

January 28, 2013

The Chehalis city council met in regular session on Monday, January 28, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope was absent (excused). Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Dennis Osborn, Community Development Director; and Eva Lindgren, Finance Manager. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

a. Minutes of the regular meeting of January 14, 2013;

b. Claim Vouchers No. 105043-105160 in the amount of \$196,342.24 dated January 15, 2013; Claim Vouchers No. 105161-105218 in the amount of \$393,221.73 dated January 15, 2013; and Claim Vouchers No. 105219-105229 in the amount of \$17,255.26 dated January 18, 2013; and

c. Approve council committee/board appointments for 2013.

The motion was seconded by Councilor Spahr and carried unanimously.

2. **Administration Reports.**

a. **Quarterly, November and December Financial Reports.** City Manager MacReynold reported on the fourth quarter financial report for 2012, noting we continue to work at building up the ending fund and beginning fund balances. He noted he was encouraged by what was going on, especially with the sales tax improvement over the past few months.

City Manager MacReynold reported briefly on the revenues and expenditures for November and December, noting the reports indicate we keep doing a little better each month.

b. **Quarterly Sales and Use Tax Report.** City Manager MacReynold stated the December sales and use tax report was about 10.7 percent higher than last year. He noted overall the city had eight months of positive numbers in 2012 versus what we've been experiencing in the past.

Councilor Lund asked if the council could receive information on the amount the city has in delinquencies in the water and sewer utilities funds.

Councilor Harris commented on the sales and use tax report, noting it was hard for him to believe that the city had come within a \$50,000 window three years in a row with regards to revenue received. He stated that number is dictated to us by the Washington State Department of Revenue and it appeared they are trying to keep us as flat-lined as possible.

Councilor Spahr agreed that the state did have us flat-lined for the last three years, and down tremendously from 2008.

Councilor Dawes stated, in looking at the sales tax revenue, it took a year after the 2007 flood before they started to see a downturn and submitted that it probably tied in fairly closely with the state's enactment of the streamlined sales tax. He suggested the term "highly suspicious" comes to mind, adding there were no checks and balances with the state's system to tell how many things had been purchased and delivered here in Chehalis.

Councilor Harris reported briefly on internet sales, adding he could not believe that aspect of revenue hasn't affected it in some way.

c. **Update on General Obligation (G.O.) Bond Reporting Requirements.** Finance Manager Eva Lindgren reported when they issued the 2011 G.O. bonds it was made very clear that the council is responsible for ensuring that all of the appropriate reporting happens. She stated the administration was instructed to keep the council apprised at least annually on meeting the reporting requirements.

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Ms. Lindgren reported she submitted the city's unaudited financial reports last September and submitted the audited financials in early January 2013. She noted the report was just a follow up and included a copy of the "Evidence of Successful Submission."

3. Council Reports.

a. **Update From Councilor Dawes.** Councilor Dawes reported he attended the pool project presentation at the V.R. Lee Building, noting the information provided was along the same line as what was provided to the council at their last meeting. He noted they did get a few more suggestions of things they will consider.

Councilor Dawes reported on the first meeting of the new fire planning committee, adding the removal of Lewis County Fire District #6 presented a whole new set of numbers to crunch. He indicated they were moving towards the functional consolidation stage, which would involve working as one, but maintaining separate budgets. Councilor Dawes suggested they will probably integrate some personnel over here, so the station has more staffing than it has now. He reported they were going to have to look at the numbers to see what it all means and would have more to report as they continue meeting.

b. **Update on Chehalis Avenue Issues.** Councilor Spahr asked to receive an update regarding the issues they've been having on Chehalis Avenue.

Police Chief Glenn Schaffer reported the bars continue to be busy and they were working on some different avenues to try and solve the problems, adding it was nothing he could report on right now.

Councilor Spahr asked if they were going to get a group of people together to try and solve their own problems. Chief Schaffer stated they were talking about that, they just haven't got to that point yet. City Manager MacReynold indicated they were also exploring some other avenues.

c. **Update From Councilor Harris.** Councilor Harris reported he attend the Lewis County Economic Development Council banquet on January 24, adding it went very well. He also attended the Chehalis River Basin Partnership meeting, noting he wanted to talk with Councilor Spahr after the meeting, since he was so much a part of that group at one time.

Councilor Harris reported he along with other councilors attended Bob Nacht's retirement party on January 18. He thanked everyone for coming out to help celebrate. Councilor Harris thought it was the right time for Mr. Nacht to leave, adding he was ready to retire and he was glad to see him gone, but in good way.

d. **Sister City Delegation.** Mayor Ketchum announced that our sister city, Inasa, Japan, has invited the city to send a delegation over to visit this year. He stated they were looking for 10 to 15 individuals to travel to Inasa from April 3 through April 10. Anyone interested should contact city hall by February 4.

4. **Resolution No. 03-2013, First and Final Reading – Directing Steps be Taken to Review Potential Service Changes and Cost Savings Through Collaboration and Partnering of County and City Services, and Internal Support Functions.** City Manager MacReynold reported the council has been informed as they've progressed, working with Lewis County and primarily the city of Centralia on the idea of partnering together to provide services. He noted it has been an item for discussion at the Mayors', City Managers', and Commissioners' meetings, as well.

City Manager MacReynold reported both the county and the city of Centralia have passed resolutions in support of the idea of looking into the possibility of partnering and/or reducing duplication of services.

City Manager MacReynold stated this was a different approach than what's been considered in the past. He noted it would be more of an administrative process that would include reporting to the elected officials as they go through the process. City Manager MacReynold stated the first meeting would primarily be the county's lead person, Rob Hill from Centralia and himself. He noted they would be looking at the range of services being provided to determine what makes sense for them to start working on.

Councilor Spahr moved to adopt Resolution No. 03-2013 on first and final reading.

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The motion was seconded by Councilor Harris and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 6:19 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of January 28, 2013.