

January 13, 2014

The Chehalis city council met in regular session on Monday, January 27, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:32 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, and Daryl Lund. Councilors Taylor and Ketchum were absent (excused). Staff present included: Merlin MacReynold, City Manager; Judy Schave, City Clerk; and Dennis Osborn, Community Development Director.

1. **Executive Session.** Mayor Dawes announced that the council would be in executive session pursuant to RCW 42.30.110(1)(h) – evaluate qualifications of applicants, and RCW 42.30.110(1)(b) – acquisition of real estate for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 4:54 p.m. and announced the council would take a short recess and reopen the regular meeting at 5:00 p.m. Additional staff included Bill Hillier, City Attorney; Glenn Schaffer, Police Chief; Eva Lindgren, Finance Manager; and Rick Sahlin, Public Works Director. Members of the media included Kyle Spurr from *The Chronicle*.

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

- a. Minutes of the regular meeting of January 13, 2014;
- b. Claim Vouchers No. 108072-108164 in the amount of \$142,657.89 dated January 15, 2014;
- c. Approve 2014 council committee/board appointments;
- d. Confirm city manager's re-appointment of Ed Stanton to the Civil Service Commission for a six-year term expiring December 31, 2019; and
- e. Confirm the Mayor's re-appointment of Scott Blinks and Jeff Mecca to the Chehalis Planning Commission for four-year terms expiring December 31, 2017.

The motion was seconded by Councilor Harris and carried unanimously.

3. **Administration Reports.**

a. **Quarterly, November and December Financial Reports, and Quarterly Sales and Use Tax Report.** Finance Manager Eva Lindgren provided the council with an update on the quarterly and December financial reports. She indicated the quarterly report was preliminary and pending final year-end journal entries. Ms. Lindgren reported on the gambling enforcement fund, noting it would effectively be closed out. She talked briefly about the federal and state grant fund, which is used to pay expenditures for some of our major grant projects.

Ms. Lindgren reported the general fund revenues and expenditures both came in less than what was budgeted; however, the end result was to the good. She noted the general fund had an ending balance of \$871,276, but there were still a few year-end adjustments to make. Ms. Lindgren reported most of the ending fund balances came in higher than budgeted, primarily because she did not do a budget amendment to reflect increased revenues, or decreased expenditures. She noted the ending fund balance for all funds combined was approximately \$7.6 million.

Ms. Lindgren reported on the December financial report, noting sales and use taxes exceeded the budgeted revenue by almost \$40,000. The total tax revenue collected for the general fund was 99.4 percent of the budgeted amount, leaving a variance of (\$509,845). Ms. Lindgren reported the general fund expenditures came within budget with a variance of \$563,732. Most of that was attributed to the non-departmental transfers-out that didn't happen.

Councilor Harris inquired about the telephone tax revenue, noting it continues to decline even though phones are still utilized a lot. Mayor Dawes suggested one solution might be that a lot of people are dropping their traditional land-line phones.

January 13, 2014

Ms. Lindgren reminded the council about the lawsuit in which the argument was made that we were not entitled to collect taxes on certain types of telephonic communications. She stated the telephone industry prevailed in that court case and City Attorney Bill Hillier helped the city settle the matter.

City Attorney Hillier stated that was correct. He noted, additionally, the cost of the new style of phone use has gone down significantly (e.g., unlimited minutes). He reported texting is no longer taxable, as well as a lot of other things.

Councilor Pope suggested long-distance calling has also changed, adding a lot of people are using cell phones, or going through a computer.

Ms. Lindgren briefly reviewed the utility funds, noting the departments worked very close with her to do some tighter budgeting. She reported she would like to see the wastewater fund balance grow faster because of the debt service the city pays.

Mayor Dawes stated he was under the impression that the rate increases were supposed to adequately take care of those concerns. Ms. Lindgren stated they are, but we're only dealing with a step up each year.

Councilor Lund stated they were told the rates were being raised because that state required a certain amount of money in the fund. He noted the council was also told by the wastewater superintendent in a report a few weeks back that the public works director included extra in the increases to help pay for the inflow-infiltration (I&I) work. Councilor Lund suggested if they would have been told that when they were discussing rate increases, it might have been easier for the citizens to stomach.

City Manager MacReynold didn't believe that was true, noting the I&I study had been long-standing. Councilor Lund stated it had been a long time, but it wasn't mentioned when they were voting on raising the rates. City Manager MacReynold believed they had projects built in for what they would be doing in the future.

Ms. Lindgren reported the preliminary numbers for the water sales were slightly exceeding what was budgeted, and the expenditures came in less than budgeted. She noted the fund ended with an increased balance of over \$200,000. Ms. Lindgren reported the storm fund was looking strong, and the small fund balance would be useful for some upcoming projects.

Ms. Lindgren talked briefly about the sales and use tax report, adding the city definitely improved upon the previous year. She stated the total increase over last year was a little over 6 percent.

4. Council Reports.

a. **Update From Councilor Spahr.** Councilor Spahr reported he would be attending the Southwest Washington Economic Development Commission meeting on January 30, in Castle Rock.

b. **Update From Mayor Dawes.** Mayor Dawes reported on the January 15 Riverside Fire Authority Planning Committee meeting. He noted they were brought up to date on the situation at Riverside Fire regarding the sudden devaluation of TransAlta. Mayor Dawes stated the potential for tax proration could decimate the department from what it looks like today, but they would have to wait and see. The Committee was informed that Chehalis plans to continue with the functional consolidation to identify where we're at. He noted once we see what we're dealt with, we'll make the call.

Mayor Dawes reported he attended the annual Chamber banquet along with Councilor Ketchum, adding it was a nice event. He and Councilor Spahr also attended the annual Lewis County EDC banquet at the Hotel Washington.

5. Ordinance No. 923-B, Second and Final Reading – Granting a Franchise Agreement to LightSpeed Networks, Inc., to Construct, Operate and Maintain a Telecommunications Network within the City of Chehalis. City Manager MacReynold reported this was the second reading of the ordinance. He noted Robin Smith, Legal & Compliance Director for LightSpeed Networks, Inc., attended the previous meeting to present what they are proposing to do. City Manager MacReynold encouraged the council to approve the ordinance.

Councilor Harris moved that the council pass Ordinance No. 923-B on second and final reading.

January 13, 2014

The motion was seconded by Councilor Pope and carried unanimously.

6. **Resolution No. 1-2014.** Mayor Dawes reported Resolution No. 1-2014 would be pulled from the agenda regarding the execution of an interlocal agreement with Lewis County in regards to the City of Tacoma. He noted the county is the lead agency and the administration felt it would be more appropriate for the county to be the first to approve the resolution, as opposed to the city.

7. **Ordinance No. 924-B, First Reading – Amending Section 17.12.330 of the Chehalis Municipal Code (CMC) Dealing with Binding Site Plan.** City Manager MacReynold reported Ordinance Nos. 924-B through 927-B are part of the ordinance code recommendations the administration briefed the council on in September 2013. He suggested the council review the updates and vote on the ordinances at the same time.

Community Development Director Dennis Osborn stated he was still working on an ordinance for the Capital Facilities Plan that would be brought before council at a later date.

Mr. Osborn reported the current code for dealing with the binding site plan has a one-year requirement that expires. The new ordinance proposes to make it a five-year timeframe that would put it in line with state statute in terms of preliminary approval of major subdivisions.

Councilor Spahr asked, "If they can't get it done in five years is there a way to extend the timeframe?" Mr. Osborn stated an extension could be requested in one-year increments.

8. **Ordinance No. 925-B, First Reading – Adopting the 2012 Building Code and Appendices and Repealing Previous Sections to the CMC.** Mr. Osborn reported this item is one that the State Legislature passed and the city operates within its guidelines. He stated the city is not required to adopt all of the appendices, such as sprinkling of homes, which is not being proposed. Mr. Osborn stated it would simply adopt the International Building Code and Appendices C, I and J; and the International Residential Code and Appendices G and H.

9. **Ordinance No. 926-B, First Reading – Creating and Adopting Section 12.32 of the CMC Dealing with Street and Alley Vacations.** Mr. Osborn reported this is a new section to the CMC that will give the city procedural steps to follow for the vacation of a right-of-way, adding it basically mirrors the state statute.

Councilor Spahr inquired about the procedures the city currently uses. Mr. Osborn reported we currently follow state statute. He noted we're not required to adopt it; it just came up a few months ago when the city had an issue regarding a street vacation. Mr. Osborn stated the council had a lot of questions at the time it was discussed regarding the city's process and procedures.

City Manager MacReynold stated the administration received direction from council to do nothing new, but to put it all in one place so when we have someone come in they can see exactly what the process is versus looking up the state statute.

10. **Ordinance No. 927-B, First Reading – Amending Section 17.81.010 of the CMC Dealing with Tent Camping.** Mr. Osborn reported the tent camping issue came up during a code enforcement issue the city's been dealing with. He noted Sections A, B, and C are currently in the CMC, and D is the new section dealing with tent camping. Mr. Osborn stated it was his understanding that there was a concern whether someone could put a tent up in their front yard for the weekend. He stated the way the code is currently written, the answer would be no. Mr. Osborn stated he didn't believe that was the intent of the code, noting the proposed ordinance would give a 14 day period in which a tent would have to be taken down. He suggested they could put something in the code allowing tents in a front yard for the weekend or two day period, but it would then become an enforcement issue if it wasn't taken down. Mr. Osborn felt they were just looking for a little bit of discretion if a tent pops in a front yard.

Mayor Dawes stated if they make it too stringent then it wouldn't allow the STP riders to camp in the park. He indicated he had proposed some language regarding 'city sanctioned events' to City Manager MacReynold. Mayor Dawes stated he also didn't want our police department going after kids that want to spend the night out in a tent during the summer, but his biggest concern was the STP riders.

January 13, 2014

Mr. Osborn reported 17.93.080 has a section for use of public places and special event permits. He stated that permit would allow the STP to still move forward. Councilor Spahr noted STP riders also use private property. Mr. Osborn stated the tent would then need to be located on the side, or rear yard. He suggested they could tighten the ordinance up to say "front yards are allowed for a weekend," but by the time the city starts the enforcement process it would probably be taken down.

Mr. Osborn noted his thought process when drafting the ordinance was to take into consideration safety, as well as the esthetic component. Councilor Harris asked if language could be added stating no visibility from the street. Mr. Osborn stated they could simple say "not visible from the street," but there are so many variations in the lots within the city.

Councilor Pope felt they were wording it to death and didn't believe it was a serious problem. He stated they've had the STP coming through for years and other people camping out in their yards, and they're usually gone within a couple of days. Councilor Pope suggested they leave the proposed ordinance the way it is, adding they can always come back and change it at a later date if a problem develops.

Councilor Spahr inquired about the language in Section B, noting it didn't make sense. Additionally, he and several others keep their motor homes on their property, or in garage to keep them plugged in for refrigeration purposes. Mr. Osborn suggested the ordinance was drafted so if you have power to the unit it's a way for the city to have cause to knock on the door to see if in fact you're living in it.

Mayor Dawes stated his only concern with Section D is when you have an ordinance that specifically says nothing and conflicts with another ordinance. He suggested they add language to permit it for a city sanctioned event.

City Attorney Hillier indicated they could add language to the ordinance between first and second reading.

Mr. Osborn reported he would add language that states, "Except for events that are compliant with Section 17.93.080. He noted he would also clean up the language in Section B, as well.

Councilor Spahr moved that the council pass Ordinance Nos. 924-B, 925-B, 926-B and 927-B on first reading.

The motion was seconded by Councilor Pope and carried unanimously.

11. **Authorize City Manager to Execute Contract Amendment with HDR Engineering, Inc., for the Chehalis Beautification and Overlay Project.** City Manager MacReynold reported the city ended up going out very late last year to solicit bids for the project and only received two. Both bids were significantly over the projected cost of the project and were eventually rejected by the council. City Manager MacReynold stated the administration is planning to go back out to bid; however, some of the documents need to be amended. Additionally, project management costs need to be added to the project.

Councilor Spahr asked, "If we had accepted the higher bid, what would we have done with the additional construction management costs." City Manager MacReynold stated the city would still have to add the additional amount for the construction management.

Councilor Spahr moved to authorize the city manager to execute Amendment No. 1 to the agreement for engineering services for the Chehalis Avenue Beautification and Overlay Project with HDR Engineering, Inc., for an additional amount of \$80,813.

The motion was seconded by Councilor Pope and carried unanimously.

12. **Lewis County Law Enforcement Memorial Statue Unveiling.** Mayor Dawes reported he received an invitation to attend the unveiling of the Lewis County Law Enforcement Memorial Statue "The Guardian," at the entry way of the Lewis County Law and Justice Center on January 30.

13. **Port of Chehalis.** Mayor Dawes reported he recently read an article about the Port of Chehalis looking at some administrative changes. He noted, after speaking with one of the Port Commissioners at the Lewis County EDC Banquet, he had concerns about what was being discussed.

January 13, 2014

Mayor Dawes asked if the other council members would be interested in having the Interim Port Director and/or one of the Port Commissioners come and discuss the changes being proposed. He stated the city does a lot of things in concert with the Port, and development at the Port is certainly tied into the direction of the city. Mayor Dawes reported he had concerns that some of the changes may affect that relationship and what we'll be able to do at the Port in the future.

Councilor Lund noted there were a lot of people in town who think they need to hire a new director and move forward in providing jobs for people. He stated they're using the fire consolidation as an example for how they can do it, but that's a totally different situation.

The consensus of the council was to have representatives from the Port of Chehalis attend an upcoming city council meeting. Mayor Dawes asked City Manager MacReynold to set it up for the next meeting, if possible.

There being no further business to come before the council, the meeting adjourned 5:47 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.