

January 22, 2018

The Chehalis city council met in regular session on Monday, January 22, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Daryl Lund arrived at 5:11 pm. Councilor Terry Harris was absent (excused). Staff present included: Jill Anderson, City Manager; Betty Brooks, Payroll Accountant; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Office Manager; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Natalie Johnson from *The Chronicle*.

1. **Council Committee/Board Appointments.** Mayor Dawes noted that Councilor Lund would like to be replaced on the Southwest Washington Regional Transportation Planning Organization Board. Councilor Taylor stated he would take on that committee, and Councilor Ketchum agreed to remain as the alternate.

2. **Citizens Business.** J. Vander Stoep and Commissioner Edna Fund provided an update on Chehalis Basin Strategy activities. Mr. Vander Stoep stated the state legislature adopted its capital budget, which opened up \$50 million in state funds and \$10 million in federal funds for basin projects. He stated the latest forecast for salmon runs in the Chehalis basin over the next 50 and 100 years is bad if no action is taken; however, the runs would be increased with significant investments in aquatic species enhancement/habitat work.

On the flood side, Mr. Vander Stoep stated studies have shown that floods are getting worse and the five highest peak flows have occurred since 1986, with the highest being 2007. He recalled that it was about 10 years ago that he and Dr. John Henricksen came before the council on this topic, and that the Chehalis council passed the first resolution saying the ship needed to be turned from the Army of Corps of Engineers' levee plan to solve flooding. Slowly, people in the basin came along and followed suit. Mr. Vander Stoep stated the forecast for taking no action could generate \$3.5 billion in local economic damage over 100 years under current conditions.

Mr. Vander Stoep showed a map of Centralia in the 2007 flood, showing the properties that were flooded. He stated that about one-third of the town would not have flooded if a dam had been in place. Mr. Vander Stoep stated the Office of the Chehalis Basin was formed by the legislature a year-and-a-half ago and is made up of Edna Fund and J. Vander Stoep (representing Lewis County); two tribal members; two members from Grays Harbor County; and one environmental representative from Seattle.

Commissioner Fund stated there are several different organizations working on flooding issues and it can be confusing. She stated the Office of the Chehalis Basin is located out of the Department of Ecology. The Flood Authority is another group and Chehalis is represented by Trent Lougheed, the city's Community Development Director. She stated they were somewhat handcuffed until passage of the Capital Budget. Many small projects were put on hold, but can now move forward. The Flood Zone District for the Chehalis River is yet another group, which is made up of the Lewis County commissioners and an advisory committee with a major goal of permitting a water retention facility. She stated a lot of progress is being made.

Mr. Vander Stoep stated there have been over 30 projects completed in the basin over the last ten years, including the airport levee widening. He stated that when you apply for a permit that requires an EIS (Environmental Impact Statement) somebody has to be the permit applicant. In this case, the most logical applicant was the Lewis County Flood Zone District. He stated the commissioners and the county engineer have done a tremendous job taking the lead on the project. Next steps for the permitting process include both NEPA (federal) and SEPA (state) processes, which are expected to take about two years.

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

- a. Minutes of the regular meeting of January 8, 2018;
- b. January 12, 2018 Claim Vouchers No. 121321-121432 and Electronic Funds Transfer Nos. 122017 and 1220171 in the amount of \$338,126.50; and January 12, 2018 Claim Vouchers No. 121433-121472 in the amount of \$507,823.81;
- c. Accept Prindle Force Main Emergency Repair Project as complete and release retainage to Sterling Breen Crushing, Inc., after all statutory requirements have been met; and
- d. Appoint Recreation Manager to Chehalis Foundation ball field endowment committee.

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The motion was seconded by Councilor Lund and carried unanimously.

4. **Key to the City to Orin Smith.** It was determined that the Smith Family had previously been presented with a key to the city during a Chehalis Community Renaissance Team meeting a couple years ago.

5. **Strategic Planning Update.** City Manager Anderson thanked the council for participating in the strategic planning session on January 19. She stated the first step of the process was to do a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis, noting 48 items were identified as strengths. A number of threats were identified that the city needs to be aware of. As we look at what the city is facing, the biggest thing is what does the city exist to do and who do we do it for, which is the city's mission. She stated the council and staff developed the following mission statement: *"While honoring the past and preparing for the future, the City of Chehalis provides municipal services and programs for the benefit of residents, businesses and visitors in our community."* The process then consisted of developing three-year goals that included in no priority order: improve and maintain infrastructure; enhance and modernize technology; increase and optimize staffing levels; and maintain and enhance financial stability. City Manager Anderson stated the council will receive monthly updates on the goals and six-month objectives. Another retreat is scheduled for August 30 to more thoroughly assess progress on the goals and strategic objectives; identify core values for the city; and develop objectives for the next six months.

#### 6. **Administration Reports.**

a. **Finance Report.** Chun Saul recognized Payroll Accountant Betty Brooks, who played a significant role in preparing today's report. Ms. Saul stated the report covered the city's financial position ending November 30, 2017.

##### **General Fund 2017 Budget to Actual Overview**

- YTD 11 months target (91.7% = 11/12)
- Total YTD revenues 92.9% of total budget
- Total YTD expenditures 83.6% of total budget
- Overall total revenues and expenditures were within projections; revenues slightly higher than the 11 month projected/target; expenditures slightly lower than the 11 months projected

##### **General Fund 2017 Budget to Actual by Major Revenue Sources**

- Property taxes 82.2% of 2017 budget; slightly higher than actual final tax levy in 2017 and 2018; will be reviewed for an amended 2018 budget reduction
- Sales/use tax 92.9% of 2017 budget, showing an increase from the prior year of just over \$500,000; does not include Transportation Benefit District funds
- Transportation Benefit District
- B&O revenues on target

Ms. Saul stated that major revenue sources of the General Fund come from sales and use taxes (46%); utility B&O taxes (17%); and property taxes (16%). Overall, revenues increased in property taxes, sales/use taxes, and intergovernmental grants/entitlements (one-time revenues). General Fund expenditures were right where they should be as projected at 83.6% of the 2017 budget. With regard to Enterprise Funds, Ms. Saul stated operating expenses were within projections. Net revenues over total expenditures were \$625,354 for the Wastewater Fund; \$1,988,486 for the Water Fund; and \$307,982 for the Storm/Surface Fund. The Airport Fund had net revenues under expenses due to the \$1,547,741 G.O. Bond payoff, which was funded by the beginning fund balance.

Mayor Dawes asked if the Transportation Benefit District fund would be highlighted under Enterprise Funds. Ms. Saul stated that fund would be shown as a dedicated/restricted fund, shown separately from the General Fund.

b. **City Manager Update.** City Manager Anderson congratulated the Discover! Children's Museum Board on receiving \$1,030,000 in the Capital Budget for construction of a new museum. She noted the new city manager's administrative assistant starts this week.

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**7. Councilor Reports/Committee Updates.**

- a. Councilor Spahr stated his family received a new member today, a great grandson.
- b. Councilor Lund attended the annual chamber banquet, which was a well put-on program.
- c. Mayor Dawes attended the following: meeting on the draft interlocal agreement for permitting in the county's urban growth area; chamber banquet; and city goal-setting session.

**8. Executive Session.** At 5:50 pm, Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(c) – Sale/Lease of Real Estate not to exceed 6:15 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 5:52 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:15 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved: 2/12/2018

Initials: cf