

July 8, 2019

The Chehalis city council met in regular session on Monday, July 8, 2019, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Loughheed, Public Works Director/City Engineer; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Don Schmitt, Street/Storm Superintendent; Lilly Wall, Recreation Manager; and Dave Vasilauskas, Water Superintendent. Members of the news media included Will Rubin of *The Chronicle*.

1. **Port of Chehalis Update.** Randy Mueller reported on recent activities:

- RE Bennett/Cascade schools redevelopment feasibility study
- Airport partnership planning
- New building construction on Maurin Road
- Rail reload and agricultural service center
- International client talks about wood pellet manufacturing plants)
- CCR&M (still working towards transfer of rail line to CCR&M)
- CCRT (funding \$40,000 this year; Chehalis Coworks successful; Port supports monthly Downtown Business Academy events, blight removal, beautification, and redevelopment)

Mayor Dawes asked about airport partnership planning and whether or not the area could be extended to the Chamber Way railroad overpass to maybe find some dollars that could be in addition to what the city is finding. He wondered if there might be grant funding available to the Port that would not be available to the city. Mr. Mueller stated there are usually more grants available to cities than ports, but he was always happy to look at partnerships. He added the structure was a valuable piece of infrastructure and when you start thinking about transportation and economic development, that would be one that would certainly qualify.

2. **Pioneer Pie Social.** Commissioner Edna Fund reminded everyone about the Pioneer Pie Social on July 14 at 1:30 pm at Claquato Church.

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

- a. Minutes of the regular meeting of June 24, 2019;
- b. June 28, 2019 Claim Vouchers No. 126186-126273 in the amount of \$139,427.69 and voided Check No. 126132 in the amount of \$204.57 and Check No. 126134 in the amount of \$16.00;
- c. June 28, 2019, Payroll Vouchers No. 40871-40926, Direct Deposit Payroll Vouchers No. 10887-11010, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 244-249 in the amount of \$982,986.55;
- d. Amendment #1 to engineering services agreement with Jacobs Engineering Group in the amount of \$20,000 to address air emissions at the Chehalis Regional Water Reclamation Facility;
- e. Award Recreation Park Improvement Project to KBH Construction in the amount of \$2,281,383;
- f. Construction services agreement with Skillings Connolly, Inc., in an amount not to exceed \$157,927 for the Recreation Park Improvement Project; and
- g. Resolution No. 9-2019, first and final reading – declaring property to be surplus.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Ordinance No. 999-B, First Reading – Providing for the Issuance and Sale of a Limited Tax General Obligation Bond Not to Exceed \$1 Million to Finance the Recreation Park Renovation Project.** City Manager Anderson stated the city could now award the bid for the ballfield improvement component of the project, with the goal of starting construction in August. She stated the council provided direction earlier this year to proceed with placing a council-manic bond for the project. City Manager Anderson didn't believe the full \$1 million would be needed.

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Chun Saul stated the ordinance appoints the city manager, and the finance director in the absence of the city manager, as the designated representatives. Ms. Saul reviewed the parameters set forth in the ordinance, and outlined the responsibilities of participants in the process, including the City Council, the designated representatives; D.A. Davidson & Co., the placement agent; and Foster Pepper PLLC, the bond counsel. Ms. Saul stated the total estimated project budget as of today was \$4,071,669. The project would be funded through secured funding of \$3,055,430; \$208,239 from additional outstanding donations; and estimated proceeds from the bond. The preliminary schedule of events, ranging from first reading of the ordinance to bond closing, was reviewed.

Ms. Saul outlined the fiscal impact. The bond constitutes a general indebtedness of the city and that the city pledges full faith, credit, and resources for annual debt service payments. The Lodging Tax Advisory Committee voted to pay the annual debt service up to \$75,000 per year, but it remains a general obligation debt. The bond price, interest rate, and required annual debt service payment will be determined upon bond closing in August.

Councilor Taylor asked if two readings were required for the ordinance. City Attorney Hillier advised that two readings were required for any financial indebtedness to a city.

Dave Trageser, Placement Agent and Managing Director of D.A. Davidson & Co. explained that once the ordinance was passed on final reading, the Request for Proposals would be distributed to financial service providers that would be purchasing the bond. A bidder would then be selected, followed by closing of the bond and making the funds available, which was expected to be late August. Interest rates are currently stable, barring any major economic announcement that could rock the market.

Councilor Taylor asked if it would be one bidder or multiple bidders buying the bond. Mr. Trageser stated it was being done as a private placement of the bond, with one sophisticated investor because it was a smaller bond issue and a way to keep the issuance costs fairly low.

Councilor Lund asked how much would be wired to the city. Mr. Trageser stated the wire would originate from the bond purchaser. The actual amount will be set, which will be less than \$1 million based on information received from city staff.

Councilor Lund stated the ordinance provides for up to \$1 million, but the current amount needed is around \$800,000. He asked why we wouldn't take the entire \$1 million in case something came up during construction. City Manager Anderson anticipated a total issue of \$825,000 with a net of about \$808,000. She stated there is a contingency built into the project, and that amount is what the LTAC has generally committed to. If for some reason, the use of lodging tax money changes in the future by the state, we want to keep the bond issue in an amount the city could handle. She agreed that with a project of this level, you just never know what could happen and having the full \$1 million would be nice. She stated if that was what the council wished to do, staff could bring back what that would cost at the next meeting.

Councilor Harris suggested the City Manager made a good point about the potential for changes in use of lodging taxes by the state.

Councilor Spahr moved to pass Ordinance No. 999-B on first reading. The motion was seconded by Councilor Pope and carried unanimously.

**5. Interlocal Agreement with Lewis County Fire District #6 for Sharing of Fire Chief Services.** City Manager Anderson stated the city's fire personnel were moved to the District 6 headquarters station in August 2018 after Station 48 had to be vacated due to safety concerns, and the District has gone out of their way to accommodate the city. After the District's chief resigned in April, the District asked if Chief Cardinale could act as their interim chief until a replacement could be found. City Manager Anderson stated she was hesitant at first, but the District had again approached the city to reconsider. She noted the proposed agreement had not been approved by the District Commissioners, but they will meet tomorrow night to consider it. Special assignment pay for Chief Cardinale would cost the city salary plus employer paid benefits, which would be just under \$5,000 per month. The initial thought about how to divide the chief's time was 50% city business; 30% district business; and 20% joint city and district business. That proposed division of pay was estimated to be around \$6,200 to the District for 40% of the chief's pay to the city. After meeting with the chair of the District Commissioners, those figures were adjusted to be 57%, 23%, and 20%, respectively, resulting in a little less than \$5,200 to the District.

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Other key terms of the agreement would be that the chief would remain an employee of City, except for a provision related to L&I coverage; the contract would begin retroactive to July 1, 2019 and end on January 2, 2020, with a clause allowing the City Manager to extend for an additional six months; either party could terminate the agreement with 15-days' written notice; and each party agrees to mutual indemnification. City Manager Anderson recommended that the council approve the proposed ILA subject to the modification of the draft agreement to reflect that the District will pay a monthly fee to the City for fire chief services in the amount of \$5,189.76, which represents approximately 33% of the chief's salary and employer paid benefits, including special assignment pay; authorize the City Manager to execute the document subject to written acceptance of the final terms by the fire chief and the District; and approve special assignment pay for the chief retroactive to the effective date of the agreement until the termination of the agreement.

Councilor Spahr stated this was a heck of a burden to the chief and his family. Chief Cardinale stated his wife was very supportive and understood the situation. He recognized what the District had provided the city during the situation with the city's fire station. He also looked at it as an opportunity to continue to have the crews grow together and that the vision to have them join in the future will come to fruition.

Councilor Taylor agreed that it was an investment in the potential combining of the departments in the future and he thanked Chief Cardinale for his willingness to take on the additional duties. He added the District has been gracious in letting the city "live in their house" for several months now.

Mayor Dawes asked if the revised figures outlined by City Manager Anderson were generally something the District would agree with. City Manager Anderson stated the District was in agreement with the revised figures.

Councilor Ketchum moved to:

- Approve the proposed ILA with Lewis County Fire District #6 in substantially the same form as presented, subject to the modification of the draft agreement to reflect that the District will pay a monthly fee to the City for Fire Chief Services in the amount of \$5,189.76, which represents approximately 33% of the Chief's salary and employer paid benefits, including special assignment pay.
- Authorize the City Manager to execute the document subject to written acceptance of the final terms by the Fire Chief and LCFD #6 Board of Commissioners.
- Approve Special Assignment Pay for the Fire Chief retroactive to the effective date of this agreement until the termination of the agreement.

The motion was seconded by Councilor Pope and carried unanimously.

#### **6. Administration Reports.**

a. **City Manager Update.** City Manager Anderson stated Music in the Park starts on July 12 with additional shows on July 19, and 26, and the STP is this weekend.

#### **7. Councilor Reports/Committee Updates.**

a. Councilor Harris asked that Chief Schaffer pass along thanks regarding comments in the Chief's weekly newsletter about commendations of two officers. Councilors Pope and Spahr echoed their thanks.

b. Councilor Lund wished a happy birthday to Mayor Dawes on July 10.

c. Councilor Taylor stated Joe Clark continues to do a good job at Twin Transit and has brought forth a lot of good ideas for improving the transit system. He's been working with city staff to locate some pull-outs that will help traffic flow. He stated the proposed new transit center will not happen, and that Mr. Clark is looking at options to present to the board on how to utilize the property where it was to be located.

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d. Mayor Dawes attended the AWC Conference, along with the City Manager. One item discussed was HB1406 relating to affordable housing, which would allow cities to be reimbursed for eligible programs from a portion of the state's sales tax. Mayor Dawes stated he had a deep understanding of what law enforcement is going through; he also passed along his thanks to officers and all first responders.

e. Councilor Pope stated the July 4 celebration held at Rene Remund's farm was one of the best in a long time. He stated there are still people that celebrate our country for what it is.

There being no further business to come before the council, the meeting was adjourned at 6:03 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved: 7/22/2019

Initials: cf

