

CHEHALIS CITY COUNCIL AGENDA
 CITY HALL
 350 N MARKET BLVD | CHEHALIS, WA 98532

Dennis L. Dawes, Position at Large Mayor	
Terry F. Harris, District 1, Mayor Pro Tem Daryl J. Lund, District 2 Dr. Isaac S. Pope, District 4	Anthony E. Ketchum Sr., District 3 Chad E. Taylor, Position at Large Robert J. Spahr, Position at Large

Regular Meeting of Monday, August 13, 2018
5:00 p.m.

- | |
|---|
| 1. <u>Call to Order.</u> (Mayor) |
| 2. <u>Pledge of Allegiance.</u> (Mayor) |

CITIZENS BUSINESS		
This is an opportunity for members of the audience to address the council on matters not listed elsewhere on the agenda. Speaker identification forms are available at the door and may be given to the city clerk prior to the beginning of the meeting.		

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
CONSENT CALENDAR		
3. <u>Minutes of the Regular City Council Meeting of July 23, 2018, and the Special City Council Meeting of July 26, 2018.</u> (City Clerk)	APPROVE	1
4. <u>Vouchers and Transfers – Accounts Payable.</u> (Acting City Manager, Finance Director)	APPROVE	6
5. <u>Vouchers and Transfers – Payroll.</u> (Acting City Manager, Finance Director)	APPROVE	7

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
NEW BUSINESS		
6. <u>Resolution No. 6-2018, First and Final Reading – Declaring an Emergency Relating to the Asbestos Found in the Fire Department Building.</u> (Acting City Manager, Fire Chief)	ADOPT	8

ADMINISTRATION AND CITY COUNCIL REPORTS7. Administration Reports.

INFORMATION ONLY

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a. City Manager Update. (Acting City Manager)

8. Councilor Reports/Committee Updates. (City Council)

INFORMATION ONLY

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**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, AUGUST 27, 2018.**

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.

July 23, 2018

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.

July 23, 2018

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:

Initials: _____

July 26, 2018

The Chehalis city council met in a special work session on Thursday, July 26, 2018, in the Chehalis city hall. The purpose of the meeting was to review the strategic planning three-goal to increase and optimize staffing levels. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Daryl Lund arrived at 5:19 pm. Councilor Tony Ketchum was absent (excused). Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Andrew Hunziker, Property/Facilities Manager; Trent Loughheed, Community Development Director; Dale McBeth, Municipal Court Judge; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources/Risk Manager; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. No members of the news media were in attendance.

1. **Review Strategic Planning Three-Year Goal to Increase and Optimize Staffing Levels.** City Manager Anderson noted there would be no specific recommendations for the council to act on. She provided council with the positions needed to enhance city performance and services, and the city's general financial conditions, specifically the General Fund. The positions included the following, totaling just under \$425,000 to the General Fund:

• Property Maintenance Worker	\$ 39,857
• Judicial Assistant – Sentencing/Monitoring (P/T to F/T)	\$ 17,827
• Patrol Officer	\$ 113,459
• Receptionist – part-time (Police)	\$ 31,954
• Traffic Control Technician	\$ 81,391
• Volunteer Firefighter Program	\$ 65,000
• Finance Analyst (59% General Fund)	\$ 69,009
• Engineering Technician II (7.17% General Fund)	\$ 6,252

City Manager Anderson stated staff is projecting that sales tax and other revenues will remain relatively stable in 2019, noting sales tax makes up 50% of the city's General Fund revenues, and can sometimes be volatile. The 2018 ending fund balance is projected to be 10.5% (including drug seizure money), which is consistent with the city's financial guidelines, but is lower than what is recommended by auditors. Ms. Anderson stated that earlier this year, council set aside just under \$93,000 for the purpose of compensated absences and auto/equipment reserve funds, which funds are not included in the 10.5% ending fund balance. Monies were also included in the Public Facilities Reserve Fund for projects like the library, Recreation Park, and fire station improvements. City Manager Anderson stated potential liabilities include an aging workforce with an estimated General Fund liability of \$600,000 in the next five years; vehicle and equipment replacements; and sales tax stabilization to fill in gaps when the economy experiences a downturn.

Councilor Pope stated the downturn in the economy was not the only reason for decreased revenues. The city has not taken advantage of using its banked capacity to increase taxes, and each time that didn't happen, the city got further behind. Councilor Harris agreed. It may not be much each year, but it does add up over time and could have saved a couple jobs.

Councilor Pope stated that about 50% of the cost for the positions was for benefits and he asked what those included. Judy Schave stated benefits include medical and dental costs, pension rates, FICA, Medicare, etc.

City Manager Anderson spoke about potential revenue growth and how much would be needed to fund the positions. She estimated that an ongoing 9.2% increase in sales tax would be needed to fund all of the positions. She stated that next steps include assessing the position requests; continuing to look at options for increasing revenues and cutting costs; continuing to pursue economic development; continuing to pursue grants and low-interest loans to fund major capital improvements; and providing additional opportunities to assess the city's financial position during the 2019 budget process.

Mayor Dawes suggested that when revenues come in over what was estimated that those monies be put into reserves to begin building them up.

Councilor Pope stated the city has a very good staff that does a wonderful job. What came to him was that the city has functioned without the proposed positions for several years, so what makes them necessary now and is there work that is not getting done. How has staff done the work that never went away. He stated the staff must be very dedicated to have taken up the slack. If there is a way to fund the positions, he wanted to see it done based on what staff has been asked to do over the years.

July 26, 2018

City Manager Anderson stated several projects had been deferred over the years that were finally addressed the past couple years.

Judy Schave stated the goal at the June 25 council meeting was to highlight what positions are needed to operate more effectively. There doesn't appear to be enough revenue for all of the positions at this time. A number of employees plan to retire in the next five years, which will have an impact on the Compensated Absences Reserve Fund, and will create an opportunity to review current position descriptions to determine if revisions are needed. She noted it should be kept in mind that the fire contract is still outstanding and the impact to the General Fund is unknown. Ms. Schave provided an overview of the position requests for 2019, which were touched on earlier by the City Manager. In addition, a part-time administrative assistant in the Wastewater Division would be fully funded by the Wastewater Fund.

Mayor Dawes thought it might be hard to reestablish the volunteer firefighter program, specifically finding interest from individuals willing to volunteer. City Manager Anderson thought it might be a stepping stone for those people wanting to get into fire service.

Councilor Lund asked about reserve police officers. Chief Schaffer stated finding someone who wants to do police work without compensation is difficult, plus the cost of training, makes it something he hasn't taken on. He stated the training requirements are much more involved than they were years ago.

Councilor Pope thought reaching out to kids while still in high school would help recruit people into the fire and police fields. He stated there were many retired people in these professions who would be good mentors and teachers. City Manager Anderson stated that while a good idea, the dilemma is that those types of programs take away from regular duties. She pointed out that the last few weeks have been kind of crazy for the Police Department with a rash of burglaries and some serious sex crimes that take investigation work. The department is down to one detective because the officers were getting burned out with overtime. This is an example of things not getting done or taking more time to get done.

Judy Schave stated two positions are being requested in 2020 to include a property maintenance worker and a part-time wastewater laboratory assistant. As noted earlier by the City Manager, the total cost of all proposed 2019 positions would be \$424,749 to the General Fund. Ms. Schave stated the total cost to the utility funds would be \$163,770. The two wastewater positions requested in 2020 total \$103,986. She stated a brief summary for each position was included in the agenda packet. Several questions were asked and answered with respect to the needs of some of the positions.

Mayor Dawes didn't believe there was any question from the council about the need for each position, but even if the council used all banked capacity to raise taxes, it wouldn't raise enough money in one year to fund all of the positions. He suggested that the administration prioritize the General Fund positions to bring back to the budget committee and ultimately the council. Councilor Pope expressed agreement that the administration has a much better understanding of the specific needs of each position.

City Manager Anderson stated staff would proceed accordingly, including presenting a better picture of the 2019 budget situation.

There being no further business to come before the city council, the meeting was adjourned at 7:08 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:

Initials: _____

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director
Michelle White, Accounting Tech II

MEETING OF: August 13, 2018

SUBJECT: Vouchers and Transfers

ISSUE

City Council approval is requested for Vouchers and Transfers dated July 31 , 2018.

DISCUSSION

The July 31, 2018 claim vouchers have been reviewed by a committee of three councilors prior to the release of payments. The administration is requesting City Council approval for Claim Vouchers Nos. 123108-123279 in the amount of \$576,215.36 dated July 31, 2018, which includes the transfer of:

- \$150,238.22 from the General Fund
- \$13,698.00 from the Dedicated Street Fund – 4% Sales Tax
- \$56,027.76 from the Arterial Street Fund
- \$73,435.00 from the Transportation Benefit District Fund
- \$16,641.32 from the Tourism Fund
- \$166,525.18 from the Wastewater Fund
- \$40,282.46 from the Water Fund
- \$12,562.44 from the Storm & Surface Water Utility Fund
- \$45,966.72 from the Airport Fund
- \$838.26 from the Firemen’s Pension Fund

RECOMMENDATION

It is recommended that the City Council approve the July 31, 2018 Claim Vouchers No. 123108-123279 in the amount of \$576,215.36.

SUGGESTED MOTION

I move that the City Council approve the July 31, 2018 Claim Vouchers No. 123108-123279 in the amount of \$576,215.36.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director
Betty Brooks, Payroll Accountant

MEETING OF: August 13, 2018

SUBJECT: Payroll Vouchers and Transfers

ISSUE

City Council approval is requested for Payroll Vouchers and Transfers dated July 31, 2018.

DISCUSSION

The administration requests City Council approval for Payroll Vouchers No. 40374-40443, Direct Deposit Payroll Vouchers No. 9717-9824, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 192-196 dated July 31, 2018 in the amount of \$825,350.12, which include the transfer of:

- \$575,599.42 from the General Fund
- \$9,138.72 from the Arterial Street Fund
- \$94,380.10 from the Wastewater Fund
- \$98,460.28 from the Water Fund
- \$14,870.57 from the Storm & Surface Water Utility Fund
- \$31,006.11 from the Airport Fund
- \$1,894.92 from the Firemen's Pension Fund

RECOMMENDATION

It is recommended that the City Council approve the July 31, 2018 Payroll Vouchers No. 40374-40443, Direct Deposit Payroll Vouchers No. 9717-9824, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 192-196 in the amount of \$825,350.12.

SUGGESTED MOTION

I move that the City Council approve the July 31, 2018, Payroll Vouchers No. 40374-40443, Direct Deposit Payroll Vouchers No. 9717-9824, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 192-196 in the amount of \$825,350.12.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Glenn Schaffer, Acting City Manager

BY: Glenn Schaffer, Police Chief

DATE: August 13, 2018

SUBJECT: Resolution No. 6-2018 First and Final Reading, Declaring an Emergency Relating to the Clean-up of Asbestos Found in the Chehalis Fire Station

ISSUE

Contractors working on the Chehalis Fire Station removed floor tiles in the equipment bay, office, and day room that contained asbestos, likely contaminating portions of the building.

DISCUSSION

On Wednesday, August 1, it was discovered that the contractors hired to make repairs to Station 48 had removed floor tiles that contained asbestos, likely causing the fibers to go airborne and subsequently contaminating portions of the building, equipment, and the apparatus. Station 48 was evacuated, and arrangements were made with neighboring fire agencies to house the firefighters, as well as provide Chehalis Fire with loaned apparatus and equipment so our fire department could remain functional.

Even with the loaned equipment and temporary housing, the Chehalis Fire Department is currently working without access to its full line of equipment and apparatus. With the Chehalis Fire Department displaced from the building, and the apparatus out of service due to possible contamination, certain emergency measures needed to take place to remedy this situation as soon as possible.

Initial efforts included the calling of asbestos abatement contractors to determine the level of contamination and outline proper cleaning procedures, and the testing of materials throughout the building was done to determine the extent of possible contamination. Therefore, it was necessary to enter into contracts and incur obligations necessary to handle this emergency to protect the health and safety of City employees and property.

FISCAL IMPACT

The fiscal impact has yet to be determined.

RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 6-2018 on first and final reading.

SUGGESTED MOTION

I move that the City Council adopt Resolution No. 6-2018 on first and final reading.

RESOLUTION NO. 6-2018

**A RESOLUTION OF THE CITY OF CHEHALIS,
WASHINGTON, FORMALLY DECLARING AN
EMERGENCY RELATING TO ASBESTOS FOUND IN THE
CHEHALIS FIRE STATION BUILDING.**

WHEREAS, the presence of asbestos was found during the process of renovations (removal of floor tiles) at the Chehalis fire station located at 455 NW Park Street; and

WHEREAS, the presence of asbestos required the building to be vacated by city staff in order to have the asbestos abated through a licensed asbestos contractor; and

WHEREAS, Lewis County Fire District 6 and Riverside Fire Authority provided automatic aid during the temporary shut-down of the department; and

WHEREAS, the Fire Department staff was relocated the Lewis County Fire District 6 station in Chehalis to handle emergency responses; and

WHEREAS, there is a present emergency which necessitates utilization of emergency powers granted pursuant to RCW 35.33.081 and RCW 38.52.070(2); now, therefore

THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO RESOLVE AS FOLLOWS:

Section 1. It is hereby declared by the City Council that, in accordance with the terms and conditions of RCW 35.33.081, there is an emergency due to the above stated conditions in Chehalis. Therefore, the Acting City Manager is authorized to enter into contracts and incur obligations necessary to combat such emergency, protecting the health and safety of persons and property.

Section 2. The Acting City Manager is authorized, in accordance with the terms and conditions of RCW 38.52.070(2), to exercise the powers vested under Section 1 of this resolution in the light of the exigencies of an emergency situation without regard to time-consuming procedures and formalities prescribed by law, (excepting mandatory constitutional requirements), including but not limited to:

- budget law limitations
- requirements of competitive bidding and publication of notices
- provisions pertaining to the performance of public work
- entering into contracts
- the incurring of obligations
- the employment of temporary workers subject to union and city regulations
- the rental of equipment
- the purchase of supplies and materials
- the appropriation and expenditures of public funds

Section 3. The Acting City Manager may undertake contracting authority subject to the terms and conditions and provisions of this resolution.

Section 4. Notwithstanding the authorizations set forth in Section 1 of this resolution, the Acting City Manager shall endeavor to secure the most competitive price available for goods and services, subject to the terms, conditions, and provisions of this resolution.

Section 5. The emergency authority granted under this resolution shall expire 90 days from the date of the adoption of this resolution unless specifically authorized by the City Council.

ADOPTED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled meeting on the 13th day of August, 2018.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney