

November 24, 2014

The Chehalis city council met in regular session on Monday, November 24, 2014, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:30 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; and Dennis Osborn, Community Development Director.

1. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(b) – purchase or acquisition of land; and RCW 42.30.110(1)(i) – potential litigation for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 5:02 p.m. and announced the council would take a short recess before opening the regular meeting at 5:05 p.m. Additional staff included: Glenn Schaffer, Police Chief/Interim Fire Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Lilly Wall, Recreation Manager; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; Rick Sahlin, Public Works Director; Don Schmitt, Street/Stormwater Superintendent; Dave Vasilauskas, Water Superintendent; and Allyn Roe, Airport Manager. Members of the media included Dameon Pesanti from *The Chronicle*.

2. **Council Agenda Item Pulled.** Mayor Dawes announced that item 16 (Resolution No. 11-2014) would be pulled from the agenda, noting he was advised by City Manager MacReynold that he and staff had a few more issues and questions to resolve.

3. **Public Hearing on 2015 Proposed Budget and Revenue Sources, Taxes and Levies.** Mayor Dawes closed the regular meeting at 5:06 p.m. and opened the public hearing.

There being no public comment, Mayor Dawes closed the public hearing at 5:07 p.m. and reopened the regular meeting.

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

a. Minutes of the regular meeting of November 10, 2014, and the special meetings of November 17, 2014, and November 18, 2014;

b. Claim Vouchers No. 110924-111033 and Electronic Funds Transfer No.1020141 in the amount of \$351,012.75 dated November 14, 2014;

c. Approve city manager employment contract extension; and

d. Approve and authorize city manager to execute a civil engineering contract between the city and RB Engineering, Inc., for the Arkansas Way Road Extension Project in an amount not to exceed \$111,000.

The motion was seconded by Councilor Lund and carried unanimously.

Mayor Dawes stated the council was very happy with the outcome of the situation regarding the city manager search, adding they appreciated City Manager MacReynold's willingness to stay on for an additional two years.

City Manager MacReynold stated he was honored to be asked, adding he was looking forward to the next two years.

5. **Administration Reports.**

a. **October Financial Report.** Finance Manager Judy Pectol reported on the general fund property tax revenues, noting the October report showed the accounts sorely under budget. She added that she was projecting a large amount to come in from Lewis County very soon, since May and November are typically when the city receives its largest amounts of property tax revenue from the county. Ms. Pectol stated based on what the city has received to date, and what she anticipates receiving, we may actually come in over budget.

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Ms. Pectol reported the non-departmental expenditures were over expended at this time, but those would be taken care of with the approval of the upcoming budget amendment.

Ms. Pectol reported on the water fund interest allocations, noting one of the reasons the interest in 2013 was higher than in 2014 is because a change was made in accounting procedures regarding non-designated interest. She noted rather than reallocating the interest at year-end as part of the closing entries she would be recording the entries as the interest comes in.

Mayor Dawes inquired about the water connections "miscellaneous fees," noting this year's income seemed rather high. Water Superintendent Dave Vasiluskas reported they had a couple of large facilities hook up in the urban growth area, to include: FMC Dialysis, Inc., and Jackson Villa II.

b. **Cancellation of December 22 Council Meeting.** City Manager MacReynold reported the administration didn't have any items for the second meeting in December and asked if the council would like to consider canceling the meeting.

Councilor Harris moved to cancel the December 22 council meeting.

The motion was seconded by Councilor Ketchum and carried unanimously.

6. **Council Reports.**

a. **Update from Council Lund.** Councilor Lund reported, last week, he and the rest of the city council participated in the city manager search interview process.

b. **Update From Mayor Dawes.** Mayor Dawes reported Councilor Harris, city staff and a number of volunteers were busy putting up the holiday decorations.

Councilor Harris stated he was a bit concerned about not having enough help on Sunday because of the Seattle Seahawks game and the Seattle Sounders match, and also the thunder and lightning storm that morning. He noted by the end of the week they would be seeing some changes with regards to the decorations.

Mayor Dawes reported he attended the ribbon cutting for Chehalis Valley Real Estate on Park Street on November 13, and on November 20, he attended the Business After Hours at the Evergreen Playhouse in Centralia.

7. **Ordinance No. 935-B, Second and Final Reading – Granting a Franchise Agreement to Astound Broadband, LLC, to Construct, Operate and Maintain a Telecommunications Network within the City of Chehalis.** City Manager MacReynold reported the council heard from Astound Broadband's representative Vic Peterson at the last meeting. He noted this is another economic opportunity for the city and encouraged the council's consideration and approval.

Councilor Spahr moved that the council pass Ordinance No. 935-B on second and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Ordinance No. 936-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2015; Ordinance No. 937-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2015; and Ordinance No. 938-B, Second and Final Reading – Adopting the Proposed 2015 Budget.** City Manager MacReynold reported he was pleased to provide the city council with a balanced budget that slightly improves service levels, meets council direction concerning reserves, and does not raise taxes. He encouraged the council's consideration and approval.

Councilor Spahr moved to pass Ordinance Nos. 936-B, 937-B, and 938-B on second and final reading.

Councilor Lund seconded the motion.

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Councilor Pope stated the budget looked good and asked if they had to give up anything by not raising taxes. City Manager MacReynold stated no.

Mayor Dawes reported even though the city went through a difficult time over the last few years we were still able to improve our bond rating. He stated he was proud of the city staff for all of their hard work to make that happen.

The motion carried unanimously.

9. **Ordinance No. 939-B, First Reading – Amending the 2014 Budget.** City Manager MacReynold reported, at the end of each year, the administration traditionally amends the existing budget to reflect what's happened over the past months. He noted Ms. Pectol did a good job of outlining the changes to the budget in the agenda report.

Ms. Pectol stated we have wonderful city with lots of projects going on. She noted the budget amendment would take care of some of the larger projects that were done during the year that we didn't do budget amendments for at the time they were approved.

Councilor Taylor moved to pass Ordinance No. 939-B on first reading.

The motion was seconded by Councilor Lund and carried unanimously.

Mayor Dawes wished everybody a great Thanksgiving weekend and hoped that everyone would make it safe and sound to their destinations if traveling anywhere.

There being no further business to come before the council, the meeting adjourned 5:23 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of November 24, 2014.