

August 27, 2018

The Chehalis city council met in regular session on Monday, August 27, 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, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Tony Ketchum was absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Judy Schave, Human Resources/Risk Manager; and Patrick Wiltzius, Wastewater Superintendent. News media in attendance included Will Rubin from *The Chronicle*.

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

- a. Minutes of the regular meeting of August 13, 2018;
- b. August 15, 2018 Claim Vouchers No. 123280-123460 and Electronic Funds Transfer No. 720181 in the amount of \$456,555.40.
- c. Reappointments of Scott Blinks and Jeff Mecca to the Planning Commission for four-year terms expiring December 31, 2021;
- d. Award National Avenue Slide Repair and Traffic Revision Project to Gill Construction and Development in the amount of \$219,925;
- e. Award Taxiway Realignment Project to Sterling Breen Crushing, Inc., in the amount of \$2,521,908.83;
- f. Memorandum of Understanding with the Washington State Office of Minority and Women's Business Enterprises and the Washington State Department of Transportation for the State of Washington Unified Certification Program; and
- g. Annual debt compliance update.

The motion was seconded by Councilor Lund and carried unanimously.

2. **Agreement with Lewis Economic Development Council (EDC) for Economic Development Services**. City Manager Anderson stated the city has been a member of the EDC for many years and over the course of the last several years the city has been paying an amount of \$6,000 a year. This year the city is being asked to consider an additional contribution of \$2,000, bringing the annual total to \$8,000. The increase was included in the 2018 budget. The EDC has been an advocate for .09 funding, working with the city on water rights and making initial contact and payment for a water rights attorney to address the issue, and they have had a positive working relationship with the Port of Chehalis. City Manager Anderson stated Councilor Spahr is the city's representative on the EDC board. She also noted the proposed agreement would cover 2018 and 2019.

Councilor Spahr stated the EDC does a lot of things that are not seen. They have brought many businesses to Chehalis and the community, and he supported the agreement.

Matt Matayoshi, EDC Executive Director, thanked the council for their consideration and the partnership between the city and the EDC. He stated recently, the EDC has recruited Price Containers to the Port of Chehalis; recruited TransCold Distribution; supported a number of .09 projects; and continued entrepreneurial activities.

Councilor Lund stated Chehalis was lucky to have Matt Matayoshi as the EDC director.

Councilor Spahr moved to approve the agreement with the Lewis Economic Development Council to provide economic development services in 2018 and 2019. The motion was seconded by Councilor Lund and carried unanimously.

3. **Ordinance No. 990-B, First Reading – Providing for an Interfund Loan between the Water Fund and the Airport Fund**. City Manager Anderson noted Section 5 of the ordinance should read, "Said funds shall be available for use by the Airport Fund of the city" not the Water Fund. She stated the correction would be included in second reading of the ordinance.

Chun Saul stated the city took out a bank loan to fund the Airport Tract A site preparation work with an interest rate of 5% over a 10-year term. Staff is recommending that the loan be paid off using an interfund loan from the Water Fund to the

August 27, 2018

Airport Fund with a lower interest rate and shorter repayment period, which would save the city approximately \$58,000 in interest costs over the next four years. The city's Airport debt service budget will increase by \$8,641.71 in 2018, by \$34,567 for years 2019 through 2021, and \$25,925 in 2022. She believed the budget increase could be absorbed by the Airport's operating revenues.

Councilor Spahr asked if the payments to the bank could just be escalated on the current loan. City Manager Anderson stated there was no prepayment penalty on the loan. She stated staff would look into Councilor Spahr's suggested alternative and report back to council on second reading of the ordinance.

Councilor Spahr moved to pass Ordinance No. 990-B on first reading, including the amendment to Section 5 as noted by the City Manager. The motion was seconded by Councilor Harris and carried unanimously.

#### **4. Administration Reports.**

a. **City Manager Update.** City Manager Anderson provided a strategic planning update. The three-year goals established by the council in January included:

##### **Maintain and enhance financial stability**

- Present plan for future annexations – *Done. Proposed annexation area maps presented at May 14 council meeting.*
- Present a scope of work and potential funding for an updated utility rate study – *To be completed in 2019 following completion of the Water System Plan.*
- Present financial software upgrade recommendations to City Manager – *Done. Priorities are cash receipting and new utility billing system.*
- Present a commercial development master plan for the leasable property at the airport – *Done. Presented at April 23 council meeting.*
- Formulate and present a plan to re-establish dedicated reserve funding – *In progress. First budget amendment included initial allocations to Compensated Absences and Automotive/Equipment Reserve Funds.*

##### **Enhance and modernize technology**

- Evaluate current virus protection products and policies and recommend changes as needed. *Done. Assessment completed; current protocols okay with continuing updates.*
- Evaluate the feasibility of having an IT department vs. a contract IT employee. *Done. Current contract arrangement proved most cost effective.*
- Identify citywide training needs on IT and use of existing software. Create a plan for training employees as needed. *Ongoing. A variety of training resources are provided online.*

##### **Increase and optimize staffing levels**

- Evaluate staffing needs. *Done. Departments have submitted analysis and requests.*
- Conduct a cost analysis of each position needed. *In progress. 11 positions submitted for consideration from various departments.*
- Identify ways to finance staffing needs. *In progress. City Council work session held July 26 to review position requests and associated budget impact; Council directed administration and budget committee to evaluate funding available for the top priority positions during 2019 budget process.*

##### **Improve and maintain the infrastructure**

- Present consultant contract for design of Sanitary Sewer Force-main Improvement Project. *Done. Council approved contract on February 26.*
- Complete the Transportation Benefit District Market Boulevard grind and inlay multi-use land project. *Done: Project completed in June.*

August 27, 2018

- Complete Stan Hedwall sewer service. *Almost Complete. Pipe work completed; grinder pump stations anticipated to be delivered first week of September; project scheduled for completion September 14.*
- Complete design of the Sanitary Sewer Forcemain Improvement Project. *Future Objective for December 2018*

#### **Enhance and maintain facilities (Recreation Park, Dispatch Center, and Fire Station)**

- Update and present the Park, Recreation, and Open Space Plan. *Done. Adopted March 12.*
- Report final results of District #6 fire consolidation. *Done. Met May 10; numbers do not work; keep working together for training and response; meet again in September.*
- Complete Phase 1 of the Recreation Park design and recommend funding sources. *Nearly done. Grants submitted to State; update on rankings expected in September or October; donations and LTAC funding identified for this project.*
- Report on grant success for components of Recreation Park. *Revised. Submitted three RCO grants on May 1; formal presentations made in August; info on City's ranking in September or October.*
- Report on results of feasibility study regarding Dispatch Center and make recommendation. *Revised. Feasibility study presented July 9; Council subcommittee appointed July 23; next steps to be discussed August 30.*

City Manager Anderson stated the next strategic planning session is August 30 at 8:30 am at the V.R. Lee Community Building.

City Manager Anderson asked Fire Chief Cardinale to provide a brief update on the state of the fire station. She thanked Chief Cardinale, Chief Schaffer, Rick Sahlin, Andrew Hunziker, and Trent Lougheed for their work on this issue while she was on vacation.

Chief Cardinale reported they were in the final phases of the asbestos abatement, finishing up on the second half of the station, which included the ambulance and apparatus bays, kitchen, captains' offices, alarm room, administrative offices, dorms, and bathrooms. All personal protective gear was cleaned and tested even though it came back as having no asbestos, along with any remaining uniforms. They expect the testing to come back next week. Lastly, the ambulance and ladder truck will be finished being cleaned and put back in service by the end of this week. Chief Cardinale stated all engines and equipment that are in service are stationed at District 6. Some utility and investigation equipment is still at the Chehalis station because they need to be plugged in.

City Manager Anderson thanked District 6 for hosting the city's firefighters. She also thanked the Chehalis firefighters for their flexibility during this time. She stated the administration is making every effort to make sure the work is being done to appropriate state standards.

b. **Finance Report.** Chun Saul provided a summary of financial activities of the city through the end of July. She noted the budget to actual comparison target was 58.3%, and overall, the city operated within normal budget parameters.

#### **General Fund Overview**

- Total revenues and other receipts 59.2% of 2018 budget.
- Total expenditures/transfers out 56.4% of 2018 budget.
- Total expenditures/transfers out exceeded total revenues/other receipts by \$304,490 or 30.2% of total projections.
- 88% of General Fund revenues received from taxes; major sources include sales/use, utility, and property taxes; two-year comparison shows about \$90,000 above 2017.
- Some departments' General Fund expenditures above the target of 58.3% as explained in previous meetings.
- General Fund expenditures come from Police and Fire at 53%, all other 36%, and capital debt & transfers 11%.

#### **Enterprise Funds Overview**

- **Wastewater:** Total revenues 58.0% of budget; total operating expenditures 56.0% of budget.
- **Water:** Total revenues 55.8% of budget; total operating expenditures 50.3% of budget.

August 27, 2018

- **Storm & Surface Water:** Total revenues 68.1% of budget; total operating expenditures 54.8% of budget.
- **Airport:** Total revenues 60.4% of budget; total operating expenditures 55.4% of budget.

5. Councilor Reports/Committee Updates.

a. Councilor Harris met with some citizens. He stated it was a good meeting and nice when citizens get involved and ask questions. Some things they would like to see included: road maintenance/improvements; police and fire department funding; increased, localized patrols and more citizen engagement; increased co-working with Centralia and Tacoma regarding homeless/transient issues; coordinate with the state to replace the Highway 6 bridge; pave the levee trail; and additional crosswalks. He also noted that the Chehalis Basin Partnership's September 28 meeting will include strategic planning to address the "Hirst decision."

b. Councilor Pope stated staff did an excellent job presenting grant requests to the state for Recreation Park. He stated he's noticed a couple properties that have been cleaned and that people in the community have also noticed.

c. Councilor Spahr attended the EDC membership meeting where a representative from SATECH gave a presentation on Impact Washington, a lean manufacturing consultant.

d. Councilor Taylor asked that the Twin Transit General Manager come to a future meeting to provide an update on the expansion of the transit system countywide, how buses move through and where stops are located, and the new transit hub in Centralia. He also noted that citizens have asked if the city can place "no camping" signs in city-owned parking lots as one citizen has reported almost running over a person that was sleeping in a lot and he didn't see.

e. Mayor Dawes attended the following: Business After Hours at ToledoTel, and a communications center meeting.

6. **Executive Session.** Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(i) – Litigation/Potential Litigation and RCW 42.30.140(4)(b) – Collective Bargaining not to exceed 7:00 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 5:59 pm. The executive session began at 6:02 pm. At 7:00 pm Mayor Dawes reopened the regular meeting and announced the council would continue in executive session until 7:30 pm and there would be no decision following conclusion of the executive session. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 7:30 pm.

Note: Councilor Spahr left the meeting at 6:16 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved: 9/10/2018

Initials: cf

