

November 28, 2011

The Chehalis city council met in regular session on Monday, November 28, 2011, in the Chehalis city hall. Mayor Pro-tem Dawes called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Chad Taylor. Mayor Ketchum was absent (excused). Staff present included: Merlin MacReynold, City Manager; Amanda Vey, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; Becky Fox, Court Administrator; and Herta Fairbanks, Public Works Director. Members of the media included Bianca Fortis from *The Chronicle*.

1. **Santa Parade**. Chamber Executive Director Jim Valley reported the 62<sup>nd</sup> Annual Santa Parade would be taking place on Saturday, December 3, at 11:00 a.m. He noted the grand marshals would be J. (Jim) and Suzi Vander Stoep, adding the Vander Stoeps had been a part of the community for many years and their contributions were endless. Mr. Valley reported members of the Seattle Sea Gals would also be on board one of the floats as special guests of the parade. He noted following the parade, the Sea Gals would be at the Market Street Pub from noon to 1 p.m. for a meet-and-greet, adding the pub would be open to all ages during that time. Mr. Valley stated he looked forward to having Mayor Pro-tem Dawes as their Master of Ceremonies again this year.

2. **Continue Public Hearing on 2012 Proposed Budget and Revenue Sources, Taxes, and Levies**. City Manager MacReynold thanked the council budget committee once again for their involvement in the process. He also thanked the department directors and their staff for putting the budget together, adding it was a very time-intensive process. City Manager MacReynold reported they were presenting to the council a balanced budget with reserves better than the previous year. He reminded the council that they were going to have to look at the water, wastewater, and storm water utility rates early next year and would be coming back to them with information on that.

City Manager MacReynold felt the city was in good financial shape, and if their projections were correct, the city should end up with a reasonable ending fund balance at the end of the year.

Mayor Pro-tem Dawes closed the regular meeting at 6:05:51 p.m. and opened the public hearing. There being no public comment Mayor Pro-tem Dawes closed the public hearing at 6:06:34 p.m. and reopened the regular meeting.

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

- a. Minutes of the regular meeting of November 14, 2011; and
- b. Claim Vouchers No. 101488-101628 in the amount of \$165,192.16 dated November 15, 2011.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Administration Reports**.

a. **Update on Debt Issuance**. Eva Lindgren reported the city did very well on the issuance of the dept, noting we were able to get a better interest rate than another government agency rated the same and going out to sale at the same time. She reported the total all-in cost, including the issuance costs, came to approximately 3.86 percent. Ms. Lindgren noted everything sold by the day City Manager MacReynold was set to sign the paperwork. In response to the question that came up at the prior council meeting regarding what would happen if they didn't all sell, she reported there was another entity in Washington that didn't sell everything right away and ended up having to increase the interest rate in order to get people to buy them.

Ms. Lindgren reported the city issued \$1.155 million with a slight premium, and at the end of the year the 2011 General Obligation Bond Fund would have \$4,270 in it, once all of the bond issuance costs are paid.

b. **October Financial Report**. Mr. Lindgren reported on the general fund property tax, noting what they were seeing in the October report were September collections. She stated she obtained information from the Lewis County Treasurer's Office on the amount received through November 18, which showed we were on track with over \$495,000 in the general property tax and over \$94,000 in the emergency medical services tax.

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Ms. Lindgren reminded the council that the proceeds for the long-term debt would not be included in the November report because they would not receive the cash from the bond sale until December 6.

Ms. Lindgren reported because they went through the process of changing some language in the Chehalis Municipal Code (CMC) and getting the revised Capital Improvement Plan approved to include the maintenance labor, she was finally able to do the journal entry to move labor and benefit costs out of community development into the REET funds, making the community development department look much better. She noted they were not allowed to charge any labor costs that related prior to the date of the new law, which went into effect in July.

Mayor Pro-tem Dawes stated he wanted to confirm that the repayment to the water and wastewater funds would happen at the time the money was received for the bond sale. Ms. Lindgren reported a journal entry would be done just as soon as the city received the money, and briefly explained the transaction that would take place between the general fund and the water and wastewater funds. Mayor Pro-tem Dawes stated he just wanted to make sure the utility funds were where they are supposed to be at the time the rate study is done next year. Ms. Lindgren assured Mayor Pro-tem Dawes that the money would be there.

#### 5. Council Reports.

a. **Update from Councilor Spahr.** Councilor Spahr reported on the W.F. West Bearcat football game up at the Tacoma Dome, adding those who missed it missed one heck of a ball game. Councilor Spahr noted there was nothing but pride in the ball team, which showed in the way they handled themselves. Mayor Pro-tem Dawes stated he wasn't able to go up, but did watch the game on the computer. He felt the team did the community proud, adding they played very well.

b. **Update from Mayor Pro-tem Dawes.** Mayor Pro-tem Dawes reported he attended the monthly North Lewis County Regional Fire Authority Planning Committee meeting along with Councilors Spahr and Lund. He also attended the Business After Hours at John L. Scott Real Estate in Centralia on November 17.

Mayor Pro-tem Dawes reported, as everyone was aware, the Lewis County Historical Museum was going through a very difficult and intense reorganization. He noted, as a result of the reorganization, they were planning a grand re-opening on Friday, December 2, with a ribbon cutting ceremony at 5:30 p.m. Mayor Pro-tem Dawes indicated it would coincide with the "Evening with the Authors" event taking place from 5 p.m. to 7 p.m. He thanked all of those, including Councilor Lund, who had stepped in as volunteers to become heads of the organization to help steer them through this difficult time.

#### 6. Tabled Items.

a. **Appointment and Reappointment of Lodging Tax Advisory Committee Members.** Councilor Harris recommended that the council continue to table the item until the second meeting in January, adding there was nothing time-sensitive at the moment. There were no objections by the council.

7. **Ordinance No. 881-B Second and Final Reading – Revisions of Sewer Rates for Lewis County Water & Sewer District (LCW&S) #4 and Napavine for 2012.** Herta Fairbanks reported the agenda item was to confirm the change in rates for Napavine and LCW&SD #4 for sending their wastewater to our treatment plant. She noted the rates would be going up based on their flows from 2010. Ms. Fairbanks indicated they would be looking at the way the agreement was calculated as part of the sewer rate adjustment next year, noting they were always a full year behind by the time the city gets around to calculating the new rates annually. She stated, for the sake of parity between city retail and wholesale customers, it made sense to bring them all on par.

Councilor Spahr moved that the council pass Ordinance No 881-B on second and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

8. **Ordinance No. 883-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2012; Ordinance No. 884-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2012; and Ordinance No. 882-B, Second and Final**

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**Reading – Adopting the 2012 Budget.** Ms. Lindgren reported the agenda reports were very explanatory on what changes were made to the ordinances. She noted, based on comments received from the Lewis County Assessor's Office, the firemen's pension fund levy was rolled into the general levy, rather than having it as a separate reference. She noted when the city collects the money it would be recorded separately because we would know the relative portion for the general fund as opposed to the firemen's pension fund.

Ms. Lindgren reported the changes approved by the council at the last meeting were reflected in the 2012 budget document.

Councilor Harris moved to pass Ordinance Nos. 883-B, 884-B, and 882-B on second and final readings.

The motion was seconded by Councilor Spahr and carried unanimously.

**9. Ordinance No. 885-B, First Reading – Amending Section 5.16 of the Chehalis Municipal Code and Repealing Ordinance No. 640-B.** Ms. Lindgren reported the proposed amendments came out of a review she had to do of the CMC when working on the bond issuance. She stated the new language clarified what the underlying activity was when dealing with the lodging taxes.

Councilor Harris moved that the council pass Ordinance No. 885-B on first reading.

The motion was seconded by Councilor Taylor and carried unanimously.

**10. Ordinance No. 886-B, First Reading – Amending the 2011 Budget.** Ms. Lindgren reported this was the first reading of the budget amendment and the council should expect some additional changes at the second reading. She indicated there were still some adjustments that she was aware of that needed to be reflected, and she was still working with the departments to see what the needs were.

Councilor Taylor moved that the council pass Ordinance No. 886-B on first reading.

The motion was seconded by Councilor Pope and carried unanimously.

Councilor Pope asked if the funding received from the Chehalis Foundation was put into a special category, or if it went under the departments. Ms. Lindgren reported the city no longer nets donations against expenditures. She noted donations are recorded; however, what she tends to do is record cash that comes in as 'restricted' and it gets put into a separate account. Ms. Lindgren noted the city had several project numbers set up for the various foundation projects, so when money is spent they can run a report to see all of the expenditures that are for a specific foundation project and from there they reduce the reserve cash. Ms. Lindgren reported it was a process, but it made the city accountable.

**11. Ordinance No. 887-B, First Reading – Amending the City Parking Ordinance.** City Manager MacReynold requested that the item be pulled because there was some administrative work around the enforcement element that needed to be addressed.

Assistant City Attorney Amanda Vey reported, from the prospective of enforcement, she had a couple of concerns with regard to the provisions dealing with notice, specifically who was to receive the notice and how that notice was to be provided. She stated any impound actions taken by the city need to be defensible by the city, and the notice provision from her legal perspective was a little squishy. Ms. Vey wanted to see if they could tighten that up so there are fewer questions with regard to enforcement and notice.

**12. Fire on Washington and North Street.** Councilor Taylor inquired about the house fire near his home, and asked if the Fire Chief could give them some information on it.

Fire Chief Kelvin Johnson reported everybody was okay, adding the occupant and pets got out of the house safely and no personnel were injured. He noted there was significant damage to the home and they were still going through the investigative stage. Chief Johnson reported the preliminary information indicates that potentially it could have been caused by a

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candle in the home. He suggested that candles in homes need to be dealt with very cautiously and not left unattended. Chief Johnson reported part of the problem was the age and construction of the building. He stated the home had balloon frame construction, meaning the walls and framing go from the ground floor directly to the attic and have no fire-stops in them. He added once the fire gets into an area like that it's very difficult to control.

Councilor Taylor asked if the Chief knew what the response time was, adding some neighbors he talked with felt it took them a long time to put water on it. Chief Johnson reported he didn't have that information with him, but added being a responder, it seems like an enormous amount of time when you're standing there waiting for something to take place. He stated if the council needed further information it was all available to them.

Mayor Pro-tem Dawes thanked everyone for coming, especially staff that came ready to answer any and all questions about the 2012 budget. He stated he appreciated their work throughout the year in monitoring the budget, as well as preparing them. Mayor Pro-tem Dawes felt they had gone through a real change in how budgets are prepared in the last few years, adding they had streamlined it down pretty good.

There being no further business to come before the council, the meeting adjourned at 6:35 p.m.

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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 November 28, 2011.**