

April 25, 2011

The Chehalis city council met in regular session on Monday, April 25, 2011, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:32 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Brian Kelly, Assistant City Attorney; Judy Schave, City Clerk; Becky Fox, Court Administrator; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; and Judith Smith, Public Works Office Manager. Members of the news media included Lee Hughes from *The Chronicle* and Bruce Hunting from KITI.

1. **Chehalis-Centralia Airport Board First Quarter Report.** Airport Manager Allyn Roe and city representative, Frank DeVaul, updated the council on what was happening at the airport during the first quarter of the year.

Mr. Roe reported they were continuing to work on some of their capital projects. He noted the most visible project they were currently working on was the new fencing, adding they had one final area at the north end to work on before the project would be complete. Other projects they were currently working on and future projects included:

- painting improvements
- approach lighting for the north end of the runway (1400 feet of light stations placed every 200 feet)
- upgrades to weather equipment to make it more reliable
- continue to work with the trails group
- finish up their observation park at the south end near the airport entrance

Mayor Ketchum stated he appreciated receiving the airport meeting information, which was something that was requested by the council at the last meeting.

Mr. Roe talked briefly about the development out at the airport, which included discussions with two potential tenants for the two acres near Applebee's. He stated one of the discussions has slowed down; however, the other was looking to execute something with the airport in the next couple of months.

Councilor Lund asked if there was any change in their thinking with regard to having the property site-ready for development. Mr. Roe reported in conversations with the Board, one large obstacle was the issue of having to pay prevailing wage for fill work.

Councilor Harris asked if a developer would have to go through the same process of paying prevailing wage. Mr. Roe stated no.

Councilor Lund suggested other entities in the community were getting things done at reasonable costs and wondered what kind of jobs and sales tax revenue we were losing by not having the property site-ready. He felt there should be a balance somewhere in the process where it's worth making a deal in order to provide jobs. Mr. Roe agreed, adding in the current market they planned to be very aggressive with anyone who brings something to the table.

Mr. DeVaul stated the Board was very cognizant and were looking at every opportunity, even exploring the potential of doing some of the work themselves. He noted they were trying to resolve some issues they had with the former developer, adding they were almost to the point of cutting bait and doing something on their own. Mr. DeVaul stated they were not going to let anything go by, and believed the best way to handle the situation was to continue to aggressively pursue potential clients, as Mr. Roe indicated earlier.

Councilor Dawes reported at one time the Airport Board passed a resolution to keep a certain amount of money in the bank to keep them solvent. He felt to deplete the reserves on something that's not there was probably not the way to go. Councilor Dawes suggested if someone was hot under the collar to get a business going they could look at forming a partnership and use some of the money, which could be paid back as a part of the lease.

Mr. DeVaul noted the restriction on how much they keep in the bank was removed, since they no longer have a line of credit with the county. Councilor Dawes reported there was a time when the airport spent a considerable amount of money to do some fill for something that was coming in. Mr. DeVaul stated that was correct, noting they have utilized it at times, especially

April 25, 2011

with the FAA projects since they can put in for reimbursement.

Councilor Lund believed there might be some small businesses that could go in if the property was site-ready. Mr. DeVaul stated that didn't seem to be the issue with the current clients they were working with. He noted the issues had more to do with putting together their business and site plans. Mr. Roe reported they had become more of a facilitator to help their clients with site development planning and putting them in touch with local resources. He reported they also hired two marketing firms to help market the properties.

Councilor Taylor asked if there would ever be a time that they would not be able to fill the property because of regulations. Mr. Nacht stated it was certainly possible, but not in the near future. Mr. Roe suggested the Federal Emergency Management Administration (FEMA) mapping issue was probably their biggest challenge right now.

Mr. DeVaul reported the board recently applied with the city to do levee enhancements. He noted the operational enhancements and aviation development would bode well for long-term commitments to the community.

City Manager MacReynold reported the Washington State Department of Transportation was beginning their scope of work for widening the freeway between Mellen Street and 13<sup>th</sup> Street, and the connection of Airport Road. He encouraged Mr. Roe to contact Regional Director Bart Gernhart about participating on the sounding board. Mr. Roe reported they already had one meeting with Mr. Gernhart concerning the impacts to their frontage properties, which they planned to address now rather than after it's developed.

Mayor Ketchum closed the work session at 5:51 p.m. and announced the council would take a ten minute recess and reopen the regular meeting at 6:01:p.m.

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

- a. Minutes of the regular meeting of April 11, 2011;
- b. Claim Vouchers No. 99721-99859 and 32011 in the amount of \$265,280.19 dated April 15, 2011;
- c. Confirm re-appointment of Lee McCrite, Butch Partee and Vern Schmidt to the Sister City Committee for four-year terms expiring December 31, 2014;
- d. Confirm appointment of Sue Carmick to fill the unexpired term of Sue Bellevue on the Sister City Committee expiring December 31, 2012; and
- e. Confirm appointment of Karen Monroe to the Sister City Committee for a four-year term expiring December 31, 2014.

The motion was seconded by Councilor Pope and carried unanimously.

3. **Staff Reports.**

a. **First Quarter and March Financial Reports.** Eva Lindgren reported, although the report stated 'preliminary adjusted beginning cash and investment balances,' it would probably be the final report. She pointed out how close the estimated beginning fund balances were to where the actual beginning fund balances ended up. Ms. Lindgren stated one reason the general fund ended up being a little higher than budgeted was because she undid a transfer-out to the Arterial Street fund for \$10,000, which the fund did not need.

b. **First Quarter Sales and Use Tax Report.** Ms. Lindgren reported the general property tax revenue had a significant negative balance, noting most of the taxes would be collected by Lewis County in April and remitted to the city in May.

Councilor Harris inquired about the electricity tax. Ms. Lindgren stated, as she recalled, electricity taxes were remitted on a quarterly basis. She stated she would take a closer look and if it still looked out of line next month she would have an answer for the council as to why.

April 25, 2011

Ms. Lindgren briefly talked about the expenditures, adding things were looking much smoother now that the prepaid insurance was being evenly charge out every month. She noted the fire department was showing a negative variance of almost \$11,000, due to a rather large repair bill for the ladder truck.

Councilor Lund asked if it would be difficult to figure out how much had been spent on the ladder truck for repairs since it was purchased. Fire Chief Kelvin Johnson noted they kept individual files on each of the vehicles, adding it wouldn't be too difficult to gather that information. He noted the ladder truck was 15-years old and a truck like that today would run close to a million and a half dollars.

Councilor Harris asked how often they had to send the truck back east for repairs. Chief Johnson reported the truck was sent back in 2008. He noted most of the work on that particular vehicle could be done up at the (Pierce Representative) shop in Puyallup, Washington. Chief Johnson indicated they send the truck up north once a year to have it gone through.

Councilor Harris noted in 2010 they budgeted \$66,000 for licenses and permits; however, in 2011 they budgeted \$120,000. Ms. Lindgren stated, based on information provided by the community development director, there was a project in the pipeline that they anticipated would bring in additional revenues in 2011.

c. **First Quarter Sales and Use Tax Report.** Ms. Lindgren reported on the first quarter revenues from sales and use tax, adding the drop in the March figures had to do with 'use taxes.' She noted there was an entity that usually goes out once or twice a year and makes very large purchases, which increases the use tax; however, that had not happened so far this year. Ms. Lindgren reported she did not have the time to do a deep analysis on the report, since she was busy with the annual audit.

Councilor Spahr noted the sales tax revenue seemed to be keeping up with what was budgeted for 2011. Ms. Lindgren stated the first quarter should be the city's best quarter because the month of December was imbedded in those numbers; however, it was not. City Manager MacReynold stated he hoped to stay in-line with what was budgeted, but there were no indications that the economy was getting any better.

Councilor Lund asked if they used reserves to balance the budget. City Manager MacReynold noted they had used up part of the reserves for the last five years. He indicated they couldn't go much below what was already budgeted, adding the administration would have to do further reductions. Councilor Lund asked if they couldn't start doing reductions ahead of time. City Manager MacReynold stated they would.

Councilor Harris suggested the revenues were a little low, especially with the sales tax; however, every department seemed to be under-spending what had been budgeted to them. He commended the departments for being tight-fisted. Ms. Lindgren reminded Councilor Harris that last year the insurance costs were paid upfront, which was a distortion between the two years.

Councilor Lund stated he agreed with Councilor Harris that the departments were spending less, but noted citizens were also spending less, which meant they weren't bringing in as much sales tax to pay the bills. He suggested the city needed to buckle down even more.

Councilor Dawes inquired as to when the streamlined sales tax went into affect. Councilor Harris stated July 1, 2008. Councilor Dawes reported that seemed to be about the same time the city's sales tax started to drop. Councilor Harris noted September 2008 was also when the recession started to hit, adding the State had been very fortunate to be able to hide behind that fact.

c. **Briefing on Council Chamber/Courtroom Recording System.** City Manager MacReynold reported, over the years, the council has had interest in televising meetings. He noted, because of the costs associated with televising through public broadcasting, the council had consistently backed away from doing it. City Manager MacReynold reported the city's current recording system had become outdated and parts were becoming obsolete. He noted the city clerk and court administrator did some research and found that besides providing recordings of the meetings, they could also provide video at a reasonable cost.

April 25, 2011

City Clerk Judy Schave reported, during the 2011 budget process, the issue of replacing the current recording system was discussed with the council budget committee. She talked briefly about a new software program developed by AV Capture All that would provide live streaming of audio and video for meetings held in the council chamber/courtroom. Ms. Schave noted the audio and video would also be stored on the city's website for future viewing by the public. She and Court Administrator Becky Fox believed the new system would be more cost effective, flexible and accessible to the public as opposed to the alternative of televising via public access.

Ms. Schave stated they were recommending the purchase of some new equipment, which would include six gooseneck microphones and two cameras. She noted they proposed to use money from the automotive equipment reserve fund to purchase the additional equipment.

Councilor Spahr asked if the new system would give them better audio, adding it was hard to hear what people were saying, especially from the back of the room. Ms. Schave noted the microphones themselves would be a lot taller and adjustable, which would help with the audio issue. She noted they didn't plan on replacing the speakers, since they do produce volume if you talk close enough to the microphones.

Councilor Spahr asked if there was anyway to tell how often someone looks at the recordings. Ms. Schave suggested there had to be a way to get that type of data off the computer, or at least from the website.

Councilor Harris noted in the information provided it stated the system would allow up to 50 customers per month to watch the meetings live. Ms. Schave noted as of May 1 that number would double to 100 customers per month. She stated, in order to be counted, a customer would have to be connected to the meeting for at least ten minutes. Ms. Schave reported Adam Rivas, owner of AV Capture All, indicated he would be surprised if we had more than 50 customers viewing live per month, adding for most people it was a matter of being able to watch meetings at their convenience. Ms. Schave stated if they have more than 100 customers viewing during the month no one would be denied access, noting they would just have to consider upgrading the maintenance fee to allow for more viewers.

Councilor Dawes asked if it would be possible to make a DVD recording and offer it to Comcast to show a couple of times a week. He noted as part of the franchise they had to offer public access channels at little or no cost. Councilor Taylor noted they talked to Comcast a few years ago, but wasn't sure on their ability to do something like that. He noted he thought if we provided them a disk they would air it, but it would be at their discretion.

Councilor Lund asked if they would be able to do public service announcements or commercials. Ms. Schave stated she didn't believe that would be possible.

Ms. Fox reported Judge Buzzard didn't feel it would be good to stream live video of the court sessions, just because of security issues. She noted they would continue to record the audio, adding it will be great for 'appeals' because people will be able to go on-line and buy the CD themselves. Ms. Fox reported they were continuing to work with Lewis County on setting up video arraignments. She agreed the current recorder was definitely on its last legs.

The consensus of the council was to move forward with the purchase of the hardware and recording software, as outlined in the agenda report.

4. **Flood Authority Update.** Julie Balmelli-Powe reported it had been an interesting week, noting Grays Harbor County, Thurston County, and the Tribe side-lined the flood authority with an agreement amongst themselves, and left Lewis County and all of the cities out. She noted they went as far as to rush it to Olympia to present it to the State to have them sign on. Ms. Balmelli-Powe reported the State said the earliest they would look at it would be June, after the budget gets worked out. She noted the money currently in the budget was designated for the flood authority or a local flood jurisdiction. She indicated if they approved the budget with that wording, the new cooperative would be ruled out.

Ms. Balmelli-Powe reported the three agencies kind of hung themselves with the new interlocal agreement, which stated 'any preceding agreement is now revoked.' She reported if the new agreement was taken for its word, it would actually remove them from both the partnership and the flood authority. Ms. Balmelli-Powe stated she didn't believe that was their intent, but as it's legally written, that's what they would end up doing.

April 25, 2011

Ms. Balmelli-Powe felt they had great unity, noting every city within the three counties, with the exception of Bucoda, voted to maintain the current flood authority.

Councilor Taylor asked if any of the consultants hired by the flood authority helped out in any way with the new interlocal agreement. Ms. Balmelli-Powe reported they did. Councilor Taylor suggested they should all be fired. Ms. Balmelli-Powe stated the reason they stopped where they did, rather than being more bold and braising, was because the budget hadn't been approved yet. She noted they believed if there was a large conflict going on they would never see the \$1.3 million from the State to study water retention.

Ms. Balmelli-Powe reported, supposedly, the representative from the FCS Group, on her own time and under the direction of Grays Harbor County Commissioner Terry Willis, prepared a scaled down agreement from the one that the flood authority had been working on. She stated the representative indicated she didn't realize what they were doing. Ms. Balmelli-Powe noted the facilitator, Bruce Mackey, who was also hired by the flood authority to help move things along, supposedly knew nothing about the agreement either, until he was directed to take it to the State and keep it quiet.

Ms. Balmelli-Powe reported her approach at the next flood authority meeting would be to ask for the removal of the current Chair and Vice-chair, but to allow them the option to stay on the flood authority. She suggested if they have a majority at the next flood authority meeting they will fire the FSC Group and have no more charge for forming a flood zone district until they have a plan.

Councilor Dawes stated he certainly didn't have the level of involvement others had, but found the circumstances to be highly disappointing. He stated for a group to go out and make an agreement and then publicly state that they didn't mean to be divisive, they had to be a little bit ignorant. Councilor Dawes stated he hoped the flood authority would be able to bring some kind of order and trust back to the group. He noted it was an important issue and the disagreements in his opinion had more to do with who wants to do economic development and where; and how they can be the first one to get it.

Councilor Spahr stated if we don't do some kind of significant flood control to keep the flood levels down, we would end up with a nine foot dike called I-5 running through town. He stated 'if they think a little fill inside the airport dike was going to create flooding, just wait until they raise I-5.'

Ms. Balmelli-Powe reported they had a great presentation on the fill issue at last Thursday's meeting. She asked the presenter, 'If they took out all of the development inside the airport dike and put it back to nature, how much would that have reduced the 2007 flood?' His answer was zero.

Ms. Balmelli-Powe stated those who oppose us want us to prove to them that water retention will not harm fish or the environment downstream before they will go along with it; however, they continue to undermine us and the studies aren't even done yet.

Mayor Ketchum stated he heard there were some slides showing the Chehalis Tribe filling in the flood plain. Ms. Balmelli-Powe noted the slides that Mayor Ketchum might be referring to were ones showing the fuel station along Highway 12 under three to four feet of water, after the Tribe adamantly stated they don't build in the floodplain.

Councilor Harris commented on the Chehalis River Basin Partnership meeting, noting the Skokomish Tribe put on a fascinating program about how they were revitalizing the Skokomish River. Councilor Harris reported they deepened, widened, used bulldozers and backhoes to cut channels to put the streams back, and stated the upper part of the river may need to have some water retention done to offset tree loss, which was exactly what we're trying to do. He stated they were getting effective results in fish, water, and land management, and reclamation of wetlands. Ms. Balmelli-Powe noted they were doing all of that without the United States Corps of Engineers. Councilor Harris stated, when asked if they had followed the general investigation (GI) study, their response was, 'we can't wait on the GI study, we're putting shovels to the ground and getting things done ourselves.' He noted this was almost a duplicate of what's being talked about with regard to the Chehalis River.

Ms. Balmelli-Powe felt the difference between the Skokomish Tribe and the Chehalis Tribe was that the Skokomish Tribe was working in cooperation with the people to do things together. She noted at the end of Thursday's meeting Centralia City Councilmember Edna Fund invited Mark White from the Tribe to bring all of his ideas to the next flood authority meeting.

April 25, 2011

She noted he stammered and stuttered and suggested that was for other people to bring.

## 5. **Council Reports.**

a. **Update from Councilor Pope.** Councilor Pope reported, at the Foundation's last meeting, they devised a list of community based projects, to include:

- walking bridge over the Chehalis River from Lintott-Alexander Park to the Steam Train and Veterans Memorial Museum
- repair or replace the city swimming pool
- antique lighting in the central business district
- repair concession stand at Stan Hedwall Park

He noted the Foundation also appropriated \$24,000 for the following projects, which came from the community development department wish list. The projects included:

- porta-potty rental at the kiddy spray pool
- beauty bark for entrances to city
- signage update at community development department consistent with the Renaissance branding
- tables, chairs, kitchen range and gas fireplace at the VR Lee building
- \$10,000 to be used at the city's discretion

Councilor Pope reported the Foundation added another section to their by-laws for 'Academic Excellency.' He noted the Chehalis School District received approximately \$200,000 for their biology and delta base programs, and would be starting a mathematic program as well.

Councilor Pope felt the Foundation was doing a lot to help the city get some projects done that it wouldn't otherwise be able to do.

Councilor Pope provided information to Police Chief Glenn Schaffer on the Family Forward Committee, who put on educational programs in communities. He noted this year's program would focus on Asperger Syndrome and Autism. Councilor Pope stated there was a guide put together by a police department back in Wisconsin to help police officers responding to cases involving people with Autism. He noted the Lewis County Autism Coalition, consisting of about 20 organizations, planned to initiate a program in Lewis County and were thinking about including the guide in the program. Councilor Pope stated the coalition felt the program would help police officers to understand people with Autism, should they ever encounter them.

b. **Update from Councilor Dawes.** Councilor Dawes reported he attended the Lewis County Historical Society board meeting to help plan their annual fundraising events. He noted the annual pie social at Claquato Church would be in July, and they were looking for representatives from the council to participate in the egg toss.

Councilor Dawes reported the North Lewis County Regional Fire Authority Planning Committee met for a second time on April 20. He stated it was a good meeting and they got the initial report on fleet and facilities, adding they were very surprised to find out that they had over 80 pieces of apparatus within the fire departments involved. Councilor Dawes noted the committee talked about applying for a domain name for a website, which would be linked to the various municipal agencies. He noted they would use the website to update the public on where they were with the planning process. Councilor Dawes reported their next meeting was scheduled for May 18, at which time they would be discussing the following items:

- strengths, weaknesses, opportunities, and threats
- dealing with fleets and facilities
- begin and develop a baseline on operations
- website

Councilor Lund stated he was very surprised at how little debt there was against the 80 some pieces of equipment, adding Chehalis was completely debt-free on all of theirs.

April 25, 2011

6 **Ordinance No. 872-B, Second and Final Reading – Revising the Chehalis Parking Code.** Chief Schaffer reported the only change made to the ordinance since first reading was to remove the text surrounding the validation of parking tickets by the police chief.

Councilor Dawes moved to pass Ordinance No. 872-B, as amended, on second and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

7. **Ordinance No. 873-B, First and Final Reading – Authorizing Alternative to Incarceration Options.** Peggy Hammer reported a risk management issue concerning the city's electronic home monitoring program was brought to their attention by Washington Cities Insurance Authority (WCIA). She stated there were some inherent risks; however, there was obviously a huge benefit to the city for providing the program.

Ms. Hammer reported case law was such that when an entity showed that they had debated an issue and made a policy decision to go forward with something, it would provide some protection for liability. She noted the process of discussion and the adoption of the ordinance would limit the city's liability with regard to the home monitoring program. Ms. Hammer indicated WCIA helped with writing the ordinance that was before the council for their consideration.

Ms. Fox reported the city's home monitoring program was started in 1995 and had experienced little to no problems. She stated there were a lot of bail bond companies getting into the business of providing home monitoring services, as well, and was surprised that they were not required to be certified or licensed. Ms. Fox reported the court had a pretty strict screening process and limited the number of people on the program to two or three, since the staff person who works the program only works part-time.

Ms. Fox stated, since January, they've had 85 days served on home monitoring. She noted for that time they receipted in \$1,400 and spent \$483 on equipment. Ms. Fox noted if that time would have been served in jail it would have cost the city over \$3,800. She suggested they didn't make a lot of money; however, the cost savings to the city was very good.

Ms. Fox stated they would prepare a list of reputable monitoring agencies for the Judge to approve, so the court can refer people when we don't have room for them on our program.

Mayor Ketchum stated it seemed like the risk was pretty minimal since the city had been doing it for such a long time and had a good success rate.

Councilor Dawes stated he would support the ordinance, because it was a step in the right direction. He noted anytime the city can save money, it was like making money.

Councilor Harris moved to suspend the rules requiring two readings of an ordinance.

The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Harris moved to pass Ordinance No. 873-B on first and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

8. **Customer Service Appreciated.** Councilor Lund reported he received a call from Police Officer Jay Roberts concerning some information. Councilor Lund was unavailable at the time he received the call; however, Officer Roberts was nice enough to drive to his location and deliver the information to him directly. Councilor Lund felt that was nice customer service and something that more people needed to work on.

There being no further business to come before the council, the meeting adjourned at 7:10 p.m.

April 25, 2011

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Mayor

Attest:

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City Clerk

**SUGGESTED MOTION**

I move that the council approve the minutes of the regular city council meeting of April 25, 2011.