

PLEASE NOTE SPECIAL MEETING DATE AND TIME

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

Tuesday, November 12, 2013

4:30 p.m.

WORK SESSION

1. Review Chehalis-Centralia Airport Organizational Structure Options. (City Manager)	---	1
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Regular Meeting of Tuesday, November 12, 2013

5:00 p.m.

ITEM

ADMINISTRATION
RECOMMENDATION

PAGE

2. Call to Order. (Mayor)

3. Pledge of Allegiance. (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.

PUBLIC HEARING

4. Public Hearing on 2014 Proposed Budget and Revenue Sources, Taxes and Levies. (City Manager, Finance Manager)

CONDUCT PUBLIC HEARING

PRESENTATIONS

5. Shorelines Plan Update. (Community Development Director, Brad Medrud – LC Project Manager)

17

CONSENT CALENDAR

6. Minutes of the Regular Meeting of October 28, 2013. (City Clerk)

APPROVE

18

7. Vouchers and Transfers. (Finance Manager)

APPROVE

23

8. Re-appointment and Confirmation of Dale McBeth as Municipal Court Judge. (City Manager)

CONFIRM APPOINTMENT

25

ADMINISTRATION AND CITY COUNCIL REPORTS

9. Administration Reports.

a. Update on right-of-way signage code. (Community Development Director)

INFORMATION ONLY

26

10. Council Reports.

a. Councilor reports. (City Council)

INFORMATION ONLY

b. Council committee reports. (City Council)

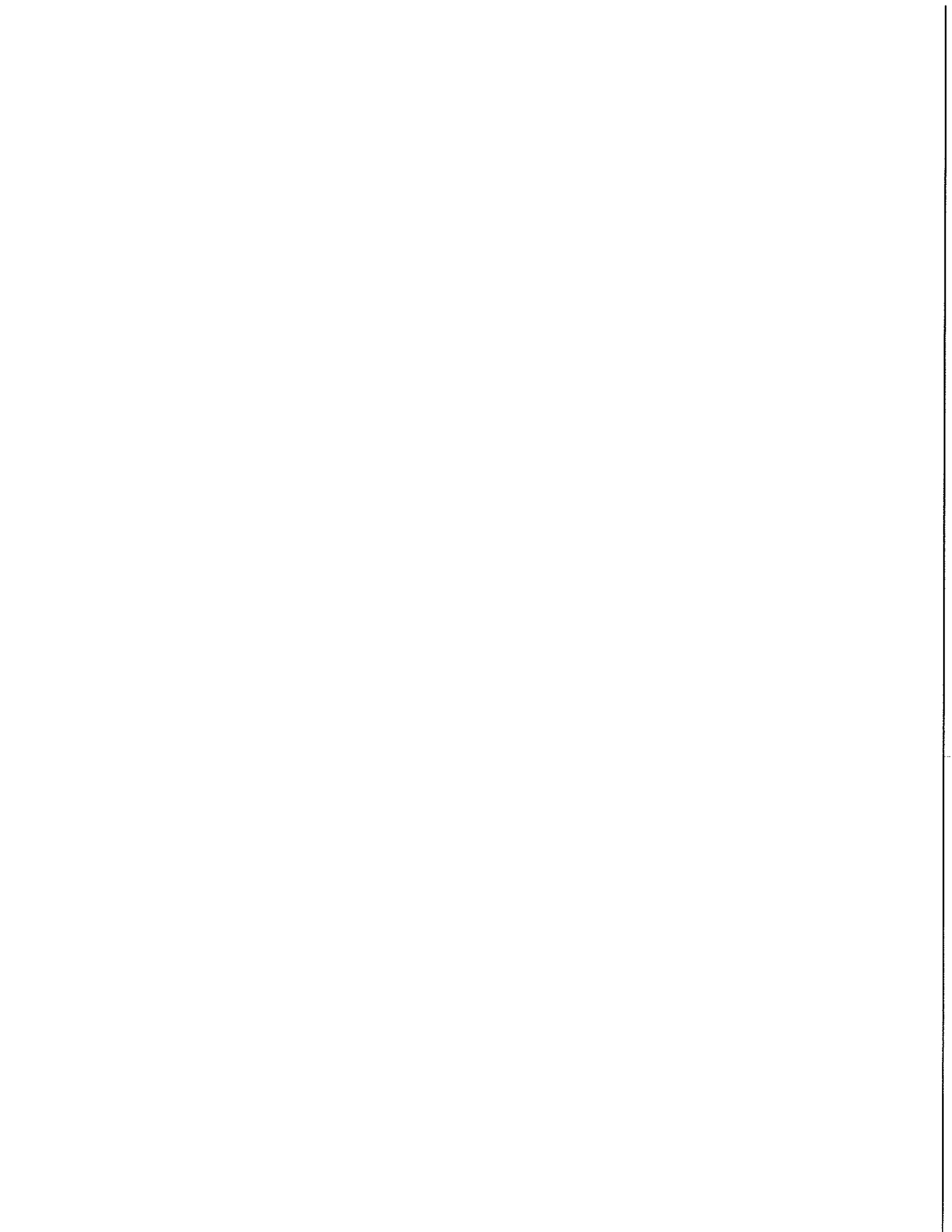
INFORMATION ONLY

NEW BUSINESS

<p>11. <u>Resolution No. 14-2013, First and Final Reading – Authorizing the Removal of Lewis County from the Chehalis-Centralia Joint Operating Agreement and Approving the Transfer of Lewis County’s Interest in the Airport to the City of Chehalis, and Authorizing Execution of the Transfer Agreement and the Assignment and Assumptions Agreement.</u> (City Manager, City Attorney)</p>	<p>ADOPT RESOLUTION NO. 14-2013 AND AUTHORIZE CITY MANAGER TO EXECUTE AGREEMENTS AND ESTABLISH AN AIRPORT DEPARTMENT</p>	<p align="center">1</p>
<p>12. <u>Ordinance No. 914-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2014.</u> (City Manager, Finance Manager)</p>	<p align="center">PASS</p>	<p align="center">29</p>
<p>13. <u>Ordinance No. 915-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2014.</u> (City Manager, Finance Manager)</p>	<p align="center">PASS</p>	<p align="center">31</p>
<p>14. <u>Ordinance No. 916-B, First Reading – Adopting the 2014 Budget.</u> (City Manager, Finance Manager)</p>	<p align="center">PASS</p>	<p align="center">32</p>
<p>15. <u>Ordinance No. 916-B, First Reading – Amending Sections of the Chehalis Municipal Code for Accessory Dwelling Units.</u> (City Manager, Community Development Director, City Attorney)</p>	<p align="center">PASS</p>	<p align="center">35</p>

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

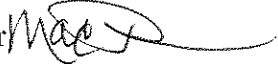
NEXT REGULAR CITY COUNCIL MEETING WILL BE ON MONDAY, NOVEMBER 25, 2013



**CITY OF CHEHALIS
AGENDA REPORT**

DATE: November 5, 2013

TO: The Honorable Mayor and City Council

FROM: Merlin MacReynold, City Manager 

SUBJECT: Organizational Structure of Chehalis-Centralia Airport and
Consideration of Resolution No. 14-2013 – Assuming Lewis
County's Interest in the Chehalis-Centralia Airport

ISSUE

Earlier this year, the Lewis County Commissioners determined that it was in the best interest of the County to withdraw from the airport operating agreement and transfer its interest in the airport to the City of Chehalis.

DISCUSSION

In 2005, the City of Chehalis and Lewis County became joint owners of the airport after the City of Centralia withdrew as a participant in the ownership. The airport has continued to operate under the joint agreement and the airport advisory board consisting of seven members: three appointed by Lewis County, three by the City; and one member by Lewis County and the City in rotation, each for a term of two years.

In January 2013, Commissioner Bill Schulte expressed the County's desire to transfer their interest in the Chehalis-Centralia Airport to the City. Members of both administrations and respective legal counsel have been meeting regularly to determine the feasibility and best approach for making such a transfer.

The Lewis County Commissioners held a public hearing on September 21, and took public comment. The Commissioners voted unanimously to approve Lewis County Resolution No. 13-502, authorizing the transfer of the County's interest in the Chehalis-Centralia Airport to the City of Chehalis. A similar resolution has been prepared for the council's consideration. Copies of the Transfer Agreement and the Assignment and Assumptions Agreement have been provided for council review as well.

Should the council adopt Resolution No. 14-2013, accepting the transfer of ownership of the airport from Lewis County, one of the more significant decisions will be the future organizational structure of the airport. The following options are identified for consideration:

- A stand-alone department
- A division of another department
- Operate with an airport advisory board with the City being the sole owner

The administration recommends that it be a stand-alone department without an airport advisory board. Decisions traditionally made by the airport advisory board concerning budget and policy would be made by the council and the administration of the airport would be the responsibility of the city manager.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the city council adopt Resolution No. 14-2013 on first and final reading and authorize the Transfer Agreement and Assignment and Assumptions Agreement to be executed. Further, the administration is seeking support on the recommended organizational structure and guidance concerning an airport advisory board.

SUGGESTED MOTION

I move that the city council adopt Resolution No. 14-2013 on first and final reading and authorize the Transfer Agreement and Assignment and Assumptions Agreement to be executed by the city manager. Further, the council supports the administrations recommendation that the airport be a separate department within the city administration and that the council shall provide policy, legislative and budget authority over the airport.

RESOLUTION NO. 14-2013

A RESOLUTION OF THE CITY OF CHEHALIS, WASHINGTON, AUTHORIZING WITHDRAWAL AND REMOVAL OF LEWIS COUNTY FROM THE CHEHALIS-CENTRALIA AIRPORT JOINT OPERATING AGREEMENT; TRANSFER OF LEWIS COUNTY'S INTEREST IN THE AIRPORT TO THE CITY OF CHEHALIS; ASSIGNMENT TO THE CITY OF CHEHALIS OF AND THE ASSUMPTION BY THE CITY OF CHEHALIS OF THE OBLIGATIONS AND COVENANTS OF THE CITY OF CENTRALIA AND LEWIS COUNTY UNDER VARIOUS FAA GRANT AGREEMENTS; AMENDMENT OF INTERLOCAL AGREEMENT WITH LEWIS COUNTY REGARDING PAYMENT OF THE AIRPORT BOND; FUNDING OF JUNE 1, 2017 BALLOON PAYMENT ON AIRPORT BOND; TRANSITION OF LEWIS COUNTY AIRPORT FUND 621; DEPOSITION OF PROCEEDS OF FUTURE SALE OF AIRPORT PROPERTY; AND CERTAIN INDEMNIFICATIONS.

WHEREAS, the City of Chehalis and Lewis County are parties to the Chehalis-Centralia Airport Operating Agreement, dated December 19, 2005, providing for the joint operation of the Chehalis-Centralia Airport, as authorized by Washington law, RCW 14.08.200 et seq.; and

WHEREAS, the December 19, 2005 agreement superseded a prior agreement between the City of Chehalis, Lewis County and the City of Centralia for the joint operation of the airport, which agreement was dated September 8, 1961; and

WHEREAS, the City of Chehalis (Resolution No. 9-2004), the City of Centralia (Resolution No. 2432), and Lewis County (Resolution No. 04-304), entered into a Joint Resolution of each of their respective governing bodies on August 24, 2004, authorizing the removal of the City of Centralia from the September 8, 1961 operating agreement; and

WHEREAS, Lewis County has determined that it is in the best interest of the County to withdraw from the airport operating agreement and transfer its interest in the airport to the City of Chehalis; and

WHEREAS, the City of Chehalis has indicated its desire to accept the transfer of Lewis County's interest in the Chehalis-Centralia Airport; and

WHEREAS, the Federal Aviation Administration Grant Agreements pertinent to the Chehalis-Centralia Airport entered into by Lewis County and those entered into by the City of Centralia require the Federal Aviation Administration, the cities and the county to enter into an

Assignment and Assumption Agreement pursuant to which Lewis County and the City of Centralia assign to and the City of Chehalis assumes (1) the obligations and covenants of Lewis County under the Grant Agreements entered into by Lewis County, and (2) the obligations and covenants of the City of Centralia under the Grant Agreements entered into by the City of Centralia; and

WHEREAS, the City of Chehalis would assume the obligation to make all payments required by the Airport Bond, including the June 1, 2017 balloon payment; and,

WHEREAS, the Bank of America has indicated its willingness to permit the transfer of the County's interest in the Airport to the City of Chehalis and the attendant changes in the flow of funds to pay the Airport Bond;

**THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO
RESOLVE AS FOLLOWS:**

1. Authorizing execution of a Transfer Agreement with Lewis County providing for the transfer of Lewis County's interest in the Chehalis-Centralia Airport to the City of Chehalis on terms consistent with this Resolution, to be effective on or about January 1, 2014.
2. Authorizing execution of an Assignment and Assumption Agreement with the Federal Aviation Administration (FAA), Lewis County and the City of Centralia, providing for the City of Chehalis to assume all of the obligations and covenants of Lewis County and the City of Centralia under the FAA Grant Agreements pertinent to the Chehalis-Centralia Airport entered into respectively by Lewis County and the City of Centralia, effective on or about January 1, 2014, and contingent upon the execution of the above-referenced Transfer Agreement.
3. Contingent on execution of such agreements, authorizing Lewis County's withdrawal from the Chehalis-Centralia Airport Operating Agreement, dated December 19, 2005, said withdrawal to be effective on or about January 1, 2014.
4. Contingent on execution of such agreements, authorizing the transfer to the Airport Debt Service Fund, as of close of business on December 31, 2013, of sufficient funds to bring the balance in the Airport Debt Service Fund account up to \$1,565,777.43, the amount due on June 1, 2017 to pay the balloon payment on the Airport Bond and requiring maintenance of that balance in that fund until full payment of the Airport Bond on or about June 1, 2017.
5. Contingent on execution of such agreements, authorizing payment of proper Chehalis-Centralia Airport expenses from Lewis County Airport Agency Fund 621 as of close of business December 31, 2013, and the transfer of the remaining funds to the City of Chehalis as of January 1, 2014, and payment for the provision by the City of Chehalis of Airport employee health and welfare benefits beginning January 1, 2014.

6. Lewis County Treasurer will seek and obtain such approvals and agreements from the Airport Bondholder, Bank of America, as necessary to implement the proposed transfer of the county's interest in the Chehalis-Centralia Airport to the City of Chehalis, effective January 1, 2014.
7. Authorizing execution of an amendment to the Airport Bond Interlocal Agreement with Lewis County implementing the transfer of the county's interest in the Chehalis-Centralia Airport to the City of Chehalis and providing for the City of Chehalis to assume the obligation to cause the timely deposit into the Airport Debt Service Fund of sufficient funds to pay the Airport Bond payments as they come due.
8. Authorizing the City Manager to execute the required Transfer Agreement, Assignment and Assumption Agreement, and other necessary and appropriate agreements and documents, consistent with this Resolution, before January 1, 2014.

ADOPTED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this ____ day of November, 2013.

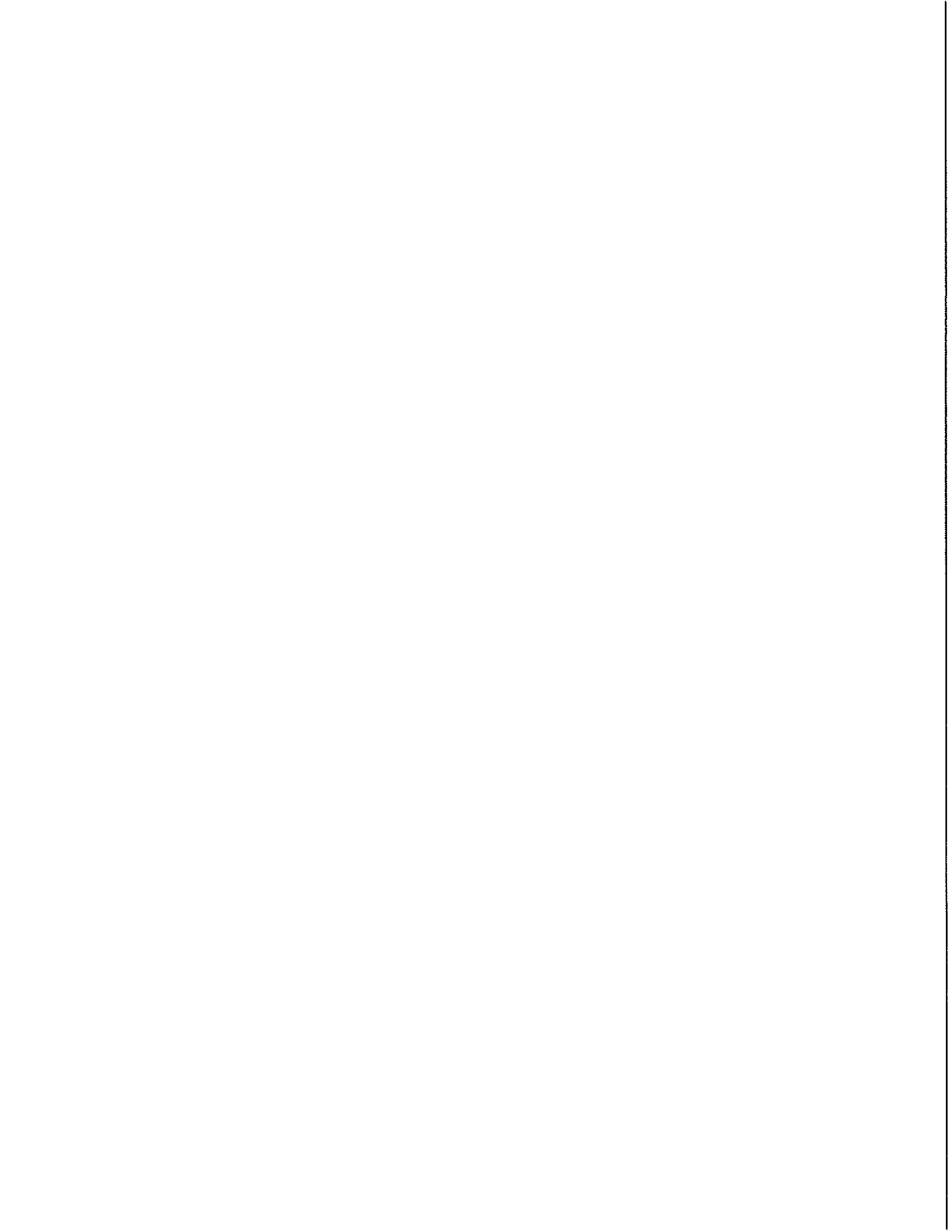
Mayor

Attest:

City Clerk

APPROVED AS TO FORM:

City Attorney



TRANSFER AGREEMENT

(Chehalis – Centralia Airport)

THIS TRANSFER AGREEMENT (“Transfer Agreement”) is made and entered into this ___ day of _____, 2013, by and between **LEWIS COUNTY**, a municipal corporation (the “County”), and the **CITY OF CHEHALIS**, a municipal corporation (the “City”), pursuant to RCW chapter 39.34.

WITNESSETH:

WHEREAS, the Chehalis-Centralia Airport (the “Airport”) is jointly operated, maintained and regulated by the City and County pursuant to the *Chehalis-Centralia Airport Operating Agreement*, dated as of December 19, 2005, between the City and County (the “Operating Agreement”);

WHEREAS, the County has determined that it is in the best interests of the County to withdraw from the Operating Agreement and to transfer its interest in the real and personal property of the Airport to the City subject to the terms and conditions of this agreement;

WHEREAS, the County is a party to thirteen (13) grant agreements with the Federal Aviation Administration (FAA), dating from 1981 to 2013 and in a collective amount of \$3,467,691.65, that subject the County to continuing obligations, including repayment if the grant agreements are violated;

WHEREAS, the City desires to continue operating the Airport as sole owner and operator and concurrently has entered into the *Assignment and Assumption Agreement* with the City of Centralia, the County and the Federal Aviation Administration accepting the assignment of and assuming all covenants, obligations, terms and conditions of the Grant Agreements entered into with the Federal Aviation Administration (the “FAA”) concerning the Airport, both by the City of Centralia and Lewis County;

WHEREAS, on August 29, 2007, the County issued the *Lewis County, Washington, Limited Tax General Obligation Bond, 2007* (Centralia-Chehalis Airport) in the principal amount of \$3,500,000 (the “County Bond”) to finance extensive improvements for the benefit of the Airport;

WHEREAS, as a condition to the issuance of the County Bond, the City and County entered into an Interlocal Agreement (the “*Bond Interlocal Agreement*”) providing that the operating revenues of the Airport shall be the primary source of repayment of the County Bond and for the administrative costs relating to the County Bond and that

Airport operating revenues shall be drawn upon and transferred to the Lewis County Treasurer ("Treasurer") to be deposited into the Lewis County Limited Tax General Obligation Bond Fund, 2007 (Chehalis-Centralia Airport) Airport Debt Service Fund (the "Airport Debt Service Fund") at times and in amounts sufficient to pay debt service on the County Bond when due;

WHEREAS, in the *Bond Interlocal Agreement*, the City and County further agreed that in the event that Airport operating revenues are insufficient to pay debt service on the County Bond, the City shall be obligated promptly (within 24 hours) following receipt of written notice from the County to remit one-half of the deficiency to the County to pay debt service on the County Bond;

WHEREAS, the transfer to the City of the County's interest in the Centralia-Chehalis Airport requires an amendment of the *Bond Interlocal Agreement* to ensure that the debt service on the County Bond remains current until maturity and that the County Bond is fully paid at final maturity of the County Bond on June 1, 2017;

WHEREAS, the transfer contemplated by this Agreement and the *Assignment and Assumption Agreement* will (1) release the County from all obligations under the approximately \$3.5 million in FAA Grant Agreement obligations, (2) ensure full payment of the June 1, 2017 balloon payment on the outstanding Airport Bonds in the amount of \$1,565,777.43, and (3) require the City to timely fund all remaining annual bond payments in full;

WHEREAS, the present and future liabilities to the County being assumed by and provided for by the City exceed the deemed value to the County of the undivided property interest being transferred by the County, which interest is encumbered by and subject to the restrictions stated in the FAA Grant Agreements; and,

WHEREAS, as a condition to the transfer of the County's interest in the Airport and although it is expressly intended and understood that title to the Airport real property is being conveyed to the City, the City is granting the County a one-half interest in and right to one-half of the future proceeds of the sale or other disposition of any real property and improvements contributed to the Airport or acquired during the time that the County and the City were joint owners of the Airport, after deduction of any interest of the City of Centralia in said proceeds.

NOW THEREFORE in consideration of the above-stated recitals, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. County Withdrawal from Operating Agreement. The County withdraws from the Operating Agreement and the City consents to that withdrawal. The City shall defend, indemnify and hold Lewis County harmless from any and all

claims and losses arising out of Airport activities occurring after the execution of this Agreement.

2. City Grant of Interest in Proceeds of Sale or Other Disposition of Airport Property. Although the County conveys its interest in the real and personal property of the Airport to the City, the City hereby grants and conveys to the County a one-half interest in the proceeds from the sale or other disposition of any interest in the real property (and improvements thereto) described in Exhibit A to this Agreement (the "Joint Property"), after deduction of any proceeds due to the City of Centralia pursuant to Chehalis Resolution 9-2004, Centralia Resolution 2432 and County Resolution 04-304. Legal descriptions of the parcels comprising the Joint Property are attached hereto as **Exhibit A** to this Agreement and are incorporated herein by this reference.
 - a. Fair Market Value. In the event the City conveys, transfers or disposes of its interest in any of the Joint Property for no remuneration or for less than the fair market value of the Joint Property or interest in that property, the City shall pay the County one-half of the fair market value of the Joint Property or interest in that property, which value shall be determined by an independent appraisal by a competent appraiser agreed to by both parties
 - b. Proceeds. For purposes of this section 2 of this Agreement, the term "proceeds" shall mean: Gross sale price less ordinary selling expenses paid by the City including but not limited to escrow fees, title insurance costs, survey costs, and real estate commissions.
 - c. Recording. This Agreement shall be recorded with the Lewis County Auditor's Office as to all parcels identified in **Exhibit A** to this Agreement. This Agreement shall also be posted on the websites for the County and the City.
3. Amendment of Bond Interlocal Agreement. Section 3 of the Bond Interlocal Agreement entered into by the City of Chehalis and Lewis County on August 27, 2007, is hereby amended by the replacement of the following Section 3 for the existing Section 3 of that August 27, 2007 Bond Interlocal Agreement:

Section 3. In the event that Airport operating revenues are insufficient to pay debt service on the County Bond, the City shall be obligated promptly (within 24 hours) following receipt of written notice from the County (which

notice may be electronic as provided in Section 5) to remit the entire deficiency to the County.

In all other respects the August 27, 2007 Bond Interlocal Agreement shall remain in full force and effect.

4. Mandated Minimum Balance in Airport Debt Service Fund. The County Bond provides for a ten-year term with a 15-year amortization. There is an annual payment on the County Bond of \$158,102.91 with a final payment due on June 1, 2017 of \$1,565,777.43. The City shall timely provide the required funds to the County for the County to timely make all required bond payments. At the close of business on December 31, 2013, the County Treasurer shall transfer from Airport Agency Fund 621 to the Airport Debt Service Fund the amount sufficient to bring the balance of that account to \$1,565,777.43. Thereafter, the City shall ensure and agrees to at all times maintain a cumulative balance of at least \$1,565,777.43 in the Airport Debt Service Fund managed by the Lewis County Treasurer until the County Bond is fully paid at maturity. The City shall indemnify and hold Lewis County harmless from any and all claims arising out of the breach of section 4 of this agreement and section 3 of the *Bond Interlocal Agreement* as amended by section 3 of this agreement.
5. Management of Airport Debt Service Fund. The County Treasurer shall manage the Airport Debt Service Fund in accordance with the Lewis County Investments Policy, as from time to time amended.
6. Approval of Bondholder. This Agreement shall not be effective unless and until the Bank of America or its successor in interest to the Airport Bond approves the changes implemented by this Agreement, including the change in the flow of funds to pay the Airport Bond. The County will exercise its best efforts to secure the timely approval of Bank of America or other bondholder.
7. Management of Airport Agency Fund 621 in Transition. At the close of business on December 31, 2013, the County Treasurer shall transfer to the City all of the funds remaining in Airport Service Fund 621, except for the funds transferred to the Airport Debt Service Fund to bring the balance of that fund to \$1,565,777.43. The City shall be responsible for payment of all Airport expenses after close of business December 31, 2013. The last payroll for the Airport employees will be in the latter half of December 2013. On or before December 13, 2013, the City shall provide the required information to

the County Auditor for the Auditor to pay the Airport employees' health and welfare benefits for January 2014 as part of the final 2013 payroll. If the City does not timely direct the County Auditor or provide the required information to timely pay the Airport employees' health and welfare benefits as part of the final 2013 regular payroll, the City shall be responsible for payment for those health and welfare benefits and shall indemnify and hold Lewis County harmless from any and all claims arising from the failure to pay for or provide health and welfare benefits to Airport employees.

8. Cooperation. The parties agree to cooperate in facilitating the execution of all documents and agreements necessary and appropriate to the fulfillment of the terms, conditions and obligations contemplated by this Agreement.
9. Access Easement. The City shall grant the County and its contractors an access easement without fee and on reasonable terms for purposes of completing Phases 1A and 1B of the Airport Levee Project.
10. Amendments. This agreement may be amended, altered or changed from time to time by agreement of the parties hereto evidenced by written amendment thereto. No party shall withdraw from this Agreement without the consent of the other.
11. Notices. All notices or other communications required or permitted under this Agreement shall be sufficiently given if given by electronic communication, with return receipt verified, promptly confirmed in writing by U.S. Mail, return receipt requested:
 - a. If to *County*: Lewis County Commissioners
360 N. W. North Street
Chehalis, WA 98532
Attention: Chairperson
 - b. If to *City*: City Manager
City of Chehalis
P.O. Box 871
Chehalis, WA 98532
12. Governing Law. This agreement shall be construed and enforced in accordance with the laws of the State of Washington, and venue for any dispute arising hereunder shall be in the Superior Courts for the State of Washington in Thurston County.

EXECUTED IN DUPLICATE and effective as of January 1, 2014.

LEWIS COUNTY, WASHINGTON

By: _____

Name: _____

Title: Commissioner

By: _____

Name: _____

Title: Commissioner

By: _____

Name: _____

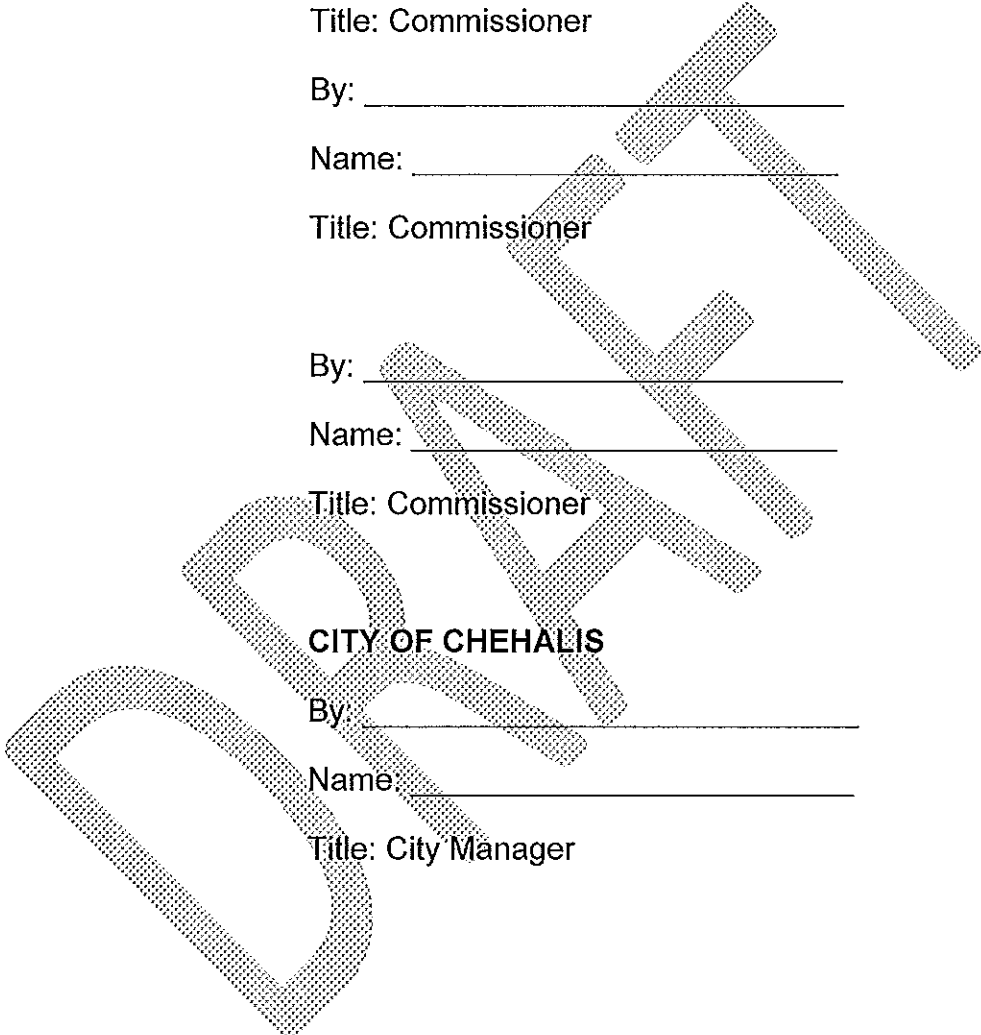
Title: Commissioner

CITY OF CHEHALIS

By: _____

Name: _____

Title: City Manager



ASSIGNMENT AND ASSUMPTION AGREEMENT

CENTRALIA-CHEHALIS AIRPORT

This **ASSIGNMENT AND ASSUMPTION AGREEMENT** (the "Assignment and Assumption Agreement") is entered into this ___ day of ___, 2013, by and between the City of Chehalis (hereinafter referred to as "Chehalis"), a municipal corporation under the laws of the state of Washington, the City of Centralia (Hereinafter referred to as "Centralia"), a municipal corporation under the laws of the state of Washington, Lewis County (the "County"), a municipal corporation under the laws of the state of Washington, and the Federal Aviation Administration (hereinafter referred to as "the FAA").

RECITALS

WHEREAS, Centralia, Chehalis and the County jointly operated the Centralia-Chehalis Airport (hereinafter referred to as "the Airport") pursuant to an operating agreement entered into September 8, 1961;

WHEREAS, Centralia concluded its participation in the Airport by Joint Resolution of Centralia, Chehalis and the County on August 24, 2004;

WHEREAS, the obligations, covenants, rights and interests in, to, and under all existing FAA grant agreements with Centralia were never formally assigned and assumed as part of the transaction removing Centralia from the Airport;

WHEREAS, the Airport has been jointly operated, maintained and regulated by Chehalis and the County pursuant to the Chehalis-Centralia Airport Operating Agreement, dated as of December 19, 2005, between Chehalis and the County (the "Operating Agreement");

WHEREAS, the County has determined that it is in the best interests of the County to withdraw from the Operating Agreement and to transfer its interest in the real and personal property of the Airport to Chehalis subject to the terms and conditions of the Transfer Agreement entered into contemporaneously with this Assignment and Assumption Agreement; and,

WHEREAS, Chehalis desires to continue operating the Airport as sole owner and operator and possesses the financial, managerial and technical expertise and the resources to do so in compliance with federal, state and local regulations, and the terms and conditions of all grant agreements entered into with the Federal Aviation Administration (the "FAA") by Centralia, Chehalis and the County.

A G R E E M E N T

NOW, THEREFORE, intending to be legally bound hereby, in consideration of the covenants, agreement and other terms and conditions contained herein and other good and valuable consideration, Centralia, Chehalis, the County and the FAA hereto agree as follows:

1. Incorporation of Recitals. The foregoing recitals are incorporated herein and by this reference made a part hereof.

2. County Assignment. Effective immediately prior to the transfer, the County hereby grants, conveys, transfers and assigns to Chehalis all of the County's rights, title, interests and obligations in, to and under the County Grant Agreements, including but not limited to the County Grant Agreements listed on **Exhibit A** attached hereto and made a part hereof. It is the intent of the parties that the right, title, interest and obligations of the County prior to, on and after this date under all outstanding County Grant Agreements between the County and the FAA are being assigned to Chehalis hereunder.

3. Centralia Assignment. Effective immediately, Centralia grants, conveys, transfers and assigns to Chehalis all of Centralia's rights, title, interests and obligations in, to and under Centralia Grant Agreements, including but not limited to the Centralia Grant Agreements listed on **Exhibit B** attached hereto and made a part hereof. It is the intent of the parties that the right, title, interest and obligations of Centralia prior to, on and after this date under all outstanding Centralia Grant Agreements between Centralia and the FAA are being assigned to Chehalis hereunder.

4. Acceptance/Assumption. Chehalis hereby accepts and assumes all of the obligations of Airport Sponsor for the Airport, and further assumes, covenants, acknowledges and agrees to be bound by and to perform, observe and be subject to all of the obligations, terms, covenants and conditions of the County Grant Agreements and Centralia Grant Agreements (including the obligation to comply with the responsibilities imposed under the FAA Airport Assurances in connection with the Centralia and County Grant Agreements) on and after the date of this Assumption Agreement and such other date that any obligations, terms, covenants and conditions become effective. Attached as **Exhibits C and D** are the Certifications of Chehalis counsel that Chehalis has the financial ability to carry out the sole sponsorship of the Airport and the certifications, representations, warranties, assurances, covenants and other

obligations of the sponsor contained in the Centralia Grant Agreements, the County Grant Agreements, and the Grant Agreements entered into by the City of Chehalis which are listed on **Exhibit E** attached hereto and made a part hereof.

5. Federal Obligations. **Exhibits A and B** are listings of the FAA Grant Agreements to be assumed by Chehalis upon execution of this agreement.
6. Release of County. The FAA shall relieve and release the County from the Grant obligations under any previously granted grants or other federal obligation instruments executed before the date of this assignment and Assumption Agreement upon the County's performance of all actions necessary to complete the Airport Transfer as set forth in the Transfer Agreement between Chehalis and the County executed _____, 2013; and of the County's obligations under the Transfer Agreement and the related documents incorporated or attached thereto.
7. Release of Centralia. The FAA shall relieve and release Centralia from the Grant obligations under any previously granted grants or other federal obligation instruments executed before the date of this Assignment and Assumption Agreement.
8. Legally Binding. All agreements, covenants, conditions and obligations contained in this Assignment and Assumption Agreement shall be legally binding upon and inure to the benefit of Chehalis and its successors and assigns. The FAA is intended to be a third party beneficiary with respect to all provisions of this agreement.
9. Complete Agreement. This Assignment and Assumption Agreement constitutes the entire understanding and agreement of Chehalis with respect to the assumption of obligations and actions contemplated hereby and supersedes any prior agreements or understandings whether written or verbal, with respect to the subject matter hereof.
10. Non-Waiver, Modification. The waiver by any party of a breach of or a default under any provision of this Assignment and Assumption Agreement will not be effective unless in writing and will not be construed as a waiver of any subsequent breach of or default under the same or any other provision of this Assignment and Assumption Agreement, nor will any right or remedy that it has or may have hereunder operate as a waiver of any right or remedy.

11. Captions. The captions, overviews and headings used in this Assignment and Assumption Agreement are inserted for convenience only, do not form a part of this agreement and will not be used in any way to construe or interpret this agreement.

12. Severability. If the application of any provision of this Assignment and Assumption Agreement to any particular facts or circumstances will for any reason be held to be invalid, illegal or unenforceable by a court, arbitration panel or other tribunal of competent jurisdiction, then (i) the validity, legality and enforceability of such provision as applied to any other particular facts or circumstances, and the other provisions of this agreement, will not in any way be affected or impaired thereby and (ii) such other provision will be enforced to the maximum extent possible so as to effect the intent of the parties.

IN WITNESS WHEREOF, Chehalis has caused this Assignment and Assumption Agreement to be executed by its duly authorized representative the day and year first above written.

ATTEST:

CITY OF CHEHALIS

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ATTEST:

CITY OF CENTRALIA

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ATTEST:

LEWIS COUNTY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

ATTEST:

FEDERAL AVIATION
ADMINISTRATION

By: _____

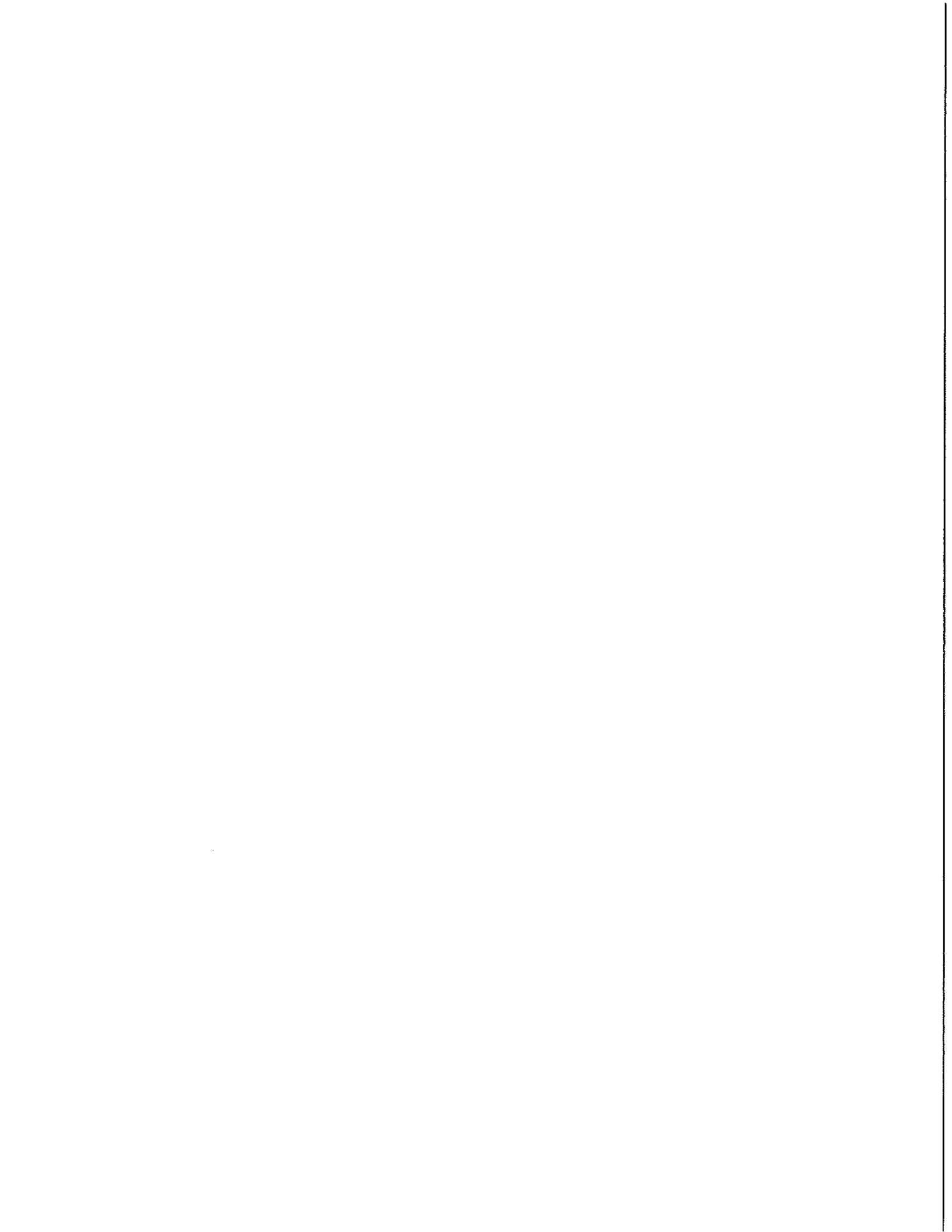
By: _____

Name: _____

Name: _____

Title: _____

Title: _____



**CITY OF CHEHALIS
AGENDA REPORT**

DATE: November 12, 2013
TO: The Honorable Mayor and City Council
FROM: Dennis Osborn – Community Development Dir.
SUBJECT: Shoreline Update – Admin Report

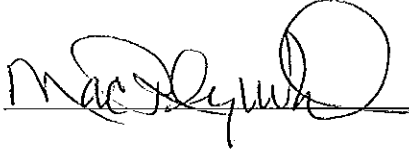
ISSUE

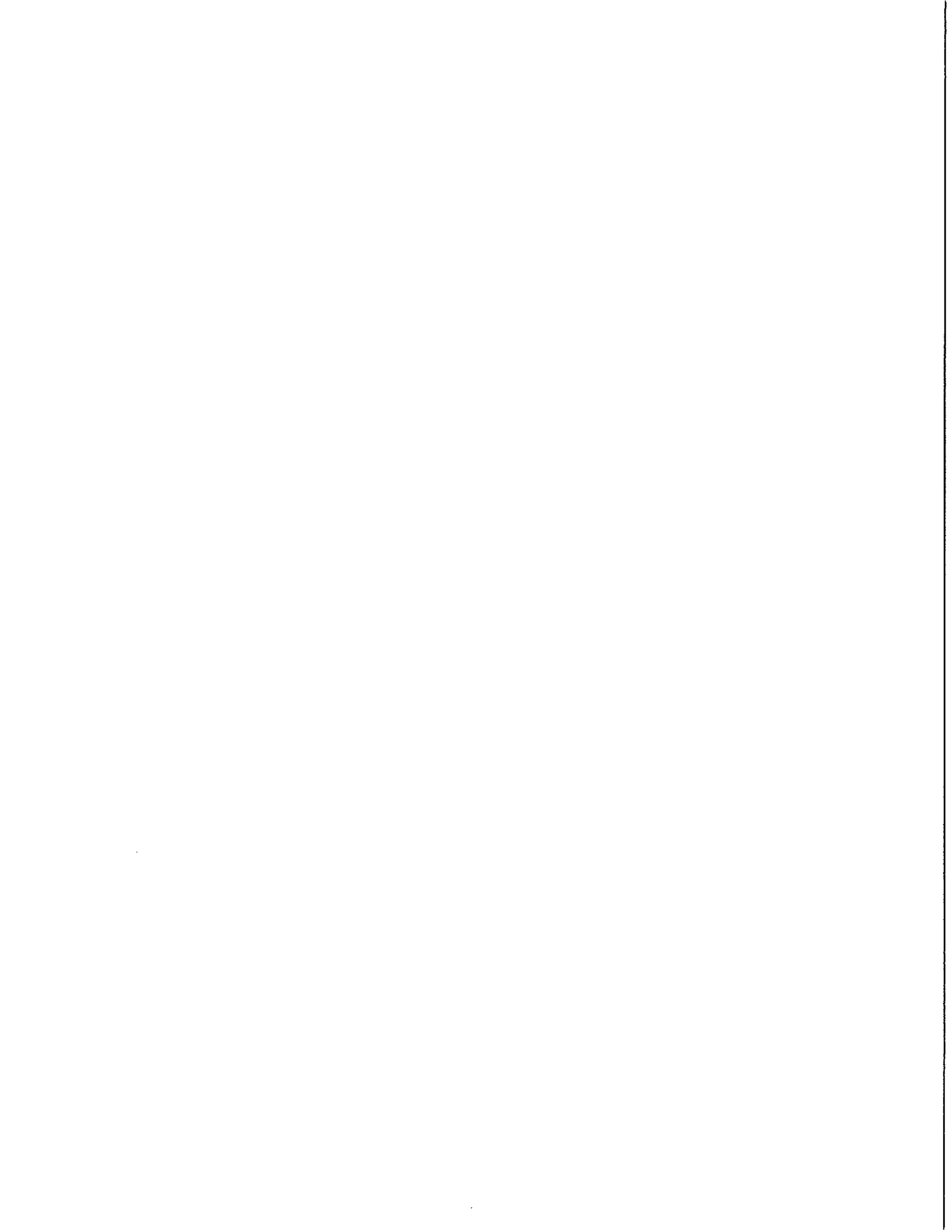
The City has partnered with Lewis County in updating the City's Shoreline Master Program. The County has retained the services of AHBL to facilitate and develop the material and process for the update. To date, the jurisdictions involved have formed a Technical Advisory Committee which has met once, and a Citizen Advisory Committee that our Planning Commission is serving in this capacity.

At this point the data collected by AHBL is a shoreline inventory. AHBL scheduled community meetings to go over the inventory, and the possible shoreline designations. Chehalis community meeting was held on October 8th at 6 PM in the Council chambers. Tonight Brad Medrud, the lead consultant from AHBL, will be presenting a brief update to Council on our Shorelines work.

RECOMMENDATION/COUNCIL ACTION DESIRED

No action is needed, this is informational only.

Reviewed:  _____, City Manager



October 28, 2013

The Chehalis city council met in regular session on Monday, October 28, 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; Bill Hillier, City Attorney; Judy Schave, City Clerk; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; and Patrick Wiltzius, Acting Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Quarterly Report on Chehalis-Centralia Airport Activities.** Airport Manager Allyn Roe reported they spent most of the summer working on their capital projects. Earlier in the year they were awarded an FAA Airport Improvement Program grant that paid for a new building for the snow removal equipment and some new markings on the runway for instrument approach. He noted the building project is about 25 percent under budget due to their ability to submit force account labor against the project.

Mr. Roe reported, in working on a long-term solution for traffic counts along Louisiana Avenue, they found a traffic radar device that can count several lanes of traffic at a time. He noted the device is located near Walgreens and they are getting anywhere from 16,000 to 20,000 vehicle movements per day. Mr. Roe stated the primary use of the information will be for marketing, to attract new tenants in the retail sector. He noted the radar device can also be moved to different locations if they need to obtain data in other areas.

Mr. Roe reported they wrapped up the new entryway along Arkansas Way that serves their properties that surround Home Depot. He noted the entryway would allow for future development in that area.

Mr. Roe reported the levee project was also wrapping up for the year, noting Lewis County found a new location to haul material from, which sped up the project considerably.

Mr. Roe indicated they have some budget adjustments that need to be made prior to the end of the year for some capital expenditures primarily related to the sewer lift station.

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

- a. Minutes of the regular meeting of October 14, 2013;
- b. Claim Vouchers No.107335-107474 in the amount of \$377,913.03 dated October 15, 2013; and
- c. Adopt Resolution No. 13-2013 on first and final reading for the surplus of city property.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Administration Reports.**

a. **Third Quarter and September Financial Report.** Finance Manager Eva Lindgren reported the general fund is covering the cash flow from the grant funds while we wait for reimbursement. She noted once the money is received for the FEMA home elevation project and pool project, the general fund would be replenished. Ms. Lindgren noted we will also be receiving a property tax payment from Lewis County sometime in November.

Councilor Pope stated it was his understanding that the city would not lose any money with the pool project. Ms. Lindgren reported the city was not losing money, adding it was just a timing issue. She noted we want to go through the grant funds first before we start taking money from the Chehalis Foundation.

Councilor Harris asked if the reimbursement for the FEMA home elevation project would be received by the end of the year. Ms. Lindgren reported she tries to bill for reimbursement every other month. Councilor Harris asked if they were quick to respond once the city submits for reimbursement. Ms. Lindgren stated there have been some hiccups, and sometimes she's had to call to inquire.

Ms. Lindgren briefly reviewed the September financial report, noting a large variance in the general fund attributed to

October 28, 2013

the general property taxes. As noted earlier, payment from Lewis County should be received in November. Ms. Lindgren reported the operating transfers-in were also a little behind, but that would change once we receive reimbursement from the state grant agencies.

Ms. Lindgren stated she didn't have any highlights to report for the utility funds, but offered to answer any questions.

b. **Quarterly Sales and Use Tax Report.** Finance Manager Eva Lindgren reported, at the end of the second quarter, the sales and use tax revenue showed an increase of 7.9 percent over last year. She noted through September 2013 the increase shrunk to 7.1 percent, but was cautiously optimistic that it would hold through the end of the year.

c. **Update on Chehalis-Centralia Airport Ownership.** City Manager MacReynold reported on Monday, October 21, the Lewis County Commissioners unanimously passed a resolution in favor of transferring ownership of the Chehalis-Centralia Airport to the city. He noted, administratively, we plan to have a similar resolution and organizational proposal to the council relatively quickly.

4. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes reported the Regional Fire Authority Planning Committee met on October 16 and reviewed the proposed interlocal agreement. He noted they were working on the last bit of training and hoped to have something very soon for the agencies to consider. Councilor Dawes stated if the agreement is met with positive results from both sides, they would be looking at a target date of January 1 to start the functional consolidation stage.

Councilor Dawes reported he also attended the Business After Hours event on October 17, the Centralia College Foundation Kick-off on the 19th, and the Lewis County Commissioners meeting on October 21.

b. **Update From Councilor Taylor.** Councilor Taylor stated he's had several residents ask him if there's a way the city can look at a utility customer's annual use and come up with an average monthly amount to pay, rather than paying every two months. City Manager MacReynold stated the administration could certainly look at it and report back.

c. **Update From Councilor Lund.** Councilor Lund reported once they get to the functional consolidation stage, the Chehalis fire department will have an on-duty paramedic for the first time. Councilor Dawes stated one of the increased benefits the city would see is having a paramedic on duty, 24-hours a day, every day of the year. He noted the city currently has one firefighter/paramedic that's still going through training, and that's going very well.

5. **Chehalis Avenue Beautification and Overlay Project.** City Manager MacReynold reported the council authorized the low bid for the project at a prior meeting; however, after looking at it more carefully, the administration has some concerns primarily around the cost.

City Attorney Hillier reported, early on, the matter was presented to the council for consideration and the council said in general terms to go with the low bid; however, after taking time to look at it, the administration feels we can do better for the citizens. City Attorney Hillier stated, if the council takes it under reconsideration and rejects all bids, we can go back out to bid this winter and get a much more favorable bid. He reported the administration ran it by the Washington State Department of Transportation and they are fine with the city rebidding the project.

Councilor Harris moved that the council reconsider acceptance of the bid from Nova Contracting Inc., reject all bids previously received and direct the administration to rebid the Chehalis Avenue Beautification and Overlay Project.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Ordinance No. 913-B, Second and Final Reading – Amending the 2013 Budget.** Ms. Lindgren highlighted some of the items added to the budget amendment, including eight new Windows 7 laptops for the police department. She noted Microsoft recently made a decision to stop supporting Windows XP effective April 2014, which raised security issues with the computers used by the police officers. Ms. Lindgren reported rather than purchasing the very expensive indestructible

October 28, 2013

laptops, the Police Chief decided to purchase laptops off the shelf. She noted they've tried the less expensive laptops and have had a very good experience with them.

Ms. Lindgren reported the amendment also addresses the grant issues previously mentioned, and other operational type issues.

Councilor Taylor inquired about the K-9 and K-9 transport purchases noted in the amendment. Ms. Lindgren stated the expenses were for the partial cost of the K-9, and full cost for the equipment for transporting the K-9 in the vehicle.

Mayor Ketchum asked if the repairs to the Chamber Way overpass (located above the railroad tracks) would be reimbursed. Ms. Lindgren indicated the max we would be reimbursed is \$10,000.

Councilor Spahr moved to pass Ordinance No. 913-B on second and final reading, as amended.

The motion was seconded by Councilor Taylor and carried unanimously.

7. Resolution No. 12-2013, First and Final Reading – Adopting an Interlocal Agreement Between the City and the Association of Washington Cities (AWC) Benefit Trust Authorizing the City to Jointly Participate in a Self-Insured Health Care Program Administered by AWC Trustees and Authorizing the City Manager to Execute the Same. Human Resources Administrator Peggy Hammer reported, in January 2014, AWC is making a change to move to a self-insurance method. She indicated there would be no change as a member of the AWC "Pool," other than the process of adopting the interlocal agreement. Ms. Hammer stated the selection of the various medical programs and the items covered does not change, adding the city will continue to get billed the same way and employees can continue to see their same doctors.

Ms. Hammer reported AWC's Advisory Board believes they can do as well, if not better, by maintaining the required reserves and paying the claims themselves. She noted the process is regulated by the RCWs and stipulates that all parties that are part of the "Pool" need to have a formal agreement, which is what is being presented to the council for consideration.

Ms. Hammer reported, in 2014, the rates will go down a couple of percentage points for the LEOFF1 Retirees on the Medicare Advantage Program, while all of the other plans will have a zero percent increase.

Councilor Harris asked about the reserves AWC is required to have. Ms. Hammer reported AWC's beginning program for 2014 is \$15.4 million, and after projected contributions and expenses, their year-end balance will be about \$15.7 million.

Councilor Taylor moved to adopt Resolution No. 12-2013 on first and final reading.

The motion was seconded by Councilor Spahr and carried unanimously.

8. Lodging Tax Advisory Committee (LTAC) 2014 Recommendations. Councilor Harris noted their new member Michel Rey, owner of the Best Western, was in attendance, while Rick Burchett from the Chehalis-Centralia Railroad and Museum was unfortunately unable to attend.

Councilor Harris thanked Administrative Assistant Caryn Foley for organizing everything for the committee, noting she is the backbone of the program and does 99 percent of the labor. He also thanked the organizations who came and made presentations.

Councilor Harris reported the LTAC would really like to see the entities and programs that have been around for a while be more self-sustaining, and from some, they would like to see more positive results. He noted the Committee is willing to look at those who are willing to grow and expand, and those that are mostly sustaining. Councilor Harris felt it ended up being a pretty good budget by the time they were all done.

Councilor Spahr inquired about the \$45,000 allocation for the City Manager's Office. City Manager MacReynold noted \$5,000 was for actual advertising, and the other \$40,000 was a request from the Chamber of Commerce to expand their services to Sundays and do improvements to their website.

October 28, 2013

Councilor Spahr stated he had a lot of faith in the LTAC and absolutely trusted what they do.

Councilor Lund wondered why the Chamber's request came through the City Manager's Office. City Manager MacReynold stated it's been done that way forever and they've just continued that practice. Councilor Harris noted the Chamber has a contract for their services with the city.

Penny Mauel representing the Lewis County Historical Museum thanked the council for considering funding for the museum. She noted they hoped to continue to expand their budget by doing more fundraising events.

Councilor Harris reported the historical museum is one that the Committee wrestles with each year, and they do so positively. He stated by law the programs have to demonstrate heads-in-beds and it's difficult for the museum to produce those kind of numbers. Councilor Harris noted the LTAC also supports the museum because they understand what an empty building would look like in the downtown area.

Councilor Lund stated the museum also put on a model train show this year that brought in a lot of out of town vendors. He felt the event was a big start for them in trying to get more heads-in-beds.

Ms. Mauel extended an invitation to the council to attend their annual dinner on November 10, at 5 p.m. She noted the cost was \$10.00 and assured the council the dessert would be divine!

Councilor Harris stated Interim Director Andy Skinner is doing an outstanding job in expanding the whole net of what the museum brings. He noted that was one of the reasons the LTAC is willing to support them.

Councilor Spahr moved that the council approve the candidates and funding amounts of the LTAC for use of lodging tax funds for 2014.

The motion was seconded by Councilor Lund and carried unanimously. Both Councilor Pope and Taylor abstained from voting.

Councilor Spahr moved that the council reappoint the memberships of Todd Chaput, Michel Rey, Satpol Sohal, Rick Burchett, and Chip Duncan, and the official appointment of Alicia Bull to the LTAC.

The motion was seconded by Councilor Lund and carried unanimously.

Councilor Pope insisted that organizations receiving the money should be required to get an audit. He noted it would be an embarrassing situation if we have another incident where the money has been misused or misappropriated. Councilor Pope stated if organizations can't afford it, they need to figure out a way to be able to afford it.

Mayor Ketchum noted the Chamber of Commerce has an audit every year.

Councilor Lund stated Councilor Pope was right, adding audits are not that expensive.

City Manager MacReynold believed it would be a policy decision and direction from the council would be needed. He suggested if the council wants to move in that direction he would encourage them to make a motion.

Councilor Pope moved that organizations that receive funds from the city's tourism tax fund over an extended period greater than five years be required to have an audit every five years, effective immediately.

Councilor Spahr seconded the motion.

Councilor Spahr stated it not only protects the city, it also protects the organizations and the people within the organizations.

October 28, 2013

Councilor Dawes stated he didn't have any concerns with requiring audits, but does have a concern if taxpayer money is going to be used for the audits. He felt it was something that should be coming out of their allotment of money and not tax money received from the city.

The consensus of the council was to start the requirement next year. Mayor Ketchum stated the organizations would need to have it done before they apply for 2015 funding.

City Attorney Hillier asked if the council might want to hear from the organizations before they make their decision. Councilor Pope stated this is something that he's been asking for, for several years.

Councilor Harris stated he understood what City Attorney Hillier was saying, but didn't think they were asking too much. He noted there were probably going to be some hardship cases, but they can look at those as they come up.

Councilor Spahr suggested the policy could be changed accordingly, but this is the way the council wants to go.

Councilor Dawes stated he didn't know of anyone that receives government money that doesn't have to go through an audit. Attorney Hillier stated Councilor Dawes' point was well taken.

City Manager MacReynold stated the administration would send out a letter putting everybody on notice about the situation for next year.

Councilor Harris stated all of the entities are required to provide a breakdown of how the money is spent, and if any of them show part of the funds received paying for an audit, he could guarantee what will happen.

The motion carried unanimously.

There being no further business to come before the council, the meeting adjourned at 5:58 p.m.

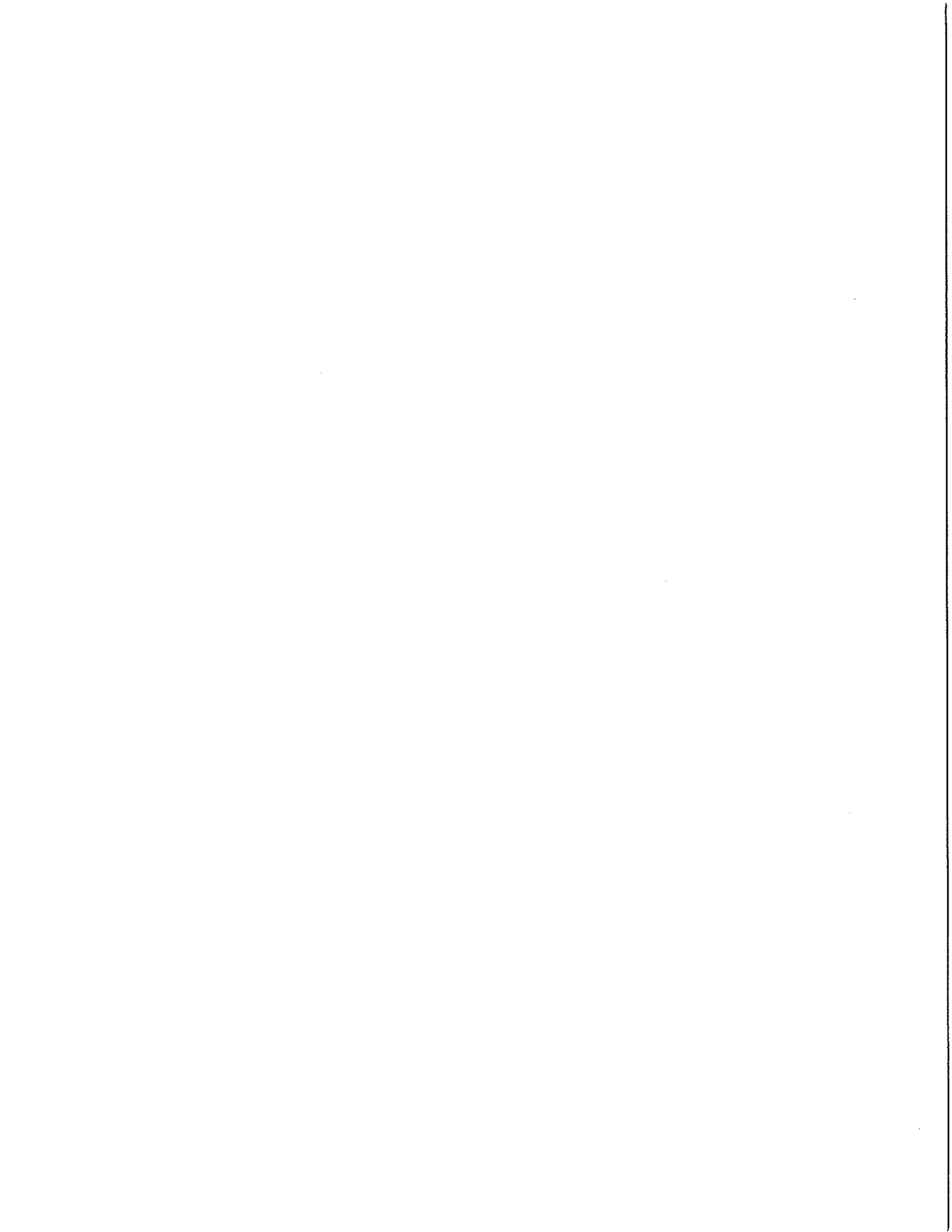
Mayor

Attest:



City Clerk

SUGGESTED MOTION

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



CITY OF CHEHALIS
AGENDA REPORT

DATE: October 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. 107475 through 107595 and Electronic Funds Transfer Nos. 92013 and 102013 in the amount of \$147,964.35 dated October 31, 2013 and the transfer of \$55,634.34 from the General Fund, \$10,378.51 from the Tourism Fund, \$30.00 from the 1982-83 Community Development Block Grant Fund, \$21,219.60 from the Federal & State Grants Fund, \$1.06 from the Garbage Fund, \$31,068.97 from the Wastewater Fund, \$24,760.60 from the Water Fund, \$3,276.14 from the Storm & Surface Water Utility Fund, \$837.44 from the Firemen's Pension Fund and \$757.69 from the City Agency's Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED



The administration recommends that the council approve the October 31, 2013 Claim Vouchers No. 107475 through 107595 and Electronic Funds Transfer Nos. 92013 and 102013 in the amount of \$147,964.35.

SUGGESTED MOTION

I move to approve the October 31, 2013 Claim Vouchers No. 107475 through 107595 and Electronic Funds Transfer Nos. 92013 and 102013 in the amount of \$147,964.35.

Reviewed by: , City Manager

CITY OF CHEHALIS
AGENDA REPORT

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

ISSUE

Council approval is requested of the following financial transactions:

Payroll Vouchers No. 36937 through 36997, Direct Deposit Payroll Vouchers No. 4443 through 4520, and Electronic Federal Tax Payment No. 129 dated October 31, 2013 in the amount of \$627,517.10, and the transfer of \$441,295.06 from the General Fund, \$7,208.35 from the Arterial Street Fund, \$6,977.79 from the Gambling Enforcement Fund, \$586.18 from the Garbage Fund, \$69,359.61 from the Wastewater Fund, \$76,703.87 from the Water Fund, \$22,210.99 from the Storm & Surface Water Utility Fund and \$3,175.25 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the October 31, 2013 Payroll Vouchers No. 36937 through 36997, Direct Deposit Payroll Vouchers No. 4443 through 4520, and Electronic Federal Tax Payment No. 129 in the amount of \$627,517.10.


SUGGESTED MOTION

I move to approve the October 31, 2013, Payroll Vouchers No. 36937 through 36997, Direct Deposit Payroll Vouchers No. 4443 through 4520, and Electronic Federal Tax Payment No. 129 in the amount of \$627,517.10.

Reviewed by: , City Manager

CITY OF CHEHALIS

AGENDA REPORT

DATE: October 29, 2013
TO: The Honorable Mayor and City Council
FROM: Merlin G. MacReynold, City Manager 
SUBJECT: Re-appointment of Dale McBeth as Municipal Court Judge

ISSUE

Dale McBeth's current term as municipal court judge expires at the end of December.

DISCUSSION

On July 27, 2011 the council confirmed the appointment of Dale McBeth as municipal court judge, replacing former Judge Steve Buzzard who retired on May 31, 2011.

Judge McBeth has served for the last two and one-half years in this capacity for the city. He stays up to date with administrative issues involving municipal courts and new legislation about charges that are typically filed in those courts.

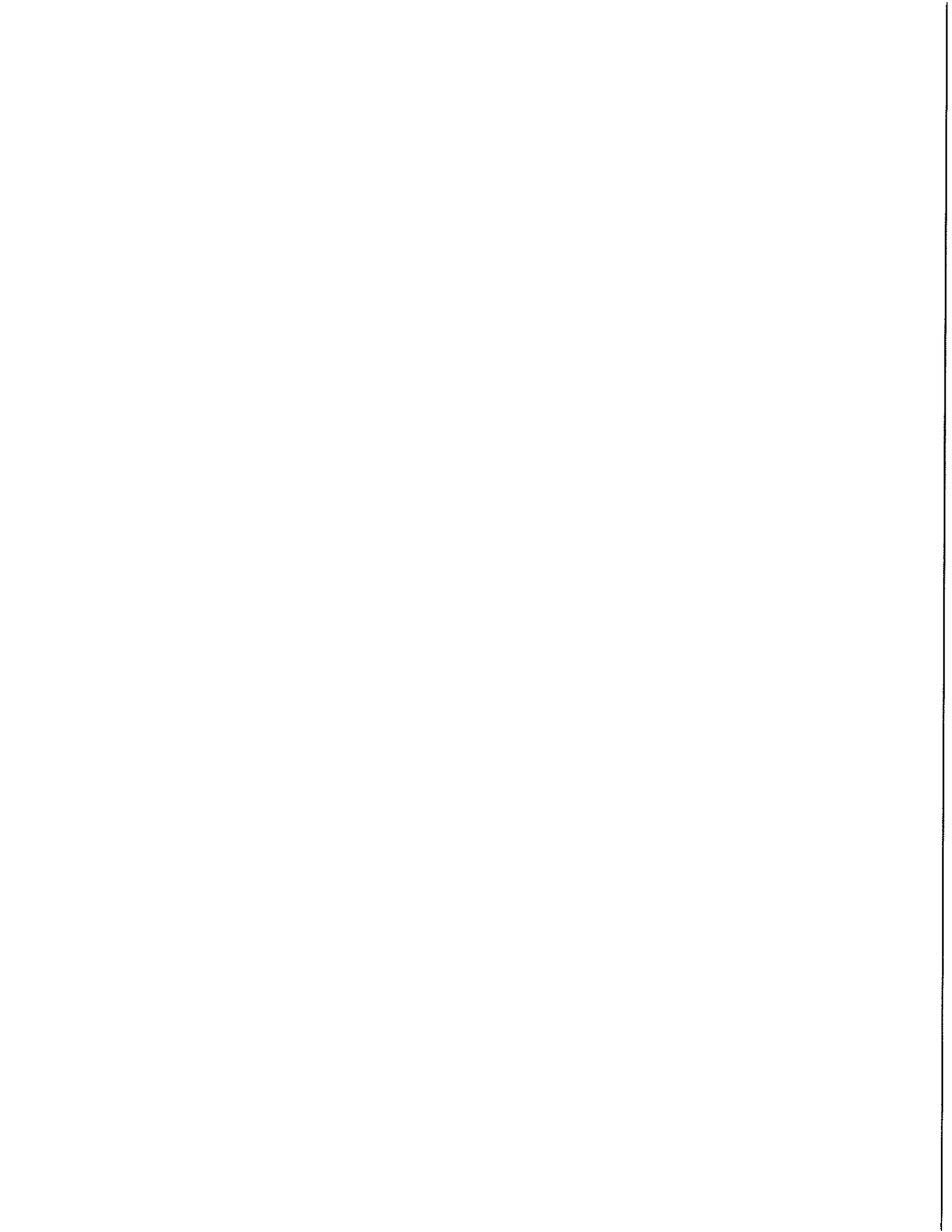
He would like to serve another term for Chehalis, and representatives who have roles in the city's criminal justice system support that. By their accounts, he has performed very well as our judge.

RECOMMENDATION/COUNCIL ACTION DESIRED

City Manager MacReynold is requesting confirmation of his re-appointment of Dale McBeth as municipal court judge to a four-year term expiring at the end of December 2017.

SUGGESTED MOTION

I move that the council confirm the City Manager's re-appointment of Dale McBeth as municipal court judge to a four-year term expiring at the end of December 2017.



**CITY OF CHEHALIS
AGENDA REPORT**

DATE: November 12, 2013

TO: The Honorable Mayor and City Council

FROM: Dennis Osborn, Community Development Director

SUBJECT: 2013 Right-of-Way Signs

ISSUE

At the October 14th Council meeting, Council directed the administration to do additional research on signs in the right of way. The options presented to Council on October 14th were:

1. Currently the sign code allows off premise signs within 300 feet of Kresky and National. Simply amend the code to state the following: “and within the round-a-bouts on Louisiana Avenue.”;
2. Utilize the right of way permit section of the municipal code to review applications of signs in the right-of-way and establish clear policy direction for review;
3. Prohibit signs in the right-of-way

OPTIONS

Option 1 above may be the most practical given the discussion of Council. There were numerous issues raised by Council on signs in the right of way. To address these concerns the administration would offer the following:

One commercial sign may be allowed in the Northern Louisiana Roundabout. Approval of the commercial sign must be done by way of a licensed agreement stating the sign will be allowed for reasonable compensation to the city. The language of the agreement shall be drafted by the City Attorney and approved by City Council. At a minimum, the agreement shall contain the following language:

“In no case shall any sign which constitutes a traffic hazard or detriment to traffic safety by reason of its size, location, movement, coloring, method of illumination, by obstructing the vision of drivers, or detracting from the visibility of any official traffic control device by diverting or tending to divert the attention of drivers of moving vehicles from traffic movement on streets, roads, intersections, or access facilities. No sign shall be erected so that it obstructs the vision of pedestrians by glare or method of illumination or constitutes a hazard to traffic. No sign may use words, phrases, symbols or characters in such a manner as to interfere with, mislead, or confuse traffic. No vehicles shall be placed in the roundabout or be allowed to function as signage.”

To further clarify the limited use of signs in the right of way, the administration proposes the following changes to Title 12 of the Chehalis Municipal Code.

Currently, the code reads:

12.56.060

C. Long-Term and Permanent Use of Rights-of-Way.

1. Right-of-way use permits for long-term and permanent use of rights-of-way may be issued for uses and activities during such periods of time. The responsibility for adoption of policies relating to issuance, control, regulation, and enforcement of long-term and permanent right-of-way use permit is vested with the Public Works Director.
2. The use of rights-of-way for structures and activities that involve long-term uses requires this type of permit.
3. Long-term and permanent uses include but are not limited to: construction site/haul roads, waste containers, advertising structures, seasonal sidewalk cafes, utility facilities, and special and unique structures, such as fountains, clocks, flag poles, awnings, marquees, signs, banners, street furniture, and decorations. [Ord. 760B, 2003; Ord. 749B, 2003; Ord. 574B, 1995.]

The administration would propose the following amendment to 12.56.060 (3)

Delete the wording:

Advertising structures & signs

12.56.060(3) would then read;

Long-term and permanent uses include but are not limited to: construction site/haul roads, waste containers, seasonal sidewalk cafes, utility facilities, and special and unique structures, such as fountains, clocks, flag poles, awnings, marquees, banners, street furniture, and decorations.

Please note that the City provides for short term use of right of way which could allow community event signs in the right of way. The following is the current code language

12.56.030 B. Short-Term and Temporary Use of Right-of-Way.

1. Right-of-way use permits for short-term and temporary use of rights-of-way may be issued for activities that will not physically disturb or alter the right-of-way during such periods of time. The responsibility for adoption of policies relating to the issuance, control, regulation, and enforcement of short-term and temporary right-of-way use permits is vested with the city's police services.
2. The use of rights-of-way for structures and activities that involve short-term and temporary uses requires this type of permit.


3. Short-term and temporary uses include, but are not limited to: festivals, displays, parades, dances, concerts, and public or private gatherings.

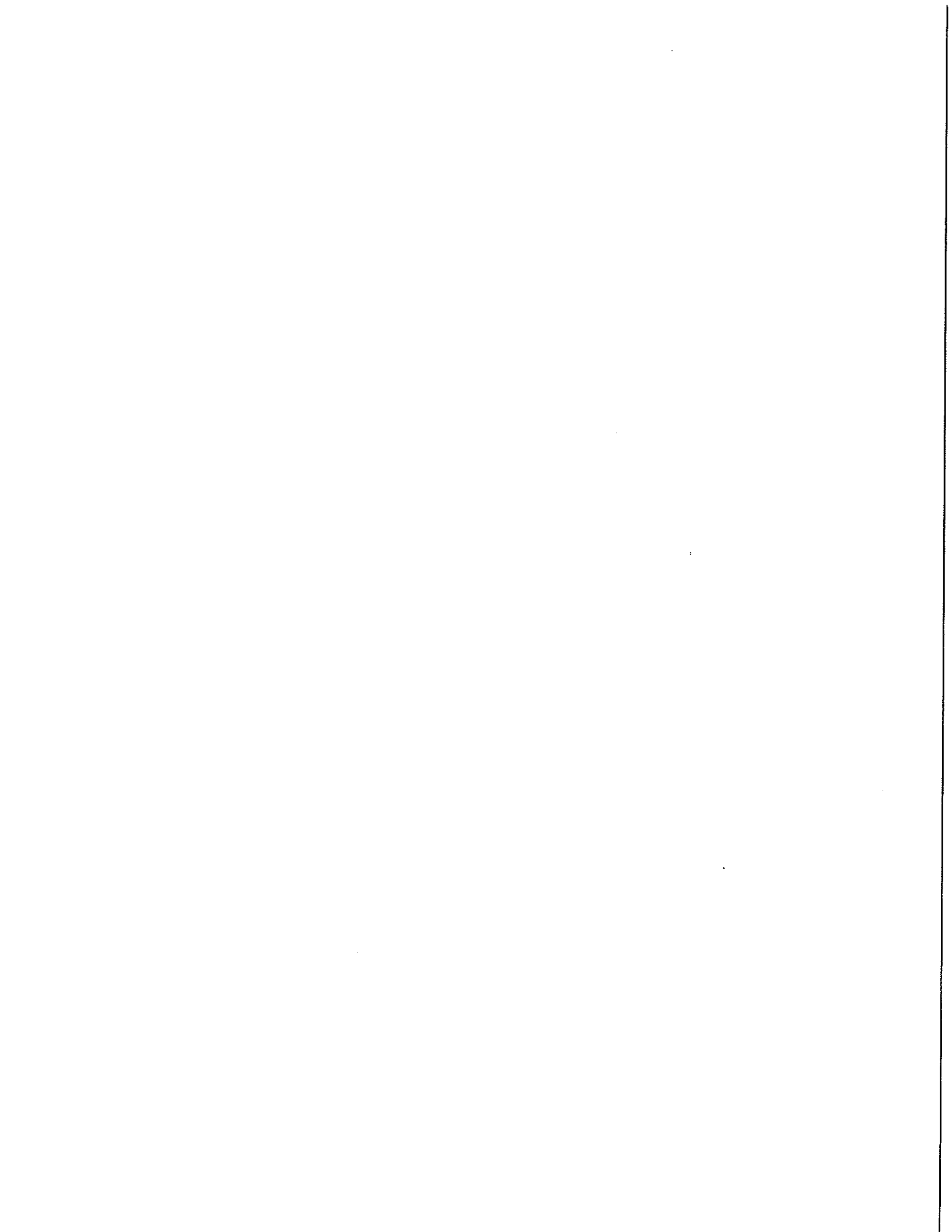
The administration would suggest the following modification to 12.56.030 B3:

Short-term and temporary uses include, but are not limited to: festivals, displays, parades, dances, concerts, and public or private gatherings, community event signs such as sandwich boards or free standing signs and shall not exceed 12 square feet per side.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration provides this for Council consideration based on the conversation of the October 14th, 2013 council meeting. If council is comfortable with the identified changes, the administration will place the proposed changes in ordinance form for Council consideration.

Reviewed by:  _____, City Manager



**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager
DATE: November 6, 2013
SUBJECT: Ordinances 914-B and 915-B - Adoption of Tax Levies

ISSUE

Two ordinances have been prepared in connection with levying property taxes for collection in 2014. These are required in order for property taxes to be collected on behalf of the City.

DISCUSSION

Ordinance No. 914-B establishes the city's levies of ad valorem taxes (i.e., property taxes) for general operations; the Firefighters' Pension Fund; and Emergency Medical Services (EMS).

Ordinance No. 915-B is required under the provisions of Referendum 47. It identifies the changes, in both dollar amounts and percentage terms, in the City's general operations property tax levy; the firefighters' pension levy; and EMS levy for next year compared to this year.

The general property tax levy will increase slightly based upon the estimated value of new construction, improvements to property, any increase in the value of state assessed property, and any refunds made this year. However, general property taxes are not increased by the one percent allowed by statute, and the City does not propose to use any of its banked capacity.

The tax rates for 2014 will be approximately \$2.325 for the general levy; and \$0.398 for the EMS levy per \$1,000 of assessed value. The rates for 2013 were \$2.326; and \$0.397 per \$1,000 of assessed value for the general levy, and the EMS levy, respectively.

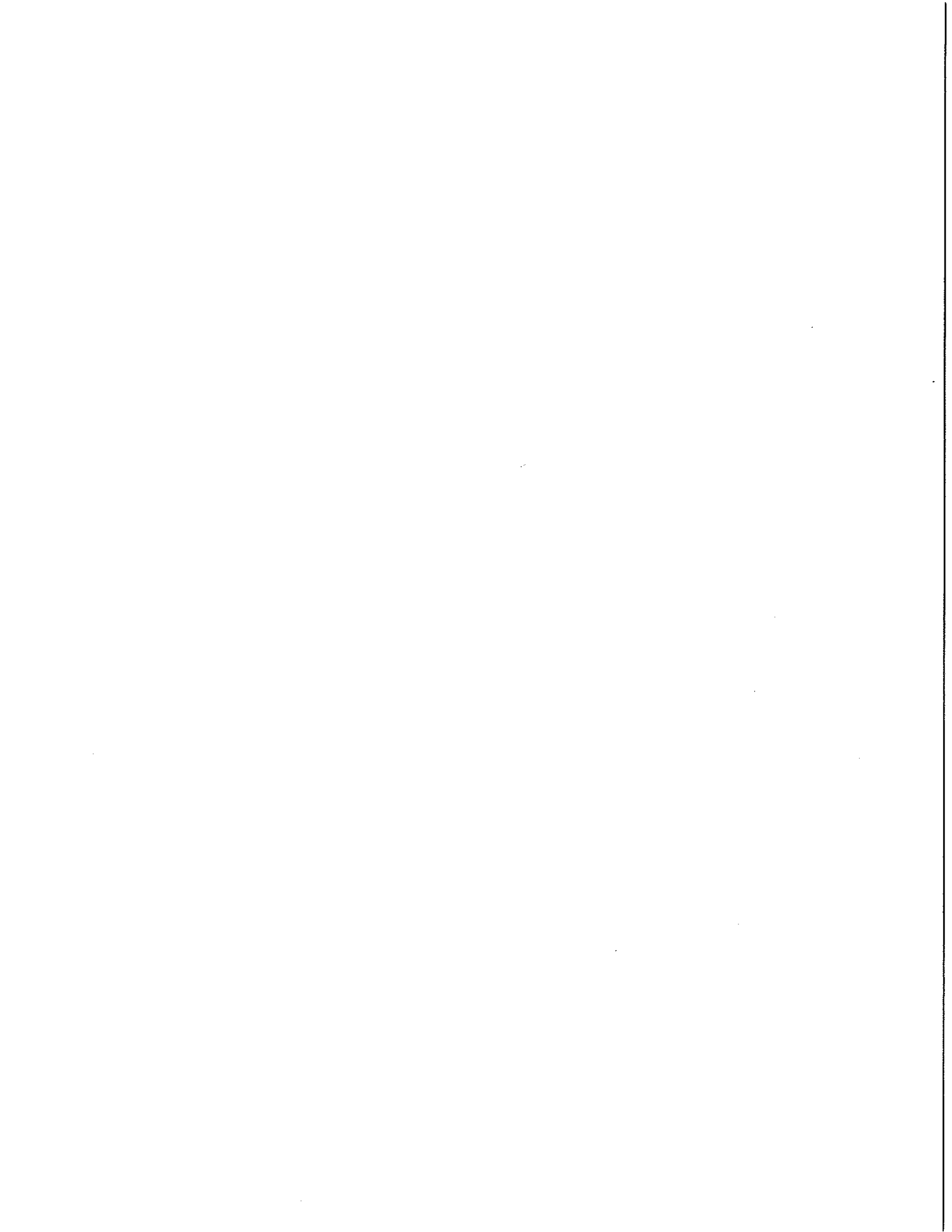
RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council pass Ordinances 914-B and 915-B on first reading.

SUGGESTED MOTIONS

I move that the council pass Ordinance No. 914-B on first reading.
I move that the council pass Ordinance No. 915-B on first reading.

Reviewed by:  _____, City Manager



ORDINANCE NO. 914-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, DETERMINING AND FIXING THE AMOUNT OF REVENUE TO BE RAISED BY AD VALOREM TAXES DURING THE CALENDAR YEAR 2014 AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.

THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. The amount of revenue to be raised by ad valorem taxes during 2014 for general city operations shall be, and the same hereby is, determined and fixed in the sum of One Million Three Hundred Sixty-Two Thousand Dollars (\$1,362,000).

Section 2. . The amount of revenue to be raised by ad valorem taxes during 2014 for emergency medical services shall be, and the same hereby is, determined and fixed in the sum of Two Hundred Thirty-Three Thousand Dollars (\$233,000).

Section 3. The effective date of the ordinance shall be the 6th day of December 2013.

PASSED by the city council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this 12th day of November, 2013, on first reading.

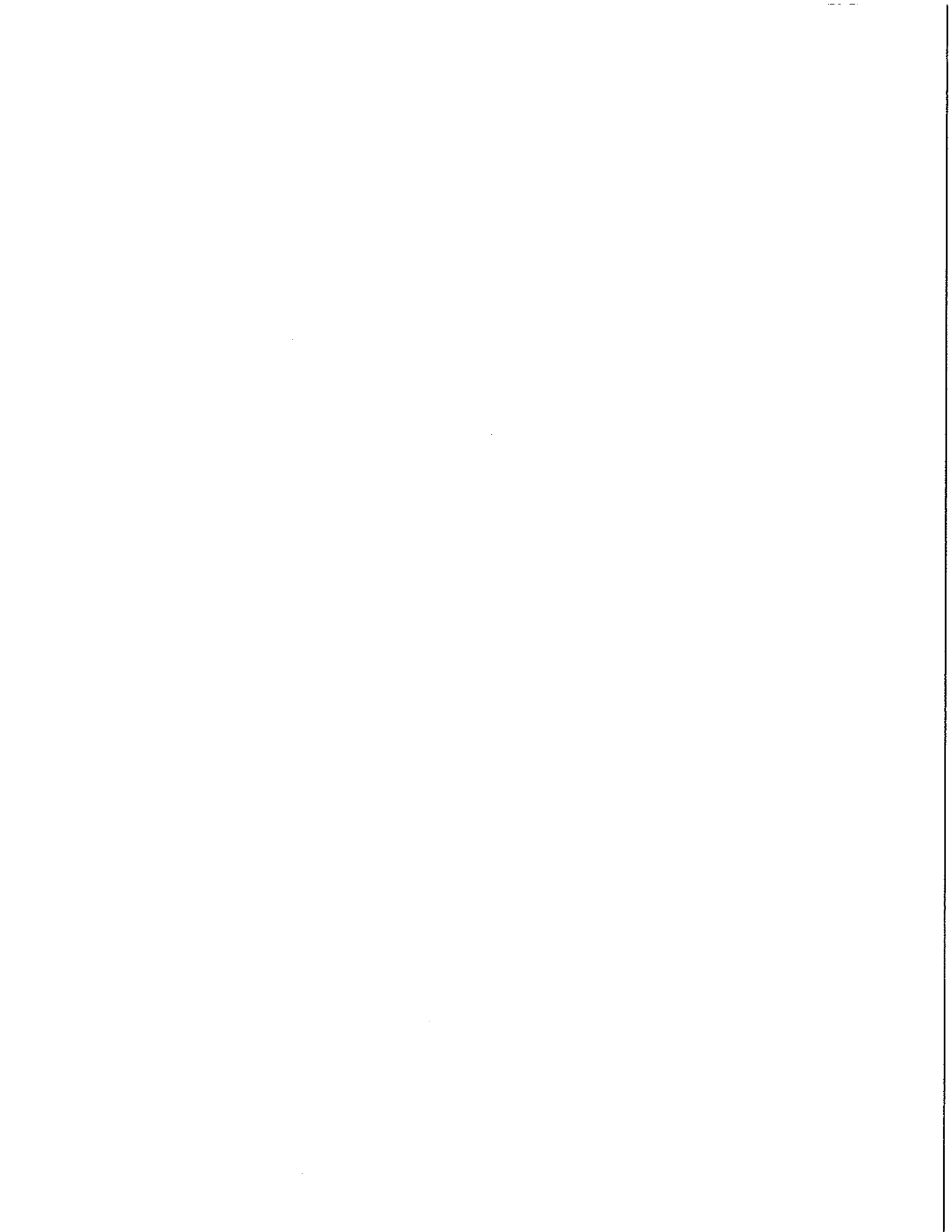
Anthony E. Ketchum, Sr.

Attest:

City Clerk

Approved as to form and content:

City Attorney



ORDINANCE NO. 915-B

**AN ORDINANCE OF THE CITY OF CHEHALIS,
WASHINGTON, STATING THE AMOUNTS AND
PERCENTAGES OF CHANGE IN PROPERTY TAX
LEVY IN CALENDAR YEAR 2014.**

WHEREAS, the City of Chehalis, Washington, properly gave notice of a public hearing held the 12th day of November, 2013, to consider the city budget for 2014, including possible property tax increases and other revenues, pursuant to RCW 84.55.120; and,

WHEREAS, the city's actual levy amounts for general operations; and Emergency Medical Services (EMS) levies were \$1,346,725; and \$230,195, respectively, in 2012; and,

WHEREAS, the population of this city is less than 10,000; and now, therefore,

**THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO ORDAIN
AS FOLLOWS:**

Section 1. The 2013 general operations property tax levy for collection in 2014 is One Million Three Hundred Sixty-Two Thousand Dollars (\$1,362,000), which is an increase of Zero Dollars (\$0) and Zero Percent (0.0%) over the amount levied in 2012 for collection in 2013. Increases for the amounts allowed under the new construction and improvements to property provisions of RCW 84.55.010 and refunds, are only reflected in the total levy amount.

Section 2. The 2009 voter-approved EMS property tax levy for collection in 2013 is Two Hundred Thirty-Three Thousand Dollars (\$233,000), which is an increase of Zero Dollars (\$0) and Zero Percent (0.0%) over the amount levied in 2012 for collection in 2013. Increases for the amounts allowed under the new construction and improvements to property provisions of RCW 84.55.010 and refunds are only reflected in the total levy amount.

PASSED by the city council of the city of Chehalis, Washington during a regularly scheduled open public meeting thereof this 12th day of November, 2013, on first reading.

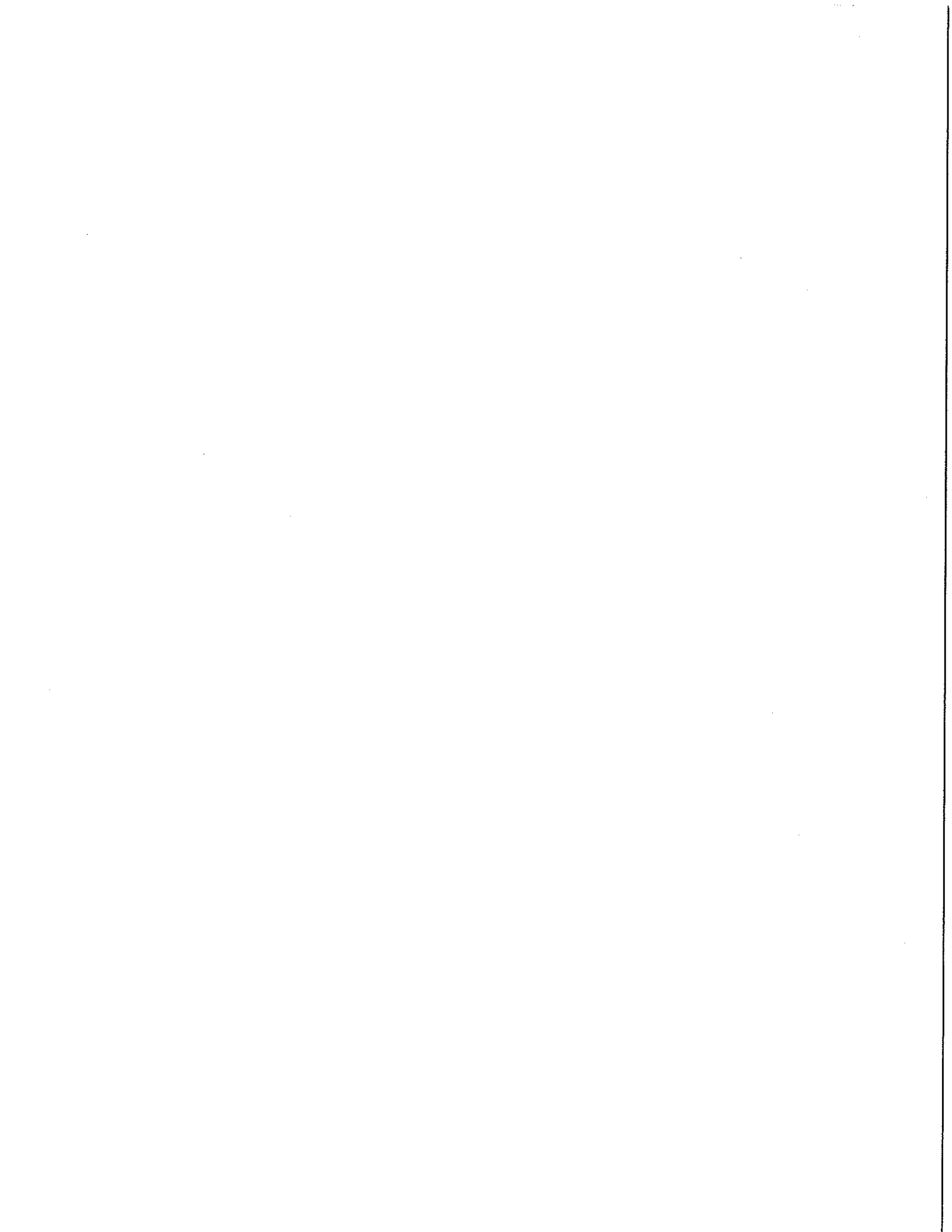
Anthony E. Ketchum, Sr.

Attest:

City Clerk

Approved as to form and content:

City Attorney



**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager
DATE: November 6, 2013
SUBJECT: Ordinance 916-B – 2014 Budget Adoption, First Reading

ISSUE

Ordinance 916-B has been prepared for the purpose of adopting the 2014 Budget. The two levy ordinances reflected in this budget are being presented to the Council concurrently.

DISCUSSION

During September and October, the Council Budget Committee attended several meetings during which budget presentations were made, discussed and reviewed. Ordinance 916-B reflects the budget presented to the committee, with certain requested and/or required adjustments and corrections. This proposed budget reflects the latest benefit cost rates available. Additional changes may be made to the ordinance prior to its second reading.

The following are couple of key items of note for this proposed budget:

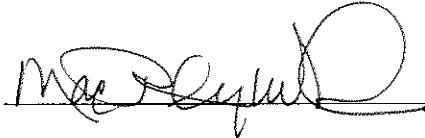
- The cost allocations have been updated since the budget presentations.
- The Lodging Tax Advisory Committee funding recommendations approved by the City Council are reflected in this ordinance.

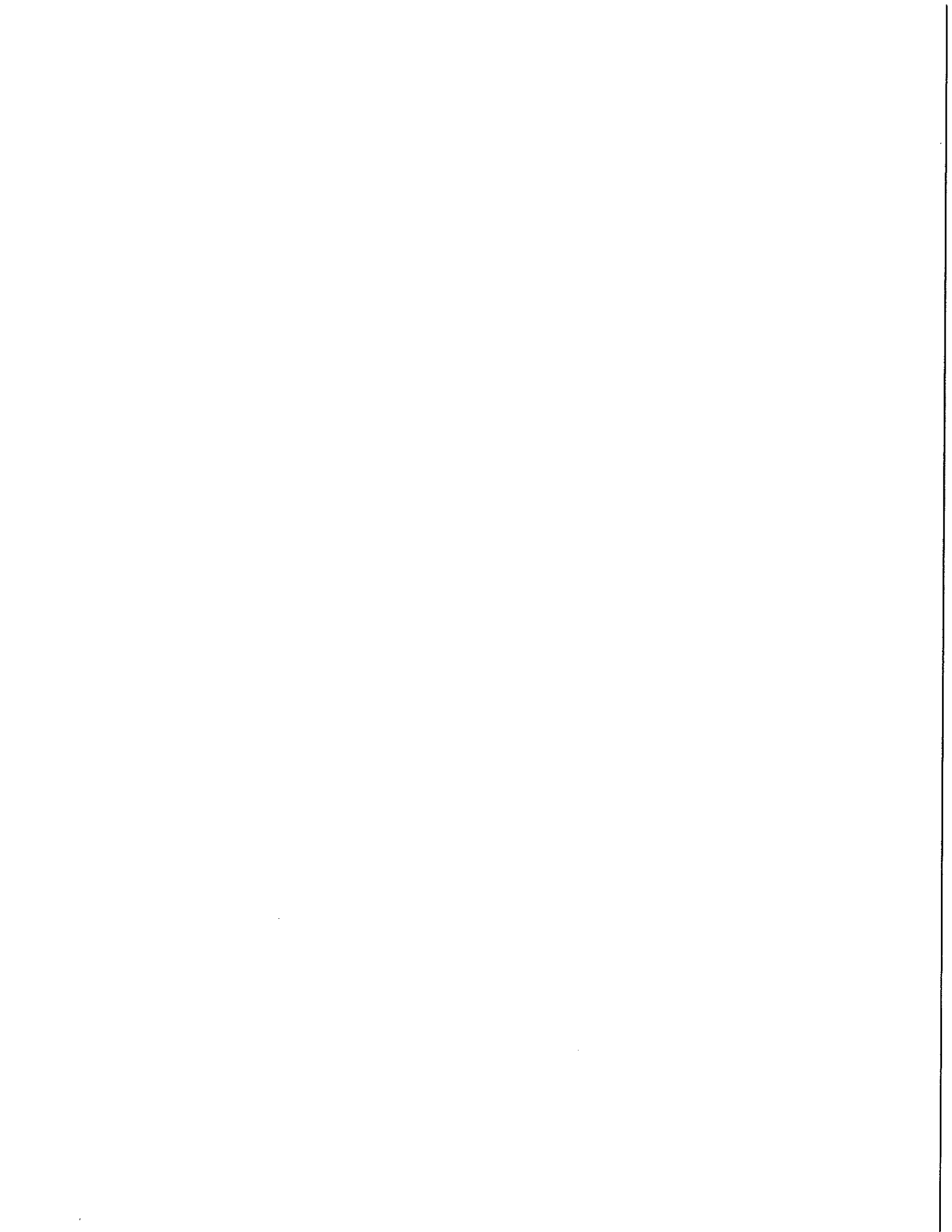
RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends passage of Ordinances 916-B on first reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 916-B on first reading.

Reviewed by:  _____, City Manager



ORDINANCE NO. 916-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,
ADOPTING THE BUDGET OF THE CITY FOR THE YEAR 2014
AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.**

**THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO
ORDAIN AS FOLLOWS:**

Section 1. Attached hereto and identified as Exhibit "A", in summary form, are the total of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined for the budget of the city for 2014, and by this reference said Exhibit "A," showing a total estimated ending fund balance of \$7,750,457 is incorporated herein as if set forth in full and the same is hereby adopted in full.

Section 2. This ordinance is a legislative act delegated by statute to the City Council of the City of Chehalis, is not subject to referendum and shall take effect January 1, 2014.

PASSED by the City Council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this 12th day of November, on its first reading.

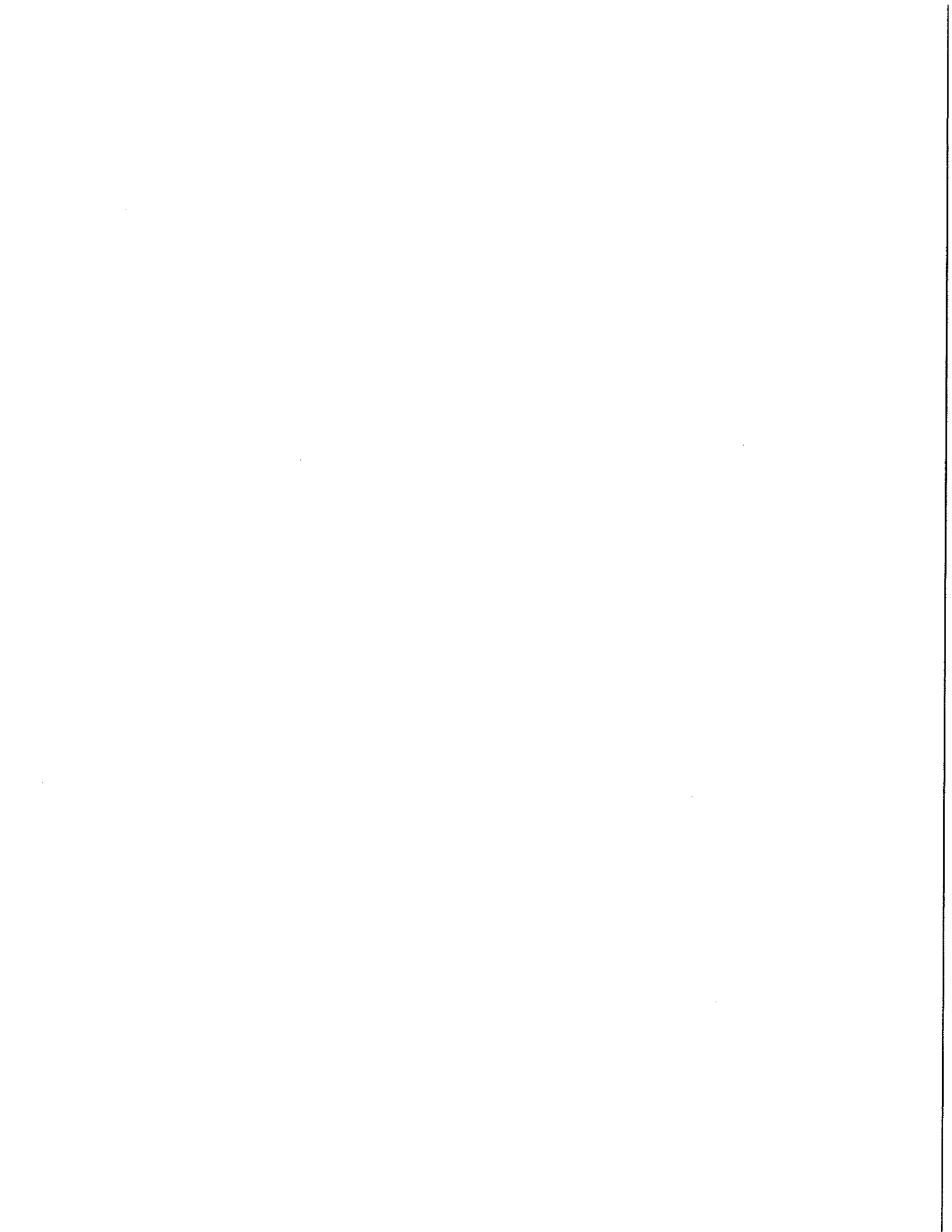
Mayor

Attest:

City Clerk

Approved as to form and content:

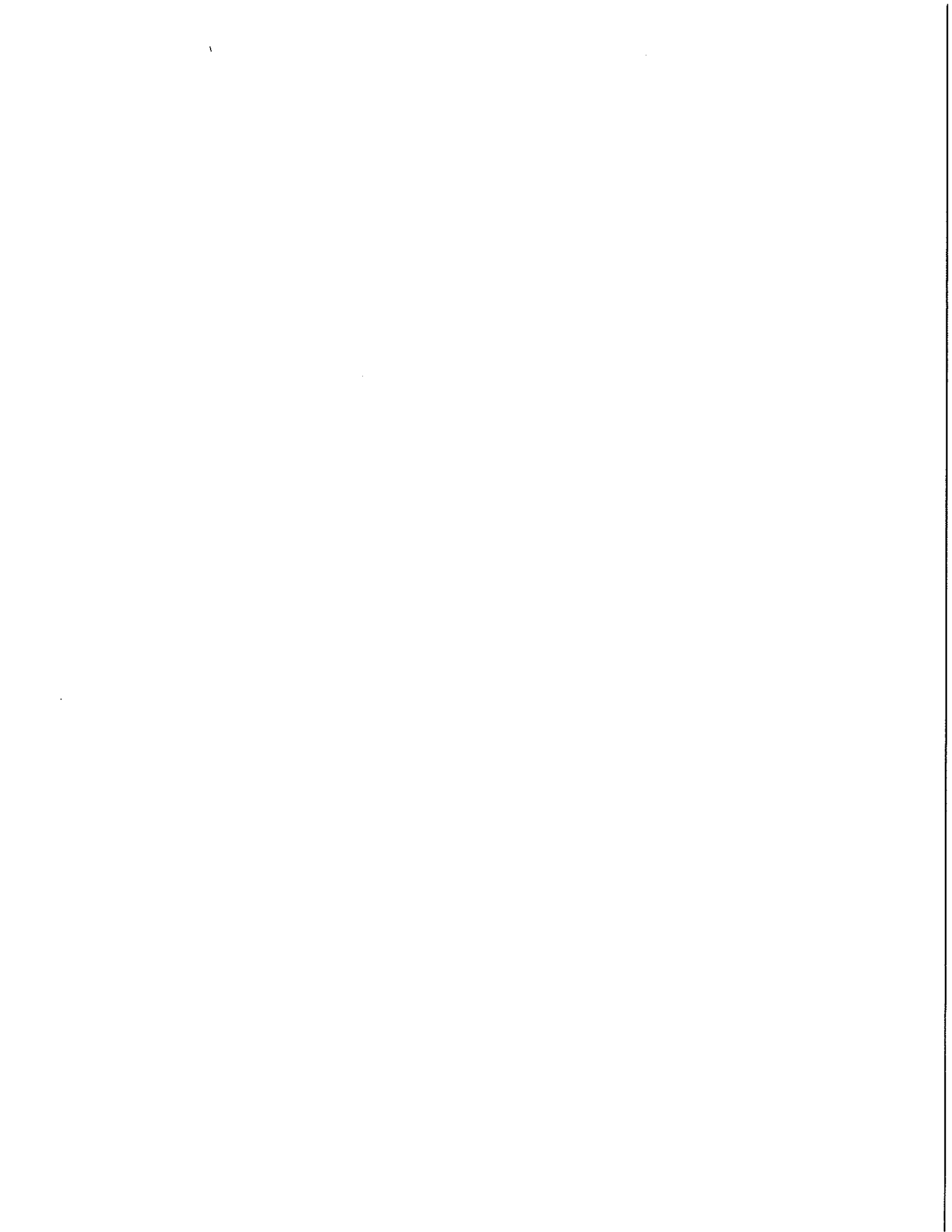
City Attorney



**Ordinance 916-B
Attachment "A"**

**CITY OF CHEHALIS 2014 BUDGET
PROPOSED Budget Summary**

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expenditures	Operating Transfers Out	Est. End. Fund Balance
General Fund	836,009	7,297,639	1,000,000	7,174,323	1,084,354	874,971
Arterial Street Fund	27,091	150,000		175,540		1,551
Tourism Fund	50,135	175,000		181,475		43,660
Community Dev. Block Grant Fund	90,646	10,100		0		100,746
HUD Block Grant Fund	327,335	3,600		0		330,935
Federal and State Grant Fund	0	1,510,900	1,000,000	1,510,900	1,000,000	0
2011 G.O. Bond Fund	54		102,993	103,047		0
Automotive/Equip. Res. Fund	1,638		53,256	54,756		138
1st Quarter REET Fund	127,012	45,400			43,772	128,640
2nd Quarter REET Fund	53,137	45,000			33,473	64,664
Wastewater Fund	1,409,148	4,381,331		4,280,969		1,509,510
Water Fund	3,353,790	2,671,565		2,511,180		3,514,175
Storm & Surface Water Fund	448,246	470,584		467,158		451,672
Garbage Fund	15	7,200	5,350	12,347		218
Firemen's Pension Fund	294,300	148,550		69,400		373,450
City Agency Fund	356,127					356,127
TOTALS	7,374,683	16,916,869	2,161,599	16,541,095	2,161,599	7,750,457



**CITY OF CHEHALIS
AGENDA REPORT**

DATE: November 12, 2013
TO: The Honorable Mayor and City Council
FROM: Dennis Osborn, Community Development Director
SUBJECT: Ordinance No. 917-B, First Reading – Amending the Chehalis Municipal Code for Accessory Dwelling Units (ADU)

ISSUE

Council directed the administration to resolve conflicts within the Chehalis Municipal Code regarding water connections for an ADU.

DISCUSSION

At hand is the question of an in-law apartment ADU needing a separate water meter. Council directed the administration to develop an Ordinance that requires a single water connection, so long as the ADU is for family use. Outside family use would require a separate meter. In addition, Council directed the administration to deal with existing units and grandfathering the ADU into the code.

Attached is Ordinance 917-B for Council consideration. The administration presents this Ordinance that addresses the concerns raised by Council.

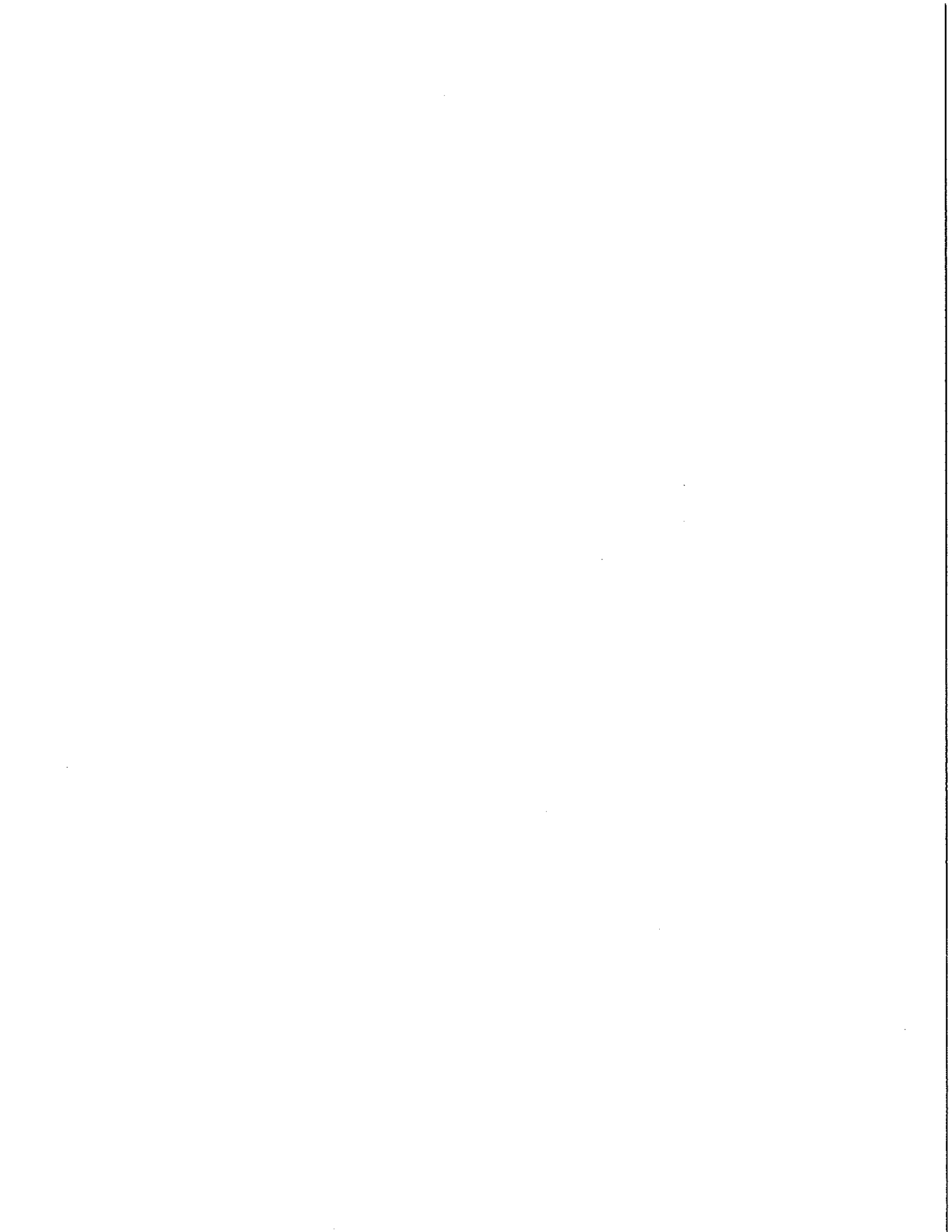
RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that council pass Ordinance No. 917-B on first reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 917-B, as presented, on first reading.

Reviewed by:  _____, City Manager



ORDINANCE NO. 917-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING ZONING APPENDIX F DEFINITION SECTION R310; 13.04.060 WATER SERVICES FOR PREMISES; AND 13.04.100 SERVICE CONNECTION-SPECIAL CONDITIONS.

THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. The City amends Zoning Appendix F Definition Section R310, to read as follows:

Accessory Dwelling Unit (residential) is any dwelling unit converted from an existing accessory building, or within an existing single family residence, on a residentially zoned lot for the purpose of accommodating live-in domestic help or family members; ~~such unit receiving its utilities from the same source and metering as the principal dwelling unit.~~ An existing ADU that is being used as an "in-law" or family residence (pursuant to the definition of family in the CMC) is grandfathered. The ADU would not be grandfathered if being used as a commercial rental. If the City receives complaint of a non-compliant ADU, the existing non-conforming ADU (commercial rental) has 90 days to convert back to an ADU (in-law use) or install a second meter to the ADU. At the end of 90 days, if there is no compliance the Main Meter will be locked out until compliance. All new construction that created an ADU (new construction of a home and ADU or just for an ADU including a remodel to create the ADU) will have to file a signed covenant as provided by the City. No permit for construction or remodel shall be granted until such covenant is recorded and a copy placed on file with the Department of Community Development.

Section 2. The City amends 13.04.060 Water Services for Premises, to read as follows:

13.04.060 Water services for premises.

Each premise shall have a separate water service unless the unit meets the definition of an ADU for in law apartment. All water services shall be metered. Premises containing multiple dwelling units and/or containing more than one commercial or industrial business shall have separate metered water service for each individual dwelling unit and/or commercial or industrial unit, except where situations and/or special conditions exist that make an individual service for each unit impossible or unfeasible at the discretion of the public works director, who shall determine when such situations or conditions prohibit individual services. [Ord. 866B, 2011.]

Section 3. The City amends 13.04.100 Service Connection-Special Conditions, to read as follows:

13.04.100 Service connection- Special conditions.

When two or more premises are being serviced by one water service connection, the city shall have the right to require the installation of additional water service connections from the water main to the premises **except for an ADU as defined by the Chehalis Municipal Code.** When additional water service connections are provided for any premises, all water service shall be metered and installed in an approved manner. No premises shall be permitted to furnish water to any other premises, except during an emergency, which shall not exceed a period of 30 days. An application to cover the emergency connection shall be filed with the city within 48 hours of the occurrence causing the emergency. When the intended use of the water service is changed or the structure served is altered, a new service shall be installed at the customer's expense unless the existing service complies with the provisions hereof. [Ord. 866B, 2011.]

PASSED by the City Council of the City of Chehalis, Washington, and **APPROVED** by its Mayor at a regularly scheduled open public meeting thereof this _____ day of _____, 2013.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney