

PLEASE NOTE SPECIAL MEETING TIME

CHEHALIS CITY COUNCIL AGENDA

CITY HALL
350 N MARKET BOULEVARD, CHEHALIS, WA 98532

Dennis L. Dawes, Position at Large
Mayor

Terry F. Harris, District 1, Mayor Pro Tem
Daryl J. Lund, District 2
Dr. Isaac S. Pope, District 4

Anthony E. Ketchum Sr., District 3
Chad E. Taylor, Position at Large
Bob Spahr, Position at Large

August 11, 2014

4:15 p.m.

WORK SESSION

- | | | |
|--|-----|---|
| 1. <u>Discuss Funding Options for Street and Road Maintenance and Repairs.</u> (City Manager, City Attorney, Public Works Director, Street Superintendent) | --- | 1 |
|--|-----|---|

Regular Meeting of Monday, August 11, 2014

5:00 p.m.

ITEM

ADMINISTRATION
RECOMMENDATION

PAGE

- | | | |
|---|--|--|
| 2. <u>Call to Order.</u> (Mayor) | | |
| 3. <u>Pledge of Allegiance.</u> (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.

PRESENTATIONS

4. Advocacy Services Provided by Lewis & Mason County Crime Victim Service Center. (Lead Crime Victim Advocate Steven Briggs)

5. Update on Twin Transit. (General Manager Rob LaFontaine)

CONSENT CALENDAR

6. Minutes of the Regular Meeting of July 28, 2014. (City Clerk)

APPROVE

18

7. Vouchers and Transfers. (Finance Manager)

APPROVE

28

8. Affirm Mayors Appointment of Craig Steepy to the Chehalis Planning Commission. (Community Development Director)

AFFIRM MAYORS APPOINTMENT
OF CRAIG STEEPY TO THE
CHEHALIS PLANNING
COMMISSION

30

ADMINISTRATION AND CITY COUNCIL REPORTS

9. Administration Reports.

a. Update on the Gail and Carolyn Shaw Aquatic Center Project. (Connie Bode)

INFORMATION ONLY

10. Council Reports.

a. Councilor reports. (City Council)

INFORMATION ONLY

b. Council committee reports. (City Council)

INFORMATION ONLY

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, AUGUST 25, 2014

CITY OF CHEHALIS

AGENDA REPORT

DATE: August 6, 2014

TO: The Honorable Mayor and City Council

FROM: Merlin MacReynold, City Manager
Rick Sahlin, Public Works Director
Don Schmitt, Street/Storm Superintendent

SUBJECT: Funding Sources for the Improvement, Maintenance and Preservation of the City's Streets and Roads

ISSUE

At the June 23 council meeting, the administration proposed two methods to fund the improvement, maintenance and preservation of City streets. At the meeting it was proposed that further discussion should take place at a council work session. The administration will continue discussion on the subject by discussing each proposal individually and requests direction from Council as to how you would like to proceed.

DISCUSSION

Source One; dedicate four percent (4%) of the city's annual sales and use tax the city receives for street maintenance, improvement, and preservation, including grind and overlay projects, chip sealing, crack sealing, striping, curb painting, sign maintenance and routine maintenance performed by the Street Division. Using the 2013 Sales & Use Tax Revenue totals this would be approximately \$130,000 annually dedicated for city and street road maintenance and improvements (see Attachment C).

Source Two; create a Transportation Benefit District (TBD) within the corporate limits of the City of Chehalis and establish an annual vehicle license fee in the amount of twenty dollars and zero cents (\$20.00) consistent with RCW 36.73.065 to be collected by the Washington Department of Licensing on qualifying vehicles, as set forth in RCW 82.80.140 and chapter 36.73 RCW. The members of the Chehalis City Council would be the Governing Board of the Transportation Benefit District. The revenue received from this funding source would be tied to the projects on the City's Six-Year 2015-2020 Transportation Improvement Program (TIP) which is updated annually. The city would receive approximately \$102,000 annually dedicated for projects that are on the city's Six-Year Transportation Program (see Attachments D, E & F).

Additionally, please see the list of cities that have established Local Transportation Benefit Districts and fee amounts from the Washington State Department of Licensing (Attachment A). Also attached is a list from Municipal Research Service Center that includes all Transportation Benefit Districts (Attachment B) that use vehicle license fees and ones that collect revenue from additional sales tax.

Possible options for council consideration:

1. An ordinance dedicating four (4) percent of the City's sales tax for city street and road maintenance and improvements (Attachment C);
2. An ordinance establishing a TBD (Attachment D) and a resolution establishing a \$20 vehicle license fee to fund city street and road maintenance and improvements (Attachment E);
3. An ordinance dedicating four (4) percent of the City's sales tax (Attachment C); an ordinance establishing a TBD (Attachment D); and a resolution establishing a \$20 vehicle license fee (Attachment E) to fund city street and road maintenance and improvements;
4. An ordinance establishing a TBD for city street and road maintenance and improvements (Attachment D); and
5. Take no action at this time.

RECOMMENDATION/COUNCIL ACTION DESIRED

The City Manager is proposing Option #3 and is recommending that the council direct the administration to prepare the necessary documents for council consideration at the next council meeting.

SUGGESTED MOTION

I move that the council direct the city manager to prepare the necessary documents in accordance with Option: (1, 2, 3, or 4) for their consideration at the next regular meeting.

REVIEWED BY:  , CITY MANAGER

WA State Licensing (DOL) Official Site: Transportation Benefit District (TBD) fees

Local transportation benefit district fees

RCW 36.73.020 allows city or county governments to create transportation benefit districts and impose an additional vehicle registration fee to fund local transportation projects.

Transportation benefit districts and fees

If you live in any of the following locations, you must pay an additional transportation benefit district fee when you renew your vehicle tabs:

Transportation Benefit District	Fee	Effective date (Tabs expiring on or after...)	Location code
<u>Bainbridge Island</u> 206.780.8624	\$20	August 1, 2013	18-04
<u>Bremerton</u> 360.473.6920	\$20	July 1, 2012	18-01
<u>Buckley</u> 360.828.1921, ext. 7801	\$20	February 1, 2014	27-02
<u>Burien No. 1</u> 206.241.4647	\$10	February 1, 2011	17-34
<u>Carbonado</u> 360.828.0125	\$20	November 1, 2013	27-03
<u>Des Moines</u> 206.870.7586	\$20	September 1, 2009	17-09
<u>DuPont</u> 253.864.8121	\$20	September 1, 2013	27-04
<u>Edgewood</u> 253.852.3299	\$20	July 1, 2014	27-20
<u>East Wauatchee</u> 509.884.8515	\$20	August 1, 2013	09-02
<u>Eatonville</u> 360.832.3361	\$20	March 1, 2013	27-05
<u>Electric City</u> 509.633.1510	\$20	May 1, 2013	13-02
<u>Edmonds</u> 425.771.0260	\$20	September 1, 2009	31-04
<u>Enumclaw</u> 360.825.3593	\$20	September 1, 2014	17-11
<u>Grandview</u> 509.882.9200	\$20	February 1, 2012	39-01
<u>Kalama</u> 360.673.4561	\$20	October 1, 2013	08-02
<u>Kelso</u> 360.423.0900	\$20	July 1, 2013	08-03
<u>Konmore</u> 425.398.8900	\$20	June 1, 2013	17-38
<u>Kittitas</u> 509.968.0220	\$20	December 1, 2012	19-03
<u>Lake Forest Park</u> 206.368.5440	\$20	September 1, 2009	17-17
<u>Lynnwood</u> 425.670.5020	\$20	July 1, 2011	31-10
<u>Mabton</u> 509.884.4096	\$20	December 1, 2011	39-04
<u>Maple Valley</u> 425.413.8800	\$20	July 1, 2013	17-20
<u>Mountlake Terrace</u> 425.744.6272	\$20	August 1, 2012	31-13

WA State Licensing (DOL) Official Site: Transportation Benefit District (TBD) fees

<u>Olympia</u> 360.570.3727	\$20	October 1, 2009	34-03
<u>Orting</u> 360.892.2219, ext. 133	\$20	February 1, 2013- January 31, 2015 (Fee applies to all renewals with these registration dates, including renewals paid after Feb. 1, 2015.)	27-10
<u>Prosser</u> 509.786.2332	\$20	November 1, 2009	03-03
<u>Royal City</u> 509.346.2283	\$20	November 1, 2012	13-11
<u>Seattle</u> 206.233.5005	\$20	May 1, 2011	17-26
<u>Shoreline</u> 206.801.2302	\$20	February 1, 2010	17-37
<u>Snoqualmie</u> 425.888.1555, ext. 1135	\$20	March 1, 2011	17-28
<u>Soap Lake</u> 509.246.1211	\$20	November 1, 2013	13-12
<u>Spokane</u> 509.625.6252	\$20	September 1, 2011	32-10
<u>Tacoma</u> 253.591.5511	\$20	June 1, 2013	27-17
<u>Toppenish</u> 509.865.4500	\$20	December 1, 2012	39-10
<u>Wapato</u> 509.877.2334	\$20	April 1, 2013	39-12
<u>Wenatchee</u> 509.888.3800	\$20	August 1, 2012	04-05
<u>Zillah</u> 509.829.5151	\$20	July 1, 2012	39-14

Jurisdiction	Vehicle License Fee	Sales Tax
Transportation Benefit Districts Passed in 2014		
King County - County wide TBD passed 02/2014	\$60 on April 2014 ballot	
Kirkland (Ord. passed 02/10/2014) - Has not passed a funding provision		
Transportation Benefit Districts Passed in 2013		
Aberdeen		\$0.0013 sales tax (passed, election 02/12/2013) effective 07/01/2013
Arlington (Ord. passed 04/01/2013)		\$0.002 sales tax (passed, election 8/2013)
Covington (Ord. passed 04/09/2013) - Has not passed funding provision		
DuPont (Ord. passed 01/08/2013)	\$20 (effective 09/01/2013)	
Edgewood	\$20 (effective 07/01/2014)	
Enumclaw (Ord. passed 05/14/2013)	\$20 (effective 09.01/2014)	
Marysville (Ord. Passed 12/2013)		Sales tax on April 2014 ballot
Soap Lake	\$20 (Effective 11/01/2013)	
Transportation Benefit Districts Passed in 2012		
Bainbridge Island	\$20 (passed 01/09/2012) effective 08/01/2013	
Buckley	\$20 (effective 02/01/2014)	
Carbonado (Ord. passed 12/17/2012)	\$20 (effective 11/01/2013)	
Castle Rock		\$0.002 sales tax (passed, election 11/06/2012) effective 04/01/2013
East Wenatchee	\$20 (effective August 1, 2013)	
Eatonville	\$20 (effective 03/01/2013)	
Electric City	\$20 (effective 05/01/2013)	
Kelso	\$20 (passed 12/04/2012 effective 08/01/2013)	
Kalama	\$20 (effective 10/01/2013)	
Kenmore	\$20 (effective 06/01/2013)	
Kittitas	\$20 (effective 12/01/2012)	
Lynden		\$0.002 sales tax (passed, election 11/06/2012) effective 04/01/2013
Royal City	\$20 (effective 11/01/2012)	
Maple Valley	\$20 (effective 07/01/2013)	

Transportation Benefit Districts

Monroe - Created 04/24/2012 - Has not passed a funding provision		
Stanwood		\$0.002 sales tax (passed, election 02/12/2013) effective 07/01/2013
Tacoma	\$20 (effective 06/01/2013)	
Toppenish	\$20 (effective 12/01/2012)	
Waitsburg		\$0.002 sales tax (passed, election 04/17/2012)
Wapato	\$20 (effective 04/01/2013)	
Yakima - dissolved 03/18/2014		

Transportation Benefit Districts Passed in 2011

Auburn - Has not passed funding provision		
Ferndale		\$0.002 sales tax (passed, election 02/14/2012)
Grandview	\$20 (02/01/2012)	
Mabton	\$20 (12/01/2011)	
Mountlake Terrace	\$20 (passed 12/05/2011, effective 08/01/2012)	
North Bend		\$0.002 sales tax (passed, election 11/08/2011)
Orting	\$20 (effective 02/01/2013 - 01/31/2015, fee applies to all renewals with these registration dates, including renewals paid after 02/31/2015)	
Snohomish County - Has not passed funding provision		
Spokane	\$20 (09/01/2011)	
Walla Walla		\$0.002 sales tax (passed, election 02/14/2012)
Wenatchee	\$20 (passed 01/26/2012, effective 08/01/2012)	
Zillah	\$20 (passed 12/19/2011, effective 7/12/2012)	

Transportation Benefit Districts Passed in 2010

Bellingham		\$0.002 sales tax (04/01/2011)
King County - 2010 TBD dissolved and county wide TBD passed 02/2014		Dissolved
Leavenworth		\$0.002 sales tax (04/01/2011)
Lynnwood	\$20 (07/01/2011)	
Seattle	\$20 (05/01/2011)	
Snohomish		\$0.002 sales tax (passed 08/16/2011)

Transportation Benefit Districts

Snoqualmie	\$20 (03/01/2011)	
Transportation Benefit Districts Passed in 2009		
Bremerton	\$20 (12/07/2011 passed, effective 07/01/2012)	
Burien	\$10 (02/01/2010)	
Prosser	\$20 (11/01/2009)	
Shoreline	\$20 (02/01/2010)	
University Place - No funding designated		
Transportation Benefit Districts Passed in 2008		
Des Moines	\$20 (09/01/2009)	
Edmonds	\$20 (09/01/2009)	
Lake Forest Park	\$20 (09/01/2009)	
Olympia	\$20 (10/01/2009)	
Ridgefield		Sales tax repealed effective 10/01/2012 - \$0.002 sales tax (04/01/2009)
Sequim		\$0.002 sales tax (04/01/2010)
Transportation Benefit Districts Passed Prior to 2008		
Liberty Lake (2002)		
Point Roberts, Whatcom County (1992)		Special gas tax \$0.01/gallon (1992)

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, DEDICATING FOUR PERCENT (4%) OF ANNUAL SALES AND USE TAX REVENUE BUDGETED BY THE CITY TO ROAD IMPROVEMENTS, MAINTENANCE, AND PRESERVATION PROJECTS, INCLUDING STRUCTURAL REBUILDS, GRIND AND OVERLAYS, OILING, STRIPING AND CURBING, AND PROVIDING FOR AN EFFECTIVE DATE HEREOF.

WHEREAS, the city of Chehalis has responsibility, to the extent of its resources, for the improvement, maintenance, protection, and operation of public ways within the corporate limits of the city; and

WHEREAS, the improvement, maintenance, and protection and operation of public ways requires maintaining and preserving existing transportation improvements to avoid accelerated deterioration or catastrophic failure of the improvements which would require significant funds to reconstruct; and

WHEREAS, the available funding from the state and federal governmental sources for the preservation and maintenance of the City's transportation infrastructure has been dramatically reduced in recent years due to the results of legislative actions; and

WHEREAS, while dedicated revenues have decreased, the on-going annual costs to preserve and maintain the City's transportation infrastructure continue to rise leaving the City unable to adequately preserve and maintain the City's transportation infrastructure; and

WHEREAS, State and Federal dollars continue to decrease and the City has limited funding available for necessary transportation improvements, maintenance, and preservation; and

WHEREAS, with the reduction of State and Federal funding for local streets it is incumbent upon the City to be productive concerning the city's transportation infrastructure and consider the fiscal resources available locally; now, therefore, in consideration of the above-referenced recitals,

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

Section 1. Four percent (4%) of the city's annual budgeted sales and use tax revenue shall be, and the same hereby are, dedicated for municipal road improvements, maintenance, and preservation.

Section 2. The effective date of this ordinance shall be the _____ day of _____, 2014.

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 _____, 2014.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, ESTABLISHING A TRANSPORTATION BENEFIT DISTRICT WITHIN THE CORPORATE LIMITS OF THE CITY OF CHEHALIS, SPECIFYING THE MAINTENANCE AND PRESERVATION OF EXISTING TRANSPORTATION IMPROVEMENTS, PROVIDING FOR ADDITIONAL TRANSPORTATION IMPROVEMENTS AND CREATING A NEW CHAPTER _____ OF THE CHEHALIS MUNICIPAL CODE ENTITLED "CHEHALIS TRANSPORTATION BENEFIT DISTRICT".

WHEREAS, the City of Chehalis has responsibility, to the extent of its resources, for the improvement, maintenance, and protection of public ways within the corporate limits of the City; and

WHEREAS, the improvement, maintenance, and protection and operation of public ways requires providing necessary transportation improvements and preserving existing transportation improvements to avoid catastrophic failure of the improvements which would require significant additional funds to reconstruct, as well as their gradual deterioration; and

WHEREAS, the number one priority in the "Washington Transportation Plan for 2007-2026" adopted by the Washington Transportation Commission ("State Transportation Plan") is to preserve and extend prior improvements in existing transportation facilities and the services they provide to people and commerce; and

WHEREAS, the State Transportation Plan identifies that there is no more fundamental transportation investment than existing system preservation -- keeping the physical infrastructure in safe and efficient operation condition; and

WHEREAS, The City has limited transportation funding to pay for necessary transportation preservation and maintenance; and

WHEREAS, the funding dedicated for the preservation and maintenance of the City's transportation infrastructure has been dramatically reduced in recent years due to the action of several statewide initiatives and a downturn in the economy, however, the ongoing annual costs to preserve and maintain the City's transportation infrastructure continue to rise making it difficult for the City to sufficiently address these issues; and

WHEREAS, chapter 36.73 RCW provides for the establishment of transportation benefit districts and for the levying of additional revenue sources for transportation improvements within

the District that are consistent with existing state, regional and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels; and

WHEREAS, RCW 35.21.225 authorizes the City Council to establish a Transportation Benefit District subject to the provisions of chapter 36.73 RCW; and

WHEREAS, the City desires to form a Transportation Benefit District which includes the entire City of Chehalis as the boundaries currently exist or are hereafter expanded due to annexation; and

WHEREAS, the City, after giving proper notice, conducted a public hearing on _____, and took public comment regarding the proposed establishment of a Transportation Benefit District in accordance with RCW 36.763.050; now, therefore, in consideration of the above-referenced recitals,

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

Section 1. The purpose of this Chapter is to establish a Transportation Benefit District pursuant to RCW 35.21.255 and chapter 36.73 RCW.

Section 2. The City Council finds it is in the public interest to form a Transportation Benefit District to provide adequate levels of funding for transportation improvements that are consistent with existing state, regional and local transportation plans and are necessitated by existing or reasonably foreseeable congestion levels, as provided in chapter 36.73 RCW.

The City Council further finds that it is in the public interest to provide for transportation improvements that improve modal connectivity and that protect the City's long term investments in its infrastructure, reduce the risk of transportation facility failure, improve safety, continue optimal performance of the infrastructure over time, and avoid more expensive infrastructure replacements in the future.

The City Council further finds that the City's six-year (2015-2020) Transportation Improvement Program shall be annually updated to identify projects that constitute transportation improvements that may be funded by the TBD (collectively the "TBD Projects") as funding becomes available.

The City Council further finds that annually recurring projects within the City's Six-year Transportation Improvement Program constitute transportation improvements and shall be "TBD Projects," until such time as the District is dissolved under the provisions of chapter _____ CMC, established by the following section.

Section 3. A new chapter, Chapter _____ of the Chehalis Municipal Code entitled "Chehalis Transportation Benefit District," is hereby created to read as follows:

Chapter _____
Transportation Benefit District

- _____.010 Transportation Benefit District Establishment.
- _____.020 Governing Board.
- _____.030 Authority of the District.
- _____.040 Use of Funds.
- _____.050 Dissolution of District.
- _____.060 Liberal Construction.

- _____.010 Transportation Benefit District Establishment.

There is created a transportation benefit district to be known as the Chehalis Transportation Benefit District or "District" with geographical boundaries comprised of the corporate limits of the City of Chehalis as they currently exist or as they may exist following future annexations.

_____.020 **Governing Board.**

- A. The governing board, referred to in this chapter as "Board", of the Transportation Benefit District shall be the Chehalis City Council acting in an *ex officio* and independent capacity, which shall have the authority to exercise the statutory powers set forth in Chapter 36.73 RCW.
- B. Meetings of the District Board shall be governed by the procedural rules applicable to meetings of the City Council, as these rules may be amended by the City Council from time to time. District Board actions shall be taken in the same manner and follow the same procedure as for the adoption of City Council resolutions. Meetings of the District Board shall, whenever possible, take place on the same dates scheduled for City Council meetings.
- C. The Mayor shall serve as the chair of the District Board and shall preside over all meetings of the District Board.
- D. The City Attorney will serve as legal advisor to the District Board, except where separate counsel is engaged by the District or the City Attorney has a conflict of interest.
- E. The treasurer of the Transportation Benefit District shall be the City Finance Manager.
- F. The Board shall develop a material change policy to address major plan changes that affect project delivery or the ability to finance the plan, pursuant to the requirements set forth in RCW 36.73.160(1).
- G. The Board shall issue an annual report, pursuant to the requirements of RCW 36.73.160(2).

.030 **Authority of the District.**

The Board shall have and may exercise any powers provided by law to fulfill the purpose of the District.

_____.040 **Use of Funds.**

The funds generated by the Transportation Benefit District may be used for any purpose allowed by law including to operate the District and to make transportation improvements that are consistent with existing state, regional, and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels pursuant to chapter 36.73 RCW. The transportation improvements funded by the district shall be made in an effort to protect the City's long term investments in its infrastructure, to reduce the risk of transportation facility failure, to improve safety, to continue optimal performance of the infrastructure over time, to avoid more expensive infrastructural replacements in the future and to improve modal connectivity within the City of Chehalis. Additional transportation improvement projects of the district may be funded only after compliance with the provisions of RCW 36.73.050(2).

_____.050 **Dissolution of the District.**

The Transportation Benefit District shall be automatically dissolved, pursuant to the procedures set forth in chapter 36.73 RCW, when all indebtedness of the district has been retired and when all of the District's anticipated responsibilities have been satisfied.

_____.060 **Liberal Construction.**

As authorized pursuant to Chapter 36.73 RCW, this chapter shall be liberally constructed to permit the accomplishment of its purposes.

Section 4. If one or more sections, subsections, or sentences of this ordinance are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

Section 5. This ordinance shall take effect one day after publication of a summary consisting of the title, pursuant to RCW 35.27.300.

1st Reading: _____
2nd Reading: _____

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 _____, 2014.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

DRAFT

RESOLUTION NO. _____

**A RESOLUTION OF THE CHEHALIS TRANSPORTATION
BENEFIT DISTRICT IMPOSING A TWENTY DOLLAR
VEHICLE FEE UNDER RCW 36.73.065(4)(a)(i) AND
82.80.140 FOR THE PURPOSE OF FUNDING
TRANSPORTATION PROJECTS OF THE DISTRICT
PURSUANT TO THE PROVISIONS OF CHAPTER _____
OF THE CHEHALIS MUNICIPAL CODE**

WHEREAS, chapter 36.73 RCW and RCW 35.21.225 authorize the City Council to establish a transportation benefit district within the City's jurisdiction for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district that are consistent with existing state, regional, and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels ; and

WHEREAS, after conducting a public hearing, the Council of the City of Chehalis passed Ordinance _____ and established the Chehalis Transportation Benefit District subject to the provisions of chapter 36.73 RCW ; and

WHEREAS, The Chehalis Transportation Benefit District has the geographical boundaries comprised of the corporate limits of the City of Chehalis as they currently exist or as they may exist following future annexation; and

WHEREAS, the members of the Chehalis Council, acting *ex officio* and independently, comprise the Governing Board of the Chehalis Transportation Benefit District; and

WHEREAS, RCW 82.80.140 authorizes transportation benefit districts to impose a fee for all vehicles registered in the district that is subject to vehicle license fees under RCW 46.17.350(1)(a), (c), (d), (e), (g), (h), (j), or (n) through (q), and for each vehicle subject to gross weight license fees under RCW 46.17.355 with a scale weight of six thousand pounds or less; and

WHEREAS, RCW 36.73.060(4)(a)(i) vests transportation benefit districts with the authority to impose an annual fee of up to twenty dollars as authorized in RCW 82.80.140 with a simple majority vote of the governing board; and

WHEREAS, the Governing Board of the Chehalis Benefit District finds it to be in the best interest of the Chehalis Transportation Benefit District to establish an annual vehicle license fee in the amount of twenty-dollars (\$20.00) for the purpose of making transportation improvements that preserve, maintain and improve the transportation infrastructure of the City of Chehalis, consistent with chapter 36.73 RCW; and

WHEREAS, the Governing Board of the Chehalis Transportation Benefit District held a public hearing on _____, to solicit public comment regarding the proposed vehicle license fee and the projects to be funded;

NOW, THEREFORE, BE IT RESOLVED by the Governing Board of the Chehalis Transportation Benefit District as follows:

Section 1. An annual vehicle license fee in the amount of twenty dollars and zero cents (\$20.00) is established, consistent with RCW 36.73.065, to be collected by the Washington Department of Licensing on qualifying vehicles, as set forth in RCW 82.80.140 and chapter 36.73 RCW.

Section 2. The Governing Board of the Chehalis Transportation Benefit District hereby requests that the City Clerk of the City of Chehalis notify the Washington State Department of Licensing (DOL) of the vehicle fee established by Section 1 of this Resolution to request that DOL take all steps necessary to implement collection of this fee in accordance with RCW 82.80.140. The fee shall be collected until such time as the Chehalis Transportation Benefit District is dissolved, or until this resolution is modified, superseded, or repealed by the Governing Board of the Chehalis Transportation Benefit District.

Section 3. The fee imposed by Section 1 shall not be collected until after six months from the passage of this Resolution, as provided in RCW 82.80.140(4).

Section 4. The funds collected from the vehicle license fee shall be used pursuant to the provisions of Section _____ of the Chehalis Municipal Code (Ord. _____).

Section 5. If one or more sections, subsections, or sentences of this Resolution are held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this Resolution and the same shall remain in full force and effect.

Section 6. This Resolution shall take effect and be in force immediately upon passage.

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 _____, 2014.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

CITY OF CHEHALIS - 2015-2020 SIX YEAR TRANSPORTATION IMPROVEMENT PROGRAM													
Project	General Description	Funding Source	Start Year	Prior Years	2014	2015	2016	2017	2018	2019	2020	Future	Total Cost
NW Chehalis Ave Beautification/Traffic Calm/Safety/TIB Expanded Preservation	Grind, overlay and beautify	Grants	2014		600,000								600,000
National Ave. Bridge Scour	Scour project & Repair, Salzer Creek Crossing	Grants	2014-2015		114,000	76,500							190,500
National Ave. Overlay	Grind, overlay, safety, etc.	Grants	Future									1,066,000	1,066,000
Market Blvd. - Park to N National Ave.	Renaissance streetscape planning	Utility Fund & Twin Transit	Future									2,000,000	2,000,000
Market Blvd - 13th to city limits	Grind / overlay	Grants & Loans	Future									2,500,000	2,500,000
Snively Ave improvements	Reconstruct 16th to 20th	General Fund, Utility Funds & Twin Transit	Future									2,234,000	2,234,000
Guardrail	Various locations throughout city	General Fund	Future									125,000	125,000
Riverside Dr/Newaukum Ave repairs	Spot repairs Hwy 6 to Shorey Rd	General Fund	Future									250,000	250,000
Chamber Way Bridge Replacement	Replace Bridge	Grants & Loans	Future									15,000,000	15,000,000
Kresky Ave improvements	Overlay	Grants & Loans	Future									1,000,000	1,000,000
Kresky Ave Flood Mitigation	Raise roadway between Exhibitor and Scott Johnson Blvd.	General Fund	Future									2,078,000	2,078,000
Front, Pacific, Park Streets improvements	Grind, overlay/utility/frontage improvements	General Fund, Grants & Loans	Future									2,500,000	2,500,000
Louisiana Ave Repairs	Spot repair & overlay Hwy 6 North	General Fund / TBD	Future									450,000	450,000
					714,000	76,500	0	0	0	0	0	29,203,000	29,993,500

July 28, 2014

The Chehalis city council met in regular session on Monday, July 28, 2014, in the Chehalis city hall. Mayor Dawes 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 Tony Ketchum. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Rob Gebhart, Interim Fire Chief; Judy Pectol, Finance Manager; Dennis Osborn, Community Development Director; and Peggy Hammer, Human Resources Administrator. Members of the media included Kyle Spurr from *The Chronicle*.

1. Citizen Business.

a. **Vietnam Veteran Recognition.** COL. Ron Averill, representing the Veterans Memorial Museum, reported on the upcoming Vietnam Era Veterans Remembrance Days taking place July 31 - August 3. He noted the Vietnam memorial traveling wall would be on site at the Veterans Memorial Museum from 12:00 p.m. on Thursday to 3:00 p.m. on Sunday. Other events will include: opening ceremony on August 1; special guest speakers SSG/MAJ John Plaster MACV-SOG and J.A. Jance on August 2; and, on August 3, a special military church service at 9:00 a.m., and the closing ceremony at 1:00 p.m.

b. **Solar Energy Workshop.** Holly St. Clair (371 Zandecki Road) reported on an upcoming solar energy workshop on August 9, at the Matrix (Coffeehouse). She noted the meeting would provide information on how solar energy works and what the advantages are to having it.

2. Public Hearing to Consider Options on the Establishment, Location, Operation, Licensing, Permitting, Maintenance or Continuation of Medical Marijuana Collective Gardens and Medical Marijuana Dispensaries, and the Growing, Process and Sale of Recreational Marijuana. Mayor Dawes recessed the regular meeting and opened the public hearing at 5:09 p.m. Community Development Director Dennis Osborn outlined the two options for the council's consideration:

1. Ban recreational and medical marijuana; and
2. Simply let the moratorium expire on September 11, 2014. This would allow use and the regulatory aspect would be controlled by the state in terms of requirements for those types of businesses.

Mayor Dawes invited the public to speak on the matter, asking that they be brief and to the point.

Stuart Simon (1440 Madrona Drive, Seattle, WA) spoke against the proposed ban, noting kids already have access and use it and didn't believe things would change if it were legalized. He noted one advantage of allowing it would be quality control.

Mr. Simon reported his building at 391 NW State Avenue could be rented four or five times over to people wanting to grow marijuana to sell throughout the state. He suggested it would provide a lot of jobs and believed his building alone would provide for at least 40. Mr. Simon felt the council should allow marijuana for the following reasons:

- marijuana will still be grown and sold, they'll just do it in other places that allow it
- sales tax revenue
- increase in property values
- provides jobs
- will save enforcement time by the police department
- takes money away from gangs and criminals

David Kois (Olympia, WA - I-502 Producer/Processor Applicant) stated his facilities will be located in Centralia, but he wanted to support those who are trying to locate their business in Chehalis, and the rights of patients to have safe access to the medicine they need. He suggested it was a huge mistake to treat medical and recreational cannabis as if they are the same.

Mr. Kois reported the businesses that get licenses under I-502 will be among the most heavily regulated companies in the state. He noted the Washington State Liquor Control Board (LCB) is weeding out the riffraff and those that make it through the process will have to demonstrate that they have a sound business plan, financing, and security measures in place in order to be licensed.

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Mr. Kois suggested the proposed ordinance was severely flawed because it would make it a nuisance to grow, process, and sell cannabis with a state license within the city. He cited several RCWs concerning development regulations and designations of natural resource lands and critical areas, and setting penalties for violations of the Controlled Substance Act.

Mr. Kois stated, "If you implement this ban tonight you are all but guaranteeing you will be sued. Our industry would rather work with you towards reasonable zoning; however, if we are backed into a corner our industry will fight, just ask Centralia."

Mayor Dawes stated the council received a copy of Mr. Kois' prepared statement and it would be placed in the record.

Liz Hallock (Camas, WA) reported she wanted to address the concerns outlined in a letter from the Association of Washington Cities (AWC) that was sent to the Governor and several other legislative leaders. She noted the letter was dated February 24, 2014, and signed by several mayors throughout the state, including Mayor Dawes.

Councilor Taylor asked if Ms. Hallock was an Attorney for AWC. Ms. Hallock stated no, she's the attorney for Mr. Nelson, the applicant in the city of Centralia, and one of her clients also resides in Chehalis.

Ms. Hallock talked briefly about the five biggest concerns outlined in the letter, to include:

1. Cities oversee permitting and code enforcement
2. Ensuring money and drugs stay out of criminal hands
3. Preventing distribution to minors
4. Addressing drugged driving
5. Other adverse public health consequences

Ms. Hallock provided a summary on the benefits and impacts of I-502:

- State revenue from I-502 will be used to address localities' concerns about public health for adults and youth.
- State revenue will be used to address DUI concerns by funding Washington State Patrol, Highway Safety Account, the Impaired Driver Safety Trust, and granting money to cities.
- No increase in youth use is expected after legalization according to national research. The LCB has rigorous standards to keep marijuana away from minors, including security and ID requirements, advertising restrictions, location restrictions and severe monetary and criminal penalties.
- I-502 will reduce law enforcement costs for the cities. The projected impact of I-502 implementation in Washington State over the first six years, based on projected revenue minus enforcement savings, will be \$2 billion.
- Statewide, the black market will be converted into \$1.5 billion for the state, \$180 million in reduced enforcement costs, and \$29 million in reduced incarceration costs.

Councilor Harris announced he would be leaving the meeting around 5:45 to take care of another commitment.

Jerrie Paine (21434 Zenkner Valley Road, Centralia) reported she won the lottery for the city of Chehalis. She indicated she was blindsided by the proposed ordinance recommending a ban on marijuana, noting from an earlier conversation she and her husband Dash Paine had with Community Development Director Dennis Osborn, it was their understanding that the administration would be recommending to just let the moratorium lapse. Ms. Paine noted they had an opportunity to meet with Mr. Osborn and City Manager MacReynold together and their advice was to come to the public hearing and give the council their best business case.

Ms. Paine reported she had spent her last dime trying to see this life-goal through for her family. She talked briefly about her sister-in-law who was diagnosed with cancer, and how her life expectancy was extended because cannabis helped her to eat. Ms. Paine noted it was that situation that made her a believer of the benefits of cannabis.

Ms. Paine talked briefly about the continued mentality of marijuana being a gateway drug. She noted that has not been her experience, adding people have been able to battle alcoholism and other diseases because marijuana helps them

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to function every day. Ms. Paine suggested we might be surprised by the number of people who use marijuana and don't talk about it because of the stigma attached.

Ms. Paine reported she's coming out of the closet because she's seen the destruction of what the stigma has done to people. She stated she wants to open a store in Chehalis and be a part of the business community, and asked that the council give her a chance to do that.

Ms. Paine reported they chose the name "Old Toby" to go along with the historical pride of the area. She stated she signed a lease with Mr. Simon, adding he's very aware and supportive of the type of business they want to open. Ms. Paine stated she wants to be a part of something that can help people, and plans to educate people on both the dangers and benefits of marijuana.

Ms. Paine suggested the idea of banning it for the entire city will only force people to drive elsewhere to get it, creating a situation where there will be more DUIs. She stated marijuana has been accessible for a long time and I-502 just makes it legitimate. Ms. Paine noted marijuana is optional, and in the case of their business location, you have to know it's there to find it.

Ms. Paine stated there were several things noted in the proposed ordinance that are outside the scope of the city's legal authority. She reported Section 11 of the State Constitution clearly talks about cities and counties not passing laws that are in conflict with general laws.

Ms. Paine stated if the council passes the proposed ordinance they would be putting her in a position where she'll have to file suit against the city. She stated she would be happy to sit down with each of the councilmembers to discuss the matter and answer any questions they may have before they make their final decision.

Holly St. Clair (371 Zandecki Road) asked, "If the council passes the ban, would the city also be willing to say it will not take state funding that comes from marijuana sales?" Mayor Dawes stated he didn't believe there is going to be any money coming from the state, which is one of the concerns of the cities. He reported the majority of the money generated will go to the state for programs.

Joe Goodwin (Lacey, WA) reported he has several medical conditions, including having brain surgery earlier this year. He stated he knows of people who are on at least 16 prescriptions because of the same type of surgery, but he doesn't require any because he's a user of marijuana. Mr. Goodwin stated the problem with buying marijuana from the black market is you have dust, pollen, bird waste, and mold issues. He noted he would be thankful if he could buy it from a store regulated by the state.

Dash Paine (21434 Zenkner Valley Road, Centralia) reported in the 25 years he's worked as a trauma/substance abuse nurse, he's only lost three people; one from alcohol, one from heroin, and one from prescription opiates. He noted doctors are reluctant to write adequate prescriptions to medicate pain for cancer patients, so they're turning to heroin which is whole lot cheaper and a lot stronger. Mr. Paine stated people want their pain medication and they are going to get it, even if it means getting it from the black market. He suggested it's the drug cartels that supply these drugs, adding the border patrol and police say marijuana is a big business for the cartels. Mr. Paine believed if they can cut out one profit margin from the cartel they'll move elsewhere to sell their drugs.

Mr. Paine stated he would much rather see marijuana available as an intoxicant as opposed to alcohol. He would also much rather have his children exposed to marijuana, as opposed to alcohol.

Julie Lane (Rainier, WA), reported she's a medical marijuana patient because she's allergic to pain medications. She stated she would prefer driving to Chehalis as opposed to Olympia or Tacoma to get her prescription marijuana.

Ms. Lane stated she knew the Paine's and they are very responsible business people. She asked the council to give them a chance, and not ban marijuana in Chehalis.

Mayor Dawes reported a letter was received from Michael and Linda Dalley stating they are backing the council's decision to not accept the marijuana trade in our area and are in favor of the ban.

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Mayor Dawes closed the public hearing at 6:04 p.m. and reopened the regular meeting.

3. **Update on Chamber Events.** Executive Director Alicia Bull provided the council with a packet of items, to include: the 2014 Festival and Events Guide; the 2014 Official Visitors Guide for Lewis County; and a visitor's bag. She noted the items were created using lodging tax dollars they received from various agencies, including Chehalis, to promote tourism.

Ms. Bull talked briefly about the Planes, Trains and Automobiles event that took place over the weekend, noting they did an overall marketing approach for the entire event, even though each group was in charge of their own piece. Upcoming events include: Hub City Car Show; Trick-or-Treat Trolley; Shopping Survival Kit; and the Annual Santa Parade. Ms. Bull reported the Chamber continues to be strong and growing with about 540 current members.

4. **Oil Train Briefing.** Interim Fire Chief Rob Gebhart reported he and Fire Captain Casey Beck and Firefighter Jay Birley went to Pueblo, Colorado, the second week in July to attend an oil train class. He stated the five mainline railroads in the nation were mandated by Congress to train 1,500 first responders by the end of the year. Chief Gebhart reported the training was very well presented and he felt much more comfortable on how to deal with it. He noted Burlington Northern Santa Fe (BNSF) has been very responsive and he expected that to continue.

Chief Gebhart reported City Manager MacReynold asked if he could find someone to give an objective overview on oil trains. He stated David Byers from the Washington State Department of Ecology (DOE) graciously agreed to come and give a presentation on the subject.

Mr. Byers reported he worked for DOE in the Spills Program. He provided a PowerPoint outlining emerging energy transportation risks, prevention, preparedness and response. He stated their biggest focus is on prevention.

Mr. Byers reported they work with other partners at the federal, state and local level that have a role in spill response in both oil and hazardous materials. One of those partners is the Northwest Area Committee. He noted their mission is to protect public health and safety, and the environment. They also ensure coordinated, efficient, and effective support of the federal, state, tribal, local, and international responses to significant oil and hazardous substance spills.

Mr. Byers reported BNSF is the only rail company transporting Bakken crude through Lewis County at this time with approximately 11 loaded unit trains every week. He noted a unit train can carry up to 120 rail cars, each of which contains 680 barrels of oil, or 30,000 gallons per car. Mr. Byers stated if all of the proposed and current facilities around the state who operate and receive crude by rail come to fruition, at maximum capacity, Lewis County could see up to 16 unit trains per day.

Mr. Byers reported Washington State has the lowest spill rate in the nation due to its strong prevention and preparedness programs. He noted when incidents do occur they tend to be very high profile. Mr. Byers reported Bakken crude is the most volatile crude with regard to vapor pressure, adding it's very flammable and has a very low flash point and very high vapor pressure; however, it's not shipped in pressurized containers and it's less volatile than liquefied petroleum gas and propane.

Mr. Byers reported their pipeline facility, refinery and tank ship industry partners are regulated, but rail is not. He noted the overseeing entity for rail spill preparedness regulations is the Federal Railroad Administration. Mr. Byers reported DOE also oversees regulations for construction and operation of oil refineries, storage, and handling facilities; they're the SEPA lead for new proposals to construct facilities that store over 1 million gallons of liquid fuel that do not fall under the jurisdiction of the Energy Facility Site Evaluation Council; and they are the lead state agency for spill response.

Mr. Byers stated he was asked, "How will the locals be involved in a spill response?" He noted, under both federal and state jurisdiction, a spill would be managed under a concept called "Unified Command." This concept allows all levels of government to participate in the spill management process, adding in the event of a local incident, the city would manage the initial life/safety phase of a spill.

Mr. Byers talked briefly about some of the gaps, one being the potential decline in revenue to support Spills Program work. He noted crude oil coming into our refineries by ship is taxed; however, the crude coming by rail and pipeline is not. Mr. Byers stated this issue will be addressed in the upcoming legislative session.

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Mr. Byers talked briefly about available resources, the geographic response plan, and risk mitigation and management. He noted the Governor has provided \$300,000 to conduct a study on the oil shipment through the state, noting the purpose of the study is to assess public health and safety, as well as environmental impacts associated with oil transport.

Mr. Byers provided some additional specific points to questions that were asked prior to the meeting.

- Number of rail incidents in the last two years - DOE receives and enters spill reports in a database tracking system. A query on rail incidents over the past two years found there were 115 reported rail incidents involving a total of 44,800 pounds of oil and chemical products that were released.
- Recent media coverage on the type of cars being used to transport crude oil - Some of the industry partners voluntarily upgraded their cars. He noted last week the US DOT announced a notice of proposed rule-making for enhanced tank cars. Within two years the older generation of DOT111 cars will be phased out and cannot be used in the US unless they are retrofitted. Federal DOT announced a notice of rule-making for spill response planning for flammable cargos, and defined terms for Bakken crude oil to make those safer.

Councilor Taylor asked if DOE had plans in place for other types of spills, such as chlorine and ammonia. Mr. Byers indicated they did not. He stated the sheer volume and probability of an event involving a Bakken crude oil train is very high.

Councilor Taylor asked if DOE has rules handed down to them by the federal government that they have to enforce. Mr. Byers stated the federal government does not have delegated authority for rules, noting Washington State has its own authority passed in statute by the Legislature.

Councilor Spahr asked how many pipeline incidents took place were during the same two-year period in which the 115 incidents were reported. Mr. Byers suggested maybe five, and they were just small drips, or very slow leaks. He noted the regulated industry is very proactive about letting them know, even if it's just a drip. Councilor Spahr asked if a pipeline was safer than transporting by train. Mr. Byers reported it's a debated issue in which both sides will point to one another and say they're safer. Councilor Spahr asked Mr. Byers how much pipeline it would take to replace all of the trains. Mr. Byers reported it would take a considerable number of trains to meet the amount of oil that's currently be transported by pipelines.

Councilor Spahr thanked Mr. Byers for coming, noting the presentation was very educational.

5. Annual Update on Lewis County Drug Court. Judge Nelson Hunt thanked the council for allowing him to update them on what the tax they endorsed has done for drug court. He reported, at the time he came before the council to support the passage of the one-tenth of one percent tax, they had capacity for roughly 30 people; they now have the capacity to serve 40.

Judge Hunt reported they've also started a statutorily required family dependency court with a capacity to serve the parents of approximately 20 children. He indicated there have been some interesting challenges to getting it started because the state agencies have been less than thrilled to go along with it.

Judge Hunt reported another development is they've changed their clientele. He noted the model they follow states, "Drug courts must serve high-need, high-risk individuals with a significant drug problem."

Judge Hunt stated research shows that drug court is very successful in dealing with long-term addicts, and provided the following information about Lewis County Drug Court and its participants:

- 89.6 percent of their clients had no new felonies after completing drug court
- 10.4 percent recidivated (relapsed)
- 126 total graduates
- 78 percent of individuals are unemployed at entry into the program
- Unemployment rate at graduation is 10.8 percent (All 10.8 percent were full-time students)
- The majority of program participants lack stable housing when they enter drug court
- Stable, sober housing is a requirement to graduate

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Judge Hunt reported they've had 15 drug-free babies born, saving the state millions in tax dollars. He noted the overall savings to taxpayers is about \$3.36 for every dollar invested in drug court.

Judge Hunt stated the tax money endorsed by the various cities and Lewis County has allowed them to run the program the way they want, and it works. He noted they celebrated their 10th anniversary last week with a very successful picnic and BBQ.

Mayor Dawes congratulated Judge Hunt on their success and their 10-year anniversary.

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

- a. Minutes of the regular meeting of July 14, 2014; and
- b. Claim Vouchers No. 109753-109915 and Electronic Funds Transfer No. 62014 in the amount of \$795,830.81 dated July 15, 2014;

The motion was seconded by Councilor Pope and carried unanimously.

7. **Administration Reports.**

a. **2nd Quarter and June Financial Reports and 2nd Quarter Sales and Use Tax Report.** Finance Manager Judy Pectol stated the 2nd quarter report provided actual numbers for the beginning fund balances, now that the year-end adjustments had been made. She reported, on July 3, she received final notice from Lewis County on the money for the airport, adding the July statement will show the \$1.5 million in contributed capital that will be used to pay the final payment of the GO Bond.

Ms. Pectol reported last week the city received \$1.1 million from the Chehalis Foundation for the pool project, which will also show up on the July report under the non-departmental fund.

Mayor Dawes stated the sales tax revenue was still creeping up, but nowhere near what it was in 2008.

8. **Council Reports.**

a. **Update From Councilor Spahr.** Councilor Spahr reported he attended the Trains, Planes and Automobiles Festival, noting they did a good job and it was a fun day. He also attended the Joint Oversight Board meeting, noting the merger is still there but on hold until they see what happens with Riverside's EMS levy.

b. **Update from Councilor Lund.** Councilor Lund reported he also attended the Joint Oversight Board meeting.

c. **Update From Councilor Taylor.** Councilor Taylor reported Twin Transit held several public meeting over the last month to talk about reductions in service and ways to balance their budget. He noted they ended up cutting the commuter service to Olympia and, for the time being, Sunday service as well.

d. **Update From Councilor Ketchum.** Councilor Ketchum reported on July 17 he attended a Business After Hours event put on by the Visiting Nurses at the Riverside Golf Course and the following Friday he helped with their golf tournament. On July 25 he attended the Music in the Park event, noting they had between 200 to 300 people show up. Councilor Ketchum reported he also cooked blueberry pancakes for 300 to 400 people on Saturday at the Lewis County Historical Museum's Annual Pancake Breakfast.

e. **Update From Mayor Dawes.** Mayor Dawes reported he attended a groundbreaking for the new dialysis center on Bishop Road, noting the new facility will replace the one currently located behind the old hospital. He also attended the Business After Hours at the Riverside Golf Course on July 17. On July 21 he attended the ribbon cutting for the formal takeover of Stan Hedwall Park; on July 25 he attended the Concert on the Green event put on by Pope's Kids Place; on July 26 he helped out with the pancake breakfast at the Lewis County Historical Museum, cooking eggs and sausage; and on July 28 he attended the entrance conference for the city's 2013 audit.

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Mayor Dawes reported the Joint Oversight Board is just hinging on what happens with the vote in Centralia.

9. Ordinance No. 930-B, Second and Final Reading – Adopting Cable Television System Franchise Agreement between the City and Comcast Cable Communications Management, LLC. City Manager MacReynold reported the ordinance provides for a franchise agreement between the city and Comcast. He noted this item was passed on first reading at the previous meeting.

Councilor Spahr moved that the Council pass Ordinance No. 930-B on second and final reading

The motion was seconded by Councilor Lund and carried unanimously.

10. Resolution No. 7-2014, First and Final Reading – Expressing Concern Regarding the Current and Future Transport of North Dakota Bakken Crude Oil through the City of Chehalis. City Manager MacReynold reported this matter was discussed at the previous meeting and minor changes were made to the proposed resolution as suggested by the council.

Councilor Spahr moved to adopt Resolution No. 7-2014 on first and final reading.

The motion was seconded by Councilor Pope.

Councilor Spahr reported, in light of the report they received earlier, he believed the resolution fit with what they are trying to say. He stated he wished they could do something about pipelines versus trains, but this is not the vehicle to do that.

Councilor Taylor reported he had concerns about singling out one thing in general, noting there are hundreds of things transported by rail and freeway every day. He stated he was in favor of making sure the lines that run through our community are safe regardless of what's being transported, and unless they change the language, he would be voting against it.

Mayor Dawes stated he's one of the people promoting the resolution, adding he believed it was a responsible way to address the situation they were presented with. He offered, as an amendment to the resolution, "If the rail line is safe for what is determined to be a highly volatile substance, it should be safe for other hazardous materials."

Councilor Spahr suggested rail lines have been shipping products for years and probably have the equipment necessary to ship it as safely as they can. He noted all they're trying to say is they want it to be safe.

Councilor Taylor stated he understood, but it still felt like they were singling out one thing. He noted if their focus is on safety it shouldn't matter what's being transported, adding it only matters that it's safe.

The motion carried 4-2 with Councilors Ketchum and Taylor voting against the motion. (Councilor Harris was absent/excused.)

11. Ordinance No. 932-B, First Reading – Banning the Establishment, Location, Operating, Licensing, Permitting, Maintenance or Continuation of Medical Marijuana Collective Gardens and Medical Marijuana Dispensaries, and the Growing, Processing and Sale of Recreational Marijuana. City Manager MacReynold reported this was the first reading of the proposed ordinance, and he and staff were available to answer any questions from the council.

Councilor Spahr stated the public made some compelling arguments during the public hearing; however, a majority of those who spoke were not from Chehalis. He stated he agreed with the statements made about treating medical and recreational as the same and asked City Attorney Hillier if the city would be setting itself up for a legal challenge by combining them both into one outright ban.

City Attorney Hillier stated based on their review and recommendation, the administration feels that either position being proposed is sustainable. He noted a lot of people have glossed over the defense that municipalities have with regard to banning recreational marijuana. City Attorney Hillier indicated there was also the decision regarding the City of Kent that has set a precedent, which states, "Cities have an absolute right to ban medical marijuana if they so choose." He noted the State Attorney General, who doesn't make decisions lightly, has also said cities have the right to control their own destiny.

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City Attorney Hillier reminded the council that it's their decision, and if they want to allow it they could just terminate the moratorium and allow state law to control it. He noted as long as businesses comply with state requirements and Washington State Liquor Control Board regulations they'll be here, but the council has to make that decision.

Councilor Pope stated over the years he's seen people who have benefited from using medical marijuana. He noted if they're going to consider any type of marijuana in the community he would prefer it be medical.

Councilor Taylor stated he was still grappling with the issue of state and federal laws.

Councilor Pope reported pharmacies give out medicine that is far more dangerous than marijuana. He stated if people are not going to be able to get marijuana from drug stores he would prefer that it be inspected, managed and packaged in an appropriate manner. Councilor Pope stated he was making a distinction between medical and recreational marijuana.

Mayor Dawes stated he also believed there is a valid use for marijuana and was sure there were plenty of documented cases where it has assisted and/or at least made patients' lives a little easier. He asked if they could split the medicinal marijuana from the recreational. City Attorney Hillier stated they could, suggesting the council could consider that as a third option.

Councilor Spahr stated he had an interest in separating the two, but noted the federal government doesn't distinguish a difference. City Attorney Hillier stated it was a fast moving train and there could be changes made by either the State Legislature or the feds at any time down the road and the council will need to deal with those as they come up.

Councilor Spahr asked if they could extend the moratorium again. City Attorney Hillier didn't believe they had the ability to extend the moratorium without creating further hardship on the people who have been awarded an opportunity to do business. He stated the council needed to make a decision.

Councilor Pope agreed, noting it was their job to make a decision and they should make it in light of their own conscience.

Mayor Dawes noted Councilor Harris had to leave early, but asked that his comments be read into the record, as follows:

"Daily, I listen to and talk with citizens on both sides of this issue. Here are some points, along with my responses.

- It's legal. Get over it!

Councilor Harris - It is not legal. This current administration simply chooses not to enforce its laws. Additionally, no state may pass any law that overrides or weakens any federal law.

- The sales tax will help the city!

Councilor Harris -- True, however, if the one pot shop allowed in town sells \$1,000,000 worth of drugs Chehalis will see \$10,000 in revenue. Our police and emergency responders' budgets total \$4,144,513. You do the math.

- It's not as bad as alcohol!

Councilor Harris -- Granted, but using alcohol, which is obviously a community and family problem, as a basis for a positive argument is like building a home on sand.

- Don't put it in my neighborhood!

Councilor Harris - I agree. If users wish to purchase an illegal drug let them go to a town where they don't mind."

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Councilor Lund reported his mother had medical issues and was miserable most of her life. He stated he would hate to vote against something that would help someone enjoy life, or what's left of it. Councilor Lund suggested they just let the current moratorium expire and let the state regulate it.

City Attorney Hillier stated if that is the position of the council, the administration would bring back an ordinance in that regard for the council to consider.

Councilor Spahr asked if they needed to take action on the ordinance before them, or wait. City Attorney Hillier stated no, adding they could give the administration direction to do something else.

Councilor Spahr stated he was still wrestling with the state and federal laws that leave the city stuck in the middle. He stated he was very sympathetic to the medical aspect of marijuana, adding if they could do something to address that, he would like to cautiously explore that option.

Mayor Dawes stated he had four councilors express an opinion to look at the medical aspect of it.

City Attorney Hillier stated if the council wants to allow medical marijuana sales in the city they need to tell the administration that, and if they want to ban recreational marijuana the administration needs to know that, as well.

Councilor Spahr stated he would like some time to explore it in light of some of the things said regarding medical marijuana.

City Manager MacReynold stated the other option to consider is to just let the moratorium expire and let zoning and the state regulate it. City Attorney Hillier stated if the council takes that position, any changes at the state or federal level will point us in the right direction; however, if they ban it they take a strong stance. He suggested they might be in a better position if they allow it and let it control its own destiny.

Councilor Taylor stated he liked that idea.

City Attorney Hillier stated if that's the consensus of the council they could bring an ordinance back that would allow things to take place through state regulations and terminate the moratorium on a certain date, and that would be the end of it.

City Manager MacReynold reported the current moratorium terminates on September 11, 2014. He noted moratoriums are supposed to be an interim process in which to evaluate and determine a direction, adding you cannot continue to have a rolling situation.

Councilor Lund moved to suspend the current moratorium on July 31, 2014.

Councilor Taylor seconded the motion.

The motion failed 3-3, with Councilors Spahr, Ketchum and Mayor Dawes voting against the motion.

Mayor Dawes stated the moratorium will then run out on September 11, 2014, and at that time it will go under state guidance and jurisdiction.

Councilor Ketchum stated he was totally against it period and they have no business having it in our city. He noted it's a gateway drug and it was a gateway drug for his son that ended up killing him.

Councilor Spahr asked if they were going to explore any other avenues. City Attorney Hillier stated no, adding the direction given is to let the current moratorium expire.

No action was taken on Ordinance No. 932-B for a lack of a motion.

There being no further business to come before the council, the meeting adjourned 7:51 p.m.

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Mayor

Attest:

City Clerk

SUGGESTED MOTION


I move that the council approve the minutes of the regular city council meeting of July 28, 2014.


CITY OF CHEHALIS

AGENDA REPORT

DATE: July 31, 2014

TO: The Honorable Mayor and City Council

FROM: Judy Pectol, Finance Manager 

PREPARED BY: Michelle White, Accounting Tech II 

SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

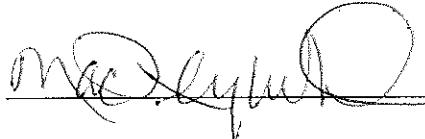
Claim Vouchers No. 109916 through 110063 in the amount of \$441,215.53 dated July 31, 2014 and the transfer of \$191,893.99 from the General Fund, \$46,161.79 from the Arterial Street Fund, \$35,714.03 from the Tourism Fund \$12,686.50 from the Federal & State Grants Fund, \$64,176.32 from the Wastewater Fund, \$70,472.10 from the Water Fund, \$2,313.66 from the Storm & Surface Water Utility Fund, \$16,878.25 from the Airport Fund and \$918.89 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the July 31, 2014 Claim Vouchers No. 109916 through 110063 in the amount of \$441,215.53.

SUGGESTED MOTION

I move to approve the July 31, 2014 Claim Vouchers No. 109916 through 110063 in the amount of \$441,215.53.


Reviewed by: , City Manager


CITY OF CHEHALIS

AGENDA REPORT

DATE: July 31, 2014

TO: The Honorable Mayor and City Council

FROM: Judy Pectol, 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. 37488 through 37559, Direct Deposit Payroll Vouchers No. 5174 through 5258 and Electronic Federal Tax Payment No. 138 dated July 31, 2014 in the amount of \$710,408.72 and the transfer of \$486,072.13 from the General Fund, \$17,289.99 from the Arterial Street Fund, \$78,735.56 from the Wastewater Fund, \$82,749.22 from the Water Fund, \$15,214.78 from the Storm & Surface Water Utility Fund, \$27,234.34 from the Airport Fund and \$3,112.70 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the July 31, 2014 Payroll Vouchers No. 37488 through 37559, Direct Deposit Payroll Vouchers No. 5174 through 5258, and Electronic Federal Tax Payment No. 138 in the amount of \$710,408.72.

SUGGESTED MOTION

I move to approve the July 31, 2014, Payroll Vouchers No. 37488 through 37559, Direct Deposit Payroll Vouchers No. 5174 through 5258, and Electronic Federal Tax Payment No. 138 in the amount of \$710,408.72.

Reviewed by: , City Manager

CITY OF CHEHALIS AGENDA REPORT

DATE: August 6, 2014
TO: The Honorable Mayor and City Council
FROM: Dennis Osborn, Community Development Director
SUBJECT: Appointment to the Chehalis Planning Commission

ISSUE

The city currently has three vacancies on the Chehalis Planning Commission. Arnold Haberstroh's term expired at the end of 2012 and he did not wish to be reappointed. Adam Holgate submitted his resignation from the Commission in 2013 and Steven Bell resigned in July of this year.

DISCUSSION

On July 22, 2013, the council interviewed Craig Steepy who submitted an application to be considered for appointment to the Chehalis Planning Commission. Mr. Steepy is interested in having the city council reconsider his previous application, stating his work hours have stabilized and he now feels he can devote the necessary time to be an active member on the Commission.

Appointments to the Commission are for four-year terms and are made by the mayor and confirmed by the city council.

The Chehalis Planning Commission is responsible for reviewing all plats and plans of subdivisions of land within the city or proposed additions, as well as dedications of streets and alleys, and makes recommendations and reports to the council. One of the main responsibilities of the Chehalis Planning Commission is to review the comprehensive plan for the city and to prepare amendments as needed, or as directed by the city council.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council affirm the Mayors appointment of Craig Steepy to the Chehalis Planning Commission for a four-year term expiring August 31, 2018.

SUGGESTED MOTION

I move that the council affirm the Mayors appointment of Craig Steepy to the Chehalis Planning Commission for a four-year term expiring August 31, 2018.

Reviewed by:  _____, City Manager

City of Chehalis APPLICATION FOR APPOINTMENT

Date June 27, 2013

(The city of Chehalis accepts applications from anyone residing in the city limits of Chehalis, who meet the required criteria for each Board, Commission or Committee. Please see below the corresponding RCW, CMC, or Resolution for appointment criteria. For more information contact city clerk at 360-345-3225)

I wish to be considered for appointment to the following board, commission, or committee:

- | | |
|--|--|
| <input type="checkbox"/> Airport Board (RCW 14.08) | <input type="checkbox"/> Sister City Committee (CMC 2.80) |
| <input type="checkbox"/> Lodging Tax Advisory Committee (Resolution 1-98) | <input checked="" type="checkbox"/> Planning Commission (CMC 2.48) |
| <input type="checkbox"/> Historic Preservation Commission (CMC 2.66) | <input type="checkbox"/> Library Board (RCW 27.12) |
| <input type="checkbox"/> Civil Service Commission (CMC 2.56 and RCW 4.108-Fire, RCW 41.12-Police | <input type="checkbox"/> Chehalis River Basin Flood Authority |

Please print

Name Craig Steepy

Present employer KPFF Consulting Engineers

Employer address 1200 6th Ave. SE #309 Lacey, WA 98503 Phone No. 360.292.7230

Fax No. _____ E-mail cmsteepy@comcast.net

Home address 242 Kennicott Road, Chehalis Home Phone No. 360.996.4142

Have you previously or are you now serving on any of the above mentioned? ☐ Yes ☒ No

If yes, please explain _____

Date available for appointment Any Time

Available to attend Evening meetings? ☒ Yes ☐ No Daytime meetings? ☒ Yes ☐ No

Approximately how many hours each month can you devote to city business? _____

Brief statement of qualifications for position and reason for requesting appointment.

B.A. Urban/Regional Planning W.W.U. 1989, Professional Land Use Planner.
23 years. Project Manager for KPFF Engineers with specialty in
private land development. Former Board Member and past President of the
Lewis County Historical Society. Chehalis Babe Ruth Board member - Capital
Projects and currently overseeing re-build
of Babe Ruth Field #2, \$35,000 budget. Signature [Signature]

Please return completed form to: Office of the City Clerk
350 N Market Blvd Rm 101, Chehalis WA 98532

Please indicate where you wish meeting information to be mailed and how you would like to be reminded of meetings (e.g., phone, e-mail, cell phone) email: cmsteepy@comcast.net