

April 13, 2009

The Chehalis city council met in regular session on Monday, April 13, 2009, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Robin Fuller, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Larry Allen, Assistant Fire Chief/Fire Marshal; Eva Lindgren, Finance Manager; Bob Nacht, Community Development Director; Peggy Hammer, Human Resources Administrator; Joanne Schwartz, Economic Development Administrator; Tim Grochowski, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; Steve Buzzard, Municipal Court Judge; and Becky Fox, Municipal Court Administrator. Members of the news media in attendance included Marquise Allen of *The Chronicle* and Paul Walker of KITI.

1. **Council Work Session.** City Manager MacReynold reported, as part of the development of the 2009 budget, the administration committed to having quarterly work sessions to review revenues and expenditures in order to monitor where they were financially, and to be able to respond in a timely manner should the trends begin to be clear.

Eva Lindgren walked the council through the first quarter revenues and expenditures, and addressed questions asked by the council.

Ms. Lindgren highlighted the critical general fund revenue streams, which included:

- General property tax
- Sales and use tax for November, December, and January
- Gas/natural gas tax
- Licenses and permits
- Intergovernmental grants and entitlements
- Charges for goods and services
- Interest earnings
- Proceeds of long-term debt
- Operating transfers-in

Councilor Dawes stated in December of 2008 there was a dramatic decrease in sales tax revenue and asked if staff ever found out why. Ms. Lindgren reported once she was able to run the data she would be in a position to talk to the Department of Revenue (DOR) about more specifics. She noted she was not informed by DOR of any one time audit adjustment. Councilor Dawes asked to have an answer as to why the revenue had decreased. City Manager MacReynold stated he believed Ms. Lindgren addressed the question at the time it was first asked, which was pretty much what she just stated, adding they couldn't break out where the revenue streams were coming in from. He indicated the City of Centralia had a similar situation the following month.

Councilor Harris asked if the report prepared by Ms. Lindgren could contain actual potential receipts rather than quarterly numbers, so the council would know when the lump sums come in, such as property tax. Ms. Lindgren stated it would make it a very complicated process.

Ms. Lindgren reported the city was very much on track with regards to the natural gas tax. She noted she was very disappointed with the revenue in licenses and permits, adding in prior years the community development department had generated some very sizable revenues for building permits and planning reviews.

Ms. Lindgren reported on the intergovernmental grants and entitlements revenue, noting in the budget process \$2.5 million related directly to the Chamber Way Project, and they had yet to bill them for this year's outlays. She indicated some of it would include lag payments from FEMA from 2008. Ms. Lindgren continued discussion on the general fund revenues for goods and services; interest earnings; proceeds of long-term debt; and operating transfers-in.

Ms. Lindgren briefly talked about the general fund expenditures, noting they were very close to what they budgeted. She highlighted the fact that the non-departmental fund budgeted for the debt service payment, which still needed to be re-allocated out to all the different departments. Ms. Lindgren reported the street department budget appeared to be low; however there would be expenditures coming through for the Chamber Way Project.

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Ms. Lindgren reviewed the wastewater fund noting the revenues were slightly above what was projected in 2009; and the expenditures were basically half of what was budgeted, which was being driven by the debt principal. Councilor Pope asked Ms. Lindgren to explain the miscellaneous fees under sewer connections. Ms. Lindgren stated she was aware that the city collected sewer connection fees, but had not looked at the detail on that particular item. Tim Grochowski reported he believed it was the connection fees for Liberty Plaza.

Ms. Lindgren reported on the water fund, noting the fund appeared to be a lot worse than it was. She stated they needed to keep in mind that they budgeted \$850,000 to be repaid by the general fund. Ms. Lindgren noted the operating expenses were a little higher due to some significant capital outlays for the 18th Street pump station project and the phase 4 project at the filter plant.

Ms. Lindgren reported the storm fund was in line with the revenue stream, and capital outlays were not significant at that time.

Councilor Pope inquired about the house on 18th Street, asking if it would be sold, leased, or rented. City Manager MacReynold reported the administration was exploring its options to try and create some revenue. Mr. Grochowski indicated they had talked about declaring it surplus and putting it on the market. Mayor Ketchum believed the council agreed they needed to sell the house once the project for the pump station was complete.

City Manager MacReynold reported the administration met last week and reviewed the city's current financial situation. He noted it was still a little early to tell for sure, but they believed they were seeing some negative trends, and felt the longer they waited, the less flexibility they would have to respond. City Manager MacReynold reported the administration put together a phase 1 reduction plan, which he outlined for the council. He stated Peggy Hammer did a good job looking at what other jurisdictions were doing, and put together some administrative policy guidelines on how to approach any reductions. City Manager MacReynold stated any changes made would need to comply with the union contracts, our own city policies, as well as civil service policies.

Ms. Hammer reported the policy was based on a document produced by the City of Olympia. She indicated the policy laid out some of the framework and took a sliding-scale approach. Ms. Hammer briefly described the process, to possibly include: reduction of hours, voluntary reduction of hours, job sharing options, furloughs and layoffs. She noted the policy also laid out a process for re-hiring if it came to that. Ms. Hammer reported she had been in communication with other cities to see what they were doing, noting there were a significant number of cities in the same situation, and furloughs were becoming a very common and popular response to the situation.

City Manager MacReynold noted the administration was proposing, as phase 1, to begin looking at reductions with a target of \$200,000, which included:

- Furloughs – every employee in the city would start taking one day (8) hours per month for the next seven months, which would save approximately \$113,000
- Apply for the federal Justice Assistance Grant (JAG) - \$23,777
- Forgo filling the vacant position in the police department following the retirement of Sergeant William (Willie) Shupp - \$35,500
- Reduce the street fund by cutting signage purchases, parking lot maintenance, and some guardrails for the Coal Creek bridge - \$20,000
- Forgo pool analysis and open two weeks later than in past years - \$10,000

City Manager MacReynold stated if the revenue projections were played out to the end of the year, in the worst case scenario, they could be short by \$300,000 to \$400,000. He noted, come July, if the trends continue in a negative way, they could be looking at layoffs. City Manager MacReynold stated per our own policies, probationary employees would need to go first. He stated the sooner they implement the plan the better, noting their intension was to begin phase 1 on May 1.

Councilor Lund asked how many years it had been since the street department chip-sealed the streets. Mr. Grochowski reported 2009 would be the third year. Councilor Lund felt that was not good because it was going to cost more money to fix them in the long run. Mr. Grochowski agreed.

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Councilor Taylor asked how the administration planned on implementing furloughs with the police and fire departments, with reference to shift work. City Manager MacReynold stated they talked with both chiefs and they were just going to have to work it out with them.

Councilor Lund felt the plan was great; however wondered if City Manager MacReynold shouldn't be making bigger cuts. City Manager MacReynold reported the administration spent a lot of time talking about that issue and felt phase 1 would begin the process and buy some time. He believed it was a responsible approach to the situation, in order to maintain services and our workforce. Councilor Lund stated there was a lot of talk about businesses shutting down. City Manager MacReynold noted he had the same concerns as Councilor Lund, but his commitment was to try to maintain services and maintain the city's fiscal viability.

Councilor Fuller stated he agreed with Councilor Lund, but wouldn't try to second guess the City Manager. He felt the trend actually started during the 4th quarter in 2008, which meant they were already in the six month period. City Manager MacReynold agreed, noting as they put the existing budget together they took out a lot of stuff, because they saw the trends starting to happen. Councilor Fuller asked if it wouldn't be better to make more drastic cuts now and put people back, rather than wait until they were nine months into it. Mayor Ketchum felt they took care of the last quarter in 2008, by cutting so much out of the 2009 budget. Councilor Fuller stated perhaps they didn't cut enough, since they were now coming up way short. Mayor Ketchum noted Councilor Fuller made a good point.

City Manager MacReynold felt they were only a few percentage points off from their projections. He stated he proposed to move forward with phase 1, but was very interested in the council's perspective.

Councilor Taylor asked what Phase 2 would look like. City Manager MacReynold reported it would involve cutting all probationary employees, and laying people off. Councilor Taylor suggested a wide-scale layoff. City Manager MacReynold believed laying people off would hurt the community and impact all of us. He noted they had to remain fiscally responsible, but it was going to be challenging.

Councilor Harris felt they couldn't let the capital product of the city go belly up and hold employees until the end. He stated at some point in time they may be challenged with having to lay off employees in order to keep the capital, such as roads, in working order. Councilor Harris stated if the city didn't get into some form of recovery, it may have to make decisions about product rather than people. Councilor Lund agreed, adding he hated to say it, but laying people off might actually help the citizens. He noted the same concerns as Councilor Harris that they needed to keep up on the infrastructure of the city. Councilor Lund suggested they take a consensus, to have City Manager MacReynold step up the cuts.

Councilor Pope felt they should wait and see where the proposal goes first. He agreed, perhaps the cuts were not big enough; however he believed the city manager would come back to them when it was appropriate. City Manager MacReynold stated the administration was lining itself up to be responsive, by looking at the current reporting they were receiving and tracking the revenue sources. He believed the proposal was a positive step that would make a difference and buy them some time.

Councilor Harris asked if there might be some way to contact other losing cities and counties affected by the streamlined sales tax, and look at filing a lawsuit against the state. He felt they needed to find a way to at least get it postponed until the federal government was able to collect sales tax on internet and catalog sales. Councilor Harris noted he would like to see if they couldn't get the money placed back into the communities where it was earned. City Attorney Bill Hillier stated the Association of Washington Cities (AWC) was the city's research source and lobbyist for many issues, adding it would be incumbent upon all of the council to contact AWC to get that process started. Councilor Harris thought AWC was completely neutral on the whole thing. City Attorney Hillier reported they were quickly changing their tune from what he was seeing. Councilor Harris stated he wouldn't mind setting up some kind of alliance with other agencies to start something at the grass roots level to help communities get that money returned. Councilor Dawes stated he believed AWC probably changed their tune because there was no money for mitigation, which was the selling point to the cities.

Ms. Lindgren noted the city did not receive any mitigation funds during the 1st quarter of 2009; however that did not preclude us from receiving any in the future because it was still in the state's budget. She reported she had seen the detailed reports on what the state was basing it on, and in talking with another municipality, they both agreed the underlying data did not make any sense. Ms. Lindgren stated she would be talking with the DOR to have them walk her through it to explain where

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they were coming from. She noted she would report back at the next meeting if she made any progress.

Ms. Lindgren reported the city of Centralia qualified for mitigation funding during the 1st quarter. Councilor Harris noted all along Centralia was expected to be one of the winning cities. He felt it was important to be as aggressive as they could to try and get it overturned.

City Attorney Hillier stated he was looking at AWC as a resource to do the research, but if that was not the need, they could take a different look at it. He noted his staff didn't have a lot of time available to do that type of research and they needed the background information to be able to determine what the city's rights were.

Councilor Taylor felt AWC didn't seem to provide much benefit to the city. City Manager MacReynold reported the health benefit was the single biggest benefit to our city; however if you were one of the mainstream cities, they were very aggressive with lobbying efforts at the legislature. He noted they also provide sessions for training and send us updates on what's going on at the legislative session. Councilor Harris noted he hadn't seen any legislative bulletins lately. Councilor Dawes stated he hadn't seen one all year. City Manager MacReynold noted he would have the city clerk follow-up on it.

Councilor Dawes felt phase 1 was a good first step; however he wasn't as optimistic about the future, adding he thought it might not be until the end of the year before they see any turnaround. He suggested the administration get their plans ready for a phase 2 and implement them, adding he hoped he was wrong. Councilor Dawes reported employees of the school district were going to be severely impacted, which was going to have a residual affect on the community.

City Manager MacReynold reported the city was also facing the end of an Emergency Medical Services (EMS) levy. He noted Fire Chief Kelvin Johnson was already working on that issue, and come summertime, the administration would be coming back to the council to lay out some options and possibilities. Councilor Dawes believed if they were going to ask the public for something they needed to tell them what it was they needed, why they need it, and how they proposed to do it. He suggested they hold it within decent parameters because people were not going to be as supportive as they had been in the past.

Mayor Ketchum closed the work session at 5:55 p.m. and announced the council would take a five-minute recess and reopen the regular meeting at 6:00 p.m.

Mayor Ketchum recognized Lewis County Commissioner Bill Schulte, who was present in the audience.

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

a. Minutes of the regular meeting of March 23, 2009; and

b. Claim Vouchers No. 93016-93158 in the amount of \$221,655.20 dated March 16, 2009; and Payroll Vouchers No. 32180-32293 and 497-567 in the amount of \$766,338.01 dated March 31,2009.

The motion was seconded by Councilor Taylor and carried unanimously.

3. **Staff Reports.**

a. **Employee Service Award.** Mayor Ketchum presented Bob Nacht, Community Development Director an employee service award for 30-years of service.

b. **Report on Pool Opening and Hours.** Mr. Nacht reported part of the endeavor regarding the opening of the swimming pool was that it was not cost effective to open it too early. He noted, historically, the pool opened on Memorial Day weekend; however he was proposing to open the pool to the public two weeks later on June 13, noting the cost savings would be around \$1,500 and would provide staff the opportunity to gear up. Mr. Nacht stated the school district would still be using the pool between Memorial Day weekend and June 13, but it would not cost the city anything for them to use it.

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Councilor Fuller indicated there were a couple of major pool maintenance issues noted in the agenda report. He reported he, Mayor Ketchum, and Councilman Dawes had forgone their medical benefits, which added up to approximately \$33,000 a year, that were to be made available for parks and recreation. Councilor Fuller indicated the council's budget had been reduced to reflect the reduction in benefits, and inquired as to whether the money that would have been paid out for benefits was available from the last three years, or if it had been spent somewhere else.

City Manager MacReynold reported there had been on-going discussions over the past few years about the council providing that money for parks and pool related issues. He noted through the budget process they discussed reducing the number and if the council wanted to have the administration use the money for they pool they could do that. Councilor Dawes believed Councilor Fuller was asking where the money had been allocated. Mayor Ketchum noted it was taken out of the council's 2009 budget. Councilor Fuller stated he understood it was to be taken out; however it was supposed to be taken out and put in the reserves for the parks department.

Councilor Taylor thought they were going to use a portion of the money for an electric reader board. Councilor Dawes indicated the money for the reader board wasn't put into the budget for the year it was supposed to have been done.

Ms. Lindgren reported, in the 2008 budget they showed the intent of the council so they could always follow and track what was going on with the money set aside. She stated when they went through the 2009 budget process, the budget committee made the decision to not put it into the budget because money was tight, noting anything not spent goes back in to the ending fund balance. Councilor Harris remembered having the conversation during the budget process, adding they were told the money would not be coming in, which he too understood was to be used for toys and recreation. Ms. Lindgren agreed, adding if they were not spending it for benefits in the general fund, that's how they basically balanced the general fund budget.

Councilor Fuller reported when he came on the council in 2006, the three councilmembers asked that the money for their portion of benefits be put into the reserves to be used on parks and recreation; however he didn't believe it was ever done. He indicated he didn't remember ever saying they decided not to do it in 2009, adding he thought it was a four-year pledge. Councilor Dawes stated he didn't believe it ever got in the budget for the first two or three years, noting they tried in the past to figure out if they could go back and backfill it, which they couldn't. He added it was his understanding that the current 2009 and 2008, were supposed to be budgeted. Ms. Lindgren reported the 2008 budget reflected the amount in the council's budget, which was why 2008 was higher than 2009.

City Manager MacReynold stated they could resolve the issue by simply creating a separate line item for the money committed to parks and recreation, and would need to amend the budget to reflect it. He reported it would be a clear line showing the money going in every year. Councilor Fuller noted the city attorney gave a ruling previously on the matter. City Attorney Hillier indicated all they had to do was create the line item as suggested by City Manager MacReynold.

Councilor Taylor asked if the administration was going to make an amendment to the budget for the whole \$99,000. Councilor Dawes noted it could only be for the one year. Councilor Lund stated the council could make a policy decision to put the money wherever they wanted. City Manager MacReynold stated that was correct. Mayor Ketchum wondered if they had spent any of the money over the last three years. Councilor Fuller noted they spent roughly \$16,000 on toys and suggested they check with Andy Sennes to find out the exact dollar amount.

Councilor Dawes suggested the budget committee meet with City Manager MacReynold and Ms. Lindgren to review the matter. City Manager MacReynold stated he would be happy to do that.

c. **Chehalis Renaissance Implementation Plan Special Work Session**. A special work session was scheduled for Monday, May 18, at 4:30 p.m., for Tom Beckwith to walk the council through the implementation plan.

d. **District No. 6 Monthly Meeting**. City Manager MacReynold reported a meeting with Fire District #6 was scheduled for Tuesday, April 14, at 7:00 p.m. He reported the Chiefs were talking about going to quarterly meetings, which they would discuss at the meeting.

e. **Fundraiser for Rauley Zavodsky**. City Manager MacReynold reminded the council about the fundraiser for Danyell Zavodsky's son Rauley, on Saturday, April 18, from 4:00 p.m. to 7:00 p.m., at the Mossyrock High School.

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4. **Council Reports.**

a. **Lewis County Historical Museum Update.** Councilor Dawes reported the museum would be holding an open house from 4:00 p.m. to 7:00 p.m. on Thursday, April 16. He noted they were working on a paver project, which was accepted by the Lewis County Commissioners early in the day, to remove and replace the bricks around the building. Councilor Dawes believed the project would be done in about 45 days.

b. **Annual Knowledge Bowl.** Mayor Ketchum reported the Annual Knowledge Bowl was scheduled for Thursday, April 16, starting at 5:00 p.m. at the Centralia High School.

c. **Sister City Visit.** Mayor Ketchum reported on the sister city visit to Japan, noting it was a good experience and they had a lot of fun. He reported he had the pleasure of dressing up as a very high Official Samurai during the festival, and was also asked by his host family to build a table for their patio, as well as tear down their old fence and start building them a new one. Mayor Ketchum was presented with a tapestry that represented the cherry blossom festival. He stated he was looking forward to going back next year for the 20th anniversary. Mayor Ketchum noted the Mayor of Hamamatsu, Japan, which took over the program, indicated he supported sister city programs; however because they were having a financial struggle they could no longer support paying for citizens, so they would have to start doing it on their own.

d. **No Smoking Signs Requested for Parks.** Councilor Pope reported he received a letter from a group of Girl Scouts, requesting 'No Smoking' signs in city parks. He stated he too had some concerns about the area around the Penny Playground, adding people were smoking and dropping their cigarette butts on the ground and kids were picking them up and testing them out. Councilor Pope stated he would like the council to give their moral support to the request, but felt the group needed to come to the council to make their presentation. City Manager MacReynold reported the administration would follow up on the letter.

Councilor Dawes thought when the Penny Playground was built there were 'No Smoking' signs included. Mayor Ketchum didn't believe there were any signs anywhere in the park.

e. **Flood Authority Update.** Councilor Taylor reported he had some concerns regarding the recently formed sub-committee created by the Flood Authority, to listen to the results from different projects and report back to the authority. He noted at the last committee meeting the authority approved phase 2 of the PUD project, adding he was troubled by the email correspondence with regard to the interlocal agreement between the county and the PUD, which was being held up by the sub-committee. Councilor Taylor stated the authority minutes did not accurately reflect what he said, noting the group seemed dysfunctional. He hoped Commission Schulte could get the sub-committee on-line.

Commissioner Schulte stated the interlocal agreement was drafted and sent out to the members of the sub-committee. He noted The Tribe never designated anybody, so they only had two of the three designated. Commissioner Schulte reported The Tribe finally designated someone on Thursday, and on Friday they managed to get all the copies out. He noted a sub-committee meeting was schedule for Tuesday from 1:30 - 3:00 p.m. at the Courthouse

Councilor Taylor reported the motion he made was that the sub-committee was to have nothing to do with the interlocal agreement, adding it was suppose to be an agreement done by the county with the PUD, and progress reports of the study were to be given to the sub-committee and fed back through to the group. He felt it was so far off track and asked Commissioner Schulte why the sub-committee was even involved. Commissioner Schulte didn't know why either, adding that was his argument. He reported the only thing that was really up for discussion was what exactly they were going to define as a 'fatal flaw.' Councilor Taylor asked why the county couldn't just enter into an interlocal agreement with the PUD as stated in his motion, which he supported and received consensus on. Commissioner Schulte reported the draft was done and would go before the flood authority on Thursday. He added it was Lewis County's interlocal agreement and the PUD's scope of work that they were piggybacking on and they had not authority to change either one. Councilor Taylor asked why they were even involved, adding they were just slowing down the process of getting the project done. Commissioner Schulte agreed.

f. **Green Hill School Community Meeting.** Councilor Dawes reported he attended a community meeting at Centralia Community College regarding Green Hill School, adding even though they just talked about what they do at the school, it was a great meeting. He added he was pleased to see Senator Swecker, Representatives Alexander and Hunt, as well

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as a couple of other Democrats there. Councilor Dawes hoped they would get the issue resolved and Green Hill would stay as it was.

5. **Ordinance No. 802-B, Second Reading – Providing for Annexation of the Chehalis Industrial Park.** City Manager MacReynold reported the council received a briefing on Monday, March 23 from the FCS Group on the analysis of the annexation. He noted the discussion by the council at that meeting lead the council to un-table the ordinance.

Mr. Nacht stated the administration was recommending the council not proceed with annexation at that time for the fiscal reasons that were presented at the meeting of March 23.

Councilor Dawes moved that the council pass Ordinance No. 802-B on second and final reading and waive reading of the ordinance.

Councilor Pope seconded the motion.

Councilor Dawes stated he would like to make the same point he made at the last meeting, that as a council they wanted to review it to find out if it was feasible; however now was just not the time to annex. He felt the city was strapped with enough financial concerns to get through this year and that it would be very unwise to proceed and take on any further debt, as outlined in the analysis. Councilor Dawes stated he intended on voting against the motion.

Mayor Ketchum agreed, adding he had hoped the outcome would have been a lot different. He stated he appreciated all the hard work everyone put into it, adding it was a long hard struggle. Councilor Dawes added any positive growth in that area would be beneficial to the city. Mayor Ketchum agreed.

Councilor Pope called for the question.

The motion failed 0 to 7.

6. **Ordinance No. 844-B, Second Reading – Amending the 2009 Budget.** City Manager MacReynold reported the administration would continue to make any recommended budget amendments to the council every quarter. Ms. Lindgren pointed out there were no changes to the budget amendment as it was presented on first reading.

Councilor Harris moved to pass Ordinance No. 844-B on second reading.

The motion was seconded by Councilor Pope and carried unanimously.

7. **Wi-Fi.** Councilor Fuller requested an update on the Wi-Fi issue. City Manager MacReynold reported they had met with the committee to discuss the matter, and based on that conversation, he asked them to cease any further work on the Wi-Fi project. He stated the administration needed to come back to the council to discuss the issue, and if they decide not to proceed, they would obviously need to surplus the purchased property.

City Manager MacReynold reported they spent roughly \$25,000 out of the tourism fund to purchase the equipment, based on council's discussion at the time. He added they would have to spend more money if they decide to move forward with the project. City Manager MacReynold stated he made a commitment to bring the issue back before the council with a clear recommendation, with the potential of surplussing the property by the end of May.

Councilor Lund asked if all the property/equipment had been purchased. Joanne Schwartz reported they only purchased the hardware to go on the buildings. She noted they talked with various building owners; however there were never any contracts implemented.

City Manager MacReynold reported the other issue was, the company the city purchased the equipment from had filed bankruptcy and they had proprietary rights over the equipment. He added there were a whole series of issues that the technical committee had been struggling with, trying to make it work, and felt the city could not financially afford to continue down that path.

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Councilor Lund asked if anyone knew Rob Carter, a computer guru who worked for Aluminite Northwest. He stated Mr. Carter inquired about the project and offered to put the equipment up and get it going for free.

Councilor Taylor inquired as to why they bought the equipment for the project before they had agreements set up to put the equipment up. City Attorney Hillier noted the city didn't have a problem with the locations, adding they had an agreement, in principal, that the building owners would allow the city to go into the locations needed. He stated they were trying to expand it, and at the end of the day the decisions as to the principal area were locked in, they compared agreements, circulated the lease agreements, which no one had problem with. City Attorney Hillier reported Ms. Schwartz gathered the agreements back once problems started to surface about whether the city would have the support for the system that was purchased. He noted the system would have worked; the issue was, down the road if there were any maintenance issues the city would need to find someone, such as Mr. Carter, that could fix it.

City Manager MacReynold noted the other piece was, the city would have to spend an additional \$25,000 to fully implement the system. Councilor Taylor asked if this issue was that they just didn't plan properly. City Manager MacReynold noted when they started the project, the administration recommended to just put the system in "Old Town" and downtown, and the council requested they try and expand the horizon out to the freeway, which made good sense based on the discussion at that time. He reported they brought the consultant back in and did an analysis to look at how it could be done, which required more work. City Manager MacReynold reported they organized the process by getting the equipment and the contractor on board, and determined a plan of action, and in the mean time, the whole economy changed. Councilor Taylor stated he didn't know why they wouldn't put a plan together first, before expending the money, which now seemed to be a waste of Tourism dollars.

8. **Award Bid for Wastewater Treatment Plant Outfall Replacement Project.** City Manager MacReynold reported the Outfall Replacement Project was one of the few projects that remained in the 2009 budget. Patrick Wiltzius reported the project would replace the pipe that goes to the river, which had been failed for quite some time. He noted, if not repaired, it could lead to the under-mining of the riverbank and cause severe damage. Mr. Wiltzius reported the project had been in the capital improvement plan for ten years. He stated it was not designed or constructed as part of the treatment plant project because of the length of the permit and design process. Mr. Wiltzius noted the engineers estimate was \$500,000 and the city was fortunate to receive 13 bids. The low bid came from a local company, Sterling Breen Crushing, Inc. in the amount of \$247,739.48. He recommended the council award the bid, which would be funded by the remainder of the zero percent interest loan though the Department of Ecology. Mr. Wiltzius indicated the City of Napavine and Lewis County Sewer District #4 would also pay their share of the project based on whatever they purchased in the plant.

Councilor Dawes stated it was nice to see a low bid come in.

Councilor Harris noted, while it was a good low bid, he was concerned about change orders. Mr. Wiltzius believed there was a \$50,000 contingency fee. He added it was a relatively small project, but complicated because they would be working in the river.

Councilor Dawes moved that the council award the bid for construction of the Outfall Replacement Project to Sterling Breen Crushing, Inc., in the amount of \$247,739.48.

The motion was seconded by Councilor Harris and carried unanimously.

9. **Executive Session Pursuant to RCW 42.30.140(4)(a) – Collection Bargaining.** Mayor Ketchum announced the council would convene into executive session at 6:52 p.m. after a five-minute break beginning at 6:48 p.m. pursuant to RCW 42.30.140(4)(a) – collective bargaining, for approximately one-half hour and there would be no decision following conclusion of the executive session.

There being no further business to come before the council, the meeting adjourned at 7:43 p.m.

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Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of April 13, 2009.