

May 14, 2018

The Chehalis city council met in regular session on Monday, May 14, 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 (telephonically), Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources/Risk Manager; Don Schmitt, Street/Storm Superintendent; and Dave Vasilaukas, Water Superintendent. No members of the news media were in attendance.

1. Public Hearing – 2019-2024 Six-Year Transportation Improvement Program. Mayor Dawes closed the regular meeting and opened the public hearing.

Don Schmitt presented the 2019-2024 Transportation Improvement Program (TIP). Mr. Schmitt stated the administration continues to identify aspects of the city's transportation system needing improvement and developing the TIP is the first step in the annual process required by WSDOT. Projects that receive funding from state or other federal sources are required to be identified on a local TIP and once funding is received, they are placed on the Statewide Transportation Improvement Program, commonly known as the "STIP." Projects must be funded to be listed on the STIP, and the city currently has no projects listed.

There being no public comments on the proposed TIP, Mayor Dawes closed the public hearing and reopened the regular meeting. Mr. Schmitt stated a resolution will be presented for council consideration at the June 11 meeting to adopt the 2019-2024 TIP.

2. Proclamation – Police Week, May 13-19. Mayor Dawes read and presented a proclamation to Chief Schaffer declaring May 13-19 as Police Week.

3. Well City Award Recognition. Mayor Dawes stated the city receives the Well City designation through the efforts of the committee and the participation of employees, which affords the city a two percent reduction in health insurance premiums. He recognized committee members Brandon Rakes, Betty Brooks, Tracey Cox, Larry Dobyns, Lloyd Gruginski, Julie Hampson, and Judy Schave.

Judy Schave reported the city was one of 115 AWC Trust members who earned the 2018 Well City Award this year. She stated the average savings for every 100 employees covered under the HealthFirst 250 Plan in 2018 was about \$17,600. About 75% of the city's eligible employees and appointed officials are on this plan. Ms. Schave stated some of the committee's planned events and challenges during 2018 include:

- AWC's spring wellness challenge *Wander the Wonders*, May 1 – 30
- Community supported agriculture at the Chehalis Farmers Market
- 3rd running of *Leap the Levee 5k Fun Walk/Run*, June 16
- Helping to promote the Centralia to Chehalis Bike Ride
- Hosting two healthy lunch presentations later in the year
- AWC's *Race to Wellness Challenge*, October 1 – 30

Ms. Schave stated one of the biggest challenges continues to be getting people to sign up and participate. The new JIFF app through AWC provides employees options to earn their \$35 reward, which needs to be earned in order to help qualify the city to earn the 2% savings. Unfortunately, the JIFF app didn't come without issues when it was released last year and it took several months to work out most of the bugs. This discouraged some employees from participating. Because of the problem, AWC awarded the 2% discount to all members who had completed all of the other standards and had earned the Well City award in the previous two years. Chehalis met that criteria, so this year's award applies towards the city's 2019 premiums. She noted the city is currently at 29% participation, so at least 29 more people need to sign up and participate in order to reach the 50% goal to help qualify the city for the 2% discount in 2020. She invited council members and their spouses to participate.

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

- a. Minutes of the regular meeting of April 23, 2018;

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- b. April 30, 2018 Claim Vouchers No. 122301-122415 in the amount of \$220,684.85;
- c. April 30, 2018, Payroll Vouchers No. 40205-40250, Direct Deposit Payroll Vouchers No. 9407-9508, and Electronic Federal Tax Payment No. 183 in the amount of \$779,667.39;
- d. Resolution No. 3-2018, first and final reading – declaring city property to be surplus;
- e. Engineering services agreement with Gibbs & Olson in the amount of \$177,000 for the Chehalis water system plan update project;
- f. Memorandum of Understanding with Lewis County Seniors to provide \$20,000 to the Lewis County Seniors enrichment programs;
- g. Accept the Tract 5A fill project as complete and release retainage after all statutory requirements are met; and
- h. Cancel May 28 city council meeting.

The motion was seconded by Councilor Taylor.

Councilor Harris stated he questioned spending \$177,000 for the water system plan update, but after speaking with staff, he would support the motion. The motion carried unanimously.

5. Ordinance No. 987-B, First Reading – Amending the 2018 Budget. City Manager Anderson stated when the 2018 budget was adopted, there were some outstanding items, including collective bargaining agreements with Police and Fire. While the police contract settled, the fire contract will be settled by binding arbitration in September. There were also some unspent funds allocated to projects that were not completed that staff is recommending being carried over, namely fire department repairs. The unspent funds were represented as the ending fund balance, and the budget amendment recommends reallocating them for their stated purposes. As a result, the ending fund balance will go down, leaving a balance of approximately 12%. City Manager Anderson stated that in addition to reallocating funds for needs that still exist, staff is also recommending setting aside 1% or approximately \$92,000 for the Compensated Absences Fund and about \$92,000 for the Automotive/Equipment Reserve Fund. This is a step towards setting aside funds on an annual basis to prevent major shocks to the budget associated with multiple anticipated retirements, as well as the need to have safe and reliable vehicles and equipment. She indicated that if the amendment was adopted, it would leave a 10% operating reserve.

Chun Saul stated the proposed budget amendment included:

- Net citywide decrease in fund balances of \$728,165
 - Net revenue increase of \$124,483 (new appropriations, net of revenues \$223,406)
 - Net appropriations increase of \$852,598
 - 2017 budget carry-forward of \$504,709
 - New appropriations of \$347,889
- Transfers In and Transfers Out
 - General Fund
 - Compensated Absences Fund \$92,868
 - Automotive Equipment Reserve Fund \$92,868
 - Public Facilities Reserve Fund \$75,000
 - First Quarter Percent REET Fund to Public Facilities Reserve Fund \$80,000
 - Second Quarter Percent REET Fund to Public Facilities Reserve Fund \$80,000
- General Fund Overview - Decrease Fund Balance \$778,970
 - Estimated Revenues Decrease \$140,183
 - Appropriations Increase \$378,051 (2017 budget carry forward \$195,440 & new appropriation \$182,611)
- Est. General Fund Ending Fund Balance of \$1,034,822
 - Reserve 10% of Operating Revenues of \$928,681
 - Restricted Cash & Deposits of \$97,817
 - Unreserved fund balance of \$8,324

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Councilor Ketchum moved to pass Ordinance No. 987-B on first reading. The motion was seconded by Councilor Harris and carried unanimously.

6. **National Avenue Slide Repair**. City Manager Anderson noted there were additional handouts for the public, and anyone viewing the meeting could call the city if they had questions.

Trent Lougheed explained the right southbound lane of National Avenue beyond the Chamber Way underpass is showing significant signs of settlement/sliding. The area has perceived instability due to the continuation of settlement, and a soils report indicates the underlying native soils are actually very stable. The fill material placed on top of the native subgrade has settled and shifted over the years, and the problem worsens with the more weight (asphalt) that is added. Mr. Lougheed outlined the options for repairing the issue:

- Repair: High cost of additional geotech, slope stabilization, lane, and sidewalk reconstruction
- 2-lane reconfiguration: Grading, retaining walls, removal of a portion of landscaped area, and new pavement and sidewalk
- Lane reduction: Second lane not warranted due to posted speeds, traffic volumes, absence of driveways and intersections, and site distances

Mr. Lougheed stated staff was recommending that the right lane of the underpass be removed, which would provide the following benefits:

- Removal of fill with jute matting and revegetation to stabilize the area
- Least amount of disturbance to currently stable native soils below fill material
- Eliminates two potential collision points for merging traffic
- Project cost is much less
- Provides nice pedestrian corridor (useable independent of the final intersection alignment when the Chamber Way Bridge is replaced)
- New signage and pavement markings will reduce confusion of which lane to choose to access I-5 or downtown (for southbound traffic on National Avenue)
- Increased pedestrian safety

Mr. Lougheed stated the engineer's estimate for the proposed improvements was about \$193,000. Bid specifications would be completed in-house, resulting in minimal engineering costs of approximately \$3,000 for drafting services. He also recommended a 15% contingency (\$29,000) for unforeseen conditions, making the estimated cost \$225,000.

Councilor Ketchum moved that the project to alleviate sliding and improve the area of National Avenue impacted by soil movement move forward as recommended by staff. The motion was seconded by Councilor Pope and carried unanimously.

7. **Charging Services Agreement with EVgo Services, LLC, for Two Vehicle Charging Stations on Airport Property**. Brandon Rakes stated the Airport, in cooperation with EVgo, received a grant from WSDOT to fund the installation of public electric vehicle charging stations to expand infrastructure for this growing segment of the market. An agreement for the city to provide four parking spaces for the equipment is needed. Mr. Rakes stated there are currently no electric vehicle charging stations located in the commercial area around the airport, potentially losing the associated retail and restaurant business. He stated Chehalis was one of nine locations along I-5 to participate in the grant. The total cost of the project is \$1.46 million, funded in large part by state and federal grants. The Chehalis location would be next to the future site of the Discover! Children's Museum and its adjacent proposed park.

Mr. Rakes stated the city will need to fund the construction of a portion of the parking area that will eventually be used by the proposed park in order to provide the four parking spaces needed for two charging stations at an estimated cost of \$22,000. EVgo will fund all of the costs associated with the purchase, installation, and maintenance of the charging equipment, as well as all electricity charges. The agreement is for a five-year term beginning with the date the charging stations are first operational, and provides for automatic renewal for successive one-year periods. The city's portion also includes additional spaces to complete approximately half of the parking that will be needed by the park that is planned to complement the future Discover! Children's Museum. He noted any potential increases in sales related to the availability of the charging stations is difficult to predict, but stated the value is providing the traveling public to stop in Chehalis.

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Councilor Spahr felt it was wrong when the tax paying public subsidizes another part of the public that doesn't pay the same tax. An example is a gas tax that goes to repair and maintain roads. And, to add insult to injury, the government gives buyers of these vehicles a tax credit when they buy them. Councilor Lund agreed with Councilor Spahr's statement.

Mr. Rakes stated that a revised agreement was received from EVgo since the agenda report was written, but he had not had time to review the differences from the agreement included in the agenda packet. The council agreed that they would only approve the agreement included in the agenda packet.

Councilor Ketchum moved that the City Council approve and authorize the City Manager to sign the Charging Services Agreement with EVgo. The motion was seconded by Councilor Harris and carried 5 to 2. Councilors Lund and Spahr voted against the motion.

8. Preliminary Analysis of Proposed Annexation Areas. City Manager Anderson stated the agenda item was a strategic planning goal and tonight starts the discussion by presenting the council a proposed plan that identifies eight areas. If additional discussion beyond tonight's presentation was needed, staff would be happy to schedule a workshop. The overall process would require multiple items before the city council, and multiple public notices to the general public, as well as those impacted property owners. City Manager Anderson noted there were additional handouts for the public, and anyone viewing the meeting could call the city if they had questions.

Trent Lougheed provided an overview of the proposed annexation areas. One of the goals was to "clean-up" the city's borders. Areas 1-4 would "fill the gaps" along the Market/Jackson Highway corridor, while Areas 5-6 would start filling in the I-5 corridor. Areas 7-8 are intended to straighten out the city's northern border while annexing city-owned property that still remains outside of its jurisdictional borders. At this time, it is expected the city would pursue annexing multiple areas at a time because the process requires many steps as set forth by law. He stated the eight proposed areas were looked at in whole for a preliminary assessment of general impacts to the city:

- Based on the total number of calls for Police and for Fire for 2016-2017, there would have been an increase in calls of 1.2% for both Police and Fire
 - 2016/2017 annexation areas calls for Police service: 189 (15,697 in city limits)
 - 2016/2017 annexation areas calls for Fire service: 41 (3,405 in city limits)
- Street:
 - Roads within the Alderwood development are private, but can be converted to public ROWs if the roadway is upgraded to city standards
 - Gain in revenue from sales tax for the Transportation Benefit District is unknown since revenue is based on retail sales
- Water:
 - Service area would be unaffected
 - Loss of revenue from surcharges for utilities outside of city limits – \$12,600 per year
- Sewer:
 - Service area would be unaffected
 - Loss of revenue from surcharges for utilities outside of city limits – \$57,400 per year
- Storm:
 - Servicing larger surface area
 - Gain in revenue from residential stormwater charges – \$11,500 per year
 - Gain in revenue from commercial stormwater charges is unknown since charges are based on impervious coverage of lots, which would take considerable effort to calculate at this time

Mr. Lougheed stated staff was seeking input/direction from council regarding the start of the annexation process for any/all areas identified within the preliminary mapping areas, or if other specific areas should also be discussed.

Councilor Harris asked if there was sufficient fire flow for the Alderwood properties, and if not, would the city be responsible to increase the flows. Mr. Lougheed stated the city would be providing service with the fire flows available. The

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water system has no legal obligation to provide fire flow to any specific standard. However, if improvements were going to be made to the water system you would then need to upgrade to meet current fire flow requirements.

Councilor Spahr asked what it would take to bring the fire flows up. Rick Sahlin indicated it would require upgraded lines and a new reservoir.

Mayor Dawes believed the council was interested in moving forward on staff's proposal. Mayor Dawes stated there was an area on the map to the extreme north of the city limits that was excluded. He wondered what that area was and why it was not included. Mr. Sahlin indicated that area has a reservoir on it that provides fire protection to the former Elks building.

9. Administration Reports.

a. **City Manager Update.** City Manager Anderson stated a strategic planning update will be presented to the council in June, and she noted significant progress is being made on several objectives.

10. Councilor Reports/Committee Updates.

a. Mayor Dawes attended the following: mayors meeting, fire committee meetings, ribbon cutting for the Friday markets, and the Tri-Rotary auction for Discover! Children's Museum.

Councilor Ketchum left the meeting.

11. **Executive Session.** At 6:34 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, and RCW 42.30.110(1)(i) – Potential Litigation not to exceed 7:15 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:35 pm. The executive session began at 6:42 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 7:16 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved: 6/11/2018
Initials: cf