

July 23, 2018

The Chehalis city council met in regular session on Monday, July 23, 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, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Tony Ketchum was absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Randy Kaut, Deputy Police Chief; Chun Saul, Finance Director; and Lilly Wall, Recreation Manager. Members of the media included Will Rubin of *The Chronicle*.

1. **Citizens Business.** Paul Beattie presented information and a video regarding the upcoming Music in the Park series to be held at Recreation Park July 27, and August 3 and 10.

Councilor Harris suggested signs to direct visitors to the Green Hill parking lot area. Lilly Wall stated staff would take care of that.

2. **Citizens Business.** Commissioner Edna Fund stated the county is asking for volunteers from each of the three districts to be on a citizen budget committee. Commissioner Fund also shared the sad news that Margaret Shields passed away yesterday. Margaret was a long-time volunteer at the Lewis County Historical Museum, serving for 35 years.

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

- a. Minutes of the regular meeting of July 9, 2018;
- b. July 13, 2018 Claim Vouchers No. 122967-123107 and Electronic Funds Transfer Nos. 62018 and 72018 in the amount of \$306,164.03;
- c. Appoint Sheila Johnson Teeter to the Civil Service Commission for a six-year term expiring July 31, 2024;
- d. Interlocal Agreement with Riverside Fire Authority regarding maintenance and operation of emergency communications system; and
- e. Interlocal Agreement for Riverside Fire Authority to provide fire marshal services to Chehalis.

The motion was seconded by Councilor Harris and carried unanimously.

4. **Interlocal Agreement between Lewis County Fire District Six and Chehalis Fire Department for Temporary Use of a Water Tender for Wildland Fire Fighting.** Chief Cardinale stated the agreement would provide for use of the District's water tender during the summer months. This would allow the city to not have to use its type-1 engines when assisting on automatic aid responses to vegetation fires. It would also help in areas where water flow is insufficient, such as the fire at the old wastewater treatment plant. The agreement will benefit both departments and expires October 15.

Councilor Lund asked if the water tender was surplus to the District, and if it was, look into obtaining it permanently. Chief Cardinale stated the truck was obtained through surplus by the District and turned into a water tender.

Councilor Spahr moved to approve the Interlocal Agreement with Lewis County Fire District Six for the temporary use of a water tender vehicle and authorize the City Manager to execute the document. The motion was seconded by Councilor Lund and carried unanimously.

5. **Ordinance No. 989-B, Second and Final Reading – Relating to the Public Records Act.** City Manager Anderson stated a report was provided at the previous meeting and staff was recommending that the City Council pass the ordinance on second and final reading.

Councilor Harris moved to pass Ordinance No. 989-B on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

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6. Administration Reports.

a. **Finance Report.** Chun Saul presented the second quarter financial report. Overall, all funds operated within budget parameters, except for the CDBG Fund, which will be addressed in the next budget amendment.

General Fund Overview: Total revenues and other receipts were 51.3% of budget, while total expenditures and transfers out were 48.4% of budget. Total expenditures/transfers out exceeded total revenues/other receipts by \$217,641, which was anticipated. At the end of June, the General Fund had about a \$1.8 million ending fund balance. The estimated ending fund balance at year-end 2018 is \$1 million. In terms of the percentage to the operating expenditures, that is about 9.5% of annual operating expenditures. The goal is to have a minimum of 10% in unreserved fund balance in the General Fund, so 9.5% is very close to that goal.

Mayor Dawes asked if the \$800,000 difference in the ending fund balance took into account some of the money put into various reserves, such as compensated absences and equipment reserve funds. City Manager Anderson explained that at the beginning of the year, the fund balance was artificially high because of money set aside, but those expenditures were not incurred until 2018.

Ms. Saul reviewed General Fund revenues by source, noting that overall, revenues were about 51% of budget projections. She noted the charges for goods and services were at 31.1%, but this category is only 4% of the total General Fund revenues, so the amount is not significant. Ms. Saul reported that the General Fund expenditures (budget to actual) were at 48.4% of the budget with all departments operating within budget parameters, except for the Police and Fire Departments due to expenditures substantially spent in the first two quarters for small tools and insurance in the Police Department, and for payroll benefit expenditures for city contributions to employees' Health Savings Accounts that were omitted from the 2018 budget, and small tools, uniforms, insurance, and professional services that are substantially spent during the first two quarters in the Fire Department.

Enterprise Funds Summary:

- Wastewater: Total revenues 50.4% of budget; wastewater sales 48.7% of budget (appx. \$63K below 50% target)
- Water: Total revenues 47.3% of budget; water sales 47.0% of budget (appx. \$77K below 50% target)
- Storm & Surface Water: Total revenues 57.9% of budget; operating expenditures 48.7% of budget
- Airport: Total revenues 50% of budget; fuel sales 43.8% of budget (appx. \$30K below 50% target)

Mayor Dawes suggested that fuel prices could be a factor since they go up and down so much.

Councilor Harris stated there was also a problem with the fuel tank, which caused it to be shut down for a period of time over the weekend.

Councilor Taylor asked if the \$30,000 in fuel sales was the gross amount. Ms. Saul indicated that was correct.

b. **City Manager Update.** City Manager Anderson stated that Commissioner Jackson was at the last meeting when staff presented the results of a feasibility study relating to the creation and operation of a dispatch center by Chehalis, Centralia, and Riverside Fire Authority. Following the meeting, Commissioner Jackson contacted Councilor Taylor about his suggestion that everyone get together and see if there was a way to work together to make the existing dispatch center work. Chehalis representatives would include up to three council members, the city manager, and the police and fire chiefs. She suggested the council create a subcommittee to address the 911 issues.

Mayor Dawes stated that if such a committee was formed there needs to be an understanding. A partnership means more than one entity making decisions, which does not now exist. Chehalis, Centralia, and Riverside are currently paying about 57%, but have zero voice. He thought the city should continue looking at alternatives, but look at ways of improving the current situation, including an equitable funding system. Mayor Dawes, and Councilors Pope and Taylor volunteered to serve on the committee.

City Manager Anderson noted the special council meeting on July 26, and ChehalisFest on July 28.

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6. Councilor Reports/Committee Updates.

a. Councilor Lund stated the Veterans Museum and the Steam Train are located on city property, some of which was donated to the city by Weyerhaeuser. He stated there was still property that is owned by Weyerhaeuser near those locations and he suggested that the city contact Weyerhaeuser to see if they would be willing to donate the land to the city to further the operations of both organizations, such as for additional parking. The council concurred and asked City Manager Anderson to look into the suggestion. Mayor Dawes suggested it would be nice to have letters of support from both organizations on how the property could be used.

b. Mayor Dawes attended Business After Hours at Riverside Golf Club, which was a fundraiser for Visiting Nurses. He noted Louisiana Avenue was recently chipped sealed and he thought it looked nice. He assumed it was due to the new chip spreader purchased last year. He also noted that the landscaping around city hall, the library, and downtown, along with the mural on the downtown restrooms looks nice and really dresses up the downtown.

c. Councilor Harris thanked the chamber for a successful operation of the Seattle-to-Portland bike ride last weekend. He also thanked Councilor Taylor and his family for volunteering at the event.

There being no further business to come before the council, the meeting was adjourned at 5:52 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved: 8/13, 2018

Initials: cf

