

November 25, 2013

The Chehalis city council met in regular session on Monday, November 25, 2013, in the Chehalis city hall. Mayor Pro tem Harris called the meeting to order at 4:30 p.m. with the following council members present: Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Councilor Pope arrived at 4:45 p.m. and Mayor Ketchum arrived at 4:52 p.m. Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Jim Walkowski; Fire Chief; Dennis Osborn, Community Development Director; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; Rick Sahlin, Interim Public Works Director/Street Superintendent; Patrick Wiltzius, Wastewater Superintendent; Dave Vasilauskas, Water Superintendent; and Allyn Roe Airport Manager.

1. **Work Session on Regional Fire Authority Planning Committee.** Councilor Dawes, Chair of the Regional Fire Authority Planning Committee, reported over the last couple of years, he and Councilors Lund and Spahr have been meeting with three of the Riverside Fire Authority (RFA) Commissioners to study the potential prospect of annexing the City of Chehalis into the Riverside Fire Authority. He noted the Committee was continuing to review the proposed interlocal agreement, which they hope to take action on at their December meeting. Councilor Dawes stated based on the discussion at the meetings, and his meeting with City Manager MacReynold, he believed they had all of the language in the agreement that was discussed. He noted there were still a couple of loose ends that need to be tied in, the most critical being the dispatch center. Councilor Dawes hoped the Council and Commission will act affirmatively and enter into an agreement that would start January 1.

Fire Chief Jim Walkowski provided a brief overview of the two phases: Phase 1 – Functional Consolidation of the two entities; and Phase 2 – Annexation of the city of Chehalis fire department into the Riverside Fire Authority, which will require city council and voter approval. (Riverside would not vote on it because they're already a fire authority.)

Chief Walkowski reported the functional consolidation allows the two entities to continue to exist separately, but combines certain functions into a common resource, or division. He noted they believe the functional consolidation will segue into greater levels of cooperation and will provide the framework for Phase 2, which would combine the two entities into one. Chief Walkowski stated the functional consolidation will be accomplished through the interlocal cooperation agreement between the two entities.

Chief Walkowski reported on the status of the various workgroups, as follows:

Completed workgroups:

- Hose evolutions and hose loads
- Tender operations
- Compressed air foam systems
- Monthly training requirements
- Ground ladder evolutions
- Apparatus standardization (engines)

Workgroups nearing completion (anticipated completion by end of 2013):

- Incident management system
- Radio communications/MDC
- ERS records management
- Deployments
- BLS/ALS integration

Workgroups to be completed during 1st Quarter 2014:

- Aerial ladder operations
- Special operations/Technical rescue
- Apparatus standardization (Aerial ladders)
- Joint fire investigation
- Company level inspections

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Chief Walkowski reported the RFA Planning Committee has approved the draft language for the functional consolidation Interlocal Agreement. He stated it's anticipated that the functional consolidation would take place on January 1, 2014, with operational deliverables being implemented when appropriate, pending approval from both bodies of elected officials.

Councilor Spahr brought up the issue of being able to communicate with other departments when responding together, noting in the past that didn't seem to be a big deal. Chief Walkowski stated there are a lot of rules they have to follow now, one being you have to work under an integrated incident management system.

Chief Walkowski reported most of the fire districts in Lewis County participated in the fire training, so they're all on the same system now. He noted Olympia and West Thurston Fire Authority follow this same system which is a huge success.

Councilor Lund stated he was glad Chief Walkowski mentioned that they all use the same system now, adding that was great to see.

Mayor Ketchum closed the work session at 4:55 p.m. and announced the council would be in recess for five minutes before opening the regular meeting at 5:00 p.m.

2. **Update on the Gail and Carolyn Shaw Aquatic Center Project.** Chehalis Foundation President Tim Saylor thanked everyone involved for getting them to this point. He noted the Foundation was very excited as well, and looked forward to starting construction of the new facility.

3. **Continue Public Hearing on the 2014 Proposed Budget and Revenue Sources, Taxes and Levies.** City Manager MacReynold reported there were no proposed tax increases in the proposed 2014 budget. He noted, over the years, the administration and the council budget committee have continued to work hard to make our financial situation better.

Finance Manager Eva Lindgren briefly explained two minor adjustments made to the proposed budget since first reading. She noted the first change was the addition of the airport budget, and the second was a request from Chief Walkowski to have the money for the bay floor repairs moved to the 2014 budget. Ms. Lindgren reported the money for the repairs would be removed from the 2013 budget in the upcoming budget amendment.

Ms. Lindgren followed up on a question from Councilor Spahr regarding the EMS levy rate. She stated, in comparing this year to last year, there was a slight difference for the general levy and if you add the two together, it's the exact same amount. She noted it was just a rounding difference in the calculation.

Councilor Dawes asked where the 22.5 cents was contained for the firemen's pension fund. Ms. Lindgren reported it was blended into the general levy. She noted we're not allowed to separate it out for purposes of issuing the levy. Ms. Lindgren reported each year she has to certify that we have a pension trust fund and Lewis County takes that into account when calculating our banked capacity.

Mayor Ketchum closed the regular meeting at 5:07:58 p.m. and opened the public hearing.

There being no public comment, Mayor Ketchum closed the public hearing and reopened the regular meeting at 5:08:32 p.m.

4. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:
- a. Minutes of the regular meeting of November 12, 2013, and the special meeting of November 18, 2013;
 - b. Claim Vouchers No.107596-107735 and Electronic Funds Transfer No. 112013 in the amount of \$348,715.58 dated November 15, 2013;
 - c. Pass Ordinance No. 922-B on first reading - creating and establishing an airport department; and

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d. Award contract for the Gail and Carolyn Shaw Aquatic Center Renovation Project to Schwiesow Construction, Inc., in the amount of \$2,086,560 and authorize the city manager to execute a contract agreement.

The motion was seconded by Councilor Taylor and carried unanimously.

5. **Administration Reports.**

a. **October Financial Report.** Ms. Lindgren reported on the property tax, noting the city received over \$450,000 from Lewis County in early November. She noted the general fund property tax received a total of \$409,046 and the balance went to the firemen's pension trust fund. Ms. Lindgren stated the total collected for the year for property tax was over \$1.2 million.

Ms. Lindgren talked briefly about the 'donations/contributions' in the general fund budget. She noted money would be coming into the general fund from the tourism fund, once the billings are sent out for the tournaments.

Councilor Spahr inquired about the "other taxes" in the amount of \$32. Ms. Lindgren believed that was for timber tax.

b. **Report on Upcoming Inflow and Infiltration (I&I) Rehabilitation Project.** Wastewater Superintendent Patrick Wiltzius reported, approximately two years ago, the council was briefed on the city's I&I Strategic Plan. He noted I&I was basically leakage into our sewer pipes, which causes problems and costs money to pump and treat.

Mr. Wiltzius reported the first project, officially titled "Basin 1022 I&I Rehabilitation Project," would include the rehabilitation of approximately 5,300 feet of sewer line at the north end of town. Mr. Wiltzius used a large diagram to show what they want to do, and where. He noted the project would start near Staples, Inc. and go north towards the city limits.

Mr. Wiltzius reported they would be using a 'trenchless' method that requires minimal digging and very little impact to the public. He noted the benefit is that it's environmentally friendly, and cheaper to do.

Mr. Wiltzius stated the administration is the process of putting a funding application together through the Department of Ecology (DOE). He projected the project design, construction management and construction would be about \$1.4 million. Mr. Wiltzius reported they've completed the SEPA analysis and have a determination of non-significance for the project, which they needed to have before submitting the funding application.

Councilor Harris asked if the \$1.4 million was in 2016 dollars, or today's dollars. Mr. Wiltzius stated the estimate was based on what it would cost today. He noted they haven't completed the design yet, but had to assign a number for the funding application. He suggested the actual phasing of the project could start in July 2014, with a projected construction date of 2016.

Councilor Harris inquired about the interest rate on the loan. Mr. Wiltzius reported they were submitting for hardship, which should put it below one percent. He noted they are requesting both grant funding and a 20-year low interest loan.

Councilor Spahr asked if any I&I had ever been done near Bishop Road or Snively Avenue. Mr. Wiltzius thought the Snively area was in the plan, but just not high on the priority list at this time.

Councilor Spahr inquired as to how they measure the amount of I&I coming through the plant. Mr. Wiltzius reported, back when they did the general sewer plan in 2000, the engineering firm Gibbs & Olson did a massive flow monitoring study to come up with the initial I&I. He noted that data was used in their strategic plan. Mr. Wiltzius stated it's basically determined by how much the pump station comes on and off, which he can chart out at the treatment plant. He noted they could also put a flow meter on it, but right now there were no plans for that.

Mr. Wiltzius believed the previous public works director factored the loan debt service into the most recent rate increase, so there should be no impact to the rate payers.

c. **Tacoma Rail Interlocal Agreement.** City Manager MacReynold reported, on November 26, at 5:00 p.m., the city of Tacoma is considering passage of an interlocal agreement between, the city of Tacoma, Lewis County and the city of Chehalis for the sale of a portion of the Tacoma rail line from Maytown to Chehalis.

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6. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes reported he attended two ribbon-cuttings and a Business After Hours event last week. He noted all three events were well attended.

7. **Ordinance No. 914-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be raised by Ad Valorem Taxes during 2014; Ordinance No. 915-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2014; and Ordinance No. 916-B, Second and Final Reading – Adopting the 2014 Budget.** City Manager MacReynold encouraged the council's support and positive approval.

Councilor Taylor moved to pass Ordinance Nos. 914-B, 915-B, and 916-B on second and final reading, as revised and amended.

Councilor Lund seconded the motion.

Councilor Spahr inquired about the debt service for the airport fund. Ms. Lindgren reported the balloon payment on the Lewis County general obligation bond for the airport was slightly more than \$1.5 million. She noted the administration was looking at a couple of different approaches on how that would be handled.

The motion carried unanimously.

8. **Ordinance No. 917-B, Second and Final Reading – Amending Sections of the Chehalis Municipal Code Providing for Accessory Dwelling Units (ADU).** Councilor Dawes reported at the last meeting that he inquired about the potential of violations regarding the Fair Housing Act (FHA). He stated he was assured by Community Development Director Dennis Osborn that he checked with the state and there appears to be a population threshold of 20,000 where accessory dwelling units are required under the FHA. Councilor Dawes strongly urged that the council pass the ordinance.

Councilor Dawes moved to pass Ordinance No. 917-B on second and final reading.

The motion was seconded by Councilor Harris and carried unanimously.

9. **Ordinance No. 919-B, First Reading – Revision of Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2014.** Mr. Wiltzius reported they were looking at hiring a consultant to develop a better rate structure, noting the administration has heard concerns in the past about how the rate calculation has been working. He noted after the new rates are developed and approved, they will look into updating the contracts with both Lewis County Water & Sewer District #4 and Napavine.

Mr. Wiltzius reported on the 2014 rates, noting Napavine would be paying \$9,924 per month, down \$55 from 2013; and Lewis County Water and Sewer District #4 would be paying \$5,262 per month, down \$848 from 2013. He noted the rates are primarily based on the function of the flows at the treatment plant. Mr. Wiltzius stated the overall rate of inflation over the past 10 years has been 5.8 percent for Napavine, and 5.2 percent for Lewis County Water & Sewer District #4.

City Manager MacReynold reported this issue did come up as part of the discussions with the Council Budget Committee. He stated the Committee was very supportive that we need to take a serious look at making some changes.

Councilor Spahr moved to pass Ordinance No. 919-B on first reading.

Councilor Lund seconded the motion

Councilor Harris asked if the percentage the city pays could be adjusted if we did a significant reduction in the city's I&I, versus what the other owners pay. Mr. Wiltzius suggested that would probably be addressed in a new contract, or interceptor agreement which stipulates who owns what percentage in the plant and/or certain sewer lines. He stated it was obvious that Chehalis has been bank-rolling most of the capacity, upwards of around 85 percent.

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The motion carried unanimously.

10. **Ordinance No. 920-B, First Reading – Amending the 2013 Budget.** Ms. Lindgren briefly reviewed the amendments to the 2013 budget. She noted, as mentioned earlier, the budget would be reduced for the bay floor repairs at the fire department. Ms. Lindgren reported a good portion of the remaining budget amendments had to do with the allocations for the utility billing. She stated the reallocation was a fairer reflection of what the costs should be and how they should be allocated between water, wastewater, and stormwater.

Ms. Lindgren reported the departments also looked at their activity through the end of the year and made adjustments to their budgets accordingly.

Councilor Spahr moved to pass Ordinance No. 920-B on first reading.

The motion was seconded by Councilor Harris and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 5:37 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of November 25, 2013.