

August 6, 2012

The Chehalis city council met in a work session on Monday, August 6, 2012, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:02 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Chad Taylor. Councilor Dawes was absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; and Peggy Hammer, Human Resources Administrator.

1. **Work Session to Review 2012-2013 Financial and Organizational Strategies.** City Manager MacReynold started the work session by first reviewing the 2012 goals and objectives of the Council, which included:

- Continue to maintain fiscal viability of city
- Continue street maintenance throughout the city
- Continue downtown aesthetics and infrastructure improvements
- Complete and approve updated city Comprehensive Plan (which includes the Parks Comprehensive Plan)
- Continue working cooperatively with other fire districts to explore feasibility of a Regional Fire Authority
- Continue improvements to city parks and explore ongoing funding
- Continue involvement in the Lewis County campus project
- Support the development of "Stream Team" to enhance local streams, using youth and volunteers
- Continue to cooperatively work on regional flood issues
- Hold quarterly meetings between Centralia and Chehalis council committees and/or City Managers

City Manager MacReynold reported a few of the goals had been completed while many are still ongoing. He noted the Lewis County Campus project was totally on hold until the economy turns around.

City Manager MacReynold stated at their last Chehalis-Centralia Cooperative meeting they had a discussion about holding a joint council meeting between the two cities in September to talk about funding of street projects and to look at the range of options available. He reported they also wanted to look at the issue of transportation district funding, which would be a fee placed on all cars licensed within a community.

City Manager MacReynold briefly reviewed the financial and organizational strategies that were developed a couple of years ago. The council was provided a write-up showing what was estimated, where the city is financially, and where it expects to be by the end of the year. Additionally, some explanation was given on each of the long-range options.

City Manager MacReynold reported the following information with reference to the long-range options:

- Annexation: review existing documents to determine strategy, cost and benefits, third part assistance, and budget implementation.

Councilor Taylor wondered when they might see a strategy draft plan of what the pieces of the annexation would be. City Manager MacReynold reported they would need some assistance and would have to spend a little money to realistically put a strategy plan together. He noted the strategy was to begin this year and hopefully have something done next year as to how we plan to proceed. City Manager MacReynold suggested there were properties we could annex that have higher value and little service needs that we can focus on. He indicated they would also have to go through the Lewis County Boundary Review Board process, adding they would certainly be scrutinizing everything we do.

Councilor Taylor asked what a realistic number would look like for putting something together. City Manager MacReynold suggested it might be in the \$25,000 to \$30,000 range.

- Mitigation of National Avenue Property: Project is proceeding, but not expected to see any revenue until 2013 or 2014. Currently going through the permitting process. Resolution discussion should be brought to the council for consideration the first half of 2013.

Mr. Nacht noted, with the current economic downturn, several of the agencies involved have laid off a number of key people who do the review process, which is slowing the process down at the state and federal level.

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- Comprehensive re-evaluation of city's telecommunication needs: IT Committee has been established to look at these kinds of issues on a citywide basis. At this point the administration is dealing with our telephone system on a case-by-case basis and feels it is adequate at this time.
- Increase of Various Fees: Need to review and determine who pays and who benefits.

City Manager MacReynold reported there were a number of fees to be looked at. He provided a spreadsheet showing the current and proposed increases. He noted they were not fast-tracking any increases, but would be looking at bringing something to the council in 2013 to consider.

Councilor Taylor asked if our fees were based on the actual costs. Bob Nacht reported most of our building permit fees were based on a published schedule (the International Conference of Building Officials Uniform Building Code). He stated the current fee structure was adopted in 1997 and does not cover the cost of doing business.

- Community Development Director impending retirement, replacement and departmental adjustment for permit technician position based upon change in duties.

City Manager MacReynold reported they looked at a possible reorganization; however, it would end up costing the city more to shuffle people around. He noted they would go through the process of replacing Mr. Nacht and would be looking to upgrade one position in the community development department to reflect the job duties they are currently doing.

The Council talked briefly about the replacement of Mr. Nacht and suggested City Manager MacReynold have someone on board before Mr. Nacht leaves, so he can work with them to get them up to speed on everything. City Manager MacReynold stated he appreciated the comments, and he would be working with Mr. Nacht to figure out the transition. He noted they would be starting the hiring process this year and planned to have someone lined up to start the first of next year.

- Allocate banner on city's website for advertising by local vendors: Long term future project that needs administrative and legal review prior to bringing before council for consideration.

Councilor Lund wondered if we could speed this project up and use the money to put towards holiday decorations. City Manager MacReynold reported the Chehalis Foundation was talking about funding the holiday decorations at a pretty hefty amount. Councilor Lund suggested they would still need money for repairs and maintenance.

- Determine need for strategic planner position in Community Development based upon recommendation of new director.

City Manager MacReynold stated the city needed to focus more energy and resources on our environmental enforcement and planning.

Councilor Harris suggested a lot of agencies were running into similar problems financially and wondered if there were people who do "planning" on a contract basis. City Manager MacReynold believed there were, adding AWC would probably have a list of those individuals. He stated the new director would need to explore what our needs are, based on what they bring to the city.

Councilor Pope proposed that we look into an intern program. City Manager MacReynold stated that was a good recommendation.

- Implementation of Regional Fire Authority: Planning Committee meeting to determine cost/benefit. 2012-2013 analysis phase and council, board and citizen possible considerations. If approved by voters, implementation could possibly happen in 2014.

City Manager MacReynold reported he and Councilor Dawes, Chairman of the North Lewis County Regional Fire Authority Planning Committee, sat down and talked about the feasibilities and challenges of moving forward procedurally.

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Councilor Spahr reported there were a lot of things to consider, but felt they would get there pretty quick.

Councilor Lund stated it might be a little more difficult since they can't include Fire District #5 because they were not contiguous. City Manager MacReynold suggested the numbers in the report did not include District #5 at this point, but on a bigger scale, Councilor Lund was correct. He noted District #5 representatives were still attending the meetings.

City Manager MacReynold reported he attended a workshop last week where they had a discussion about services, and maintaining them in our current economic situation. He noted if the economy wasn't going to change in the foreseeable future, they would need to start looking at how to deal with maintaining service levels to deal with costs and growth. City Manager MacReynold felt we had started that process and were headed down the right path with regard to fire services. He noted there have been past discussions about what services the cities provide and what services the county provides, and should we be duplicating services.

City Manager MacReynold suggested this may be the right time for the city to provide some leadership on taking a look at the bigger picture and revisiting the issue. He reminded the council that they were the ones who provided the leadership to this region around flood mitigation, and it's made a huge difference.

Councilor Taylor asked if the consolidation of the Centralia Fire Department and Fire District #12 ended up being a benefit to the city and the citizens. Councilor Spahr stated it would depend on who you talk to. He reported it was a bit of a shock for the people in District #12 because they didn't have an EMS levy at the time. Councilor Spahr noted the first time they put it on the ballot it was voted down, which was one of the reasons they want ours to go to a ballot, so the people can make the decision.

- Evaluate building space needs to identify potential savings on electricity and/or natural gas: Ongoing based upon changes in the administration; consideration may be given to consolidation of services.
- Police department gambling funding ends with \$90,000 needed to maintain existing positions through 2013: Incorporate this as part of constraint budget for police department. Consider this as part of the 2013 budget development process for the administration, council budget committee, and final formal consideration by the council.

Councilor Taylor suggested our police vehicles needed to be replaced as part of the city's capital improvement plan. He stated he would like to see more patrol officers and cars out on the streets.

Councilor Taylor asked if there was a way to fund the two police positions currently being funded by gambling enforcement money, out of the general fund. He suggested it would be nice to have money in an account that the police department can use to update vehicles and/or provide training for the officers.

Police Chief Glenn Schaffer reminded the council that the gambling fund money was specific to gambling enforcement and investigation activities, and could only be used for those purposes.

Councilor Harris inquired about the proposed increase to fees, asking what the estimations were based on. City Manager MacReynold reported the departments projected the numbers based on what currently exists. Mr. Nacht reported they used fiscal year July 2011 through June 2012.

Councilor Pope proposed they consider implementing a restrictive impact fee to be used for parks and recreation. He stated our parks were nice, but they could be better and offer more recreation. Councilor Taylor thought it would be interesting to look at.

City Manager MacReynold stated if the council wanted to head down that path the administration would certainly bring it to them for consideration, but noted impact fees were a very sensitive subject in Lewis County.

2. **Lodging Tax Funding**. City Manager MacReynold reported they were gearing up to start the process with the Lodging Tax Advisory Committee (LTAC) for next year, and they would like some clarification and guidance on the issue of the 75/25 split of the lodging tax funds. City Manager MacReynold provided the council with a summary of who the other

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organizations were, along with some history of the amounts of funding provided. He believed it was the council's desire to put a lot more focus on improving our ball parks in the community.

Councilor Taylor asked if the city had a project in mind for next year. City Manager MacReynold reported the direction by council was to focus our efforts on Recreation Park. He noted the design work for Recreation Park should be done in 2012 and implementation in 2013.

Councilor Pope stated, since ball tournaments provide for most of the heads-in-beds, the council should support giving a greater percentage to help promote those programs, but it didn't necessarily have to be a 75/25 split. He thought the city should have to put in a request for what we need and let the LTAC make their recommendations.

Councilor Lund suggested, if the fields were in better shape and drained properly, they could have a lot more activities. He noted what people were telling him was, they need new infrastructure in the fields. City Manager MacReynold stated that was the feedback he was hearing, as well.

Mr. Nacht reported based on the conversation they had last year regarding lodging tax money, the city entered into a contract for a three-phase approach to the Recreation Park rebuild. The first phase was for civil design, which we have; Phase 2 was construction documents/plans and engineer estimates of what it would cost to implement the civil design; Phase 3 would be construction bidding and management under the contract. Mr. Nacht reported they were in the process of accomplishing the construction design and had a contract for that. He noted they intend to bring the project forward to the LTAC and expected it to be a fairly large sum of money to completely redo the park. Mr. Nacht stated their goal was to implement the council's goal of rebuilding Recreation Park, sooner rather than later.

Councilor Harris stated there were concerns by some of the LTAC members regarding the 75/25 split. One issue was in regards to partners of the city (the Veterans Museum, the Steam Train, the Bridal Show, and the Lewis County Historical Museum). He asked if what the committee recommends for those agencies would come out of the 75 or the 25 percent. Councilor Harris suggested the committee needed clearer direction from the council before they meet, so they know what kind of pot of money they are dealing with.

Mayor Ketchum stated it was his understanding that the committee had 25 percent of the pot of money to give out to everyone else. He asked if the council wanted to stick to the 75/25 split, or come up with something else knowing they still support funding parks and recreation.

Councilor Spahr recommend that the city be required to submit an application for funding and let the committee make the decision because they are all well aware of who and what puts the heads-in-beds.

After further discussion, the council recommended that the administration provide a motion for the council to consider at the next regular meeting, giving the committee direction to make recommendations on the allocation of the lodging tax funds with the understanding that using the funds for improvements and enhancements of our recreation facilities at Recreation Park and Stan Hedwall Park are a high priority for the city.

3. **Stan Hedwall Park Ownership.** City Manager MacReynold reported the ownership of Stan Hedwall Park has been something the council has talked about over the past several years. He noted the current lease on the park was through June 1, 2026. City Manager MacReynold reported, a couple of years back, he and Mayor Ketchum met with one of our State Legislators and were under the impression that there could be something done through the legislative process to provide the city ownership of the park, but unfortunately that did not happen.

City Manager MacReynold reported he's had some conversations with someone in the community who has some lobbying experience and is interested in working with the city to try and get possession of the Stan Hedwall Park. He felt this was a very important issue and perhaps it may be that we need some assistance from others to meet with our Legislative delegation.

Mayor Ketchum reported the individual who approached the city supposedly has a good relationship with the Legislators. He felt it was a very minimal amount of money they were asking for to try to get Stan Hedwall locked up.

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Councilor Pope stated the sooner we start working on it, the better we will be.

Councilor Harris suggested they needed to come in the right door before they start raddling any cages, otherwise, it could backlash on us. He stated anything to make it permanent would be a huge benefit.

Mayor Ketchum felt there was enough support from the council for City Manager MacReynold to move forward on it.

4. **Flood Authority Update.** City Manager MacReynold reported that a project proposal had been provided for the Jobs Bill to do improvements at the base of the levee. He noted they were looking at a two-phase process to raise the levee at the airport, which was approved by the Flood Authority and funded at \$1.2 million. City Manager MacReynold indicated there were some questions asked by the Washington State Office of Financial Management and the Chehalis Tribe regarding the project, and Airport Manager Allyn Roe did a very good job of responding to those questions.

City Manager MacReynold reported the council was notified about a draft report that recently came out on the work being done for the Ruckelshaus Center by Project Manager Jim Kramer. He talked briefly about the basin-wide solution report that will be going to the Legislature and the Governor's Office. He noted the Governor's Office put together a small committee to develop a proposal to move forward on, which should be built into her proposed budget for the next two-year period.

Councilor Taylor stated they were pretty encouraged by the Ruckelshaus report, noting there were four recommendations and at least two of them included water retention with the use of a dam.

City Manager MacReynold stated the basin-wide solution continues to get attention and more is being done on it.

5. **Louisiana Avenue/Airport Road Connection.** Councilor Harris inquired about the Louisiana Avenue/Airport Road connection project. He noted the level of the dike where they cut into it to make the connection was clearly about three feet lower than the rest of the dike. Councilor Harris stated he wasn't exactly sure how much roadbed would be added, and wanted to make sure that the engineering of the project matches what we will be doing down the road.

City Manager MacReynold reported the area where the connection will take place had already been raised, adding the engineers recognize the issue and are dealing with it.

Mr. Nacht reported the Washington State Department of Transportation (WSDOT) project was designed to a certain set of parameters that were established about a year ago with the expectation that the levee would be elevated sometime in the future. He noted because all of the elevations were in a state of flux, they couldn't design to something that they didn't know what the answer was, so they established a set of parameters with the expectation that everything would get higher in the future. Mr. Nacht stated there may be a need to elevate the road a little in the future, but there were ramping and other issues that will have to be addressed that cannot be addressed by the current project.

6. **Steam Train.** Councilor Lund asked if City Manager MacReynold could share a little bit about his meeting with members of the Chehalis-Centralia Railroad & Museum.

City Manager MacReynold reported he and the Mayor were asked to meet with a group of steam train members with the impression that they had questions about the possibility of WSDOT's wall to protect I-5. He noted they ended up having a much broader discussion about the steam train and future development and alternatives.

City Manager MacReynold stated one of the issues that came up during their discussion was the interest by the steam train of being able to access the Tacoma Rail line to go north, or the possibility of ownership of it. He noted the members did have some discussion with Tacoma Rail about the city having an interest in the rail line.

City Manager MacReynold talked briefly about the interest of the local steam train activists to be able to go to places like Centralia and the Great Wolf Lodge. He suggested those kinds of opportunities would make significant improvements with reference to marketing and future growth.

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City Manager MacReynold reported he committed to having some communication with Tacoma Rail to find out what their interest was with reference to maybe passing ownership of the rail line on, or leasing it. He believed there was some growing interest by certain members to really begin to expand their service and to look at other opportunities for growth.

Councilor Lund felt there was also some fear about the line getting tore up and them not being able to get to the machine shop in Mineral, Washington, for future repairs on the locomotive. He suggested the Port of Chehalis might be interested in working with us on trying to get Tacoma Rail to give the tracks to the city.

City Manager MacReynold noted there still might be some level of interest in the community with reference to pulling up those rail lines to expand the Rails-to-Trails project, to make it a connection between the two communities.

7. **New Storm Water Regulations.** Councilor Spahr reported he heard on the news that there were some new storm water regulations going into effect in five years and wanted to know how they might impact the city. City Manager MacReynold reported he couldn't answer that question.

Councilor Spahr reported one of the requirements for urban centers will be, if you do development you have to keep the storm water on the property.

Councilor Harris reported the Chehalis River Basin Partnership had been discussing the issue, noting during any redevelopment or remodeling project the state will be requiring retainage or drainage. He believed the state was trying to get rid of as much impervious surface as they can.

There being no further business to come before the council, the meeting adjourned at 6:47 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the special work session of August 6, 2012.