

October 13, 2014

The Chehalis city council met in regular session on Monday, October 13, 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/Interim Fire Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Dennis Osborn, Community Development Director; Rick Sahlin, Public Works Director; and Dave Vasilaskas, Water Superintendent. Members of the media included Dameon Pesanti from *The Chronicle*.

1. Citizens Business.

a. **Dogs Running Loose and Panhandling.** Darrin James McGowan (Centralia) expressed concern about people letting their dogs run loose within the city, noting in the last month he's been chased twice by dogs that were not on a leash. Mayor Dawes asked if Mr. McGowan called dispatch to report the incidents. Mr. McGowan stated he did not; however, he did stop by the police department to report it.

Mr. McGowan stated he also wanted to speak out against allowing panhandling, noting it's getting out of hand in the area near Walmart. He reported the city of Centralia recently banned it and suggested Chehalis do the same. City Manager MacReynold stated he would meet with the police chief to explore the issue and would report back to the council.

b. **Water Taste Test.** Kim Ashmore (118 Blanchard Road, Centralia) provided a brief report on the 9th Annual Chehalis Basin Watershed Festival held in Aberdeen, Washington. He stated the water taste test has turned into a friendly competition between local agencies, noting Centralia has won most of the time. Mr. Ashmore reported they had four participants this year, including Centralia, Chehalis, Montesano, and Napavine, and out of the four Chehalis came out on top.

Mayor Dawes stated the water department works hard to make sure we have good clean water to drink, adding it's nice to see them get recognized for that effort.

2. Proclamation Presentation. Mayor Dawes presented Human Response Network Executive Director Tara Leno with a proclamation declaring the month of October as "Domestic Violence Awareness Month" in the city of Chehalis.

3. Update on Port of Chehalis Activities. Mayor Dawes first asked Port of Chehalis Executive Director Randy Mueller how his 90-day plan went. Mr. Mueller reported the 90 days were up about two weeks ago, noting it was a mad hustle towards the end to check some of the things off the list. He indicated the biggest problem he ran into was the number of people he ended up meeting with, adding each time he met with one they had to add two more names to the list, which made the list quite long by the end of the process.

Mr. Mueller talked briefly about his background and provided an update on some of the projects he's currently working on, to include: rail spur project for Conrad Industries; potential land sale to the Willamette Valley Co.; and making Port properties more shovel ready.

Mr. Mueller talked briefly about the types of jobs they want to bring to the Port. He suggested if you advertise cheap land you're going to get the people looking for the cheapest deal, which may not necessarily be the best.

Mr. Mueller reported there are 75 port districts in the State of Washington that provide 75 flavors of economic development based on what they see as a vision for their community. He stated he's currently looking at all of their options and seeking input from everywhere in order to provide the best options for the Commission to consider.

Mr. Mueller reported his short-term priorities are to make the Port more profitable. He noted their current line of business includes sale and leasing of Port land and buildings. Mr. Mueller stated the Port receives most of their money from their lines of business.

Mr. Mueller reported his long-term goal is to provide jobs that pay a decent wage with decent benefits. He would also like to see more high quality jobs, so when our children graduate from college they can come back to professional career opportunities.

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Councilor Harris stated he would like to see them talking with larger well-known companies, including international companies, adding there might be some opportunities there that they haven't looked at yet.

Councilor Lund asked if they were going to do anything with the Port sign along I-5. Mr. Mueller stated the sign is sorely in need of an update, noting the phone number listed doesn't even go to the Port. He reported he has a couple of drafts on his desk for the redesign that include their web address rather than a phone number. Councilor Lund stated he would be happy if they left the sign the way it is, but put the correct phone number on it.

Councilor Spahr stated he appreciated Mr. Mueller's enthusiasm and goals. He agreed that the person looking for the cheapest land and labor force is not the person we really want, adding we need to up our goals.

4. **Shorelines Master Program Update**. Community Development Director Dennis Osborn introduced Brad Medrud with AHBL to provide an update on the Shorelines Master Program (SMP).

Mr. Medrud reported he was before the council last November to provide an update, noting the updates are required by the Department of Ecology (DOE) who established the guidelines and rules of what needs to be included in the documents. He stated the new SMP will be an update of the existing program, which has been in place since 1974.

Mr. Medrud reported on some of the new requirements passed down by DOE, to include: no net loss in restoration; public access; allowing for water dependent uses; and actively seeking public input throughout the process. Mr. Medrud reported they were at step 3 of 5 of the process and hopes to finish by June 2015.

Mr. Medrud reported they would start meeting with the Chehalis Planning Commission in July, noting the Commission acts as the Citizens' Advisory Committee. He stated their job is to review the documents and provide input and direction on the community's wishes before they get to the formal hearing and adoption process.

Mr. Medrud reported, at their next meeting, they will be discussing specific use policies within the shoreline environment designations and the specific regulations tied to recreation and commercial development. He noted they would also be introducing shoreline modifications and talk about how to administer the SMP.

Mr. Medrud reported, at their November/December meeting, they expect to talk about the critical area regulations that will be enacted within the shoreline jurisdiction. He stated DOE has a rather large hammer when it comes to addressing critical areas and there are going to be some procedural things that will need to be addressed.

Mr. Medrud reported sometime between December 2014 and March 2015 they will finish the accumulative impacts analysis. This will include the no net loss report for the entire process, as well as the restoration plan. Mr. Medrud stated the Chehalis Planning Commission will hold the initial public hearings, and the council will review the process and pass their recommendations on to DOE who will have final say. He believed they would have the final SMP ready for adoption in late 2015.

Councilor Spahr asked Mr. Medrud to describe a shoreline and explain how it affects the average citizen. Mr. Medrud stated you essentially start with 200 feet off of any waterway considered of the state. He noted in Chehalis that would be the Chehalis River, the Newaukum River, and some of the smaller creeks. Mr. Medrud reported if there are any floodways or wetlands associated, then the areas starts to expand. He suggested it wouldn't have much effect on industrial based business because it doesn't touch a lot of that, but it will have an impact on the public side.

5. **Update on Chehalis River Basin Flood Authority Policy Workshop**. City Representative Julie Balmelli-Powe reported this was the third workshop since the Flood Authority started the new studies, and the final workshop before they make a recommendation to the Governor's Office in November. She provided an overview on some of the alternatives that are still on the board:

- Flood Proofing – would provide a great benefit, but it doesn't cover a lot of area
- Habitat Restoration - low and high enhancement habitat restoration would manage flooding if the natural process is restored; and would help compensate for some damage caused by a dam

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- I-5 Project - cost benefit ratio is not viable for this project even though it does protect I-5 and would be a lot less expensive
- Raising the Airport Levee - would be included in either combination
- Flood Only Water Retention - will shut the dam during storm events and release the water slowing over a two week period versus having the reservoir behind the dam
- Water Retention with Storage – would have a reservoir year round that could be used during the summer months

Ms. Balmelli-Powe talked briefly about the multipurpose alternatives, noting in the short-term the multipurpose alternative with a reservoir actually shows potential to help fish, especially the spring Chinook and possibly the Coho, whereas the 'flood only' alternative doesn't benefit the fish at all. She noted this is because it doesn't have the water to cool or to add oxygen to the water in the summer when it's needed.

Ms. Balmelli-Powe reported, over the long-term, if they do high enhancement with the 'flood only,' the cost benefit ratio would actually get higher than the multipurpose with high enhancement. She noted the way they explained it is the reservoir wouldn't be needed as much because of the shading and cooling of the stream, so in the end the benefits of the enhancements will outweigh the benefits of the summer flow augmentation. Ms. Balmelli-Powe reported she questioned their philosophy, noting in order to get full benefit from the enhancement project it will take 100 years and they're basing a lot of the benefit from the effects of the dam over a 50-year period.

Councilor Taylor asked if anyone questioned why they didn't compare them to the same number of years. Ms. Balmelli-Powe stated she asked, but they basically said they needed more information.

Ms. Balmelli-Powe reported they looked at each alternative individually, but couldn't come up with the solution they were looking for, so they just kept trying to find different combinations. She noted it's only in the last combination that provides for water retention, the airport levee, flood proofing, and high enhancement that they get the results they want and still had a cost benefit.

Ms. Balmelli-Powe reported she needed to get direction from the council on which option to support.

Councilor Ketchum stated if they do the reservoir with enhancements without doing anything to control flooding it could end up wiping out all of the enhancements. He felt it was important to have water storage no matter what.

Councilor Pope asked what the difference was between this study and all of the studies done in the past.

Ms. Balmelli-Powe stated she's excited with the new studies, noting they've done a lot more with the effects on fish. She reported it was very encouraging, but there's still more questions to be answered and they still have a long way to go. Ms. Balmelli-Powe stated with the information they have they'll be able to make a recommendation and move forward on a few more in-depth studies, but they have to get the go-ahead from the Governor's Office first.

Ms. Balmelli-Powe reported they did a really great study on flood proofing, noting they have much better maps of the terrain to where they can actually see the water level and know which homes will receive damage. Ms. Balmelli-Powe reported the problem with flood proofing is you can't flood proof all commercial buildings because of access problems. She suggested this is another barrier to why flood proofing isn't the only solution.

Councilor Harris stated he was under the impression that the water would be held until low flow periods, rather than draining it over a two week period.

Ms. Balmelli-Powe reported, because of the fish, they have to let it out at a gradual pace over a period of about 12 days. She stated once all the water is let out, the streams will flow naturally.

Ms. Balmelli-Powe suggested the 'flood only' approach is better than having no dam at all, but if they're going to be putting that much money into it, it makes better sense to have an approach that prepares more for the future and protects the citizens of the basin.

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Councilor Harris asked if they discussed the areas they're considering for water and river enhancements. Ms. Balmelli-Powe reported they stated the high enhancement would go from the Wynoochee River up to the dam and the low enhancement would start near Porter. She noted the restoration enhancements would include barrier removal, stream bank enhancements, and trees to create more shade along the river.

Councilor Taylor reported when he attended the Flood Authority meetings the council's direction was along the lines of having a dam/reservoir to benefit the summer flows. The consensus of the council was to continue down that same path.

Mayor Dawes reported this was the first time he's heard of them talking about a dam that releases all of the water after a flood event, adding he thought the whole idea of the retention dam was to hold the water and release it during the summer months as the river gets low. Mayor Dawes also thought the thing that brought the Chehalis Tribe on board was the fact that there was a chance to enhance the waters and make it better for fish.

Ms. Balmelli-Powe suggested the 'flood only' dam is more of a compromise, noting the science really promotes the multipurpose dam. She suggested the compromise might be that they can give a little to build the dam, as long as it keeps the river as natural as possible.

Mayor Dawes stated, based on the discussion, the preference of the council is to have the full dam.

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

- a. Minutes of the regular meeting of September 22, 2014;
- b. Claim Vouchers No. 110506-110627 in the amount of \$165,314.87 dated September 30, 2014; Payroll Vouchers No. 37641-37716, Direct Deposit Payroll Vouchers No. 5345-5430 and Electronic Federal Tax Payment No. 140 in the amount of \$740,092.51 dated September 30, 2014;
- c. Award engineering contract for the high level reservoir at McFadden Park to HDR Engineering, Inc., in an amount not to exceed \$250,000 and authorize the city manager to execute the contract agreement; and
- d. Award engineering contract for a second flocculation pre-sedimentation train at the water filter plant to HDR Engineering, Inc., in an amount not to exceed \$420,000 and authorize the city manager to execute the contract agreement.

Councilor Lund seconded the motion.

Councilor Spahr inquired about the engineering costs for the second flocculation pre-sedimentation train. Public Works Director Rick Sahlin reported the contract includes \$20,900 for project management, \$94,000 for the Department of Health project report, as well as other permit and review fees. He stated it's not just the design of the project, adding it will take them all the way through the audit process for the loans.

The motion carried unanimously.

7. **Administration Reports.**

a. **Update on Annual Debt Compliance.** Finance Manager Judy Pectol reported the financial information on the city's bond debt has been reported as required. She stated there will be more requirements for reporting in the future; for example, when any bonds are redeemed that information will need to be reported as well.

8. **City Council Reports.**

a. **Update From Councilor Lund.** Councilor Lund reported he and Mayor Dawes and Councilor Spahr attended the monthly Joint Oversight Board meeting.

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b. **Update From Councilor Spahr.** Councilor Spahr reported he received a copy of the 90-day plan that the Lewis County Economic Development Council is putting in place, adding he hoped to see good things come out of it.

c. **Update From Councilor Harris.** Councilor Harris reported they've been working on Christmas projects for the last couple of months, noting Ms. Balmelli-Powe, as well as two of her children and a bunch of others, came out to the airport to help out. He stated he also attended a Chehalis Community Renaissance Team meeting, noting it was very good.

d. **Update From Councilor Taylor.** Councilor Taylor reported he and his wife have been walking on the side streets up on the hillside and noticed a lot of the sidewalks closer to the north end of town are getting overgrown with ivy. He stated he understood that it's the responsibility of the property owner to maintain the sidewalks, but asked if there is anything the city can do to encourage or help clean them up.

Councilor Ketchum stated he's noticed it too.

Councilor Pope reported when he built his office on Market Boulevard he was made to put in new sidewalks, but when he wanted to do something with the sidewalks or on the right-of-way he couldn't because it's city property. He stated if the landowner is responsible for the sidewalk, the city shouldn't have anything to say about what they do with it.

Councilor Lund reported he had to put in a new sidewalk, as well.

City Manager MacReynold reported in all of the jurisdictions he's ever worked, sidewalks have always been an issue.

Councilor Ketchum stated when he first moved into his house he received a notice from the city that he had to replace the sidewalk. He suggested the city has sent out notices more than once in the past.

City Manager MacReynold stated he would prefer to have a conversation with the public works department to see if there's some sort of middle ground, and follow up with some specific areas that may need to be looked at.

Mayor Dawes reported he and his wife do a lot of walking as well. He noted his wife has contacted public works in the past and they've been very good about coming out and taking care of the growth over the sidewalks.

e. **Update From Mayor Dawes.** Mayor Dawes reported on September 27 he attended a luncheon with a Korean Consulate from the Seattle office. He noted the Korean Government presented Korean War Veterans with medals at the ceremony held at the Veterans Memorial Museum.

Mayor Dawes reported the budget committee has a couple of meetings coming up to tie up some loose ends on some budget recommendations that will be made to the full council at a later date.

Mayor Dawes reported he attended the Centralia College Foundation kick-off event, noting it was a nice evening.

Mayor Dawes attended the Association of Washington Cities regional meeting in Centralia on October 7. He noted they continue to stress that we contact our Legislators using different approaches other than what's been done in the past.

Mayor Dawes reported on the Joint Oversight Board meeting, noting they're at a point where they need to sit down and review where they've been, where they're going, and what the timeframe is for that. He noted cooperation has been very good and both departments speak highly of it.

9. **City Manager Search Recruitment Schedule.** City Manager MacReynold asked that the council take a look at the updated recruiting schedule they received to make sure they're available on the dates that were highlighted. He noted those were critical times for both selecting the finalists and for the interview process.

10. **Approve Candidates and Funding Amounts of the Lodging Tax Advisory Committee (LTAC) for Use of Lodging Tax Funds for 2015 and 2014; and Reappoint the Memberships of Todd Chaput, Michel Rey, Satpal Sohal, Alicia Bull, Rick Burchett, and Chip Duncan to the LTAC.** Councilor Harris reported he would first like to make sure none of

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the council have any particular conflicts before putting a motion on the floor.

Councilor Taylor stated he would be recusing himself from voting.

Councilor Harris reported the LTAC received \$445,630 in requests and they recommended a total of \$222,000, which went slightly into their expected \$50,000 reserve for items that might come up during the course of the year. He stated none of the seven Committee members completely agreed with anything as far as the original requests. Councilor Harris noted, as chair, he has obligated himself to support what the Committee has sent forward.

Councilor Pope reported he noticed there was no funding being recommended for the Bridal Show and asked why. He also brought up the recommended funding for an electronic kiosk at the Chamber of Commerce, noting he didn't think they should be in the business of funding equipment of that nature.

Councilor Harris reported there's a new facility on Jackson Highway called the Red Barn, and apparently it's bringing in tons of weddings from outside the city at a cost of about \$3,000 per day to rent the facility. He noted the rural setting is very appetizing to Seattleites and it puts lots of heads-in-beds. Councilor Harris reported the Chehalis Bridal Show was started by the city to help develop a revenue stream for lodging tax, but suddenly the Committee decided that wasn't enough.

Councilor Harris reported the new regulations for distributing lodging tax funds only allows the council to give what the Committee recommends, or they can give zero dollars. He stated that's one of the issues he has with the new regulations because it gives the Committee more power than the council.

Councilor Ketchum stated he still didn't understand why they didn't give any funding for the Bridal Show.

Councilor Harris stated at least four members decided not to give any funding, including the three hoteliers and one other committee member. He reported most of the revenue for the Bridal Show went to the radio station for advertising, and there's a mindset by several LTAC members that the way of the future is the internet. Councilor Harris stated the hoteliers shared with the Committee that most of their revenue comes from internet reservations.

Councilor Ketchum reported they've had the discussion before that, outside of the tournaments, this organization is the next highest at putting heads-in-beds.

Councilor Harris stated the Committee has had many discussions about the businesses they fund, adding it's really difficult at times to try to figure out how far they should go in telling them how to operate. He noted there have been suggestions in years past about getting Premier Broadcasters (Rick Petty) more involved in social media and other forms of advertising, other than just radio. Councilor Harris indicated the request from Premier Broadcasters came in higher this year, but according to Mr. Petty, that was just so they could start advertising earlier in the season. He stated the Committee just wasn't enamored with the way Mr. Petty wanted to operate.

Councilor Taylor suggested it was a different kind of sell in that market, noting Mr. Petty is selling the future and the hoteliers are selling this weekend. He felt Mr. Petty's approach worked well for creating interest in our community, and when people do find an interest, they usually go on-line to book their hotel.

Councilor Pope stated the council's position has always been that lodging tax is supposed to serve as an incubator to help businesses get started, and not a resource for sustaining them.

Councilor Harris stated Councilor Pope was right, noting a lot of the requests have diminished over the years because of that philosophy.

Councilor Spahr stated he agreed with Councilor Pope that they're in the business of putting heads-in-beds, not buying equipment. He didn't see the kiosk as a way to put heads-in beds, adding most people have aps on their phones that do the same thing as a kiosk would.

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Councilor Harris reported there was discussion by the Committee regarding the kiosk, adding Chehalis would be the only entity funding the project.

Councilor Spahr moved that the council approve the candidates for reappointment to the LTAC and approve the funding amounts of the LTAC for use of lodging tax funds for 2015 and 2014, with the exception of Item No. 7 (the electronic kiosk) for a total of \$202,000.

Councilor Lund seconded the motion.

Councilor Harris noted the Committee has always been very supportive of giving all they can to city projects; however, the city in its requests did not receive everything they asked for. He reported a lot of revenue from the city manager's office is revenue that goes to the Chamber for the city's portion of county-wide advertising promotion.

The motion carried 5-1 with Councilor Ketchum voting against the motion. (Councilor Taylor abstained from voting.)

City Manager MacReynold reported, with reference to the Bridal Show, the council can request that the Committee reconsider its decision on not funding it and ask that they meet and review it again.

Councilor Spahr suggested, if Mr. Petty isn't doing the advertising the way they would like it done, perhaps they should have him come back to the Committee and sell his product. He stated he would like to see it addressed, noting it seemed funny to him as well that two years ago it was one of the biggest events that put heads-in-beds.

Councilor Spahr moved that the LTAC reconsider the Bridal Show funding request from Premier Broadcasters and report back to the council at the first meeting in November.

Councilor Lund seconded the motion.

Councilor Harris stated he would like to first talk with Mr. Petty to see if there would be a reason for the Committee to meet, noting Mr. Petty was very discouraged when he was notified about the Committee's recommendation.

The motion carried unanimously. (Councilor Taylor abstained from voting.)

Mayor Dawes inquired about the \$45,000 for the city manager's office wanting to know if it all goes to the Chamber for advertising. City Manager MacReynold reported \$40,000 will go to the Chamber for the tourism services contract and the additional \$5,000 will be used for marketing and promotion.

Mayor Dawes stated he would be interested in knowing the amount of tourism funding that other governmental agencies are providing to the Chamber. City Manager MacReynold stated, based on what's been reported, Centralia has committed \$21,000 and the Chamber did not seek funding from Lewis County for 2015.

11. **Special Meeting Rescheduled.** Mayor Dawes reported the special meeting set for Tuesday, October 14 was rescheduled to Tuesday, October 28, at 5:00 p.m.

12. **Stan Hedwall Park Committee.** Councilor Lund stated, since the city received some tourism funding to do the engineering study on Stan Hedwall Park, he thought it might be good to set up a council committee to work with staff on the project. He noted a few weeks ago he talked about fixing up our parks and suggested they consider going out for a bond for the project, and if the LTAC is willing, they could use tourism funding to make annual payments on the bond.

After a brief discussion, Councilors Lund, Pope, and Harris volunteered to be on the committee.

There being no further business to come before the council, the meeting adjourned 5:49 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 October 13, 2014.