

April 23, 2018

The Chehalis city council met in regular session on Monday, April 23, 2018, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Deborah King, Permit Technician; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; and Don Schmitt, Street/Storm Superintendent. Members of the news media in attendance included Alex Brown of *The Chronicle*.

1. **Chehalis Fire Department Medal of Valor to Chris Quinlan**. Mayor Dawes and Chief Cardinale presented the Chehalis Fire Department Medal of Valor to Seattle Firefighter Chris Quinlan. On February 6, off-duty Firefighter Quinlan stopped to assist with a multi-vehicle accident on I-5 at Exit 74. Firefighter Quinlan pulled a man pinned in his burning pick-up truck and began providing emergency first aid. The driver was air lifted to Harbor View in critical condition. Firefighter Quinlan was awarded the Medal of Valor for assessing the situation, risking himself, and saving a life. Firefighter Quinlan expressed his appreciation to the council for the award and introduced his family. Also in attendance were Seattle Fire Chief Harold Scoggins, Lewis County Fire District 6 Chief Tim Kinder, and several members of the Chehalis Fire Department.

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

- a. Minutes of the regular meeting of April 9, 2018;
- b. April 13, 2018 Claim Vouchers No. 122150-122300 and Electronic Funds Transfer No. 32018 and 42018 in the amount of \$418,509.52;
- c. Set May 14, 2018 at 5:00 pm to conduct a public hearing on the city's 2019-2024 six-year transportation improvement program; and
- d. Accept airport pump station project as complete.

The motion was seconded by Councilor Pope and carried unanimously.

3. **Interlocal Agreement with Lewis County for Permitting within the City's Urban Growth Area**. Trent Lougheed stated the goals for the agreement included: develop a clear and concise agreement that was easy to understand; enable future development patterns to become more urbanized; identify responsibilities for both the city and the county during the permitting process for future development; establish clear procedures for the city to consider county comments on project permit applications; retain the right of due process for county residents who wish to appeal decisions made by the city; clarify annexation procedures that reduce financial impacts to the county for continued public infrastructure investments; and establish a simple system to resolve disputes. Mr. Lougheed stated a list of responsibilities for each party was developed to help achieve the goal to have the UGA reflect a more urbanized setting. He noted there were a few things the city cannot retain responsibility for (e.g., flood plain permits; anything that requires a SEPA, etc.). Based on 2017 development applications, Mr. Lougheed anticipated the city would have received an additional \$42,500 in revenues if the agreement had been place.

Councilor Spahr stated the agreement states that the county will have approval on final plats in the unincorporated UGA and that the board of county commissioners may take such action on a final plat application as they deem appropriate. Mr. Lougheed stated that means approval of a final plat to have it recorded. Lewis County Community Development Director Lee Napier added she believed that was language taken from the city's municipal code.

City Attorney Hillier stated the county has no say on preliminary plats. Once accomplished and the project built out, a stamp of approval from the county is required because it's still in the county's jurisdiction.

Councilor Spahr stated the agreement provides that any party may appeal to the county, a decision by the city's Development Review Committee, Planning Commission, or Hearings Examiner. He asked if the reverse could happen or would it be addressed in the section of the agreement that talks about arbitration. Mr. Lougheed stated that if it got down to that it would be more toward the arbitration. An appeal would almost be like a comment that the city would take into consideration, but the city is the one approving it. The county can appeal the city's determination just like anybody else can.

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Councilor Spahr stated he wished there would have been a work session on the issue. City Manager Anderson stated if the council wanted additional time, there was nothing to say the agreement had to be approved tonight.

Mayor Dawes stated he was quite involved in development of the agreement and he had a number of questions that were all resolved, including some of the same concerns brought up by Councilor Spahr. He stated he was comfortable with the agreement, but would leave it up to a majority of the council.

Councilor Pope stated "D" of Section 7 states, "The City shall pay the cost of all fire investigations within the unincorporated Urban Growth Area." It was his understanding that the provision was pursuant to state law and he would like the applicable RCW added. Mayor Dawes stated that Chief Cardinale was okay with the language as written, and was the same way everyone else is treated.

Councilor Pope asked if it would be a good idea to have an annual review of how things are going with the agreement. Mr. Hillier stated that as a practical matter, there would be no problem doing that. The agreement can be terminated with 30-days' notice, but it makes absolute sense to sit down with the county and visit every year about how things are going. Mr. Lougheed added that if any significant issues come up, the agreement can always be amended.

Councilor Ketchum thanked the county for opening this issue back up.

Councilor Harris echoed Councilor Ketchum's comment and specifically thanked Lee Napier and Trent Lougheed, and everyone else involved.

Commissioner Bobby Jackson stated the county believes a healthy Chehalis is a healthy county, and their goals from this point forward are to work with Chehalis, and every other city in the county, to ensure that much-needed development occurs.

Mayor Dawes stated his frustration from when the process first started to today is a lot better because all of his concerns were listened to and addressed. He was also glad about the good working relationship between the city and county.

Councilor Ketchum moved that the City Council authorize the City Manager to execute the Interlocal Agreement between the city of Chehalis and Lewis County. The motion was seconded by Councilor Pope. Mayor Dawes noted one needed correction to the document under Section 9 paragraph C, the first sentence should read, "The City agrees to reimburse the County for the depreciated value of capital road and/or stormwater construction projects and completed during the ~~ten-year~~ five-year period before annexation." Councilor Ketchum moved to amend the main motion to include the correction. Councilor Pope seconded the amendment, and the main motion carried unanimously.

4. Business Licensing Service Agreement with State Department of Revenue. Trent Lougheed explained that the state now requires that all cities have their business license renewals go through the Department of Revenue (DOR) Licensing Division, which will be implemented over the next 10 years. Chehalis was selected to be in the first group of 24 cities to join the Business Licensing System partnership (BLS). Mr. Lougheed stated there are no fees to the city associated at this point, and it will take some workload off city staff.

Councilor Ketchum was concerned that eventually the state would require funding from the cities.

Mayor Dawes was concerned about language in the agreement under "Purpose" where it talks about not only business licensing services, but "other regulatory activities except as expressly delegated to Revenue under this Agreement" and what that could include. He commented that it talks about the city having to obtain and maintain at its own cost, all necessary equipment and on-line services. The agreement also states that certain reports would have a cost.

Permit Technician Deborah King understood that the "other services" referred to has to do with collecting business taxes that the state is owed to ensure that the state is capturing all the taxes it is owed. With regard to additional equipment, Ms. King stated it will be an on-line program and is accessible by a select few, and those people will be able to access whatever information they want that is in the system. She wasn't sure what reports the agreement was referring to. Ms. King stated that some larger cities have been in the program for many years, and they like it.

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Councilor Ketchum moved to authorize the City Manager to sign the agreement with the Washington State Department of Revenue to participate in the Business Licensing System Partnership. The motion was seconded by Councilor Spahr and carried unanimously.

5. Commercial Development Plan for Airport. City Manager Anderson stated the council previously approved a contract with WH Pacific to prepare a conceptual master plan for development of the airport. Brandon Rakes introduced Tom Jones with WH Pacific to present the proposed commercial development master plan for the airport.

Mr. Jones stated Derek Sergison, landscape architect, was also in attendance. The focus area primarily included approximately 130 acres northeast of the airfield. They began by looking at the existing land uses, what exists currently, what development is starting to come on board, and looking at undevelopable portions. They then looked at elements from other projects. The four areas looked at included:

Aviation Area: This area is adjacent to and off from the active runway. Potential uses could include airport mechanics training and vocational schools, and expansion of hangars and jet services.

Upper Terrace Area: This area is along the I-5 corridor. In addition to more retail, this area could see the development of medical offices, or more service-type uses that would create family wage jobs.

Lower Terrace Area: This area is behind Home Depot and is shown as retail, but he didn't know of any retailer that would want to be behind the back side of Home Depot that has no visual connectivity to Louisiana Avenue. Potential uses could include businesses that don't need and rely on that visual connection, such as fitness centers or storage facilities.

Trailhead Park Area: This area is the furthest north and includes "Airport Lake" and is an area with a lot of activity. This area could include trailhead and wetland/airport overlooks, a community garden, and bike and trail connections. It could be a prime stop for the Seattle-to-Portland (STP) bike ride.

Mr. Jones stated there were many concepts and directions the city could go. The construction of Discover! Children's Museum is exciting to retailers and could generate a lot of spinoff. Events like the STP and Leap the Levee could be a catalyst for other events/activities. As far as next steps, he suggested the city take advantage of expertise in the commercial realty community to look at targeted uses, along with talking to schools/colleges/aviation businesses.

Councilor Ketchum stated the city has been sitting on this property for many years and something needs to be done now while the market is good.

Councilor Harris asked if the Lower Terrace Area had to be aviation-related, or could it be used for manufacturing. Mr. Jones stated the area was shown as retail, which is really not appropriate for that location. He stated manufacturing was certainly an option.

Councilor Harris thought the conceptual drawings showed "Airport Lake" as larger than it is. He asked if the idea was to make the lake larger and use it for wetland mitigation. Mr. Jones stated that was a thought, but would certainly need to be looked at with more detail.

City Manager Anderson stated the next steps would include taking the proposed concepts that can be adjusted based on market demand and need, and start branding it and market it out to the right people. City Manager Anderson asked if staff was on the right track from the council's perspective. The council concurred that staff should move forward on branding and marketing the project.

6. Administration Reports.

a. **Finance Report.** Chun Saul reported on financial activities for the first quarter of 2018. She stated the target percentage for three months' operations was 25%. Overall revenues and transfers were 22.8% of the budgeted amount, and year-to-date expenditures were at 19.0% of total appropriations, which means the city operated within normal budget parameters. The 2018 adopted budget included use of about \$228,000 from the beginning fund balance for some one-time expenditures.

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As of March 31, revenues were at 23.8% and expenditures were at 25.6%. Property tax collections were less than 1% due to the city not receiving the distributions from the county until May. It was also low because about 8.9% of the city's general property tax is placed in the Firemen's Pension Fund. This revenue was included in the general fund budget, as well as in the Firemen's Pension fund for the last two years in error. Total tax revenues through March were 22.0%. Charges for Services were also less than the targeted 25%, coming in at 11.5%. These charges include plan check review fees, charges for fire and police services, and parks & recreation fees. Parks & Recreation fees make up 55% of the budget in this category so these revenues are expected to pick up during the summer months. Ms. Saul stated that about 55% of revenues came from sales and use taxes, and 25% from utility taxes.

Total General Fund expenditures were 25.6% at the end of the first quarter. She noted most departments were below the 25% target, except Facilities & Parks, Police, and Fire due to projects, settlement of union contracts, purchase of uniforms, and purchase of minor equipment.

Ms. Saul stated in regard to Enterprise Funds, all funds operated within normal budget projections. Revenues ranged from 22.5% to 24.8%, while expenditures ranged from 16.4% to 12.8%.

With regard to Police and Fire expenditures, Councilor Spahr asked if those funds would level out. Ms. Saul believed the Fire Department would level out because the expenditures were one-time purchases for the year.

b. **City Manager Update.** City Manager Anderson noted that the second meeting in May falls on Memorial Day and if there was necessary business the regular meeting would be moved to Tuesday, May 29; however, at this time the administration recommends cancelling the meeting. The council fire subcommittee is working to schedule a meeting with District 6 to discuss potential consolidation and annexation.

7. Councilor Reports/Committee Updates.

a. Councilor Ketchum recognized the work of Permit Technician Deborah King. He stated that he is working with a company that has interaction with Ms. King and they have communicated to Councilor Ketchum that she is able to respond quickly to all their questions. He thanked Ms. King for all her hard work.

b. Councilor Harris thanked Lee Napier for her expertise.

c. Mayor Dawes attended the following: meeting with city and county staff regarding the interlocal agreement for permitting that was passed earlier this evening; the Twin City Kiwanis meeting and provided a "state of the city" update to the group; the annual Firemen's Pension Board meeting; and Business After Hours at Summit Funding.

d. Councilor Pope stated he was having issues opening some documents received via email. Councilor Harris stated he was having problems, as well. City Manager Anderson stated she would look into the issue.

There being no further business to come before the council, the meeting was adjourned at 6:27 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____