

# 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, February 11, 2019 5:00 p.m.

1. Call to Order. (Mayor)
2. Pledge of Allegiance. (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
<b>CONSENT CALENDAR</b>		
3. <u>Minutes of the Regular City Council Meeting of January 28, 2019.</u> (City Clerk)	APPROVE	1
4. <u>Vouchers and Transfers – Accounts Payable.</u> (City Manager, Finance Director)	APPROVE	5
5. <u>Vouchers and Transfers – Payroll.</u> (City Manager, Finance Director)	APPROVE	6
6. <u>Set February 25, 2019 at 5:00 pm to Conduct a Public Hearing to Amend the City's 2019-2024 Six-Year Transportation Improvement Program.</u> (City Manager, Public Works Director, Street/Storm Superintendent)	APPROVE	7
7. <u>Resolution No. 2-2019, Second and Final Reading – Application and Acceptance of a WSDOT Grant in the Amount of \$140,184 for Taxiway Realignment Project.</u> (City Manager, Community Development Director, Airport Operations Coordinator)	ADOPT	9

ADMINISTRATION AND CITY COUNCIL REPORTS		
8. <u>Administration Reports.</u> a. Chamber Way Bridge Update. (City Manager, Community Development Director) b. Fire Station Update. (City Manager, Fire Chief, Community Development Director) c. City Manager Update. (City Manager)	INFORMATION ONLY	- - -
9. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	- - -

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.  
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, FEBRUARY 25, 2019.**

January 28, 2019

The Chehalis city council met in regular session on Monday, January 28, 2019, 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; Bill Hillier, City Attorney; Hillary Hoke, Planning & Building Manager; Andrew Hunziker, Parks & Facilities Manager; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director, and Glenn Schaffer, Police Chief. Members of the media 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 January 14, 2019;
- b. January 15, 2019 Claim Vouchers No. 124693-124805 and Electronic Funds Transfer No. 182018 and 1820181 in the amount of \$545,232.95; and January 15, 2019 Claim Vouchers No. 124806-124872 in the amount of \$485,072.35;
- c. Agreement with FCS Group for a utility rates and capital facility charges study in the amount of \$66,000;
- d. Purchase of new Kubota tractor and associated implements to J&I Power Equipment in the amount of \$54,100; and
- e. Change Order 3 and acceptance of Stan Hedwall Sewer Project as complete and release retainage once all statutory requirements are met.

The motion was seconded by Councilor Lund and carried unanimously.

2. **Resolution No. 2-2019, First Reading – Application and Acceptance of a WSDOT Grant in the Amount of \$140,184 for Taxiway Realignment Project**. Brandon Rakes stated that last year the city applied for and received a grant from the Federal Airport Administration for a \$2.8 million project that was 90% funded. The administration would like to apply for an additional 5% match funding through WSDOT totaling approximately \$140,184 for taxiway realignment.

Councilor Spahr moved to adopt Resolution No. 2-2019 on first reading and authorize the City Manager to apply for and accept the WSDOT grant supplementing AIP Project Number 3-53-0012-018-2018 in the amount of \$140,184 for airport construction. The motion was seconded by Councilor Lund and carried unanimously.

3. **Phase 1 Annexation Proposal and Process**. Hillary Hoke provided information for implementing Phase 1 of a multi-phase annexation process. Staff identified eight potential areas for annexation. RCWs regulate that cities can't annex areas outside of their adopted Urban Growth Area (UGA), eliminating Areas 6 and 8, which are located north of the city limits. The remaining areas were reviewed for ease and feasibility, and to keep the total assessed value of the area(s) to be annexed under 5% of any special purpose district's total assessed value. Using the largest special purpose district, the target number was around \$56 million. Staff reviewed options to keep within the target amount. Ms. Hoke explained that if the 5% is exceeded, a special purpose district may request studies, market analyses, and other documentation to determine the impacts of the annexation, the possible relinquishment of assets, etc., which would be conducted and paid for by the City.

Mayor Dawes asked if Area 8, located north of the airport, included the former Blaser Farm, and was it included in any UGA. Ms. Hoke indicated it did include the Blaser property, but was currently not included in any UGA. Bill Hillier added a city may annex property not within its UGA if owned by a city, but there are other properties in that area that are not owned by the City.

Councilor Harris asked if the area was within Centralia's UGA that they gave up last year. Councilor Spahr stated it was not within Centralia's UGA.

Ms. Hoke stated that as of the remaining areas, Areas 3 and 4 cannot be annexed at the same time because they exceed \$56 million.

Mayor Dawes asked why Area 7 (Lintott/Alexander Park) would be on the tax rolls if it was owned by the City and why it would be considered when calculating the 5% target. City Attorney Hillier stated he would find out the answer to the question. Ms. Hoke stated that although taxes are not collected, the property still has an assessed value.

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Ms. Hoke stated staff came up with three options and was recommending Option 2, which would annex Areas 1, 2, 5, and 7. She noted several previous surveys and legal descriptions were already developed for some of these areas. The assessed value of the areas totaled \$43,548,200.

Mayor Dawes asked why District 6 wouldn't be included so as not to create an island. City Manager Anderson stated that in looking at the options, Option 2 cleans up the boundaries. The next phase would include Areas 3 and 4, which would straighten out the southern border.

Mayor Dawes asked what the timing was for Phase II. City Manager Anderson stated it was her understanding that the council would like to proceed with annexations and do them on a regular basis until the City's UGA is incorporated. Ms. Hoke noted the island where District 6 is located already exists.

Councilor Lund understood that the Alderwood area had water and sewer, and fire-flow problems. If the City takes that over, would it become the City's responsibility? Bill Hillier stated the City already owns those systems. He also noted that the road is a private one, which the city will not have to maintain. The City has an automatic response agreement with District 6 to respond to the area.

Rick Sahlin reiterated that the water and sewer systems are the City's. When Alderwood was built a second water tower was added, but without major changes there is not fire-flow protection in that area.

Councilor Lund asked again if the City's liability would change if the area was annexed. City Attorney Hillier stated no. City Manager Anderson indicated staff would further discuss to address any issues related to liability that might be increased with annexation.

Councilor Pope stated water flow was previously discussed for that area and he thought steps were to be taken to improve it. Bill Hillier stated that included the second tower that Rick Sahlin mentioned. It addressed domestic needs, but didn't totally fix the fire-flow requirements.

Councilor Spahr stated he understood not wanting to go over the 5% target, but Option 3 was under 5% and included more properties. Ms. Hoke explained the biggest difference between the options was timing. To prepare the application and create all of the required documents, Option 3 would require the most time and effort, such as contracting with a licensed surveyor to develop maps and legal descriptions.

City Manager Anderson noted there were numerous steps in the annexation process, in addition to working with the Boundary Review Board and County Assessor. She estimated completing annexations in two-year cycles.

Councilor Spahr moved to direct staff to proceed with the Phase 1 proposal to annex properties within Areas 1, 2, 5, and 7 as identified. The motion was seconded by Councilor Pope and carried unanimously.

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

a. **Finance Report.** Chun Saul provided a year-end report for 2018, noting that overall, cash balances increased from 2017. She reviewed a summary of all funds with their beginning cash balances, total revenues and transfers in, total expenditures and transfers out, changes in fund balances during the year, and ending cash balances. Year-to-date (YTD) total revenues were \$626,809 above the 100% expected amount, while YTD expenditures were \$2,462,220 below the 100% expected amount. General Fund YTD revenues were \$173,413 above the 100% target amount. YTD expenditures were \$646,508 below the 100% target amount, so the ending fund balance decreased by \$238,180 (\$819,921 less than expected). The 2018 budget included the use of about \$1 million of reserve funding, but only \$238,000 was used, which exceeds the council's policy of maintaining a 10% reserve.

Mayor Dawes stated there were maintenance projects that had been deferred, so anything above the 10% could be used for projects and/or other priorities. City Manager Anderson stated that was correct. \$200,000 was used to balance the 2019 budget, and reserve accounts for automotive/equipment and compensated absences were not funded in 2019. She stated staff would present proposals to the council at a later date.

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Chun Saul stated sales and use tax revenue came in at 104.1% of the 2018 budget, which includes criminal justice and brokered natural gas sales taxes. About one-half million of sales tax was from construction activities, so it may decline in 2019. Mayor Dawes suggested that the budget committee meet at the end of the first quarter to look at potential projects/purchases for the full council's consideration.

Councilor Taylor asked what the Fire Department did to not spend almost \$200,000 of their budget. Ms. Saul indicated that overtime was less. Councilor Taylor asked if it was related to less calls or process changes. City Manager Anderson stated she would find that out from Chief Cardinale.

Ms. Saul stated all Enterprise Funds operated within normal budget parameters and revenues either met or exceeded budget projections, except for Wastewater, which came in at about 98%.

Ms. Saul provided a summary balance of the City's cash and investments as of December 31, 2018. The city's total cash, deposits, and investments were \$20,203,176. Of that amount, about \$1.8 million makes up the General Fund and all other funds are restricted or designated to finance particular activities. She noted that about \$15 million of total cash was invested in the Local Government Investment Pool, and around \$2.3 million was in U.S. securities bonds. Investment earnings for 2018 totaled \$285,834.

Councilor Taylor asked if there were restrictions on where the City's money could be invested. Ms. Saul stated the City's money must be covered by the Federal Depository Insurance Corporation and the Washington Public Deposit Protection Commission.

City Manager Anderson asked if the council would prefer changing the monthly finance reports to quarterly, since the reports are much more detailed and informative than in the past. A monthly report could still be distributed. The council concurred.

b. **City Manager Update.** City Manager Anderson stated one of the strategic planning objectives was to create a committee to look at such things as property maintenance, etc., and she asked if the council would appoint members to join staff.

Councilor Pope stated that in the past, it has been difficult to address these types of issues. He asked if the committee would look at putting more teeth into the ordinances. Mayor Dawes stated the committee would determine what the council would like done and then make recommendations to strengthen ordinances. Councilors Pope, Spahr, and Taylor volunteered to serve on the committee. The council discussed several properties needing attention.

#### 4. Councilor Reports/Committee Updates.

a. Councilor Taylor stated the Twin Transit Board was conducting an investigation on their general manager and he would have more to report at a later date. He also attended a Lewis County Transportation Strategy Council meeting where they discuss federal funds that come through the county that are then distributed to cities. The Public Works Department submitted a couple projects last September that were approved for funding this year.

Rick Sahlin added it was grant money that Centralia had, but had issues with their project. If the money is not spent, it goes back to the federal government. The projects include NE Kresky from Staples to the city limits, and Interstate Avenue from Parkland to the city limits, which will be a joint project with Lewis County.

Mayor Dawes asked Mr. Sahlin to explain why the two road projects were chosen when other streets may appear to be in worse shape. Mr. Sahlin stated the streets have to be federal aid routes and match money had to be available.

b. Councilor Pope stated the council used to have a Growth Management Act (GMA) committee. City Manager Anderson stated since her time in Chehalis there hadn't been any need for the GMA committee to meet. Mayor Dawes thought the GMA committee would be a good group to participate in the annexation process.

c. Councilor Harris attended a Chehalis Basin Partnership meeting. The group is busy working on the "Hirst Fix." Councilor Harris reported he was reelected to chair the group.

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d. Mayor Dawes attended the chamber banquet. He congratulated 1-5 Auto Group that was recognized as business of the year, and Dr. Peter Wagner who received the Evergreen Award.

Mayor Dawes announced there would be no executive session. There being no further business to come before the council, the meeting was adjourned at 6:18 pm.

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Dennis L. Dawes, Mayor

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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:** February 11, 2019

**SUBJECT:** Vouchers and Transfers

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**ISSUE**

City Council approval is requested for Vouchers and Transfers dated January 31, 2019.

**DISCUSSION**

The January 31, 2019 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 No. 124873-124998 in the amount of \$134,236.63 dated January 31, 2019, which includes the transfer of:

- \$ 82,559.53 from the General Fund
- \$ 2,376.68 from the Dedicated Street Fund – 4% Sales Tax Fund
- \$ 200.00 from the 1982-93 Community Block Grand Fund
- \$ 556.00 from the Public Facilities Reserve Fund
- \$ 8,033.09 from the Wastewater Fund
- \$ 9,779.79 from the Water Fund
- \$ 1,385.18 from the Storm & Surface Water Utility Fund
- \$ 28,583.40 from the Airport Fund
- \$ 762.96 from the Firemen’s Pension Fund

**RECOMMENDATION**

It is recommended that the City Council approve the January 31, 2019 Claim Vouchers No. 124873-124998 in the amount of \$134,236.63.

**SUGGESTED MOTION**

I move that the City Council approve the January 31, 2019 Claim Vouchers No. 124873-124998 in the amount of \$134,236.63.

**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:** February 11, 2019

**SUBJECT:** Payroll Vouchers and Transfers

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**ISSUE**

City Council approval is requested for Payroll Vouchers and Transfers dated January 31, 2019.

**DISCUSSION**

The administration requests City Council approval for Payroll Vouchers No. 40682-40718, Direct Deposit Payroll Vouchers No. 10358-10461, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 219-223 dated January 31, 2019 in the amount of \$824,759.50, which include the transfer of:

- \$564,642.00 from the General Fund
- \$6,554.11 from the Arterial Street Fund
- \$92,780.55 from the Wastewater Fund
- \$100,075.59 from the Water Fund
- \$26,404.64 from the Storm & Surface Water Utility Fund
- \$32,220.61 from the Airport Fund
- \$2,082.00 from the Firemen's Pension Fund

**RECOMMENDATION**

It is recommended that the City Council approve the January 31, 2019 Payroll Vouchers No. 40682-40718, Direct Deposit Payroll Vouchers No. 10358-10461, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 219-223 in the amount of \$824,759.50.

**SUGGESTED MOTION**

I move that the City Council approve the January 31, 2019, Payroll Vouchers No. 40682-40718, Direct Deposit Payroll Vouchers No. 10358-10461, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 219-223 in the amount of \$824,759.50.



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**BY:** Rick Sahlin, Public Works Director  
Don Schmitt, Street/Storm Superintendent

**MEETING OF:** February 11, 2019

**SUBJECT:** Set Date and Time for Public Hearing Amending the 2019-2024 Six-Year  
Transportation Improvement Program

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**ISSUE**

A public hearing is scheduled to be included on the February 25, 2019, meeting agenda to provide the opportunity for comment and input on the city's proposed amendment to the 2019-2024 Transportation Improvement Program (TIP).

**DISCUSSION**

Funding opportunities for two transportation projects have become available for construction in 2019. To take advantage of federal STP funds, projects must be listed on the City's TIP, and entered into the Statewide Transportation Improvement Program (STIP). It is proposed that the 2019-2024 TIP be amended to include these projects in the 2019 year.

The projects are NE Kresky Avenue from National Avenue to NE Scott Johnson at the city limits at an estimated cost of \$875,000. The second project is on SW Interstate Avenue from SW Parkland Drive to the city limits at an estimated cost of \$625,000. These projects were selected for funding by the Transportation Strategy Council Governing Board because they had to be "shovel ready" to meet a requirement associated with the federal funding source -- Urban Surface Transportation Programs.

State law requires that a municipality conduct a public hearing to provide citizens the opportunity to comment on a proposed TIP or amendments to the TIP prior to its adoption. It is proposed that the required public hearing be held on Monday, February 25, as part of the regularly scheduled City Council meeting. The proposed amendment to the TIP will be presented to the public at that time. The administration will prepare a resolution amending the TIP for presentation to the City Council, pending any public comment.

**FISCAL IMPACT**

None at this time. Project cost estimates will be presented at the public hearing.

**RECOMMENDATION**

It is recommended that the City Council set February 25, 2019 at 5:00 pm as the date and time to conduct the public hearing concerning amendments to the City's 2019-2024 Six-Year Transportation Improvement Program, and prepare a resolution amending the TIP.

**SUGGESTED MOTION**

I move that the City Council set February 25, 2019 at 5:00 pm as the date and time to conduct the public hearing concerning amendments to the City's 2019-2024 Six-Year Transportation Improvement Program, and prepare a resolution amending the TIP.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**BY:** Trent Lougheed, Community Development Director  
Brandon Rakes, Airport Operations Coordinator

**MEETING OF:** February 11, 2019

**SUBJECT:** Resolution No. 2-2019, Second and Final Reading – Application and Acceptance of a WSDOT Grant in the Amount of \$140,184 for Taxiway Realignment Project

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**ISSUE**

The Chehalis-Centralia Airport would like to apply for and accept a grant from the Washington State Department of Transportation (WSDOT). This grant supplements a Federal Aviation Administration (FAA) grant that was previously awarded to the City for the Taxiway Realignment Project, which is included in the Airport Improvement Program (AIP).

**DISCUSSION**

Under the Airport Improvement Program, the FAA pays for 90% of the approved projects with the remaining costs split between the state and the sponsor. The City has received an award of FAA funds for the upcoming Taxiway Realignment Project and is now eligible to apply for funds available from the State of Washington for 5% of the project, which is \$140,184. The grant requires approval by the City as sponsors/owners of the Airport for the application and acceptance of the funding. This planned AIP project will:

- Realign taxiway connectors to 90 degrees
- Replace REILS for runway 16
- Create run-up areas for runways 16 and 34

Construction is planned for Summer 2019. FAA is funding 90% of the project. The remaining 10% of funding will be split between WSDOT (5%) and the Chehalis-Centralia Airport (5%). The City's local match is included in the adopted 2019 Budget.

Resolution No. 2-2019 was adopted on first reading at the January 28 City Council meeting.

**RECOMMENDATION**

It is recommended that the City Council adopt Resolution No. 2-2019 on second and final reading to authorize the City Manager to apply for and accept the WSDOT grant supplementing AIP Project Number 3-53-0012-018-2018 in the amount of \$140,184 for airport construction.

**SUGGESTED MOTION**

I move that the City Council adopt Resolution No. 2-2019 on second and final reading.

**RESOLUTION NO. 2-2019**

**A RESOLUTION OF THE CITY OF CHEHALIS, WASHINGTON, AUTHORIZING THE SUBMITTAL OF A GRANT APPLICATION FOR AIRPORT IMPROVEMENTS TO THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION.**

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

**Section 1.** The City of Chehalis hereby authorizes the submittal of a grant application for airport aid to the Washington State Department of Transportation for the specific purpose of realigning taxi ways and relocating the Runway Ends Identification Lighting (REIL) for runway 16.

**Section 2.** The elected officials support the application. The City further authorizes the City Manager to be the authorized representative of the City for signature purposes on any application with the Department of Transportation.

**Section 3.** The sponsor has the required matching funds available.

**ADOPTED** by the City Council of the City of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form and content:

\_\_\_\_\_  
City Attorney