional Hazard Mitigation Plan, which was originally adopted in February 2005. He stated, under the Code of Federal Regulations (CFR) Title 44 Part 201.6, local governments must have a FEMA approved mitigation plan in place in order to apply for and/or receive project grants from hazard mitigation assistance programs. Mr. Pierson indicated FEMA required the agencies participating to attend the meetings, noting they couldn't just decide at the last minute that they wanted to participate. He stated FEMA would be reviewing the plan very closely to make sure everyone listed as a participant actually participated in the process.

Mr. Pierson reported the city of Centralia and Lewis County combined efforts to complete the plan, adding it would have cost anywhere between \$150,000 and \$200,000 if they would have hired a consultant; but instead, the county paid the city of Centralia \$75,000 to put it together.

Mr. Pierson defined hazard mitigation as an action taken to reduce or eliminate the long-term risk to human life and property from all natural disasters, not just flooding. He noted the plan was a pre-disaster planning document that took a proactive approach to reducing damages. Mr. Pierson stated, as part of the project, they held open-houses and public meetings, which made it a public-guided document. He noted the plan also had an emphasis on strong and integrated state and local planning that would help them identify sound mitigation projects in the future.

Mr. Pierson noted there were a lot of different grants to apply for, including: hazard mitigation, pre-disaster mitigation, and flood mitigation assistance grants. He reported, on average, one dollar spent by FEMA on hazard mitigation, provided the nation with four dollars in future benefits.

Mr. Pierson briefly talked about the reasons why they did a multi-jurisdictional plan, rather than individual plans. He noted it was pointed out by FEMA that a multi-jurisdictional plan was the most efficient method to address hazards.

Mr. Pierson stated the plan was given to the Department of Emergency Management at the end of December 2009, and was forwarded to FEMA in January. He indicated FEMA had 90 days to review the plan; however, there were 27 plans ahead of this plan that were waiting to be reviewed. Mr. Pierson felt confident that FEMA would bless the plan, and was told to go forward with the adoption process for all of the agencies, with the exception of the county. He noted there was a clause in the resolution that would allow for any minor adjustments to be made, as per FEMA requirements.

Mr. Pierson reported the plan had to be updated every five years; however, a new requirement would require the plan to be evaluated on an annual basis, to include minutes from the meetings which had to be submitted for review. He noted the county would be responsible for calling the meetings and all of the participating agencies would be required to take part.

Mr. Pierson talked briefly about the structure of the plan, noting it was based on two sections; the up-front section and the section of supporting documents for each participating agency. He stated the overall plan was a complete re-write and included the following information: Introduction; Plan Adoption Process; Planning Process; Risk Assessment; Mitigation Strategies; Planning Maintenance Process; and Participating Jurisdictions.

Mr. Pierson noted all of the maps in the plan were put under the county section because everyone was a participant of the county's plan. He reviewed some of the maps that were included, noting they were all available on-line, as well.

Mr. Pierson noted they had 18 agencies drop from the original plan, including several school districts and a few fire

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districts; however, they managed to pick up 21 new agencies. He indicated all of the cities, as well as the county, had to participate. He noted those who dropped out would have to come up with their own plan, if they want to receive FEMA funding in the future.

Mr. Pierson reported Mr. Nacht and Fire Chief Kelvin Johnson represented the city on the planning team and were a great asset. He noted the Department of Emergency Management was really surprised by the total number of agencies who participated in the update, which was 53; making it the largest number in the state.

Mr. Nacht briefly reviewed a few items that would be brought up during the public hearing, and requested at the time of adoption that the council adopt the resolution as amended. He identified the specific requests for revisions, noting most of them were house-keeping type items, which included:

- Adding the date the critical areas ordinance was completed
- Adding four lines to the inventory worksheet dealing with the water, wastewater and storm water utility systems
- Updating wastewater facility replacement value to \$50 million from \$20 million, with reference to flooding
- Adding the street system as a critical facility, as opposed to inventory the city might have
- Adding the airport facility to the listing for Chehalis, even though they participated and had their own section in the plan
- Updating wastewater facility replacement value to \$50 million from \$20 million, with reference to earthquakes
- Adding a general section for underground pipes

Councilor Dawes felt the airport should be added to the city's list because it was owned jointly by the city and the county. Mr. Pierson stated it was no problem to add it, noting they just needed to make sure the numbers matched up with what the airport reported.

Councilor Spahr thought it was interesting that the plan reported 53 dams in Lewis County. He inquired as to what constituted a dam. Mr. Pierson reported the plan defined a dam as: structures that could impound 10 acre-feet or more of watery material at the dam crest elevation. Councilor Spahr asked if the city's water filtration plant constituted being a dam, adding it held five million gallons. Mr. Pierson stated he wasn't sure if it was, or not, but was surprised at the number noted in the report. He indicated most of them constituted a very low risk, based on the number of people who would be affected. Mr. Nacht believed some of the 'so called' dams were more than likely established by agricultural use in the past, for irrigation purposes.

Mayor Ketchum closed the work session at 5:37 p.m. and announced the council would take a twenty-four minute recess and reopen the regular meeting at 6:01 p.m. Additional staff included: Glenn Schaffer, Police Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Patrick Wiltzius, Wastewater Superintendent; Dave Vasilaukas, Water Superintendent; and Rick Sahlin, Street Superintendent. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

2. **Council Committee Appointments.** Mayor Ketchum reviewed the council committee/board appointments and the representative(s) for each.

3. **Centralia-Chehalis Chamber Update.** Executive Director Jim Valley thanked the councilors who came out to show their support for events. He noted Mayor Ketchum attended the ribbon cutting at Valley View Medical Center, and Councilor Dawes attended their annual banquet, as well as the 30-year celebration for Grant's Towing.

Mr. Valley reported Northwest Awards would be having a grand opening and ribbon cutting ceremony on Friday, at 1:00 p.m. and invited the council to attend.

4. **Public Hearing on Surplus of City Owned Property at 1795 S. Market Boulevard.** City Manager MacReynold reported the public hearing was part of the process they had to go through with reference to the disposition of city owned property. He noted the council was briefed on the issue and encouraged the mayor to open the public hearing to take any public testimony.

Mayor Ketchum closed the regular meeting at 6:11:04 p.m. and opened the public hearing. There being no public

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comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:11:20 p.m.

Councilor Lund asked if the administration knew what the house could sell for, and what kind of return the city would get if the money was put in the bank. Patrick Wiltzius reported they received an estimate from a local realtor about a year ago, which came in between \$120,000 and \$139,000. Eva Lindgren reported, at this time, the city would receive less than one half of a percent. Councilor Lund wondered what the return would be if they decided to keep the house and rent it out. Mr. Wiltzius reported there were several rentals all over town that were not being filled. He added from his experience, renting the house on the Hamilton Farm was nothing but a pain for the city. Mr. Wiltzius indicated they did not do a formal analysis on the property; however, the house needed a lot of work, and the city would need to invest a lot of money into it before they could rent it out.

Councilor Lund expressed that, in the future, the council should be given options and not be told what to do. He felt staff should be giving them ideas on what they could do better with the citizen holdings. City Manager MacReynold noted they had talked to the council beforehand about surplusing the property. Councilor Lund stated his point was they were not given any options. He felt if the council were given more options, they could make better decisions.

Councilor Spahr asked if the house would be sold by auction, or put for sale at a certain price. Mr. Wiltzius stated they were planning to have a local realtor market it and bring back any offers to the council. He noted, if the council wished, he could get with T.J. Guyer to have him do a market analysis to see what they could get for renting it. Councilor Lund stated he was just throwing out the idea of having more options, rather than just one option all the time.

City Attorney Hillier noted the public hearing process allowed the council to hear comments from the public, and then to have exactly the discussion the council was having. He noted it was up to the council to decide whether it was in the city's best interest to sell the property, hold on to it, or look in a different direction. City Attorney Hillier stated, because the property was being held by the utility and was no longer a benefit, the administration felt it should be surplused and sold. Councilor Lund noted he just wanted them to think about different things, rather than just accepting what was put before them. Mayor Ketchum stated Councilor Lund's suggestion was duly noted.

**5. Public Hearing on Lewis County Multi-Jurisdictional Hazard Mitigation Plan.** Bob Nacht reported the council had been briefed on the plan by Mr. Pierson during a work session held prior to the regular meeting. He reminded the council that the current hazard mitigation plan was due to expire at the end of January, and it was important that they pass a resolution to adopt a new plan prior to February.

Councilor Harris inquired about the annual update notification. Mr. Nacht explained the county was responsible for initiating that process, and the city would respond to the county when the time comes.

Mayor Ketchum closed the regular meeting at 6:18:28 p.m. and opened the public hearing. There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 6:18:48 p.m.

**6. Year-end Recap on Chehalis Renaissance Plan.** Chehalis Community Renaissance Team Chair, Larry McGee, touched on a few items that the team had been working on. He reported it was great to see the council sitting in front of the new city logo that was recently installed in the council chamber. Mr. McGee reported he and Vice-Chair, Allyn Roe (Airport Manager) met with Centralia-Chehalis Chamber Executive Director Jim Valley to see if they could get the "Young Professionals" activity into a much different gear. He noted he didn't want to take away from the fun part, but felt they needed to add some more serious community activity to it. Mr. McGee was pleased to report that Mr. Valley had approached one of the most active members of the group, who said they would be willing to step up and get things moving in a more serious direction. He noted Mr. Valley indicated he would be very active on the Renaissance Committee, and it appeared he was doing just that.

Mr. McGee reported the walking tour went well, adding if Councilor Dawes ever decided he doesn't want to do what he's doing, he could certainly make a living as a tour guide. He added Councilor Dawes was great on the tour, adding so much historical content.

Mr. McGee reported on the recent accomplishments of the Committee, which included:

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- New trees planted on Louisiana Avenue, at no cost to the city
- Formed a 501c3 - the cost of establishing it and initial funding came from the Chehalis Industrial Commission
- Close to awarding the bid on the 32 way finding signs
- I-5 historic and park signs were anticipated to go up by the end of the 1<sup>st</sup> quarter
- Visited one of the country's most successful incubators in Tacoma, Washington
- Children's Museum Team formed - looking at three different potential locations in the downtown area
- Meeting with the city clerk to look at overhauling the city's website
- Trial Litter Project through Reliable Enterprises - an idea that came from Ralph Hubbert
- Put together an inventory of buildings that are for sale or vacant in the downtown area - Greg Lund
- Possible new activity at the Port of Chehalis (not settled yet)
- Found an office to use in the St. Helens Inn, with the assistance of Mike Austin

Mr. McGee reported he was receiving great cooperation from City Manager MacReynold and the staff at the city, adding he really appreciated it.

Mayor Ketchum thanked Mr. McGee and his team for all the hard work they were doing. Mr. McGee stated they were honestly having a lot of fun doing it.

Councilor Taylor stated they couldn't have picked a better man to do the job, adding he felt Mr. McGee was an amazing person. Councilor Harris agreed. Mr. McGee stated he appreciated the comments.

7. **Dating Violence Awareness Month – February.** Mayor Ketchum read a proclamation declaring the month of February as 'Dating Violence Awareness Month,' in the city of Chehalis.

8. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of January 11, 2010;
- b. Claim Vouchers No. 95628-95802 in the amount of \$232,407.79 dated January 15, 2010; Claim Vouchers No. 95803 – 95861 in the amount of \$108,560.45 dated January 15, 2010; Claim Vouchers No. 95862 and 122009 in the amount of \$15,663.03 dated January 15, 2010; and Claim Voucher No. 95863 in the amount of \$10,500.80 dated January 15, 2010;
- c. Authorize City Manager to execute agreement between city and BergerABAM for engineering services for the Jackson Highway Bridge Water Main Replacement Project in an amount not to exceed \$14,456;
- d. Award bid for the Chehalis Way Finding Sign Project to Zumar Industries, Inc., in the amount of \$23,461.77; and
- e. Confirm appointment of J.C. Hewett to the Library Advisory Board for a five year term expiring January 25, 2015.

The motion was seconded by Councilor Spahr and carried unanimously.

9. **Staff Reports.**

a. **November and December Financial Reports.** Ms. Lindgren stated, unless there were any particular questions on the November statements, she would just jump into the December statements.

Ms. Lindgren reported the December statements included the budget amendments the council approved at the end of December. She noted it was important to know that the 2008 numbers in the report were from the final audited financials; however, the 2009 numbers still needed some work.

Ms. Lindgren reported the most significant adjustments that remained to be made related to the interdepartmental charges. She noted the revenues were not up to what had been budgeted because she still needed to do some journal entries and interest revenue allocations. Ms. Lindgren stated they had made huge strides in 2009 to get the cash and investments tied down; however, there were still some allocations that needed to be booked for the investments in the local government

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investment pool, as well as the Security State Bank checking account.

Ms. Lindgren reported other adjustments would involve converting the statements back to cash basis. She noted during the year there are certain accounts that they maintain, such as pre-paid postage and inventory, even though the city was now a cash basis entity.

Ms. Lindgren reported the revenues ended up real close to what was budgeted, which supported the approach of trying to do quarterly amendments. She gave a lot of credit to the departments because they were communicating more frequently with her on anticipated revenues. Ms. Lindgren reported she still needed to do a true-up for the charges for goods and services, adding once those adjustments were made the budget variance would be close to two percent, maybe slightly less.

Ms. Lindgren reported on the expenditures, noting the non-departmental fund would show an increase in expenditures due to the inter-fund interest expenditures that had not yet been booked. She indicated the variance on the expenditure side was almost the same as the revenue side, but in a positive way. Ms. Lindgren gave a lot of credit to the management team, noting they watched their expenditures and committed to the budget reductions.

Ms. Lindgren reported on the wastewater and water funds, which showed a slight increase in the interdepartmental interest income for the money owed by the general fund. She stated she still needed to do some reallocation of the general interest income from investments and cash.

Councilor Spahr inquired as to how much was still owed from the general fund to the utility fund for the building purchase, and wondered how it was going to be paid back. Ms. Lindgren believed it was slightly over \$1.13 million, and they were planning on issuing debt to pay it back.

b. **4th Quarter Sales and Use Tax Report.** Ms. Lindgren reported the numbers supported what they had already seen in the general fund revenues. She felt the history detail on the report really drove home the hardship the city had been experiencing. Ms. Lindgren indicated the revenues had dropped over \$700,000 from the previous year, noting the amount they received was closer to the revenues recorded for 2005.

Councilor Harris asked if there was any hope in making any kind of headway with regards to the streamlined sales tax. Ms. Lindgren stated she could not claim any hope in that direction.

Councilor Dawes stated the best chance of getting anything done would be to get together with other colleagues from across the State. He felt now was not a good time to try to get any of our legislators to report on it because they were busy working on the state's budget. Councilor Dawes stated he wished there had been a chance to study the effects prior to implementing it; however, it was just another one of those things where in theory it sounded good, but in practicality, it was a nightmare.

Councilor Spahr thought even though the city was losing revenue we should be gaining it on the other side, and wondered if the city was accounting for that in any way. Ms. Lindgren noted the problem was, with the big box stores such as Home Depot, local residents that live outside the city were having things delivered to them and the sales tax was following it. She felt it was unfortunate that the State would not take into account the fact that after the 2007 flood event there were a lot of businesses in Chehalis that shut down for almost an entire month. Ms. Lindgren believed they had chosen to ignore certain things that she felt would have leveled the playing field, and would have given the city more decent mitigation revenues.

Councilor Harris stated he agreed with Councilor Dawes, and believed as long as the winning cities and counties were receiving checks they wouldn't get involved. He suggested they try to get something set up at the Association of Washington Cities annual conference in June, to try and get a few more people riled up. Councilor Dawes stated he received a lot of sympathetic comments and understanding when he attended the regional meeting in Woodland, Washington, adding a lot of people were saying the same thing around the state. He felt they were defeating the purpose of the 'Shop Local' campaign going on statewide. Councilor Harris noted he was more concerned about the errors, and the cost of tracking it.

c. **Providing Services to City of Winlock.** City Manager MacReynold reported the administration had had some communications with the City of Winlock concerning building inspections, which had been prompted by Councilor Lund. He

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noted the city had already been doing some building inspections for them from a prior agreement, whereby the city was providing that service as a backup.

City Manager MacReynold reported he and Bob Nacht had put together a proposal and would be meeting with their Mayor to discuss it. He felt it would be an opportunity for the city to bring in some additional revenue.

City Manager MacReynold thanked Councilor Lund for the lead.

10. **Council Reports.**

a. **Lewis County Historical Museum Update.** Councilor Dawes stated he, as well as Councilor Taylor, attended the Annual Chamber Banquet, as Mr. Valley pointed out earlier. He reported on the museum's fashion show coming up on February 20, at R.E. Bennett School. Councilor Dawes noted he also had a chance to stop in at the Business After Hours for Grants Towing, adding he didn't realize they had been in business locally for 30 years.

b. **Flood Authority Update.** Councilor Taylor reported, at the last meeting they agreed to proceed with Phase 2-b of the water retention study, noting the discussion was around whether they should proceed not knowing if it would apply towards the federal match, or not. His argument to the Authority was it would have been nice to have had that discussion upfront, before spending \$200,000 on a study. Councilor Taylor indicated they would be getting a report from the Army Corps of Engineers (Corps) at their next meeting, and there was also an effort put forth to do a study on flood zones. He stated he would have more to report after the next meeting.

Councilor Taylor reported the authority appointed a new chair, Commissioner Terry Willis from Grays Harbor County; and Lewis County Commissioner Ron Averill was appointed as vice-chair.

c. **Update City Website.** Councilor Lund suggested the staff update the website with a photo to include Councilor Spahr. City Manager MacReynold agreed, noting the city clerk was in the process of setting up a date and time to have a new photo taken. Councilor Dawes asked that the website be updated to include Councilor Spahr's name and email address, in case anyone wanted to contact him.

d. **Meetings attended by the Mayor.** Mayor Ketchum reported he attended a meeting with Fire District #6 on January 12, noting the district had a new commissioner. He stated they were also informed that Commissioner Kirk Johnson had to step down because he was in the fight of his life since being diagnosed with cancer of the esophagus and stomach.

Mayor Ketchum noted they had a good meeting and they were at the point of having to look at the next step with the district. He stated they had to seriously start looking at some kind of consolidation. Mayor Ketchum reported Chief Johnson was putting together some speakers for their next quarterly meeting on March 9.

Mayor Ketchum reported that he and Councilor Taylor, and City Manager MacReynold met with the Washington State Department of Transportation and the Corps concerning the city's points of interest, as outlined in a resolution the city adopted in January 2008. He noted Mr. Nacht also attended the meeting to explain the importance of adding the points of interest to the Corps plan. Mayor Ketchum noted the agencies put the information on their lists and maps to take back and study; however, the following day they were notified of issues with the FEMA maps, and it looked as though they might not be doing anything.

11. **Resolution No. 2-2010, First and Final Reading – Adopting the Lewis County Multi-Jurisdictional Hazard Mitigation Plan.** Councilor Spahr move to adopt Resolution No. 2-2010, as amended, on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

Mr. Nacht noted, for clarification, it was not the resolution that was being amended, but the plan itself.

12. **Resolution No. 3-2010, First and Final Reading – Surplusing City Property at 1795 S. Market Boulevard.** City Manager MacReynold stated, in response to the earlier conversation, if the council would like staff to look at other options and report back, they would be happy to do so.

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Councilor Dawes moved to adopt Resolution No. 3-2010 on first and final reading.

Councilor Harris seconded the motion.

Councilor Spahr stated he had thought about what Councilor Lund had said earlier, adding he wasn't sure what the condition of the property was, or how much money they would have to put into it in order to rent it out. He didn't feel the market was going to turn for at least another year, and thought it would be in the city's best interest to put a price on it and see what they could get for it.

Councilor Dawes added, it was his recollection that the intent was to purchase the property for the pump station, and then turn around and surplus the area of property that was no longer needed. He stated, while he agreed with Councilor Lund, that he would also like to have any potential options to look at, his personal opinion was he didn't want to get into the landlord business, as a municipal corporation. He felt it was not a good use of taxpayer money, although there may be times that it might be financially beneficial. Councilor Dawes stated his main intent was to carry out the original intention of the council at the time the property was purchased.

Councilor Lund suggested there might be times when they shouldn't carry out what the original intent of the council was, because it may not be the best idea. He also didn't think the citizens would mind the city getting into the real estate business if it meant they could receive free water and sewer, or perhaps use the rental income to offset fee increases in the future.

The motion carried unanimously.

13. **Resolution No. 4-2010, First and Final Reading – Supplusing City Property**. Police Chief Glenn Schaffer reported they were able to strike a deal with Smith and Wesson to replace the department's current supply of handguns. He noted the weapons could be traded in at a cost of about \$50 each, and they would receive a new handgun in its place.

Councilor Dawes moved to adopt Resolution No. 4-2010 on first and final reading.

The motion was seconded by Councilor Spahr and carried unanimously.

There being no further business to come before the council, the meeting adjourned a 7:05 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 January 25, 2010.**