

**REVISED AGENDA TO ADD ITEM NO. 7**

**CHEHALIS CITY COUNCIL AGENDA**

CITY HALL

350 N MARKET BOULEVARD, CHEHALIS, WA 98532

Anthony E. Ketchum Sr., District 3 Mayor		
Terry F. Harris, District 1, Mayor Pro Tem Daryl J. Lund, District 2 Dr. Isaac S. Pope, District 4		Dennis Dawes, Position at Large Chad E. Taylor, Position at Large Bob Spahr, Position at Large

**Regular Meeting of August 12, 2013**

**5:00 p.m.**

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
1. <u>Call to Order.</u> (Mayor)		
2. <u>Pledge of Allegiance.</u> (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.		
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SPECIAL BUSINESS		
3. <u>Interview applicants for Planning Commission Vacancies.</u> (Mayor, Council)	---	1

PRESENTATIONS		
4. <u>Pictometry Demonstration.</u> (Project Manager Matt Hyatt and LC Public Works Director Tim Elsea)	---	

CONSENT CALENDAR		
5. <u>Minutes of the Special Work Session of July 15, 2013, the Regular Meeting of July 22, 2013, and the Special Meeting of July 31, 2013.</u> (City Clerk)	APPROVE	4
6. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	15
7. <u>Award Bid for Chehalis Avenue Beautification and Overlay Project to Nova Contracting, Inc., in the amount of \$684,000 and Authorize City Manager to Execute Contract Agreement.</u> (City Manager, Street Superintendent)	AWARD BID FOR CHEHALIS AVENUE BEAUTIFICATION AND OVERLAY PROJECT TO NOVA CONTRACTING INC., IN THE AMOUNT OF \$684,000 AND AUTHORIZE CITY MANAGER TO EXECUTE CONTRACT AGREEMENT	16-A

ADMINISTRATION AND CITY COUNCIL REPORTS		
8. <u>Administration Reports.</u>		
a. Update on Regional Fire Authority Planning Committee progress. (Fire Chief)	INFORMATION ONLY	17
9. <u>Council Reports.</u>		
a. Councilor reports. (City Council)	INFORMATION ONLY	
b. Council committee reports. (City Council)	INFORMATION ONLY	

UNFINISHED BUSINESS		
10. <u>Authorize City Manager to Execute Interlocal Agreement Between the City and Lewis County Establishing a Cost Sharing Partnership for Licensed Pictometry Imagery and Software Services.</u> (City Manager, Street Superintendent)	AUTHORIZE CITY MANAGER TO EXECUTE INTERLOCAL AGREEMENT	18

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON  
OTHER ITEMS NOT LISTED ON THIS AGENDA**

**NEXT REGULAR CITY COUNCIL MEETING WILL BE ON MONDAY, AUGUST 26, 2013**

**CITY OF CHEHALIS  
AGENDA REPORT**

DATE: August 6, 2013  
TO: The Honorable Mayor and City Council  
FROM: Dennis Osborn, Community Development Director  
SUBJECT: Interview Applicants for Appointment to the Chehalis Planning Commission

**ISSUE**

The city currently has two vacancies on the Chehalis Planning Commission. The 4-year term of Arnold Haberstroh expired at the end of 2012 and he does not wish to be reappointed. Adam Holgate, whose term expires at the end of 2013, recently submitted his resignation from the Commission.

**DISCUSSION**

On July 22, the city council interviewed Craig Steepy who wished to be considered for appointment to the Commission. Because there are currently two openings, the city clerk re-advertised to obtain additional applications for consideration. Applications were received from Charles Pollock and Brandon Johnson.

Appointments to the Commission are made by the mayor and confirmed by the city council. The mayor will need to consider one appointment for the 4-year term, and one appointment to fill the unexpired term of Mr. Holgate through December 31, 2013. The applications from both applicants are attached for review.

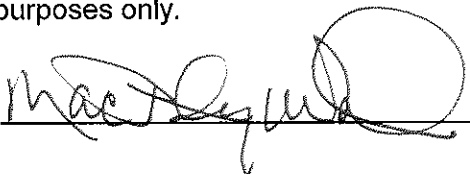
The Chehalis Planning Commission is responsible for reviewing all plats and plans of subdivisions of land within the city or proposed additions, as well as dedications of streets and alleys, and makes recommendations and reports to the council. One of the main responsibilities of the Commission is to review the comprehensive plan for the city and to prepare amendments as needed, or as directed by the city council.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

No action required at this time. Appointments are made by the Mayor and ratified by the council.

**SUGGESTED MOTION**

For interview purposes only.

Reviewed by:  \_\_\_\_\_, City Manager

**City of Chehalis APPLICATION FOR APPOINTMENT**

Date 8-6-13

(The city of Chehalis accepts applications from anyone residing in the city limits of Chehalis, who meet the required criteria for each Board, Commission or Committee. Please see below the corresponding RCW, CMC or Resolution for appointment criteria. For more information contact city clerk at 360-345-1042)

I wish to be considered for appointment to the following board, commission, or committee:

- Airport Board (RCW 14.08)
- Lodging Tax Advisory Committee (Resolution 1-98)
- Historic Preservation Commission (CMC 2.66)
- Civil Service Commission (CMC 2.56 and RCW 41.08-Fire, RCW 41.12-Police)
- Sister City Committee (CMC 2.80)
- Planning Commission (CMC 2.48)
- Library Board (RCW 27.12)
- Other \_\_\_\_\_

Please print

Name Charles L. Pollock

Present employer Self

Employer address \_\_\_\_\_ Phone No. 360-520-5483

Fax No. \_\_\_\_\_ E-mail cpollock@thasuperhighway.com

Home address 190 Macomber Rd. Home Phone No. 360-740-1599

Have you previously or are you now serving on any of the above mentioned?  Yes  No

If yes, please explain \_\_\_\_\_

Date available for appointment 9-1-13

Available to attend Evening meetings?  Yes  No Daytime meetings?  Yes  No

Approximately how many hours each month can you devote to city business? As Needed

Brief statement of qualifications for position and reason for requesting appointment.  
Lifetime Resident, US Navy "Seabee", Construction  
As Occupatary, Civil Engineer Tech,  
Designer / Developer

Signature Bob Pollock Bob

Please return completed form to: Office of the City Clerk  
350 N Market Blvd Rm 101, Chehalis WA 98532

Please indicate where you wish meeting information to be mailed and how you would like to be reminded of meetings (e.g., phone, e-mail, cell phone) \_\_\_\_\_

E-mail, Cell Phone/text

**City of Chehalis APPLICATION FOR APPOINTMENT**

Date 8/5/13

(The city of Chehalis accepts applications from anyone residing in the city limits of Chehalis, who meet the required criteria for each Board, Commission or Committee. Please see below the corresponding RCW, CMC or Resolution for appointment criteria. For more information contact city clerk at 360-345-1042)

I wish to be considered for appointment to the following board, commission, or committee:

- Airport Board (RCW 14.08)
- Lodging Tax Advisory Committee (Resolution 1-98)
- Historic Preservation Commission (CMC 2.66)
- Civil Service Commission (CMC 2.56 and RCW 41.08-Fire, RCW 41.12-Police)
- Sister City Committee (CMC 2.80)
- Planning Commission (CMC 2.48)
- Library Board (RCW 27.12)
- Other \_\_\_\_\_

Please print

Name BRANDON JOHNSON

Present employer SCJ ALLIANCE ENGINEERING AND PLANNING

Employer address 2102H CARRIAGE DR Phone No. 360-352-1465  
OLYMPIA, WA

Fax No. \_\_\_\_\_ E-mail BRANDONJ@SCJALLIANCE.COM

Home address 116 NAROLA DR Home Phone No. 360-269-6346

Have you previously or are you now serving on any of the above mentioned?  Yes  No

If yes, please explain \_\_\_\_\_

Date available for appointment ANY

Available to attend Evening meetings?  Yes  No Daytime meetings?  Yes  No

Approximately how many hours each month can you devote to city business? 16 TO 24

Brief statement of qualifications for position and reason for requesting appointment.

I AM A PRACTICING LAND DEVELOPMENT ENGINEER, FOCUSING ON COMMERCIAL AND INDUSTRIAL PROJECTS THROUGHOUT THE WESTERN UNITED STATES. I HAVE BEEN PART OF 100'S OF PLANNING COMMISSION MEETINGS ASSOCIATED WITH THOSE PROJECTS.

Signature 

Please return completed form to: Office of the City Clerk  
350 N Market Blvd Rm 101, Chehalis WA 98532

Please indicate where you wish meeting information to be mailed and how you would like to be reminded of meetings (e.g., phone, e-mail, cell phone) E-MAIL

July 15, 2013

The Chehalis city council met in a work session on Monday, July 15, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 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; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Dale McBeth, Chehalis Municipal Court Judge; Becky Fox, Court Administrator; Dennis Osborn, Community Development Director; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; and Herta Fairbanks, Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Work Session to Review 2013-2015 Financial and Organizational Strategies.** City Manager MacReynold started the work session by covering the 2013-2015 financial and organizational strategies. He reported the following information with reference to the long-range options:

- Determine need for building official position (changed from strategic planning position) in the community development department based upon recommendation of new director: The administration will determine need in the future and funding feasibility. Projected cost for the position would be \$71,840.
- Implementation of Regional Fire Authority: On-going task. The Council and Regional Fire Authority Planning Committee will consider start of the functional consolidation in July 2013. Planning Committee to determine cost/benefit and feasibility of engaging in a functional consolidation. 2012-2014 analysis phase and council, board and citizen possible considerations. Implementation of consolidation, if approved by voters, possible in 2015. The council approved an interlocal agreement with Riverside Fire Authority for Fire Chief Administration and Management Services effective April 24, 2013.
- Sale of mitigation credits on National Avenue property: On-going task. \$1.2 million projected benefit, but do not expect any revenue until the end of 2013-2014. Sale of mitigation credits will begin before the end of the year and the city is the first in line to receive revenue from the sale according to the agreement. City recently signed amendment to the agreement making it current.
- Evaluate building space needs to identify potential savings on electricity and/or natural gas: Ongoing task. Based upon changes in administration needs. Consideration may need to be given to space needs based upon changes in service needs and staffing. Will be looking at other funding sources, such as grants.
- Police department gambling funding ends with \$90,000 needed to maintain existing positions through 2013: Loss of gambling funds was covered in 2013 budget through general fund revenues. Projected additional impact in 2014 is approximately \$170,000. This increase to the General Fund is very significant considering all other cost increases that are taking place with benefit coverage for employees and three union negotiations taking place.
- Consideration of fee increases to cover actual costs to the city: A committee has been formed to put a proposal together for consideration in the 2015 budget.
- Airport Ownership: City and Lewis County workgroup are currently evaluating the possible transfer of the county's interest in the airport to the city. Legal transfer documents have been completed. Property and title issues have been researched and completed. Financial audit by the State Auditor's Office is complete with no findings of significance. Documents, timeline and organizational structure need to be completed in preparation for presentations to the Lewis County Commission and the Chehalis City Council. City Manager will be developing a proposed organizational structure for the airport should the county commission be willing to transfer ownership to the city.
- Annexation: Community Development Director is working with City Manager to develop a five-year strategy plan to begin to implement in 2013. Once strategy plan is developed, a briefing with the city council will take place.

Councilor Taylor asked if it wouldn't be prudent to have someone attending the Airport Board meetings to answer any questions that might come up and to back up the decisions of the council. City Manager MacReynold suggested it wouldn't hurt to have representation there. He noted two of the city's representatives have recently dropped off, so we really only have two representatives on the board at the moment. This includes the rotating position that expires at the end of 2013.

July 15, 2013

Councilor Dawes stated it was really up to the city and county to decide on the future ownership of the airport. He didn't believe there was any real value in attending the board meetings because they wouldn't have any authority to do anything, and it might send the wrong signal. Councilor Dawes suggested they just let the process play out, adding he had confidence in the people who are working on it.

Councilor Harris inquired as to how difficult it would be for the accounting department to close out one year and start the next year taking over another department. City Manager MacReynold reported he and Finance Manager Eva Lindgren have had some discussions about the transition, adding she was clearly in support of the concept of having it take place at the beginning of next year. He noted, if it does move forward, they would need to spend more time analyzing it and would need to get with the county because they are the ones who have done the yeoman's part of the financing.

Councilor Dawes thought it was important to note that it would not happen unless both parties agree.

City Manager MacReynold reported, with regards to annexation, the urban growth area was approved by the county and is basically ours for future annexation. He suggested they take a little different approach and stair-step their way out and work with the parties impacted to try and minimize the impact.

## **2. Discuss 2014 Projects and Issues.**

City Manager MacReynold briefly discussed the 2013 goals and objectives of the Council, which included:

- Continue to maintain fiscal viability of city - accomplished
- Continue street maintenance throughout the city – accomplished
- Continue downtown aesthetics and infrastructure improvements - accomplished
- Continue working cooperatively with other fire districts to explore feasibility of a Regional Fire Authority - accomplished
- Continue improvements to city parks and explore ongoing funding - accomplished
- Continue to cooperatively work on regional flood issues - accomplished

Other major projects started in 2013:

- Improvement of the swimming pool, including new pool building funded by the Chehalis Foundation
- Possible transfer of County's partial ownership for the Chehalis-Centralia Airport to the city of Chehalis
- Possible Tacoma Rail ownership
- County-Cities cooperation and service study
- Louisiana Avenue connection to Airport Road and the Mellen Street Project in Centralia
- Louisiana Avenue lift station improvement and funding agreement with the Chehalis-Centralia Airport
- Ownership of Stan Hedwall Park
- Successful completion and awarding of the bridge scour grant for the Salzer Creek Bridge on National Avenue

City Manager MacReynold provided the following report regarding the city's current financial and operational situation for 2013 -2015:

**“Revenues** - Since presenting the first strategy plan in 2011, the revenue situation has stabilized and recently we have seen an improvement in our sales and use tax, which is our largest source of revenue for the General Fund. All other General Fund revenues have remained relatively flat, including our property taxes, which is our second largest source of General Fund revenue. City permit fees continue to be low, from approximately \$390,000 in 2007 to approximately \$50,000 in 2012.

The council-approved utility rate increases over the next three years will help our Wastewater, Water and Storm Water Funds remain sound, but will not provide enough to do any major rehabilitation in the short-term. With the apparent loss of state funding for local infrastructure, the issue of funding infrastructure improvements or rehabilitation becomes problematic for not only our city, but all local governments. The wastewater debt service and reserves continue to put a significant strain on the wastewater fund, even with the concessions by the Washington State Department of Ecology.

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Funding for local streets continues to be an ever present challenge and state funding for local streets also appears to be diminishing, if not totally disappearing. This too is problematic for us locally. At the same time the cities of Chehalis and Centralia have been having an ongoing discussion about local funding options and plan to follow up with those discussions in early 2014.

City permits and fees are an area that has not brought in significant funds to the city over the past four to five years. At this time, and in most cases, the cost of providing the service in these areas is not being covered by the current fees and that needs careful review administratively and then a follow up discussion and consideration by the council.

Expenses - Local governments, and Chehalis is no different, provide services and it makes sense that the single biggest expense for the city is employee wages and benefits. Approximately 73 percent of the General Fund expenditures consist of wages and benefits. Over the last several years a variety of measures have been taken to control employee related expenses. These include furloughs and a significant increase in medical insurance cost sharing for the non-represented employees, a move to a High Deductible medical plan by our IAFF employees and no wage or COLA increases in any of our current bargaining agreements for our three union groups. While all of these steps have helped to control costs, during the same period of time the cost of medical insurance has steadily each year, ranging from a 5% to as much as a 15% increase in a single year, depending upon the medical plan.

Even with the reduction of force of approximately 20 percent over the past four years through lay-offs and not filling vacant positions, costs have continued to rise much faster than revenues. Further, with the last of the one time only Gambling Funds being exhausted; the Police Department will place an additional impact on the General Fund of approximately \$170,000 annually to cover wages and benefits. These challenges present a seriously significant issue to the city financially, operationally, organizationally and personally for citizens, employees and the city council.

Additionally, over the past five years the city has had to defer equipment replacement and facilities maintenance in order to contain costs. We are beginning to see the down side of that effort as increasing equipment and facilities work will have to be done in the near future, and some of it will have significant costs.

The city continues to face a significant unfunded liability associated with our LEOFF1 and pre-LEOFF1 retirees, which on its own could require the city to lay-off existing employees or cut services. This year we are projecting to spend approximately \$420,000 for required supplemental pension payments, medical premiums and reimbursement of out-of-pocket medical expenses. While none of our retirees is currently in an assisted living facility, should the situation change over the next year to five years, the city could easily be paying well over \$1 million annually just for their coverage. There are cities in Washington that are already laying employees off to cover their LEOFF1 and pre-LEOFF1 medical costs and it is only a matter of time before we may be in that same boat.

Operations - So what does the above mean when it comes to providing services to our citizens and community when the city has not stopped providing any services? With 20 percent fewer employees, and the same or more work to be done, it means that things get done slower, less often, or only as needed or requested. Overtime is higher in those service areas where 24/7 service is provided and applies to the Police, Fire, and Public Works Departments because of call backs and type of service. The impact on city employees from the limited training and advancement opportunities, the stress of more work and fewer resources, and no wage or salary incentive over the past two to four years has taken its toll. Additionally, more and more time and funds are being used to deal with repairs and maintenance of equipment and facilities. The wear and tear on facilities decreases their appearance and functional life in most cases. In the end, the approach the city has taken, and understandably so, is not sustainable operationally or civically in the long run.

What's next - The hope of providing the above information is that it will prompt thinking and discussion by the city council and administration about how best to move forward next year on existing goals, projects, funding, and policy and administrative approaches. The plan and hope is that the discussion at the council workshop will set the stage for the administration to develop a two year strategy update for 2014 and 2015, and have policy guidance for development of the 2014 proposed budget that will be developed over the next few months."

City Manager MacReynold reported it's amazing when you think about all we've managed to do in these difficult economic times, but we're starting to feel the strain. He felt it was an opportunity, adding he had complete confidence in the



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council and the administration based on the last five years with what we've done in spite of all of it.

Councilor Taylor inquired about the current number of the city's LEOFF1 and pre-LEOFF1 retirees. City Manager MacReynold believed they had a total of 18. He noted this includes 3 or 4 pre-LEOFF1 employees who are funded through the additional 22.5 cent Firemen's Pension Fund funding that was reinstated a couple of years ago, and 13 or 14 LEOFF1 employees, which is where the majority of the costs are coming from.

Councilor Pope asked what the age range was for the LEOFF 1 and pre-LEOFF1 retirees. Human Resources Administrator Peggy Hammer reported the city had some LEOFF1 retirees in their mid-fifty's and believed the oldest was in his 80s. She noted the city is required to cover all their medical costs, including: Medicare Part "B" premiums; medical insurance premiums; and anything that isn't covered by insurance.

Councilor Spahr asked if the 22.5 cents being collected for the pre-LEOFF1 was strictly for the pre-LEOFF1 retirees, or could it be set aside for LEOFF1 retirees.

Finance Manager Eva Lindgren stated it was her understanding that the money is 100 percent earmarked for the pre-LEOFF1 retirees. She noted should there be any funds available once there are no longer any pre-LEOFF1 retirees, the council could take action on the remaining balance and probably put it aside for use by the LEOFF1 retirees being paid for out of the general fund.

Councilor Dawes reported the tax was instituted to cover employees before LEOFF1 was established. He noted once they no longer have any pre-LEOFF1 retirees, the council could set it aside for other use. Councilor Dawes stated if he's still on the council at such time, he would lobby to use the money for the LEOFF1 general fund expenses. He suggested the tax was something the council might want to consider leaving in place as long as they have retirees that qualify.

City Manager MacReynold reported one project they spent significant time on during the prior year was the Federal Emergency Management Administration (FEMA) mapping. He noted, last Friday, FEMA released their new methodology for how to deal with the levees. He stated in FEMA's announcement they identified that they were selecting 13 communities in the United States to use as Pilots in 2013, to determine how the methodology would work.

City Manager MacReynold reported he immediately contacted Ted Perkins, our regional contact, to find out what it meant for us. He read the following statement received via email from Mr. Perkins: "FEMA has only started with pilot projects so far. I am working to get more details as this was released from our HQ, but I think we are still a little ways off (possibly years) from starting in Lewis County. No new funding was provided with this new release by Congress. I will let you know when I know more." City Manager MacReynold stated this was very good news for us, adding our fight over the map was very intense for about a year and a half.

3. **Next Steps.** City Manager MacReynold asked if there were any projects on the list that the council would like the administration to stop doing, add, or take a different approach on. He noted as they go through the budget process with the budget committee they will work some of those issues out, but would like to get feedback from the council as a whole.

Councilor Dawes stated if they are serious about continuing on with the Regional Fire Authority a big component would be tied to annexation, adding one cannot happen without the other. He noted if the functional consolidation works well, we need to be ready to implement the next phase, which is taking it to the voters. Councilor Dawes reported they need to be able to present a program showing that it's possible and that there is funding for it, annexation being a big part of it.

Councilor Spahr felt our public works department really took a beating over the last couple of years, as all of the departments have. One of his concerns is the record keeping and mapping program. He asked if there was anything the council could do to help improve the situation.

Public Works Director Herta Fairbanks reported their mapping program had definitely suffered, along with getting their infrastructure paper documents into their computer system. She stated it would be a significant undertaking to get it up to date because things change all the time and they don't have the staff to do the input.

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Councilor Spahr stated that was one of his concerns, adding once you get too far behind you'll never catch up. He felt they needed to address the issue and get some help in that area if they can.

Councilor Taylor inquired about the permitting process, wondering if there was something they could do to improve the speed in which things are dealt with. Ms. Fairbanks reported, through the layoff process, they lost two of their three engineers and one sign technician. She noted the one engineer now handles the workload for all of those positions. Ms. Fairbanks reported the only good news was that the permits they've had to process have gone down considerably. She suggested as things pick up they are going to see even more delays in trying to get the permits out the door.

City Manager MacReynold reported nine people were cut from the engineering and community development departments. He noted it was going to be a challenge to stay on top of it as things begin to gradually increase.

Councilor Lund asked if it wouldn't make things go faster if we trusted staff to make decisions. City Manager MacReynold stated he felt that we already do that.

Councilor Harris suggested they look hard and serious at what kind of financial motivation the city can offer for businesses wanting to come to our area.

Mayor Ketchum suggested they see what the budget committee comes up with during the budget process, adding the biggest struggle would be to figure out how to put \$170,000 into the police department when there isn't any money.

4. **Unused City Property.** Councilor Pope brought up the issue of unused city property. Councilor Dawes stated the city sold a lot of its unneeded property over the last few years, which helped stem the tide and kept things afloat. He felt what property the city owns now is probably necessary, outside the hazard mitigation buyout property.

5. **McFadden Park Timber Project.** Councilor Pope reported the Chehalis Foundation would not be taking the lead on the McFadden Park timber project, but would be asking the city to take that on. He didn't know if that was feasible or not, but suggested there was money to be had there.

City Manager MacReynold stated that was something the city has been talking about for a number of years. He reported the real challenge is how to get the logs off the hill. City Manager MacReynold reported they would need to spend a lot of time figuring out the ingress and egress and working with the neighbors to be able to do it. He noted the opportunity is still there, but it would be a very big project for the city.

6. **Chehalis Pool Project.** Councilor Pope reported he spoke with City Manager MacReynold about the process and protocol for naming the pool and spray park. He noted the city council was the only body that can make those decisions, and to his knowledge, he didn't believe the Foundation had gone through that process. Councilor Pope suggested they ask the Foundation to provide the necessary paperwork, so the council can take action on it at the next regular meeting.

Mayor Ketchum stated he wasn't too pleased to find out about the naming of the pool through the newspaper, noting that is a council decision; and, even though it was deserved, giving out the key to the city is also a council decision.

Councilor Harris agreed that they were all well-deserved and thought they would be fully supported, but it would have been nice to follow protocol.

Councilor Dawes stated he agreed, adding if we have protocol it needs to be followed. He noted he was fully supportive of the action and didn't believe anyone wanted to throw water on their efforts, adding they certainly appreciate everything the Foundation has done. Councilor Dawes suggested we do what needs to be done to show we're very supportive.

City Manager MacReynold stated protocol obviously needs to be followed and the administration would follow up on it.

There being no further business to come before the council, the meeting adjourned at 6:13 p.m.

July 15, 2013

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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 July 15, 2013.

July 22, 2013

The Chehalis city council met in regular session on Monday, July 22, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 4:46 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; Judy Schave, City Clerk; Herta Fairbanks, Public Works Director; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 4:56 p.m. and announced the council would take a four minute recess before opening the regular meeting at 5:00 p.m. Additional staff included: Bill Hillier, City Attorney; Glenn Schaffer, Police Chief; Eva Lindgren, Finance Manager; Dennis Osborn, Community Development Director; and Lilly Wall, Recreation Manager. Members of the media included Kyle Spurr from *The Chronicle*.

2. **Interview Applicant for Chehalis Planning Commission Vacancy.** The council interviewed Craig Steepy who submitted an application to be considered for appointment to the Chehalis Planning Commission.

3. **Proclamation – Chehalis Babe Ruth.** Mayor Ketchum presented Jim Thomas with a proclamation in recognition of the 60<sup>th</sup> Anniversary of the Babe Ruth League and its participants.

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

- a. Minutes of the regular meeting of July 8, 2013;
- b. Claim Vouchers No. 106568-106733 and Electronic Funds Transfer No. 62013 in the amount of \$230,823.79 dated July 15, 2013; and
- c. Authorize the city manager to execute the FAA grant offer for AIP Project No: 3-53-0012-015 in the amount of \$91,200 for runway rehabilitation/touchdown markings, and construction of a snow removal equipment building.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Administration Reports.**

a. **Second Quarter and June Financial Report.** Finance Manager Eva Lindgren briefly reviewed the second quarter financial report.

Councilor Taylor asked what the current liability was for the compensated absences fund. Ms. Lindgren reported the concept was to set aside money to help cover the cost of employee cash outs as they leave employment with the city. She reported the compensated absences liability for the general government employees alone was in excess of \$1 million.

Ms. Lindgren reported the general fund was very close to what was expected at the end of June. She noted the only item in excess was the operating transfers in, which is driven by the Federal Emergency Management Administration elevation grant.

Ms. Lindgren talked briefly about the general fund expenditures, noting most of the negative variances were addressed in the budget amendment and would be reflected in the July financial report.

Ms. Lindgren reported there was nothing terribly exciting to report about the enterprise funds, but offered to address any questions the council might have.

b. **Quarterly Sales and Use Tax Report.** Ms. Lindgren reported we are still seeing an uptick in sales tax revenue compared to last year, but in comparison to previous months it was still trending downward. She stated the Department of Revenue released a very happily worded email about the phenomenal recovery they were seeing in the sales and use taxes.

July 22, 2013

c. **Update on Code Amendments.** Community Development Director Dennis Osborn reported the Chehalis Planning Commission held two work sessions on the code amendments relating to accessory dwelling units, right-of-way vacations, the binding site plan, and the 2012 building code updates. He noted they were holding off on moving forward with the marijuana issue, adding they were waiting for it to vet itself out. Mr. Osborn reported the commission would be holding a public hearing on the code amendments, and he expected some formal recommendations to come before the council for their consideration at a later date.

Mr. Osborn reported the commission was also serving as a Citizen's Advisory Committee for the Shoreline Master Program update, adding they've already had one discussion with the consultant. He noted the county is the lead on this program and has retained a consultant to do the work. Mr. Osborn didn't expect anything to come before the council until 2014.

Councilor Pope asked if the Shoreline Master Program update was to standardize everything for all three agencies. Mr. Osborn indicated it would not.

Councilor Dawes reported, for a number of years, our city has been compared with other jurisdictions and we've always rated very high. He hoped that wasn't going to slip to where we become more difficult. Mr. Osborn stated he didn't believe that was the intent, noting the code updates had to do with things they've already discussed with council. He reported there should be no surprises, adding the 2012 building code updates are mandated by state statute. Mr. Osborn reported the action is to put the enforcement section into our code. He reported most of the amendments were just housekeeping items.

d. **2014 Budget Preparation Schedule.** City Manager MacReynold provided a copy of the 2014 budget presentation schedule to the council. He confirmed the budget committee still included Councilor Dawes, Mayor Pro-tem Harris, and Councilor Spahr.

#### 6. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes reported he attended the ribbon cutting ceremony at the new Growing Places Thrift Shop on National Avenue, and the Business After Hours event for the Visiting Nurses.

7. **Ordinance No. 912-B, Second and Final Reading -- Revisions to the Chehalis Municipal Code for Fill and Grade Permitting.** City Manager MacReynold reported the ordinance was brought before the council for first reading at the last meeting requesting to change the responsible department for fill and grade permits.

Councilor Harris moved to pass Ordinance No. 912-B on second and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Authorize City Manager to Execute Interlocal Agreement Between the City and Lewis County Establishing a Cost Sharing Partnership for Licensed Pictometry Imagery and Software Services.** Public Works Director Herta Fairbanks reported the city was approached by Lewis County Public Works to potentially partner with them on the pictometry program. She noted the county reached out to all of the jurisdictions to extend an opportunity to piggyback on their buying power, and to help mitigate some of the cost.

Ms. Fairbanks reported the program was very similar to "Google Earth," but gives enhanced capabilities that are not bound to satellite images. She noted all of the pictures they receive with the program will be current and can be updated periodically as the group designates.

Ms. Fairbanks reported the program would be helpful in laying down the city's infrastructure to show all of our water and sewer lines, manholes, fire hydrants, distances, and heights of structures. She noted it would also be helpful for our fire and police departments to gain access to property, if necessary.

Ms. Fairbanks reported the city's buy-in was just over \$13,000 for a three year term. She noted Lewis County worked real hard with the pictometry folks on getting a payment schedule set up to where we can actually pay over the three year period. Ms. Fairbanks noted the city would also have to pay \$29 a year for each "seat," or user licenses, for each computer

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the program is loaded on. She felt there was a lot of functionality to gain from the program at a reasonable price.

Ms. Fairbanks reported the county would maintain all the infrastructure and we would have a direct link to get into the program. She requested that the council authorize the city manager to execute the interlocal agreement with Lewis County to move forward with the pictometry program.

Councilor Spahr asked if the new program would help catch us up on getting our maps up to date. Ms. Fairbanks stated no, it would give us the ability to look at potential hurdles without having to organize a crew to go out into the field to measure, or to look at something.

Councilor Taylor asked if the program would reduce the amount of work or speed up the permitting process. Ms. Fairbanks reported she couldn't provide any guarantee that it would increase efficiency, but noted a lot of what they do is manually driven and they do struggle with not having good visuals and access to a lot of tools.

Councilor Pope felt the program was worth getting, noting it could be a very useful tool for future permitting in our growth management area, as well as annexation.

Councilor Lund wondered if we should start tracking how long it takes to process a building permit once someone submits an application, so we have that information in the future. City Manager MacReynold reported the city has a requirement in our code that states once a permit is turned in the city has 28 days to act on it. Councilor Lund asked, "What about requests, when people need help." City Manager MacReynold stated that would depend on the communication between the applicant and the city. Ms. Fairbanks added, sometimes it can be longer depending on what the request is and what additional information is needed.

After a brief discussion on the use, need, and future costs, it was decided by the majority of the council that it would be helpful to have Lewis County Public Works Director Tim Elsea give them a demonstration of the program at the next meeting.

**9. Resolution No. 11-2013, Adopting Procedures for Distribution of "Keys to the City."** City Manager MacReynold reported, over the last couple of years, there has been occasion where the issuing of a city key has come up. He noted, based on the discussion at the previous meeting, the city clerk put a procedure together for the council to consider. The resolution provides that written recommendations must be submitted to the City Clerk and forwarded to the City Council for consideration and final decision.

Councilor Spahr moved that the council adopt Resolution No. 11-2013 on first and final reading.

The motion was seconded by Councilor Harris and carried unanimously.

**10. Consider Application for Naming the Renovated Outdoor Pool and Interior Features of the Facility.** Mr. Osborn reported the city received a request from the Chehalis Foundation to name the community outdoor pool the "Gail and Carolyn Shaw Aquatic Center." He stated the Foundation was also looking to name different amenities within the pool, noting there was a list of available naming opportunities included in the agenda packet.

Councilor Pope moved that the city of Chehalis name the renovated pool "The Gail and Carolyn Shaw Aquatic Center," and approve the name plaques recognizing significant financial support by contributors for different elements of the renovation.

The motion was seconded by Councilor Taylor and carried unanimously.

Connie Bode gave a brief update on the pool renovation project. To date they have raised \$2 million of the \$2.2 million needed for the project. Ms. Bode reported they were looking at adding the following amenities:

- interior pool lights
- a small slide, and a turtle slide at the shallow end of the pool
- a drop-slide for the older kids at the deeper end of the pool

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- switch from the block wall to rod-iron type fencing with landscaping
- entire demolition of the old building (because of issues with the current foundation)

Ms. Bode thanked the council for honoring the contributors wish to name the pool.

Councilor Pope reported Ms. Bode had put a lot of work into keeping them organized and on task, and felt she should be commended for her work on the project.

Councilor Dawes suggested they get more information out about the upcoming "Jive & Dive" event. Ms. Bode noted the event would take place on August 10 between 4 and 8 p.m., adding they just recently got approval for the free swim.

Councilor Spahr asked what the anticipated re-opening date would be for the pool. Ms. Bode stated June 2014.

There being no further business to come before the council, the meeting adjourned at 6:05 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 July 22, 2013.**

July 31, 2013

The Chehalis city council met in special session on Wednesday, July 31, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:00 p.m. with the following council members present: Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilors Harris and Pope were absent (excused). Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; and Judy Schave, City Clerk.

1. **Executive Session.** Mayor Ketchum announced the council would be in executive session pursuant to RCW 42.30.110(1)(b) – purchase or acquisition of land for approximately two hours and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 7:10 p.m. There being no further business to come before the council, the meeting adjourned immediately.

\_\_\_\_\_  
Mayor

Attest:



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

**SUGGESTED MOTION**

I move that the council approve the minutes of the special city council meeting of July 31, 2013.



**CITY OF CHEHALIS**  
**AGENDA REPORT**

DATE: July 16, 2013  
TO: The Honorable Mayor and City Council  
FROM: Eva Lindgren, Finance Manager   
PREPARED BY: Michelle White, Accounting Tech II   
SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

Claim Voucher No. 106734 in the amount of \$37,049.40 dated July 16, 2013 and the transfer of \$37,049.40 from the Federal & State Grants Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

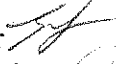

The administration recommends that the council approve the July 16, 2013 Claim Voucher No. 106734 in the amount of \$37,049.40.

SUGGESTED MOTION

I move to approve the July 16, 2013 Claim Voucher No. 106734 in the amount of \$37,049.40.

Reviewed by: , City Manager

**CITY OF CHEHALIS**  
**AGENDA REPORT**

DATE: July 31, 2013  
TO: The Honorable Mayor and City Council  
FROM: Eva Lindgren, Finance Manager   
PREPARED BY: Michelle White, Accounting Tech II   
SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

Claim Vouchers No. 106735 through 106846 in the amount of \$259,171.49 dated July 31, 2013 and the transfer of \$85,727.65 from the General Fund, \$41,103.56 from the Arterial Street Fund, \$16,332.20 from the Tourism Fund, \$68,278.32 from the Federal & State Grant Fund, \$20,868.25 from the Wastewater Fund, \$19,983.37 from the Water Fund, \$5,761.92 from the Storm & Surface Water Utility Fund, \$837.44 from the Firemen's Pension Fund and \$278.78 from the City Agency Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the July 31, 2013 Claim Vouchers No. 106735 through 106846 in the amount of \$259,171.49.

SUGGESTED MOTION

I move to approve the July 31, 2013 Claim Vouchers No. 106735 through 106846 in the amount of \$259,171.49.

Reviewed by: , City Manager

**CITY OF CHEHALIS  
AGENDA REPORT**

**DATE:** August 8, 2013  
**TO:** The Honorable Mayor and City Council  
**FROM:** Herta Fairbanks, Public Works Director  
Rick Sahlin, Street Superintendent  
**SUBJECT:** Bid Award – Chehalis Avenue – Beautification and Overlay Project

**ISSUE**

Bids for the Chehalis Avenue Beautification and Overlay Project were solicited and two bids were received (attached). The administration seeks council approval to award the contract to the lowest responsible bidder.

**DISCUSSION**

Public Works, HDR Engineering, and the City Clerk recently completed the bidding phase of the Chehalis Avenue Beautification and Overlay Project. This project has been in process since 2010 when the City was awarded an Enhancement Grant from the Washington State Department of Transportation Highway and Local Programs (WSDOT). The Enhancement Grant, commonly called the Chehalis Avenue Beautification Grant, was to provide for visual enhancements to Chehalis Avenue from North to Park Streets, consisting of benches and planters at the intersections. In late 2011, the City was awarded a second grant from the Washington State Transportation Improvement Board (TIB) to grind and overlay Chehalis Avenue from Main Street to Pacific Ave. The City opted to combine the scopes of work so that we could maximize the grant amounts and ensure that one grant would not interfere with the work or timing of the other grant. The low bidder for this work is Nova Contracting, Inc., of Olympia, Washington, with a bid amount of \$684,000. The second bid was received from Rognlin's Inc., from Aberdeen, Washington, in the amount of \$715,000.

The engineering estimate for this project was \$472,486. A significant difference in the engineer's estimate and the bid amounts is due to the extensive traffic control (flaggers and signage) required to keep the street open during the course of the project.

The administration, along with the engineering firm of HDR Engineering reviewed the bid by Nova Contracting, Inc., Olympia, Washington, and finds it to be the lowest reasonable and responsible bid.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The administration recommends that the city council award the Chehalis Avenue Beautification and Overlay Project to Nova Contracting Inc., Olympia, Washington, in the amount of \$684,000 and authorized the city manager to execute the contract agreement.

**SUGGESTED MOTION**

I move to award the Chehalis Avenue Beautification and Overlay Project to Nova Contracting, Inc., in the amount of \$684,000 and authorize the city manager to execute the contract agreement.

**REVIEWED BY:**  \_\_\_\_\_, CITY MANAGER

**BIDDERS LIST**

**CHEHALIS AVENUE – MAIN STREET TO PACIFIC AVENUE  
ROADWAY IMPROVEMENTS**

**Project No. C068.03/06 STP-E 5671001  
Project No. C008.01, TIB No. 3-W-193(001-1  
Federal Contract No. TA-4254**

**July 11, 2013  
2:00 P.M.**

**Engineer Est. \$472,486**

- |                                  |                   |
|----------------------------------|-------------------|
| <b>1. Nova Contracting, Inc.</b> | <b>\$ 684,000</b> |
| <b>2. Rognlin's, Inc.</b>        | <b>\$ 715,000</b> |

## CITY OF CHEHALIS

### AGENDA REPORT

**TO:** The Honorable Mayor and City Council  
**FROM:** Jim Walkowski, Fire Chief  
**DATE:** July 1, 2013  
**SUBJECT:** Regional Fire Authority Planning Committee – Council Update

#### ISSUE

For the past 24 months, the City of Chehalis and the Riverside Fire Authority have been active participants in a Regional Fire Authority Planning Committee process in accordance with RCW 52.26.030(2). For the past eight months, the entities have been researching and developing the necessary elements to determine the feasibility of engaging in a functional consolidation.

#### DISCUSSION

A functional consolidation is when the two entities continue to exist separately, but would combine all administrative and operational functions into a single common resource. This strategy requires alignment of standard operating guidelines, policies, procedures and certain operational aspects to make the consolidated function perform properly. Currently, a portion of this has already been achieved by the two entities participating in the Fire Services Administration/Management and Fire Code Management Agreement.

A structure of shared decision-making is typically created as they relate to the consolidated function(s). This requires policy-makers and administrators to voluntarily forfeit their authority to unilaterally change actions, activities or direction in the consolidated function area in favor of a collaborative approach. A functional consolidation is accomplished legally through an Inter-local Cooperation Agreement between the two entities.

The advantages of this strategy is greater opportunities for efficiency; an opportunity to reinvest redundant resources into a single section or division in those areas lacking in resources, and a closer working relationship between members of the two entities in the consolidated function(s) that can transition over to other unrelated activities. This type of consolidation could be a segue to greater levels of cooperation and provide the framework for future collaborative initiatives.

Implementation of this strategy provides greater opportunities for efficiency, increased depth of service, and a closer working relationship between members of the two entities. Barriers can be broken down as members train together, use identical apparatus and equipment, and improve response efficiencies to the communities served. When members of the two entities interact with each other on a daily basis, not just during emergencies, or at the policy level, the differences appear smaller and stronger working relationships begin forming.

#### RECOMMENDATION / COUNCIL ACTION DESIRED

This is intended as an update only, no action requested.

#### SUGGESTED MOTION

This is intended as an update only, no motion required.

Reviewed by:  \_\_\_\_\_, City Manager

**CITY OF CHEHALIS  
AGENDA REPORT**

**DATE:** July 17, 2013  
**TO:** The Honorable Mayor and City Council  
**FROM:** Herta Fairbanks, Public Works Director  
**SUBJECT:** Interlocal Agreement with Lewis County

**ISSUE**

The Administration has been working with Lewis County on developing an interlocal agreement for funding and use of the County's Pictometry Project.

**DISCUSSION**

Lewis County has been working on adding Pictometry to their service offerings. Pictometry is a program that allows for aerial views of the region based upon photos taken from airplanes at the request of the hosting agency. The photos were taken last fall/winter and are updated on a cycle set by the host agency. The program allows measuring and virtual analysis of building spacing, height, identification of critical infrastructure, etc. The program is commonly used by all areas of government including police, fire, public works, building/planning, etc.

Late last year, Tim Elsea, Public Works Director for the County, presented the Pictometry program to the City's administration as well as other regional entities and provided an overview of its functionality. The purpose of the presentation was to determine what level of interest there was in partnering in establishing the program. After the presentation, the City administration determined that there would be significant value to the City in partnering with the County on this program. The County developed the City's cost allocation based upon the overall interest from jurisdictions throughout Lewis County. The City's initial investment is estimated at \$13,779, payable over three years. Each "seat" the City acquires, which would allow access to the program, will come at an estimated cost of \$29 per seat per year. The Administration is still in the process of determining how many seats will be requested.


**RECOMMENDATION/COUNCIL ACTION DESIRED**

The administration recommends that the Council authorize the City Manager to execute the Interlocal Cooperative Agreement between the City and Lewis

County to establish a cost sharing partnership for licensed pictometry imagery and software services.

**SUGGESTED MOTION**

I move that the council authorize the city manager to execute the Interlocal Cooperative Agreement between the City and Lewis County establishing a cost sharing partnership for licensed pictometry imagery and software services.

REVIEWED BY:  \_\_\_\_\_, CITY MANAGER

**INTERLOCAL COOPERATIVE AGREEMENT  
BETWEEN  
LEWIS COUNTY AND CITY OF CHEHALIS  
TO ESTABLISH A COST SHARING PARTNERSHIP  
FOR LICENSED PICTOMETRY IMAGERY AND SOFTWARE SERVICES**

THIS AGREEMENT, made and entered into pursuant to authority of R.C.W. 39.34.080 and in conformance with R.C.W. 43.09.210, this day of \_\_\_\_\_, 2013, by and between LEWIS COUNTY, Washington, a political subdivision of the State of Washington, hereinafter referred to as the "County", and the City of Chehalis, a municipal corporation, special purpose district, or other public agency hereinafter referred to as the "Agency" (collectively, the "Parties").

WITNESSETH:

IT IS HEREBY COVENANTED AND AGREED as follows:

**1.0 RESPONSIBILITIES:**

1.1. County Responsibilities: Upon completion of the image acquisition, a signed Interlocal Cooperative Agreement, signed License Agreement(s) between the County and Pictometry, and a signed Authorized Subdivision User Agreement (Exhibit A), the County agrees to furnish the Agency the following products and services:

1.1.1. Login credentials for the use of Pictometry Connect which provides internet-based access to the oblique and vertical aerial photos, "ChangeFindr" building footprints, and specialized Pictometry tools/software. Logins/seats to Pictometry Connect will be provided in the quantity specified by the Agency. Logins will be based on email addresses, so each login will require a valid email address provided by the Agency.

1.1.2. In lieu of, or in addition to, Pictometry Connect, and upon Agency's request, the County will deliver a portable USB hard drive containing all the licensed Pictometry products, including the image library. The blank USB hard drive is to be provided by the Agency or, if provided by the County, such cost shall be reimbursed to the County. Hard drive will include vertical aerialphotos, oblique aerialphotos, "ChangeFindr" building footprints, and Pictometry's desktop software: Electronic Field Study (EFS).

1.1.3 End User Orientation Training Session which may be taught on two separate occasions by Pictometry. The Agency may designate two authorized representatives to attend each training session. In addition, the County may organize one Advanced User Technical Training Session which will be taught by Pictometry. The Agency may designate one authorized representative to attend this session. Additional periodic training for new users or as refresher may be provided either in a live instructor-led format or in a digital recorded tutorial format.

1.1.4. Three hours of telephone/in-person support per year by the County to help resolve issues and problems in the installation, maintenance, and use of the licensed products provided herewith.



1.1.5. Annual billing for the use of licensed Pictometry products. This also includes oversight of the financial accounting between the County and the Agency.

1.1.6. Extended support services beyond the aforementioned requirements for specialized training, support, or other service related to the support of Pictometry products. These extended services shall require a work order and financial compensation as specified in Section 5.5 Extended Services and Work Orders.

1.2 Agency Responsibilities: Upon completion of the image acquisition, a signed Interlocal Cooperative Agreement, signed License Agreement(s) between the County and Pictometry, and a signed Authorized Subdivision User Agreement (Exhibit A), the Agency agrees to the following:

1.2.1. Compliance with this Interlocal Cooperative Agreement and the License Agreement(s) between the County and Pictometry and execution of and compliance with the Authorized Subdivision User Agreement.

1.2.2. To designate one employee as the Liaison between the County and the Agency as a single point of contact for disseminating information to the Agency's end users. The designated Liaison and their contact information shall be reported to the County.

1.2.3. The Liaison or their designee shall distribute the Pictometry products to the Agency's authorized users in accordance with this Interlocal Cooperative Agreement, the Pictometry License Agreement, and the Authorized Subdivision User Agreement. Liaison shall provide additional Pictometry training and technical support to their Authorized Users (as defined in the Pictometry License Agreement and Authorized Subdivision User Agreement).

1.2.4. Agrees to furnish the County valid email addresses for use as Pictometry Connect logins and names and contact information that correspond to those email addresses. The number of requested Pictometry Connect seats must equal the number of email addresses furnished. Each Pictometry Connect seat (login account) can only be used in one location at a time.

1.2.6. If the Agency requires the data and software locally installed, it agrees to provide a USB hard drive for the County to use to deliver the Pictometry licensed products as stated in Section 1.1.2 above, or agrees to reimburse the County for same.

1.2.7. The Agency shall notify the County within ten business days after the Agency receives notice from Pictometry of any Pictometry actions, conditions, or circumstances which could affect the Agency's rights under this agreement.

## 2.0 SERVICE CONDITIONS AND DATA LIMITATIONS

2.1 Acceptance of Completed Work: The County's contract with Pictometry was scheduled for image acquisition between March and April (partial leaf-off tree condition to insure more visibility) of 2013. This was contingent upon weather conditions and there was a possibility that the image acquisition may occur at later dates. Due to weather delays, at least some image acquisition will occur later than April of 2013. When the image acquisition and processing is complete, County will evaluate the overall dataset for acceptance with Pictometry. Once the County has received and approved the Pictometry products, access to the products may be made to the Agency through Pictometry Connect service as stated in Section 1.1.1 above. In addition, a copy of the accepted Pictometry products may be created on a portable USB hard drive and delivered to the Agency upon Agency's request and at Agency's expense as stated in Sections 1.1.2 and 1.2.6, above. The Agency has 15 calendar days to inspect the products and notify County of any product errors, omissions, flaws, or incomplete work. County will review the original accepted dataset for any problems identified by the Agency and provide a new copy of the original accepted dataset if differences are identified. If no errors are brought to the attention of the County within 15 calendar days, the product delivery to Agency shall be considered complete.

2.2 Product Archival and Retention: County is not responsible for the backup, retention, or archive of products provided to Agency. It is Agency's responsibility to maintain hard copy and digital records in accordance with Public Records Laws (RCW, 42.56 and WAC, Section 434). In the event that the Agency requests from the County another copy of the Pictometry products, the County shall be financially compensated for their actual costs to create and deliver an additional copy of the Pictometry products.

2.3 Confidential and Proprietary Information: The Agency acknowledges that it is a public agency and as such is required to allow members of the public access to certain materials within the Agency's control or possession. In the event the Agency receives a public records request for information or intellectual property belonging to Pictometry, within five days of receiving such request and prior to providing any materials to the Requestor, the Agency will notify both the County and Pictometry of such request for information and will make attempts to provide Pictometry with adequate time to seek a protective order under applicable law. Agency shall clearly mark all confidential or proprietary documents.

2.4 Data Limitations: The County makes no warranty, expressed or implied, concerning the Pictometry products content, accuracy, currency or completeness, or concerning the results to be obtained from queries or use of the data. All Pictometry products are expressly provided As Is and with all faults. The County makes no warranty of fitness for a particular purpose and no representation as to the quality of any Pictometry products. No employee or agent of the County or the Agency is authorized to waive or modify this paragraph or make any representations or provide any warranties, expressed or implied, concerning the Pictometry products.

2.5 Spatial Accuracy: Electronic spatial data can be printed or represented at various scales other than the original source of the data. Agency is responsible for adhering to industry standard mapping practices, which specify that data utilized in a map or analysis, separately or in combination with other data, will be produced at the largest scale common to all data sets.

### 3.0 DATA LIABILITY AND INDEMINIFICATION

3.1 Liability: County, its elected or appointed officers, employees or agents shall not be liable to Agency (or transferees or vendees of Agency) for damages of any kind, including personal injury damages, property damages, lost profits, lost savings, or any other incidental or consequential damages relating to the providing of the data or the use of it. Agency shall have no remedy at law or equity against the County in case the data provided is inaccurate, incomplete or otherwise defective in any way. Agency's only remedies are those specified in this agreement. County is supplying this information in good faith and Agency agrees to hold County, its elected or appointed officers, employees or agents harmless from any liability incurred as a result of using Pictometry products under this agreement.

3.2 Indemnification: Agency agrees to defend, indemnify and hold harmless County, its elected or appointed officers, employees or agents from any and all claims, judgments, settlements, attorney's fees or any costs by reason of any and all claims and demands made against County, its elected or appointed officials, or employees, for all damages or loss sustained by any person or persons including third parties, unless such loss or damage is due to the sole gross negligence of County, its elected or appointed officers, employees or agents. It is further provided that no liability shall attach to the County by reason of entering into this contract, except as expressly provided herein.

3.3 No Joint Venture or Partnership: It is understood and agreed that this Agreement is solely for the benefit of the Parties hereto and gives no right to any other person or entity. No joint venture or partnership is formed by or as a result of this Agreement.

3.4. Non-Conforming Service Remedy: For any services which fail to conform to the specification of this Agreement and/or of any Work Order issued pursuant to this Agreement, and if such failure is caused solely by the negligence of County, no charge will be invoiced. If both parties are negligent, they agree to apportion cost between them according to the damage attributable to the actions of each.

3.5. Equipment Damage: For any equipment damaged as the result of negligence by either party, that party will be obligated to pay for repair or replacement of that equipment. If both parties are negligent, the parties agree to apportion between them the damage attributable to the actions of each.

### 4.0 TREATMENT OF ASSETS

4.1 Property Title: The Pictometry products are licensed through Pictometry International and are subject to the provisions of the License Agreement between Pictometry and the County.

4.2 Use of Property: Any property furnished by County to Agency shall, unless otherwise provided in this Agreement, or approved by the owner, be used for the performance of this contract.

4.3 Notification: If any County property is lost or stolen the Agency shall immediately notify both Pictometry and the County and shall take all reasonable steps to protect the property.

## 5.0 SERVICE CHARGES AND PAYMENT PROVISIONS

5.1 Pictometry Product Fees: With Pictometry's approval, the County is making Pictometry products available to Authorized Subdivision Users as defined in the contract between the County and Pictometry. The Agency is identified as an Authorized Subdivision User and therefore is eligible to purchase Pictometry products from the County (subject to the requirements outlined in Section 2.1, Acceptance of Completed Work, of this agreement). The Agency shall pay a total of \$13779 for a three year license of Pictometry products (aerial images building footprints, and EFS desktop software), which will then turn into a perpetual use license for the existing EFS software and imagery. This cost will be split evenly over the three years and invoiced annually at \$4593 as described in Section 5.3. The cost of future software updates and technical support is not covered by this agreement.

5.2 Pictometry Connect Fees: Agency shall pay up to approximately \$29 per year on average over the three years of the agreement for each seat/login of Pictometry Connect that the Agency requests. The exact cost of each seat will be determined based on the total cost of the Pictometry Connect Service for a block of 200 seats plus County administration/support fee distributed amongst the total # of seats requested by all participating contributors. The Agency requests 8 seats, costing up to approximately \$232 per year on average over the three years of the agreement. This fee is payable on the same dates as the Pictometry Product Fees as described in Sections 5.3. A detailed description of how the per seat cost was calculated will be included with invoice. More seats can be requested during the term of this agreement at the final established per seat price as long as the total number of all seats requested by all contributors does not exceed 200.

5.3 Pictometry Product Payment Dates: The first payment for the deliverables described in Sections 5.1 and 5.2 is due one month after the Agency has received the Pictometry products. The second and third payments of are due no later than one year and two years, respectively, after the first payment due date. These payment amounts include fees for items in Sections 5.1 and 5.2, but do not include any fees for extended services per Section 5.5 or for delivery of the products on a USB hard drive per Section 1.1.1. Payment for items in 1.1.1 and 5.5 will be due upon fulfillment of those requests.

5.4 Continuation Beyond Three Years: The County has contracted with Pictometry for nine years to provide three flights (in 2013, 2016, and 2019) at constant rates. Should the Agency wish to continue as

a participant and contribute to the second and third flights, new Interlocal Agreements for each flight shall be entered into by the County and the Agency, replacing this one.

5.5 Extended Services and Work Orders: As specified in Section 1.1.6 of this agreement, the Agency may require extended support services in addition to the County's Responsibilities as stated in Section 1.1. These extended services may include additional specialized training, technical support, product development, data development or conversion, or other services related to Pictometry ("Extended Services"). Rates for Extended Services provided will be at the Lewis County Board of County Commissioners adopted rate for GIS staff custom labor of \$50 per hour and as amended from time to time.

5.5 Annual Support and Maintenance: In the case that the Agency chooses not to participate in future flights or the contract between the County and Pictometry terminates, an annual fee will be required for continued technical support and software updates from Pictometry. If the Agency chooses not to purchase the annual maintenance fee, the licensed software will not be supported or upgraded, but the Agency may continue to use the existing software to view the imagery per the terms of the perpetual use license.

## 6.0 AGREEMENT TERM AND TERMINATION

6.1 Agreement Term: This Agreement commences upon execution by signature of the Parties and shall terminate three years after the date of product acceptance between the County and Pictometry, unless renewed.

6.2 Termination for Public Convenience: Either party may terminate this Agreement in whole or in part upon 30 days' written notice to the other whenever County or Agency determines, in its sole discretion that such termination is in its best interests. In the event this Agreement is terminated in accordance with this paragraph, the County shall be entitled to full payment for all three years of the Pictometry Products.

## 7.0 MISCELLANEOUS AGREEMENT PROVISIONS

7.1 Invoices and Late Payment: County will invoice Agency when products are delivered and accepted per the payment provisions in Section 5.0. Payment is due upon receipt of invoice by Agency and shall be paid 30 days thereafter. A late payment charge may be applied to any remaining balance 60 days after invoice. Late payment charges, if any, will be imposed on the unpaid balance at the rate of 1% per month. Agreements with balances more than 90 days past due may be terminated and services discontinued. Amounts disputed by Agency are not subject to late payment charges.

7.2 Disputes: Agency will promptly notify County of disputes regarding invoices and of services which Agency believes do not conform to the agreed upon terms of this Agreement or a Work Order.

7.3 Venue and Choice of Law: This Agreement has been and shall be construed as having been made and delivered within the State of Washington, and it is mutually understood and agreed to by each party hereto that this Agreement shall be governed by the laws of the State of Washington, both as to interpretation and performance. Any action in law, suit in equity or judicial proceeding for the enforcement of this Agreement or any provisions thereof shall be instituted and maintained only in the courts of competent jurisdiction in Lewis County, Chehalis, Washington.

7.4 Assignment: This Agreement may not be assigned by either party to a third party without the prior written consent of both County and Agency.

7.5 Waiver: If a breach of a provision of this Agreement is waived for a particular transaction or occurrence, waiver for a similar breach in a subsequent similar transaction or occurrence may not be implied.

7.6 Severability: If any term or condition of this Agreement or application thereof is held invalid, such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application.

7.7 Party Representatives: Listed below are the Parties' representatives for the purpose of carrying out this Agreement. All notices and communications which may be required by this Agreement shall be in writing and may be given by delivery or by depositing in the U.S. Mail, first class, postage prepaid.

Agency: City of Chehalis  
Contact: Herta Fairbanks, Public Works Director  
207 NE Kresky Ave  
Chehalis, WA 98532  
360-748-0238  
[hfairbanks@ci.chehalis.wa.us](mailto:hfairbanks@ci.chehalis.wa.us)

County: Lewis County  
Contact: Matt Hyatt, GIS Manager, Public Works Dept.  
2025 NE Kresky Ave  
Chehalis, WA 98532  
360-740-1128  
[Matt.Hyatt@lewiscountywa.gov](mailto:Matt.Hyatt@lewiscountywa.gov)



**EXHIBIT B**

**PICTOMETRY INTERNATIONAL CORPORATION  
Authorized Subdivision User Agreement**

The installation and use of this software is governed by a License Agreement between Pictometry and Lewis County ("Licensee"). To use this Software and the Pictometry Image Library you agree that you are an Authorized Licensee Subdivision and that you understand and will abide by the terms of the License Agreement.

"Authorized Users" shall mean such persons in the employ of Licensee, or in the employ of an Authorized Subdivision, as may be designated in writing by the Licensee from time to time to use and execute the Licensed Software on the designated computers. Licensee has agreed: (a) that it will not allow any persons other than Authorized Users to use or operate, or to have any other access to, any of the Licensed Products, (b) that it will not allow access to any of the Licensed Software or any Images except through Authorized Workstations, and (c) that it will cause all Authorized Users to comply with all of the terms, conditions, and limitations applicable to the Licensee under this Agreement. You agree that you are an Authorized User.

Further you agree that you will use the Software and Pictometry Image Library in the conduct of the operations of the Licensee and/or of the Authorized Subdivisions and to use and execute the Licensed Products for internal use in pursuit of its or their public responsibilities.

Agency shall remain obligated to the terms of the License Agreement for as long as they continue to use the product, regardless of the continued existence of any Interlocal Cooperative Agreement.

I Agree:

Effective Date- \_\_\_\_\_

AUTHORIZED SUBDIVISION NAME-

\_\_\_\_\_

Signed- \_\_\_\_\_

Printed Name- \_\_\_\_\_

Title- \_\_\_\_\_

Address- \_\_\_\_\_

Phone- \_\_\_\_\_