

October 14, 2019

The Chehalis city council met in regular session on Monday, October 14, 2019, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Kiley Franz, City Manager's Administrative Assistant; Brian Kelly, City Attorney; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media included Celine Fitzgerald of *The Chronicle*.

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

- a. Minutes of the regular meeting of September 23, 2019;
- b. September 30, 2019 Claim Vouchers No. 126977-127099 in the amount of \$541,282.18;
- c. September 30, 2019 Payroll Vouchers No. 41033-41078, Direct Deposit Payroll Vouchers No. 11262-11384, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 260-264 in the amount of \$917,632.78;
- d. Change Order No. 1 in the amount of \$167,087.88 for the Riverside Force Main Replacement Project;
- e. Water Use Efficiency Plan update;
- f. Resolution No. 12-2019, first and final reading – delegating signing authority to the Airport Operations Coordinator for reimbursement on federally and state funded infrastructure projects – Taxiway Realignment;
- g. Resolution No. 13-2019, first and final reading – delegating signing authority to the Recreation Manager for reimbursement on federally and state funded facility improvement projects – Recreation Park; and
- h. Budget request for professional services for firemen's pension fund actuarial valuation.

The motion was seconded by Councilor Lund.

Mayor Dawes spoke about item "d" and stated it was his understanding that the change order was needed due to electrical and/or cable lines that were in the right-of-way but were not located. Once found, the route had to be changed to go around the lines, which increased the project cost. Patrick Wiltzius clarified the lines were telecommunications/fiber optic lines. He explained that during the process, the city called in a design locate to trigger agencies to locate their lines so engineers can design accordingly. It appears that some agencies did not locate their lines. A construction locate was then called in and was responded to about a week late after construction was started and had to be stopped to redesign the project. He didn't know if recouping the costs was something that could be pursued. He suggested it could be addressed when franchise agreements are renewed.

Mayor Dawes stated city staff did everything they were supposed to do, but it was very frustrating that the agencies did not locate their lines and the city was on the hook for the redesign.

The motion carried unanimously.

2. **Lodging Tax Advisory Committee (LTAC) Recommendations for 2020 Tourism Funds and Reappointment of Committee Members.** Councilor Harris, chair of the LTAC, thanked the applicants for reviewing their projects with the committee and Kiley Franz for her assistance to the committee. He reviewed the requests and LTAC recommendations:

	Request	LTAC Recommendation
1. Chehalis-Centralia Railroad & Museum (personnel)	\$ 25,000	\$ 15,000
2. Lewis County Historical Museum	\$ 45,000	\$ 40,000
3. Veterans Memorial Museum	\$ 30,000	\$ 30,000
4. Chamber of Commerce Building/City of Chehalis Utilities	\$ 50,000	\$ 50,000
5. Chehalis-Centralia Railroad and Museum (marketing)	\$ 35,000	\$ 35,000

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6. Chehalis Community Renaissance Team	\$ 49,000	\$ 27,000
7. Centralia-Chehalis Chamber (Visitor Center Services)	\$ 40,000	\$ 40,000
8. Discover Lewis County	\$ 5,000	\$ 0
9. Artrails	\$ 12,000	\$ 5,000
10. Southwest Washington Fair	\$ 18,500	\$ 10,000
11. Chehalis Wedding Show	\$ 12,435	\$ 12,435
12. Youth Athletic Tournaments	\$ 15,000	\$ 15,000
TOTALS	\$336,935	\$279,435

Councilor Harris stated the projected 2020 beginning fund balance for the Tourism Fund was \$430,483. \$50,000 is kept as a reserve and the committee agreed to pay up to \$75,000 a year to pay back the loan on the Recreation Park project. This year the amount was \$63,395.91. He pointed out that the request from the CCRT was \$49,000; however, after discussion, they are no longer going to produce the Lewis County Visitors Guide, so that is why the LTAC recommendation is \$27,000.

Mayor Dawes asked if Centralia was contributing any tourism funds to the chamber building/utilities. Councilor Harris stated the city was requesting those funds for potential relocation of the chamber building since the city owns the land that the chamber building sits on. The building will remain on the same property but will be moved to accommodate future I-5 widening. He didn't believe that Centralia had announced any of their LTAC recommendations to-date.

Mayor Dawes stated he had concerns about the steam train, specifically when the steam locomotive would be running again and the financial condition of the group. He stated advertisements still referred to steam train rides, but it was really a diesel locomotive pulling the trains right now. He hoped that if the money was appropriated, they would see the steam train running again, and work that needs to be done on the tracks and bridges was done. He was concerned about the city's liability. He stated he supported the steam train and wanted to see it be a success.

Mary Kay Nelson, representing the steam train, stated they have done the best they can given their web address was steamtrainride.com. They are doing their best to not post pictures of the steam locomotive and have a disclaimer on the website and Facebook that the diesel engine is currently being used since the steam locomotive is under construction. They have "train checks" that they have not had to use in case people come and didn't realize the diesel was being used. They have not seen a decline in ridership. The target date to have the steam train running is May 2020. She noted extra runs have been added to the Polar Express trains. Ms. Nelson stated a bid was submitted to the Port of Chehalis for purchasing the track, which has been maintained by the steam train for the past 30 years. It was difficult to go after grants because the locomotive and tracks are not owned by the association. She stated ridership covers their operating expenses, but not the major upkeeps. She stated she was committed to the project to get the ship righted. She stated they have talked with the Veterans Museum about making a beautiful park-like complex along the freeway to drive people off the freeway.

Councilor Pope asked if the steam train had its own liability insurance. Ms. Nelson indicated they did.

Councilor Harris stated the steam train had a third request that came in late and the LTAC will meet to review the request relating to repair work on the locomotive. A recommendation will be coming back to the council.

Councilor Spahr moved to approve the candidates and funding amounts, both individually and collectively, of the Lodging Tax Advisory Committee for use of lodging tax funds for 2020; a reserve amount not to exceed \$75,000 a year for the debt service related to the Recreation Park Improvement Project; and the reappointments of Todd Chaput, Gloria Choi, Jena Sorenson, Alicia Bull, Rick Burchett, and Chip Duncan to the Lodging Tax Advisory Committee. The motion was seconded by Councilor Pope and carried unanimously. Councilor Taylor abstained from voting.

3. Recreation Park Improvement Project – Request to Use Funds Designated for the Project to Proceed with Change Orders, and Utilize Contract Purchasing for Playground Equipment and Services. Lilly Wall stated the project budget was \$4,146,669. \$2,946,169.75 was previously approved by council, leaving a balance of \$1,200,499.25. The remaining balance would be used to complete ballfields and general site work; purchase of playground surfacing material and play structures; and "wish list" items. The request includes an increase of \$305,499.25 including sales tax and a 5% contingency for the ballfields and general site work. The funds will be used to complete the activities being done at the park by KBH Construction and provides the needed funds to allow the purchase of materials, equipment and supplies for project-related work to be completed by city staff as part of the wish list. The requested allocation also includes funds in the amount of \$895,000 to

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purchase the playground equipment and surfacing, which will be procured through government purchasing contracts. The projected completion date is February 2020.

Councilor Ketchum moved to authorize the City Manager to spend the remaining budget allocated for the Recreation Park Improvement Project, which was \$1,200,499.25 to complete the project, which includes the following activities and expenditures: purchase playground equipment and surfacing utilizing contract purchasing in an amount not-to exceed \$895,000, including tax and a 5% contingency; manage and authorize additional change orders to the contract with KBH Construction within the project budget needed to facilitate completion of the project; purchase materials, equipment, and supplies for project-related work that will be done by City staff; and purchase additional items or materials needed to enhance the project if project funding is available. The motion was seconded by Councilor Spahr and carried unanimously.

4. **Investment Policy Update.** Chun Saul stated the city's current policy was adopted in June 1994 and modifications were needed to meet current standards and practices. She stated the primary objectives, in priority order, were to preserve principal (safety); to meet cash flow needs (liquidity); and consider investment risk and cash flow needs (return on investment). Major changes included the addition of a governing authority section; a prudence section; a list of prohibited investments; maximum maturities – changed from 4 years to 5 years; reporting frequency – changed from monthly to quarterly; and an updated diversification section. Ms. Saul also reviewed minor changes to the document.

Councilor Ketchum moved to approve the modifications and adopt the Investment Policy. The motion was seconded by Councilor Lund and carried unanimously.

5. **Administration Reports.**

a. **City Manager Update.** City Manager Anderson thanked the public for their patience during the Recreation Park project. She reminded everyone that city hall be handing out candy on Halloween and the Trick or Treat Transit will be available.

6. **Councilor Reports/Committee Updates.**

a. Councilor Taylor stated Twin Transit has been holding community meetings, which have been well attended. He stated Director Joe Clark has put together a presentation and he suggested that Mr. Clark be invited to a future meeting. He stated amazing things are happening under his leadership. Some wait times for buses have decreased and turnouts will be added along Market Boulevard. Buses now have GPS and Wifi, and you can buy bus passes online. He stated several old buses were surplus to local non-profits.

b. Mayor Dawes attended the following: budget committee meetings; mayors meeting; and groundbreaking for Penny Playground. He and City Manager Anderson also participated in creating a video that will be shown as part of the Chehalis Foundation gala.

c. Councilor Taylor stated he spoke with the City Manager regarding Tim Eyman's initiative (I-976) that will be on the upcoming ballot and he asked if it would impact the city. They didn't think it would since it only relates to car tab fees and the city's Transportation Benefit District relies on sales tax. He stated it got him to thinking that the city has such limited resources already and should be thinking about additional revenue sources.

Councilor Harris stated the council budget committee has also been thinking about new revenue streams, specifically for the general fund. Mayor Dawes stated one example was using the Firemen's Pension Fund to fund LEOFF I medical expenses if an actuarial study determines the fund is sufficient to pay the estimated demands of pension benefits.

City Manager Anderson the city has a bridge project that will need state funding. It is those types of projects that could have an unknown impact to future projects if I-976 passes – many or more projects going after a smaller pot of money.

7. Commissioner Edna Fund expressed condolences to the family of Keith Blackwell who passed away last Friday. She stated an open house would be held on October 26 at 2:00 pm at the old Jackson Courthouse, along with celebrating Julie McDonald Zander's new book on Washington Territory's Grand Lady – The Story of Matilda (Glover) Koontz Jackson. The 5th Annual Roundtable with the Legislators will be on November 1 from 9:00 am to noon at the courthouse. She also reminded everyone that October was breast cancer awareness month and she encouraged all women and men to get their check-ups.

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8. **Executive Session.** Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(c) – Minimum Price at Which Real Estate Will Be Offered for Sale/Lease; and RCW 42.30.110(1)(g) – Review Performance of a Public Employee, not to exceed 7:15 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:03 pm. The executive session began at 6:06 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 7:14 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved: 10/28/2019

Initials: cf

