

November 26, 2018

The Chehalis city council met in regular session on Monday, November 26, 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; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Hillary Hoke, Planning & Building Manager; Andrew Hunziker, Property/Facilities Manager; Trent Lougheed, Community Development Director; Dale McBeth, Municipal Court Judge; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; Don Schmitt, Street/Storm Superintendent; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Will Rubin from *The Chronicle*.

1. **Port of Chehalis Update.** Randy Mueller, Chief Executive Officer of the Port provided an update on recent activities including, hosting a visit by U.S. Senator Maria Cantwell; constructing a new 20,000 sq. ft. building on McBride Court, and looking into redevelopment of R.E. Bennett School.

Mayor Dawes asked if anything had developed in regard to visitors from across the Pacific Ocean. Mr. Mueller stated there should be news coming soon from the international site visit.

Mayor Dawes thanked Mr. Mueller for including the city when Senator Cantwell was in town.

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

- a. Minutes of the regular city council meeting of November 13, 2018;
- b. November 15, 2018 Claim Vouchers No. 124176-124324 and Electronic Funds Transfer No. 1020182 in the amount of \$1,491,575.51; and
- c. Professional services agreement with Allen Unzelman to provide hearings examiner services.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Public Hearing – 2019 Proposed Budget and Revenue Sources, Taxes, and Levies.** Mayor Dawes recessed the regular meeting and opened the public hearing at 5:09 pm for public comment on the 2019 proposed budget and revenue sources, taxes, and levies.

City Manager Anderson stated the council held a public hearing on November 13 on the anticipated revenues and the proposed budget for 2019, with presentations on the highlights and key points. The ordinances before the council today were being presented for second readings. While there were no changes to the budget figures in the ordinance, there was a proposed change to the salary classification schedule related to the wastewater superintendent position from a 7N to an 8N to proceed with recruitment of the position which was scheduled to be vacated in April due to retirement. The annual budget impact of the change is expected to be less than \$5,000 and dependent on the length of time it takes to recruit a new person and what level the person is hired at. This will be monitored in 2019 and a budget amendment will be presented if necessary. City Manager Anderson recommended that the council open the public hearing, receive any public comment, and then adopt Ordinances No. 993-B, 994-B, and 995-B.

Mayor Dawes asked if there was anyone from the public that wanted to comment on the proposed revenue sources, taxes, levies, or the 2019 proposed budget. There being no public comment, Mayor Dawes closed the public hearing at 5:13 pm.

4. **Ordinance No. 993-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2019; Ordinance No. 994-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2019; and Ordinance No. 995-B, Second and Final Reading – Adopting the Proposed 2019 Budget.** Councilor Spahr moved to pass Ordinances No. 993-B, 994-B, and 995-B on second and final readings. The motion was seconded by Councilor Taylor and carried unanimously.

5. **Ordinance No. 996-B, First Reading – Amending the 2018 Adopted.** Chun Saul stated some revenue figures changed using year-to-date actual receipts through October and looking at current and past year trends to estimate November and December to more closely reflect actual activities. The amendment included a net city-wide increase in fund balance by

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\$439,465, which includes \$14,215 in the General Fund (increase in revenues of \$108,320 and appropriations of \$94,105). The changes in General Fund estimates were:

- Local Sales Tax – \$150,000
- Utility B&O Taxes – \$(51,800)
- Fees for Services (court revenues, plan checks/permit fees) – \$(70,725)
- Federal & State Grants – \$25,800
- Other Taxes, State Shared Revenue, Recreation, and Interest – \$46,045

Councilor Taylor asked if there was a way to know why the utility B&O taxes were declining. Ms. Saul explained that these taxes are paid on the gross income for such things as gas, electricity, water, wastewater, telephone, and cable. She stated there is a trend that cable and phone taxes were decreasing. It was also a little warmer this year. Mayor Dawes suggested a lot of people are cutting their cable and phone in lieu of other options for those services.

In regard to expenditures and transfers out, a \$244,105 appropriation is needed for:

- \$12,000 – Human Resources for labor negotiation legal fees
- \$57,105 – One-time accrual cash-out (\$41,045); and other
- \$155,100 – CBA retroactive increase (\$138,00 for 2017 and 2018); and other
- \$13,900 – Grant writer and personnel benefits
- \$6,000 – Transfer to Dedicated Street 4% Sales Tax
- \$(150,000) – Budget transfer to HR and Fire related to Firefighters' CBA

Changes in other funds included:

- \$6,000 – Dedicated Street Fund from General Fund (4% sales tax)
- \$250,000 – Transportation Benefit District Fund from TBD sales tax revenue; \$10,000 from interest earnings
- \$24,000 – 1st and 2nd quarter percent REET Funds from tax revenues
- \$45,000 – Wastewater Fund from investment earnings; \$42,000 from utility tax assessment
- \$78,000 – Water Fund from investment earnings; \$21,000 from utility tax assessment
- \$40,000 – Storm Water Fund from fee revenues; \$11,250 interest earnings

Councilor Spahr moved to pass Ordinance No. 996-B on first reading. The motion was seconded by Councilor Lund and carried unanimously.

6. Administration Reports.

a. **City Manager Report.** City Manager Anderson anticipated that December 10 would be the last regular council meeting of the year. The annual Santa Parade is this Saturday at 11:00 am in downtown Chehalis.

7. Councilor Reports/Committee Updates.

a. Councilor Lund thanked Councilor Harris and the parks crew for all the wonderful Christmas lights. The steam train held their first rides last weekend and all went well. Councilor Lund stated he has been to the Community Development office and it is nice to have friendly and knowledgeable staff.

b. Mayor Dawes attended the chamber's Business After Hours event and the state auditor entrance conference. He stated he wanted to bring up a couple items:

- **Right-of-Way Fees.** The City Manager's weekly newsletter included information indicating that the city would begin implementing an existing charge for use of city sidewalks by business owners at the first of the year, and also requiring proof that the city was listed as an additional insured on the owner's insurance. He recalled that the ordinance was prepared to address businesses that wanted to put items on the sidewalk to offer for sale. A few years back various fees were increased and a \$100 fee was attached to a right-of-way permit, which included sidewalk use.

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He stated the fee to be implemented has raised the ire of some business owners. Mayor Dawes hated to see local businesses having to pay such a fee in addition to the local taxes they already pay. He indicated use of the right-of-way for projects was another thing, and thought they should be addressed differently. He stated another fee also applies to organizations that raise money for charities. Once in a while they put up event signs in the right-of-way that are then taken down and they're being charged \$50. He suggested that there be two requirements – have a current business license and provide evidence showing the city is an additional insured.

Councilor Spahr stated the letter sent to business owners states that any use of the city-maintained sidewalks required a permit. He asked who was required to maintain the sidewalks. City Manager Anderson stated the word "maintained" should not be in the ordinance because the sidewalk was to be maintained by the property owner. That mistake will be corrected.

Councilor Spahr stated he understood that the city has to control what happens on the sidewalks and that the city must be covered for liability. He didn't agree with charging \$100. He suggested charging \$10 or \$20 for the cost of doing business.

Councilor Harris thought in most cities you couldn't place things on the sidewalk because even if the city is named as an additional insured the complaint in an injury will always go after the deeper pocket. He was concerned with the number and condition of clapboards on sidewalks and thought there should be standards. He thought a fee was initially established so people wouldn't be placing items out every which way.

Councilor Lund agreed that the city should be charging businesses and local non-profits the fees.

Councilor Taylor thought there were probably three different issues – putting merchandise on the sidewalk, advertising signs placed in the right-of-way, and event signs in the right-of-way put out by non-profits. Mayor Dawes noted there are also businesses that erect "permanent" outdoor seating areas.

It was the consensus of the council to direct staff to review the ordinances to address the council's concerns.

- **Crosswalk at 16th and Market.** Mayor Dawes stated a lot of the high school kids cross Market to go to Dairy Dan's for lunch. He asked if staff could look into placing a crossing signal like the one on Market by Safeway. He stated the crosswalk would probably have to be reconfigured.
- **National Avenue Realignment Project.** Mayor Dawes asked if the road lane was going to have any reflectors or something to keep people from going off the road. Councilor Harris asked if there was going to be a curb because he has watched people going off the road into the dirt area intentionally. Trent Loughheed stated the way it has been reconstructed does not warrant any curbs. Once it's restriped it will make a difference. He asked for the council's patience until the project was completed and any concerns could be addressed at that time.
- **Use of Tablets by Council Members.** Mayor Dawes asked council members how they felt about using tablets to receive and review council meeting agendas. The general consensus of the council was not use tablets.

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: 12/10/2018

Initials: cf