

September 13, 2010

The Chehalis city council met in regular session on Monday, September 13, 2010, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:02 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: Merlin MacReynold, City Manager; Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Peggy Hammer, Human Resources Administrator; Tim Grochowski, Public Works Director; Rick Sahlin, Street Superintendent; and Barb Lovelady, Fire Department Administrative Assistant. Members of the news media included Adam Pearson of *The Chronicle* and Ron Hall of KITI.

1. **Briefing from Department of Transportation (DOT) on Various Projects.** DOT Regional Engineer Bart Gernhart and Area Engineer Colin Newell, and Lewis County Commissioner Ron Averill briefed the council on the current I-5 widening projects in Lewis and Thurston Counties, which included: I-5, Rush Road to 13<sup>th</sup> Street; I-5, Mellen Street to Blakeslee Junction; I-5, Blakeslee Junction to Grand Mound; the Grand Mound Interchange; and I-5, Grand Mound to Maytown. The briefing also included information on the upcoming projects in Lewis County.

Mr. Gernhart reported the Grand Mound to Maytown project was on schedule and would be finished by the end of the year. He noted the Blakeslee Junction to Grand Mound project would include three general-purpose lanes in each direction, and was anticipated to be finished sometime in the next year. Mr. Gernhart talked briefly about the Grand Mound Interchange project, noting Senator Dan Swecker helped to get funding appropriated to rebuild the Interchange in its entirety.

Mr. Gernhart provided several drawings, including those for the Mellen Street to Blakeslee Junction project. He reported the proposed project would help address the weaving and congestion issues between the Mellen Street and Harrison Avenue interchanges. Mr. Gernhart explained the traffic flow of the new proposed couplet system, adding the scope of work would include: collector-distributor roads along either side of I-5, which would include two new one-lane bridges on either side of the existing Skookumchuck River Bridge; the relocation of interstate ramps; and a new I-5 overcrossing south of the current Mellen Street interchange. He noted the anticipated construction start date was in 2012.

Mr. Gernhart reported on the Louisiana Avenue to Airport Road series of projects, noting Lewis County would pave and re-build the sub-structure on the existing portion of Airport Road. He reported Senator Swecker left \$2.5 million in the budget for flood control, which would be used to connect Louisiana Avenue to Airport Road. Mr. Gernhart stated they hoped to have the project out to construction in 2012, but it could be as late as 2013. He noted they were really trying to merge it into the same construction start time as the Mellen Street project, adding they could get better bids if they have them all going out at once.

Commissioner Averill reported the city of Centralia requested that they not have Airport Road connected to Louisiana Avenue until the Mellen Street Project was finished. He noted the project had always been designed so that when they complete the Mellen Street project, they would then finish the connection between Airport Road and Louisiana Avenue. Commissioner Averill reported the county would upgrade Airport Road to base, in order to handle the additional traffic. He noted they also had a Transportation Improvement Board grant to finish the trail coming out of Centralia over to the levee.

Mr. Gernhart talked briefly about the Long Road Dike project, noting it would tie into the existing Long Road Dike in an effort to increase access to the hospital during a major flood event via Mellen Street. He noted the plan was to extend the Long Road Dike to the south to tie into the future ramps in 2012, adding it was a relatively inexpensive project.

Commissioner Averill reported access to the hospital from Centralia would continue to be at the current underpass, but instead of traffic going in both directions they would have two one-way lanes going west, and eastbound traffic coming out of the hospital would have to go south a quarter-mile on the new couplet in order to get back over to the east side of I-5. Commissioner Averill stated the connection to the Long Road Dike was needed to keep Salzer and Coal Creek from flowing into the area of the underpass. Mr. Gernhart also brought up the issue of China Creek, noting they weren't really sure exactly when China Creek would go over its top if they didn't have the Chehalis River backing up, or coming over the interstate.

Councilor Harris noted previously there was some discussion about widening the underpass at Mellen Street by taking out the two hollows and creating two east and west bound lanes of traffic. Mr. Gernhart indicated that was the original plan, but they were not doing that now. He noted the soils under the overpass at Mellen Street were a little more porous than what they thought, which would make the project more difficult and much more expensive.

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Mr. Gernhart reported the various projects would put roughly 300,000 yards of fill into the floodplain. He provided a map showing the different increases in flood water due to the new fill, using 2007 flood data. Mr. Gernhart noted in their modeling, if they were to do nothing, areas in Chehalis on both sides of I-5 would get about an eighth-inch rise in floodwater. He reported once they connect the Long Road dike to the interstate, the east side of I-5 in Chehalis would continue to see the eighth-inch rise; however, the west side of I-5 would increase to a one-inch rise.

Commissioner Averill stated, in 1997, a Chehalis River Basin Flood Zone District was formed, which operated for about three years. He noted one of the projects that came out of the committee was to try to protect the Miracle Mile by putting in a berm on the Centralia-Alpha Road; however, that project died along with the committee.

Commissioner Averill reported if they looked at the United States Army Corps of Engineer's (Corps) Twin Cities Project, they do recognize the contribution that Salzer Creek makes to flooding in the area. He stated their plan was to run a dike parallel to Kresky Avenue until it reached just north of the Lewis County Mall. Commissioner Averill noted if the Chehalis River was already backed-up the water couldn't get into the river and it would just continue to backup, which puts the businesses on the east side of I-5 out of business. He added it cost the county \$66,000 just to remove the garbage out of Yardbirds after the 2007 flood.

Commissioner Averill believed the new project was better, adding they estimated they could hold back three days of water behind a berm in the Salzer Valley, which would reduce the contribution of the Salzer to the flooding, giving them instead a one inch drop down south. He felt it wouldn't completely correct the problem, but it would go a long way to help. Commissioner Averill reported they were able to get some federal money through Mr. Gernhart to hire a consultant to study the projects feasibility and viability, and if it proved to be as viable as they thought it would, they may use it as mitigation for the rise. He believed it would give them the first real project to control water since they started studying it in the 1930s.

Councilor Dawes asked if they were going to need to get the Corp's blessing to do the project. Commissioner Averill stated he proposed that question, noting the Corps would not do it because they had the Twin Cities Project. He reported if the county and DOT do the project as mitigation, a different department within the Corps would be involved in the approval process, adding it would take a maximum of six months to get approval from them.

Councilor Taylor asked Commissioner Averill if that type of project had to pass the cost benefit ratio. Commissioner Averill stated it would not, because the county would be building it. Mr. Gernhart noted the project was going to save DOT about \$2 million dollars, which would allow them to contribute several million dollars elsewhere.

Councilor Spahr stated he remembered the project back in the 1990s a little differently, adding there was going to be a floodgate down by the fairgrounds and they would allow Salzer Creek to flood to a certain point before pumping it into the Chehalis River Basin.

Commissioner Averill reported the Corps would be holding a meeting on September 23, at the Centralia Middle School, from 5:00 p.m. to 8:00 p.m., to discuss design, and perhaps then they would know how they plan to handle Salzer Creek.

**2. Initiatives Filed to Privatize Liquor Sales – Statewide November 2 Ballot.** Margie Engle (3107 Impala Drive S.E. Lacey, WA) provided the council with some information pertaining to two initiatives that would appear on the November 2 Ballot: I-1100 and I-1105. She noted if passed, both I-1100 and I-1105 would put our communities at risk, threaten jobs and small businesses, and threaten our local budget.

Ms. Engle reported there were currently 315 hard liquor retail stores in our State, adding if the initiatives pass there could be as many as 5,000 retailers, which was three times the number of liquor outlets per capita currently in California. She talked briefly about compliance issues; the number of family wage jobs that would be lost; and the harm it would do to local businesses, such as: Widgeon Hill Winery; Heymann Winery, Dick's Brewery, etc.

Ms. Engle felt the city could not afford to lose the substantial revenue liquor sales generated for the city, noting Chehalis stood to lose around \$90,000 per year, while Washington State stood to lose up to \$730 million. She urged the council to stand together and pass a resolution to oppose I-1100 and I-1105.

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Councilor Dawes reported he remembered when the issue was first talked about a couple of years ago, noting one of the legislators indicated if it ever passed they would just add tax to make up the money. He felt the 'yes' side probably had something similar, and asked Ms. Engle if anyone had any information on what taxing laws it would fall under, or if it would be treated any different. Ms. Engle stated there were some statistics; however, she was not the correct person to ask and offered to provide a name and phone number of a union representative for Councilor Dawes to call. She noted it was her understanding that the tax was already instilled in the bottles and the law would have to be changed in order to change the taxation.

Councilor Spahr asked if the numbers Ms. Engle provided were accurate with what the city was reporting. City Manager MacReynold indicated he had asked Finance Manager Eve Lindgren to analyze it, adding the tax portion of it was about \$35,000, but the sharing of the profits was not that easy to figure. He felt they should know more in the next couple of days. Councilor Spahr suggested they find out that information before November. City Manager MacReynold agreed.

**3. Questions Concerning Layoff at the Fire Department and Budget.** Kevin Reynolds (1915 S.E. Maple Drive, Chehalis) stated over the last several years he had watched as members of the Chehalis City Council made decisions that had led the city to financial despair, and the economy had not helped. He felt it was not entirely the council's fault, adding a disconnect between city departments and the council had been created, which he believed restricted constructive ideas, and had most certainly limited the city's options for financial reprieve.

Mr. Reynolds stated, as far as he can tell, the council were all acting in their own best interest, standing on a re-election platform of no new taxes while ignoring the citizens request for services. He reported he was mainly speaking of the recent EMS levy that passed at 80 percent.

Mr. Reynolds asked the following questions of the council.

- What serves the citizens best, you and your families having an insurance plan, or keeping a firefighter or police officer employed?
- Why was the council not taking the full amount of the EMS Levy? He noted it was voter approved; it would preserve current staffing levels; past practice showed it had been done before and it was legal; it was also more cost effective for the city because of cash outs, overtime, and other consequences of the planned layoff of a firefighter.
- Had the city done anything to modify the rules of the tourism tax in order to preserve services that bring in business and tourism, as opposed to buying signs and creating catch phrases?
- Why were temporary and seasonal employees still working? Does their work influence the ISO rating? Mr. Reynolds stated he spoke specifically to that because it directly affected city businesses.
- Was it the council's plan to renovate Chehalis Avenue only to qualify for another grant so they can demolish all of that work and renovate it again? Mr. Reynolds noted it was a question he had been asked by a couple of people on the street.

Mr. Reynolds stated he wanted to make the council aware that Local #2510 Firefighters had made a concerted effort to reduce healthcare costs and to negotiate their contract to keep their bottom firefighter employed, but their efforts had not been effective. He asked the council what they had planned to prevent the one firefighter from being laid off, and what they planned to do to prevent other layoffs in the future.

Mr. Reynolds offered to answer any questions the council might have. He indicated he was speaking for himself as a citizen and would like to have answers to his questions at a future meeting.

**4. Health and Wellness Week Proclamation.** Mayor Ketchum presented a proclamation to Maretta Berg and Chris Thomas declaring September 18, 2010, as 'Health and Wellness Day' in the city of Chehalis.

**5. Update on Fisheries Study.** Centralia City Councilor Edna Fund reported she was nominated at the flood authority meeting by Councilor Taylor to represent both Chehalis and Centralia on the \$900,000 Fisheries Study. She noted they received and reviewed several studies from interested applicants, and selected a company by the name of Anchor to do the study. Ms. Fund reported Anchor was currently negotiating with Vince Panesko, CR Pacific, and Weyerhaeuser to obtain access to the river from their properties.

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Ms. Fund noted there were concerns about timing, adding they were in communication with the Governor's Office to alert them that this was not exactly the study they had in mind. She stated they were counseling the Governor's Office before the bill was signed, that it was an impossible study to do in 12 months. Ms. Fund indicated they received the money in July and the study had to be done by June 15, 2011. She noted they were working on it, and thanked Councilor Taylor for his confidence in her to represent the city. Ms. Fund stated she would keep the council updated as things progress.

**6. Update on Flood Authority Issues.** Julie Balmelli-Powe thanked Councilor Taylor and the council for appointing her to represent the city on the Flood Authority, and for having faith in her to represent the city's interest on the Sub-zone District Committee. Ms. Balmelli-Powe reported the zone district meetings were held at the Veterans Memorial Museum from 9:30 a.m. to 11:30 a.m., the same day as the flood authority meetings. She stated she appreciated City Manager MacReynold attending the meetings, adding there was a lot of city information that he could answer to.

Ms. Balmelli-Powe reported they had not made any huge decisions yet, adding they were just getting into discussions on advisory committees and such. She indicated the next few months were going to be pretty critical in forming the multi-county flood zone district.

Ms. Balmelli-Powe reported the Chehalis Basin Flood Zone had met three times and were currently getting their by-laws in place. She stated they had selected Jason Humphry as their Chair, and she was selected as vice-chair.

Ms. Balmelli-Powe noted there were a few issues that had been brought up, one being the Conservation Service (CS) approach to maybe building smaller water retention structures. She noted they were encouraging the Lewis County Commissioners to sign and move forward with a letter that needed to be sent out in order to proceed with it. Ms. Balmelli-Powe reported they also had a discussion on the Highway 6 resurfacing project, adding the project raised the highway about three inches. She noted Highway 6 was one of the problems in that area for flooding, especially for the residents of Riverside Road, and they were hoping to get the Commissioners to talk to the State about addressing that problem.

Ms. Balmelli-Powe talked briefly about the basin-wide General Investigation (GI) that was coming up for discussion at the flood authority meeting on Thursday. She reported the Corps had said they could not incorporate water retention into the Twin Cities Project and instructed them that the only way they could look at it was if they signed the basin-wide GI. Ms. Balmelli-Powe stated she was hoping to get a little input from the council on what their feelings were regarding that issue. She noted the GI was the same 14 year, \$24 million dollar study that would look at restoration, as well as flood protection. Ms. Balmelli-Powe stated she didn't see any rush to sign the GI.

Councilor Taylor felt the consensus of many people was the GI was too much, too long, and it wouldn't solve anything. He stated he would object to signing the GI. Mayor Ketchum and Councilor Lund stated they would go along with Councilor Taylor's recommendation. Councilor Harris noted it had always been a bone of contention at the Chehalis Basin Partnership meetings for exactly the same reasons. He noted there hadn't been much support of it, and he wasn't a fan of it himself.

Councilor Dawes stated if the money spent on studies since 1930 was used for a solution, they wouldn't even be talking about it now. He indicated he didn't trust the Corps, adding they were only going to do what they were ordered to do. Councilor Harris agreed. Councilor Dawes felt all of the side issues they were dealing with were a tremendous waste of everybody's time and money. He believed if they could get representatives from all the various interests at one meeting to oversee it, perhaps they could make some logic of it, or at least drown out all the noise makers and progress along.

Councilor Harris reported the Chehalis River Basin Partnership was the group that originally spearheaded it, and decided to not become the flood authority because they were not primarily discussing flood issues. He noted, because of all the little sub-groups, there was no real opportunity to control what was going on.

Ms. Balmelli-Powe agreed with Councilor Harris, noting she had the opportunity to sit on several of the different sub-committees. She also agreed that it would be ideal to have everyone in the same room, but the issue was there were too many personal agendas.

Councilor Harris made a comment about what Commissioner Averill stated earlier regarding the Centralia-Alpha Road, noting from the very beginning they were saying, "look at water retention." He suggested they should be looking at the smaller

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lead-ins that feed into the area. Ms. Balmelli-Powe stated in order to deal with those issues they were going to need federal money; however, the small projects were not going to get them any federal money. She felt the only way they were going to get the help they needed was if they get the federal government involved, and the only way they would get involved was if it had to do with protecting I-5.

Councilor Harris suggested there were already studies completed and mountains of information out there about every part of the Chehalis River Basin and all anyone would have to do was compile the information, but nobody was willing to do it.

Councilor Dawes thanked Ms. Balmelli-Powe for her willingness to represent the city, adding he appreciated her time and efforts. Ms. Balmelli-Powe thanked the council for their trust. She stressed that the council needed to send a letter of support to the commissioners regarding the National Resource Conservation Service approach, to encourage them to move forward on that to see if it was a possibility.

Councilor Taylor also thanked Ms. Balmelli-Powe for representing the city, adding he hoped she felt comfortable enough to make the kind of decisions the council knew she would make to represent them. He encouraged her to have no fear when making decisions, adding the council had all the confidence in the world that she would represent the city as well as any one of them would. Councilor Taylor stated he also appreciated the report they received from Dan Maughan, adding it was really helpful.

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

- a. Minutes of the regular meeting of August 23, 2010;
- b. Claim Vouchers No. 97647-97791 and 72010 in the amount of \$133,745.16 dated August 13, 2010; Claim Vouchers No. 97792-97913 in the amount of \$113,070.09 dated August 31, 2010; and Payroll Vouchers No. 33945-34048 and 1689-1758 in the amount of \$718,143.17 dated August 31, 2010; and
- c. Accept the Coal Creek Wing Wall Project as complete and authorize payment of \$41,653.92 to Hamilton Rocking & Contracting, Inc., and release retainage in the amount of \$2,024 after all statutory requirements were met.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Staff Reports.**

a. **Update on Amended 2011 Budget Development Timeline.** City Manager MacReynold reported they were looking at compressing the proposed timeline for the 2011 budget process because of recent challenges they were facing. He noted he had a discussion with the council budget committee about the consideration of shortening the number of reports the administration gives to the full council, and they supported it. City Manager MacReynold reported the question had come up before asking why they couldn't just go from the proposed budget to the formal hearings before the full council, eliminating the work sessions. He proposed that they do that this year to see how it works.

Mayor Ketchum stated he had full and complete faith in the budget committee, adding he would accept the proposal.

b. **Puget Sound Energy - Notification of Upcoming Project on State Avenue.** Tim Grochowski provided the council with information on the State Avenue Natural Gas Line Replacement Project, which they received from Puget Sound Energy. He reported they would be upgrading their 4-inch gas line that ran along NW State Street from NW Prindle Street to NW Sitka Street to an 8-inch line. Mr. Grochowski indicated they anticipated the project to be complete by the end of the year. He noted information about the project would be posted on the city's website.

Councilor Dawes inquired as to what side of State Street the gas line was located on. Mr. Grochowski believed the current line ran along the right-hand side of the street and the new line would go down the left-hand side.

c. **Upcoming Meetings.** City Manager MacReynold reminded the Councilor about the Fire District #6 meeting on Tuesday, September 14, at 7:00 p.m. to discuss merger. He added the Chiefs had also put together some information on

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forming a stakeholders group.

City Manager MacReynold reported on Wednesday, September 15, at 5:30 p.m., the Airport Board would be meeting to discussing the council's proposal, with reference to the permit application to raise the levee.

#### 9. **Council Reports.**

a. **Events and Meetings Attended by Councilor Spahr.** Councilor Spahr reported he attended the Lewis County Economic Development Council Committee meeting, adding they had a lot of things going on, but they just had to get something to pop. He noted one the members indicated things seemed to be getting better and they were seeing jobs coming in on the horizon, and it wasn't as bad as it was looking. He hoped they were right, adding they would just have to wait and see.

Councilor Spahr reported he also met the new city manager for the city of Centralia, noting he was a nice guy and felt he would do very well over there.

b. **Meetings and Events Attended by Mayor Ketchum.** Mayor Ketchum reported he attended the following meetings and events:

- August 27, 28 and 29 – worked from opening to close at the Chehalis Garlic Fest and Craft Show at the SW Washington Fairgrounds
- September 3 – attended the monthly Mayors meeting
- September 7 – attended the Chehalis Business Association Social at the Lewis County Historical Museum
- September 13 – met with representatives from Congressman Brian Baird's Office and Senator Patty Murray's Office to discuss the FEMA mapping issue and ask for a letter of support requesting FEMA to stop the release of the maps coming out in two weeks

c. **Events Attended by Councilor Dawes.** Councilor Dawes reported he also helped out at the Garlic Fest, noting he put in a couple of shifts. He reported the attendance was up slightly over last year.

#### 10. **Comments on Item No. 2 - Initiatives Filed to Privatize Liquor Sales – Statewide November 2 Ballot.**

Councilor Taylor inquired about the specific services the city provided in order to receive liquor tax and profits. Councilor Dawes believed years ago the money was brought in that way to get folks to support the idea of the State monopolizing and controlling the liquor industry in our state.

Councilor Taylor felt the presentation seemed like a union representative coming to preach about saving union jobs, which he was all in favor of saving jobs. He noted the part that bothered him was the city taking tax dollars for something that we're not providing a direct service for, adding he understood other services were paid for out of the general fund using that money.

Councilor Taylor noted he worked with companies like Dick's Brewery who thought privatizing liquor was a good idea, and others felt it was a way to bring people into their stores to sell product. He noted he liked the idea of privatizing liquor sales and he would not be in support of any resolution.

Councilor Spahr thought they should be able to calculate how much the city stood to lose if the initiatives should pass, but what they couldn't calculate was how much they might gain on the other side. Councilor Dawes suggested the State probably already had a plan should the initiatives pass, so everyone would still get their dime. Councilor Spahr indicated he would like to see the numbers. He stated when they eliminated the gambling tax it was suggested the city would be run over with casinos, and that didn't happen.

Councilor Harris stated the thing that concerned him was when they asked for the numbers and Ms. Engle responded by saying she could give them the number to the union representative.

Councilor Lund felt the State Liquor Stores were a pain to deal with, and if someone had liquor in a store where you could just go in and buy it, he would be happy.

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Councilor Harris reported the Liquor Control Board was one of the state agencies that didn't have to take furloughs because they were their own revenue stream. Councilor Taylor stated you would think the Governor would support the initiatives because it would help solve her budget deficit.

There being no further business to come before the council the meeting adjourned at 7:22 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 September 13, 2010.**