

January 13, 2014

The Chehalis city council met in regular session on Monday, January 13, 2014, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 4:45 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; Glenn Schaffer, Police Chief; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Ketchum announced that the council would be in executive session pursuant to RCW 42.30.140(4)(a) – collective bargaining for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 4:59 p.m. and announced the council would take a two minute recess and reopen the regular meeting at 5:01 p.m. Additional staff included Dennis Osborn, Community Development Director; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; and Allyn Roe, Airport Manager. Members of the media included Kyle Spurr from *The Chronicle*.

2. **Citizen Business.** Chip Duncan, Director of the Veterans Memorial Museum, requested clarification from the council on the audit requirement for organizations who receive lodging tax funds from the city of Chehalis. He noted every year they do an internal audit using a system approved by local Certified Public Accountant (CPA) Ben Kostick. After a brief discussion, it was clarified that all recipients are required to have a GAS standard audit by a "licensed" CPA once every five years.

3. **Swearing-in of Re-elected Council Members.** Municipal Court Judge Dale McBeth administered the oaths of office to Dennis Dawes, District No. 1 At-large; Chad Taylor, District No. 2 At-large; and Robert (Bob) Spahr, District No. 3 At-large.

4. **Election of Mayor and Mayor Pro-tem for 2014-2015.** City Clerk Judy Schave called for nominations for Mayor.

Councilor Pope nominated Dennis Dawes, and Councilor Taylor nominated Tony Ketchum.

There being no further nominations, Ms. Schave declared the nominations closed and asked for a show of hands for those in favor of Councilor Dawes for Mayor. Councilor Dawes received the majority vote from Councilors Harris, Pope, Spahr and himself.

Mayor Dawes called for nominations for the position of Mayor Pro-tem.

Councilor Spahr nominated Terry Harris.

There being no further nominations, Mayor Dawes declared the nominations closed. The council voted unanimously to re-appoint Councilor Harris as Mayor Pro-tem.

5. **Council Committee/Board Appointments.** Mayor Dawes asked that the council review the committee/board appointments and get back to the city clerk regarding any changes.

6. **Update on the Chehalis Renaissance Plan.** Chehalis Community Renaissance Team (CCRT) Chair David Hartz provided a brief overview of the 2013/2014 key projects and goals, to include:

- Business Incubator Project – \$66,000 grant was received to conduct a feasibility study, which determined that the focus on the thin film technology would not work; Project is on hold until the right match can be found; LC Economic Development Council (EDC) is still looking into the idea
- Discover! Children's Museum – Pilot project closed December 29; Plans progressing for a permanent museum; Advisory board will meet on February 3 to begin planning for the new facility
- Chehalis Avenue Enhancement - The Renaissance is committed to providing the trees and plantings for this project when it's revived in 2014

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- Marketing Campaign – Applied to the Washington State “Main Street” program that focuses on downtown revitalization; Mobile version of the city website launched, including the Historic Downtown Walking Tour; Received \$11,000 in Chehalis lodging tax funds for marketing projects in 2014, including reprinting of the visitor brochure and event rack card and the Downtown Chehalis Historic Walking Tour booklet; Continuation of the Experience Chehalis Facebook and E-newsletter, and photography to create a pool of tourist-type marketing photos. 2014 priorities include:
 - Complete revisions, printing and installation of wayfinding signs
 - Partner with the Chamber to design and implement a “Think Local – Shop Local” campaign
 - Utilize new membership in the Main Street Program to focus on downtown revitalization
 - Maintain awareness of closing/moving businesses and empty buildings and seek proactive ideas
 - Seek opportunities to implement a “Storefront Art Project” in empty buildings
 - Build database of businesses
- PUD Park at Main Street – Determining the best materials for constructing the concrete planter and bench; Design for electronic reader board in the process; Meet with PUD to seek input and approval; Complete project over the next two years
- Steam Train – Have Strategic Plan completed by March 2014; Start audit of 2013 financials; Work with PARC to start the process of identifying grant opportunities to meet the substantial projected capital needs being identified
- Litter Patrol – Continue to partner with Reliable Enterprises to hire their services for litter removal on the exterior streets of the city (on an as-needed basis and typically done 2 to 3 times a year)
- Holiday Decorations – Chehalis Foundation provided \$10,000 in 2013 to improve and expand the city’s holiday decorations; Committee will meet January 15 to review progress and start to finalize a five-year plan to present to the Chehalis Foundation seeking their continued partnership
- Downtown Plantings – Intend to expand public participation in both the plantings and hanging baskets for Market Boulevard and eventually Chehalis Avenue
- Chehalis Theater – Explore creative options for this facility; Looking for ways to keep the marquee lit
- Local Business Development/Community Outreach – A partnership with Dick Larman (EDC), and Alicia Bull (Chamber), and the CCRT Marketing Committee is embryonic and just getting formed; Goal is to provide education to employees and business owners on how to improve business practices and marketing efforts that enhance all entities

Mr. Hartz thanked the council and the city for their continued support. He also thanked the city manager for allowing his administrative assistant Caryn Foley to work closely with them, adding she’s good at making sure they get done the things that they need to get done.

Mayor Dawes thanked Mr. Hartz for the work he’s done on the CCRT, adding the city is very fortunate to have that group, as well as the Chehalis Foundation and a lot of other groups that are doing great things for the city.

7. **Update on Garbage Rate Increase.** LeMay Enterprises, Inc. District Manager Tom Rupert reported they were notified in October that Lewis County Solid Waste Disposal District #1 and the Board of Lewis County Commissioners voted unanimously to approve a 9.76 percent tipping rate increase (\$90 per ton) at the Lewis County transfer station, to go into effect on February 1, 2014. He noted pursuant to Section 8 of the contract between the city and LeMay Enterprises, Inc., they are allowed to pass the increase on to the rate payers, less four percent. Mr. Rupert stated, depending on the type of service, residents would see an increase from ½ percent to 3.1 percent. He noted their most utilized service is the 65 gallon tote, which is picked up every other week. The increase for that particular service would be 1.68 percent.

Councilor Harris noted he and Mr. Rupert are both on the Solid Waste Advisory Committee, adding the rates in 1994 were \$94 per ton, which they reduced in 1997 to the current rate. He noted they’ve been able to keep the rates down for quite some time because they run a very tight ship. Councilor Harris thanked Mr. Rupert for his work on the committee.

8. **Consent Calendar.** Councilor Taylor moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of December 9, 2013;

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b. Claim Vouchers No. 107830-107969 and Electronic Funds Transfer No. 1120132 in the amount of \$999,178.00 dated December 13, 2013; Claim Vouchers No. 107970-107978 in the amount of \$182,277.81 dated December 19, 2013; Claim Vouchers No. 107979-108071 in the amount of \$184,603.40 dated December 31, 2013; and Payroll Vouchers No. 37053-37108, Direct Deposit Payroll Vouchers No. 4599-4677, and Electronic Federal Tax Payment No. 131 in the amount of \$658,615.82 dated December 31, 2013; and

c. Approve collective bargaining agreement between the city and Teamsters Union Local #252 – Police Uniformed Personnel Unit and authorize City Manager to execute agreement.

Councilor Pope seconded the motion.

Mayor Dawes noted one correction to the minutes under the discussion regarding consolidation of the city fire department and Riverside Fire Authority. He requested the word “not” be added to the fifth paragraph to read as follows: “Councilor Spahr stressed to the people of Chehalis that this does not mean this is going to merge our fire departments.”

Councilor Taylor moved to approve the consent calendar, as amended.

The amended motion was seconded Councilor Pope and carried unanimously.

9. Administration Reports.

a. **Update on New Rating for Bond Issuance.** City Manager MacReynold reported, in spite of the economic downturn and the struggles we still face in Lewis County with high unemployment, the fact that we as a city improved our financial rating is a reflection on the city council’s oversight and the management’s ability to watch our pennies. The city received notice that Standard and Poor’s (S&P) upgraded the our rating to an “A+” from and “A,” effective December 16, 2013. It was stated in the report from S&P that, “We view the city’s management conditions as strong.” City Manager MacReynold noted the new rating would be in place for two years.

b. **Update on Use of Credit Cards at the Airport.** City Manager MacReynold reported, based on the council’s discussion in the past regarding use of credit cards, the administration thought it was important to bring the council up to speed on the use of credit cards at the airport. He noted, for those using credit cards to purchase fuel at the airport, an additional three percent fee has been figured into the cost. City Manager MacReynold thought the airports procedure is adequate and will meet the state auditor’s requirements.

Councilor Spahr noted he had a concern about the agenda report, which stated, “At this time, the administration is requesting approval for continuing the Airport’s existing credit card practices, although they do not follow the City’s Council existing direction.” City Manager MacReynold stated, based on prior council discussion, it was the administration’s belief that the way the airport processes their credit cards is outside the way the city currently charges for credit cards use.

City Attorney Hillier stated the direction of the council was to make certain that the use of credit cards would never reflect any impact financially on the city. He noted the cost of fuel at the airport is set and the cost of using a credit card is above that rate, so the user of the fuel absorbs the cost of using the credit card. He felt the use of credit cards at the airport met the direction of the council.

Airport Manager Allyn Roe reported they incorporate the credit card fee into their equation when factoring the pump price.

10. Council Reports.

a. **Update From Councilor Lund.** Councilor Lund reported he attended a meeting of the Lewis County Historical Society, adding things are going well with them.

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b. **Update From Councilor Ketchum.** Councilor Ketchum reported he would be attending the Chamber Banquet on Friday at the Great Wolfe Lodge. He indicated he was going to be appointed "Chairman" of the Chamber's Board of Directors that same night and hoped everyone would be there.

c. **Update From Mayor Dawes.** Mayor Dawes reported he attended an open-house at the Discover! Children's Museum, adding he looked forward to what they come up with in the future. He noted, on December 30, he along with other councilmembers attended the groundbreaking ceremony for the Gail and Carolyn Shaw Aquatic Center.

Mayor Dawes reported the Regional Fire Authority Planning Committee will hold their next meeting on Wednesday, January 15, at Riverside Fire Authority.

d. **Update From Councilor Pope.** Councilor Pope reported they had to remove one tree near the pool project site. He suggested it was unfortunate, but it had to be removed.

Councilor Spahr stated he was amazed at the number of comments he's received about the old pool building being torn down, noting a lot of people didn't realize the building was going to disappear.

11. **Ordinance No. 921-B, Second and Final Reading – Amending Right-of-Way Signage Code.** Councilor Ketchum moved that the council pass Ordinance No. 921-B on second and final reading as presented.

The motion was seconded by Councilor Taylor and carried unanimously.

12. **Ordinance No. 923-B, First Reading – Granting a Franchise Agreement to LightSpeed Networks, Inc. (LSN), to Construct, Operate and Maintain a Telecommunications Network within the City of Chehalis.** City Manager MacReynold reported the ordinance before the council had to do with a request for a franchise agreement between the city and LSN.

Robin Smith, Legal and Compliance Director for LSN, reported LSN is a competitive carrier that provides broadband telecommunications in rural areas. She stated they work mainly with major wireless carries, and their customers are generally hospitals, schools, medical facilities and government offices. The franchise agreement would allow LSN to build on the city's right-of ways to create 4G coverage, improved bandwidth, internet, and network access.

Ms. Smith stated benefits to the city are the six percent utility tax, a one-time payment from LSN to reimburse the city for the costs of the franchise agreement, and connectivity for government offices.

Councilor Pope hoped the services provided by LSN would broaden the capability to have Telehealth services in our area. Ms. Smith stated Telehealth was where they were going.

Councilor Spahr asked if most of their telecommunications were fiber optic, and if they would be using existing poles. Ms. Smith stated yes to both, adding if there isn't room on the poles they would go underground; however, going underground adds eight times the cost.

Mayor Dawes asked if the technology could be used in residences too. Ms. Smith reported they do not provide that last mile, but anyone providing internet and network connectivity may find that they want to connect with LSN as a wholesaler to provide faster internet to residences.

Councilor Taylor asked if there was any other fiber optic currently in Chehalis. City Attorney Hiller noted Rainier Connect has some.

Councilor Ketchum moved that the city council pass Ordinance No. 923-B on first reading.

The motion was seconded by Councilor Spahr and carried unanimously.

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13. **Authorize City Manager to Execute Interlocal Agreement for Shared Services.** City Manager MacReynold reported this project has been a long-standing work in progress that started about a year and a half ago. He noted the county took the lead to work with the cities throughout Lewis County to figure out what kind of shared services we can provide to save the public and our taxpayers money.

City Manager MacReynold reported the county has created a website where certain employees and department directors in all cities that sign off on the agreement will have access to see what kind of services others can provide them. He stated it was a pretty drastic first step and the county did a lot of work to get it up and running.

City Manager MacReynold reported Lee Napier, the county's community development director, was given the assignment not having any history of what it was supposed to be. He felt she and the county did a good job in moving it forward.

City Manager MacReynold reported the committee would continue to move forward and explore other ways that the cities and county can work together. He suggested it was a very significant and important move, and the county should be given a lot of credit for how they moved forward on it.

Councilor Ketchum stated the shared services idea was a brain-child of City Manager MacReynold and himself, adding they did a lot of work at the beginning before the county took it over and moved it to the next step. He stated he was proud of the work they did on getting the idea started.

City Manager MacReynold stated Councilor Ketchum deserved a lot of the credit, adding it really went back to a meeting they both attended and they began to have a conversation about how to begin to share services with other agencies.

Councilor Spahr moved to authorize the city manager to execute the Shared Services Interlocal Agreement.

The motion was seconded by Councilor Taylor and carried unanimously.

Mayor Dawes thanked those on the council for supporting him and giving him the opportunity to serve as the mayor for the next few years. He stated he would work hard to do a good job.

There being no further business to come before the council, the meeting adjourned 5:59 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of January 27, 2014.