

January 26, 2015

The Chehalis city council met in regular session on Monday, January 26, 2015, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:46 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)(i) – potential litigation and RCW 42.30.110(1)(c) – lease or sale of property for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 5:00 p.m. and announced the council would take a short recess before opening the regular meeting at 5:03 p.m. Additional staff included: Glenn Schaffer, Police Chief/Interim Fire Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; and Don Schmitt, Street/Stormwater Superintendent.

2. **Citizen Business.**

a. **Excellence in Education Luncheon.** Sarah Gallagher invited the council to attend the Excellence in Education luncheon on Tuesday, March 17, at the Centralia Church of the Nazarene. She noted the event is to honor area political leaders, community leaders, pastors and youth pastors, and the media.

b. **Executive Director Randy Mueller, Port of Chehalis.** Mr. Mueller reported the Port received a media inquiry last week and what came out from the press was an article talking about things they planned to talk about at an upcoming meeting, including a discussion about the airport. He indicated things didn't go as planned and it caught some people off guard, which was unfortunate. Mr. Mueller apologized for what happened, noting there is certainly some room for improvement.

Mayor Dawes stated the council appreciated Mr. Mueller coming to the meeting to straighten it out, noting the city certainly wants to work with the Port because we have some very similar interests.

3. **Interview Applicants for Appointment to the Chehalis Planning Commission.** Mayor Dawes stated prior to going into the consent calendar he wanted to explain the approach he took in making his recommendations. He noted, with the help of staff, he called in two members of the Chehalis Planning Commission (Scott Blinks and Kyle McKerricher) to help conduct the interviews of the two applicants. Mayor Dawes reported they started out talking about what the expectations were and the time commitment required. He also explained to the applicants that the council sets goals for the city and they expect anyone serving on the commission to carry out those goals.

Mayor Dawes stated the interviews went well and based on the conversations he had with Mr. Blinks and Mr. McKerricher he felt comfortable recommending David Fitzpatrick and Gerald (Jerry) Lord to serve on the Chehalis Planning Commission. Mayor Dawes reported he invited the applicants to attend the meeting to answer any questions the council might have, prior to confirming the appointments.

Mr. Fitzpatrick and Mr. Lord each provided some background information and talked briefly about their interest in being appointed to the Planning Commission.

Councilor Ketchum asked Mr. Fitzpatrick what his thoughts and philosophies were with regard to development. Mr. Fitzpatrick stated you need some restraints on what you can do with property, but he would like to keep those to a minimum. Councilor Ketchum asked if he was pro-development. Mr. Fitzpatrick stated he was very much in favor of creating jobs.

Councilor Ketchum asked Mr. Lord the same questions. Mr. Lord stated he was pro-builder and didn't have any problems getting things going on the airport property.

Mayor Dawes thanked both gentleman for coming forward and volunteering their time to the city.

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

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- a. Minutes of the regular meeting of January 12, 2015;
- b. Claim Vouchers No. 111384-111485 and Electronic Funds Transfer No. 122014 in the amount of \$187,055.30 dated January 15, 2015; Claim Vouchers No. 111486-111547 in the amount of \$369,099.12 dated January 15, 2015;
- c. Approve 2015 council committee/board appointments;
- d. Authorize City Manager to execute Automatic Aid Agreement between the City, Riverside Fire Authority, and Lewis County Fire District #6;
- e. Set date and time of February 9, 2015, at 5:05 p.m. for public hearing to amend the 2015-2020 Six-Year Transportation Improvement Plan; and
- f. Confirm Mayor Dawes' appointment of David Fitzpatrick and Gerald (Jerry) Lord to the Chehalis Planning Commission for four-year terms expiring December 31, 2018.

The motion was seconded by Councilor Lund and carried unanimously.

5. Administration Reports.

a. **Quarterly, November, and December Financial Reports and Quarterly Sales and Use Tax Report.** Finance Manager Judy Pectol reported the city's financial strength did increase, noting we started out the year with \$7.7 million and ended with \$10.9 million. She stated that's a good sign for a city that's gone through some rough years. Ms. Pectol noted the ending fund balances in most cases are higher than what was estimated in the 2015 budget, which is also good to see.

Ms. Pectol talked briefly about the December financial report, noting one of our biggest strengths was the sales tax.

Mayor Dawes asked if the telephone tax included both cellular and landlines. Ms. Pectol reported she would need to look into that to see what it includes.

Ms. Pectol stated the reports were still preliminary, but they're extremely close to what they'll end up being. She noted the ending fund balance in the general fund has an 11 percent reserve, which is higher than the normal five percent.

Councilor Harris asked if any additional property tax would be coming in for 2014, and if so, would it be amended back into the 2014 budget. Ms. Pectol stated no, adding the city reports on a 'cash basis,' so it has to be receipted into the year it's received.

Councilor Spahr noted our sales tax revenue in 2014 was \$3,630,320, and in 2008 it was \$4,071,332. He stated we still haven't reached the 2008 high point, but we're getting close and that's good news.

6. Council Reports.

a. **Update From Councilor Ketchum.** Councilor Ketchum reported he attended the Chamber banquet on Friday, January 16, noting they had a good turnout.

Councilor Ketchum brought up the issue of the water main break on Chehalis Avenue back in December. He noted in talking with some of the businesses affected they're not displeased with what the city is doing, but are somewhat displeased with the city's insurance carrier. Councilor Ketchum stated the businesses feel that they're being jerked around. He stated his only concern is if the insurance carrier is playing with these people's livelihood.

City Manager MacReynold reported the city is doing as much as we can; the claims adjuster for the city has been to the site numerous times, as well as Human Resources Administrator/Risk Manager Peggy Hammer. He stated he would have some follow up discussion with Ms. Hammer to see if there's something more the city needs to do.

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Ms. Hammer provided a brief overview of the issues caused by the water main break that took place on December 14 about 4:15 p.m. She noted the break itself was on Chehalis Avenue in front of three businesses: Sabra's Place, Sidelines, and a small meeting room used by the Coalition of the Living. Ms. Hammer reported water did go into all three of the businesses and also came down around the corner on Prindle Street and into one of the front areas of the Matrix Coffeehouse. She stated they all occupy the same building owned by MCHB LLC, adding the owners of the Matrix Coffeehouse are part of the LLC.

Ms. Hammer reported city crews were on site immediately, noting the water was shut off and repairs to the line were made very quickly. The reported damages include:

Sidelines – No damage to the concrete floor; they were up and running the next day. A claim was filed for items damaged by the water, and some loss of business.

Sabra's Place – Damage to the Pergo flooring (had asbestos tile underneath). Because the flooring is considered part of the building that claim was ran through the building owner's insurance. (The building owners made a decision to file through their insurance rather than ours.) The city has since settled with Sabra's Place for loss of business and minor items that were water damaged. Some of the delay in getting that business back open was due to the holidays, the asbestos issue, and dealing with the building owner's insurance.

Matrix Coffeehouse – Due to the heavy rains in early January, there was additional water that came into the building. The city is looking to see if it's possible that the original water main break somehow undermined either the soils underneath the sidewalk or underneath the building, or both. The building owners have gone through their own insurance company and they've brought in an engineering firm to look at the building and soil stabilities. The city's public works group has contracted for sidewalk repairs on both Prindle Street and Chehalis Avenue, which could start as early as this week. The city has coordinated with the building owner and the Matrix to let them know when that work will take place, so they can have their insurance and engineering staff there.

Ms. Hammer reported, in terms of the city's insurance company, Washington Cities Insurance Authority (WICA) has been incredibly responsive. She noted, in addition to those who responded on the day of the incident, she and the WICA insurance adjuster met the next morning at 10:30 a.m. with the tenants and building owners that were available. Ms. Hammer reported the adjuster was on site the entire morning and afternoon, and she had a follow up conversation with him at 3:30 p.m. She noted the adjuster has been back twice that she's aware of and has responded immediately to everything.

Ms. Hammer reported there might be some misunderstanding, specifically with the tenant from the Coalition of the Living. She stated there might be some concern with the language of the settlement agreement that would somehow carry over onto other parts of the building, or damage that might still need to be determined. Ms. Hammer stated it was explained to them that they were separate issues and if they didn't want to sign it, then they shouldn't sign it.

Ms. Hammer stated it was a complicated situation, but felt WICA had been very responsive. She stated, other than the ongoing issue with the Matrix of trying to figure out why there's still water coming in, everything else is pretty much wrapped up.

b. **Update From Councilor Taylor.** Councilor Taylor reported he attended the Chamber banquet as well, noting it was a good dinner.

Councilor Taylor reported the Lewis County Twin Transit Association is in the process of reevaluating their rates and fares. He noted they're trying to figure out if the discounts offered on the service could be adjusted slightly to help cover more of the costs associated with providing paratransit. Councilor Taylor stated a lot of the people who would normally ride the bus are now calling for paratransit because it's a little easier for them, but it's increased their costs tremendously.

Councilor Taylor indicated he would provide the council with a copy of the information General Manager Rob LaFontaine put together that outlines the current rates and what the proposal will be.

c. **Update From Councilor Spahr.** Councilor Spahr reported he also attended the Chamber banquet, noting Connie Bode was honored with the Evergreen Award for the work she did on the Gail and Carolyn Shaw Aquatics Center, as well as other work she's done in the community. He thought it was a nice affirmation for everything she's done.

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d. **Update From Mayor Dawes.** Mayor Dawes reported he attended the Chamber banquet as well, noting, in addition to honoring Ms. Bode, the Chamber also honored I. P. Callison & Sons for "Business of the Year." He stated it was a very good night for Chehalis. Mayor Dawes stated it was nice to have another facility in town, that being The Loft, for larger events.

Mayor Dawes congratulated our local law enforcement team, noting there was a situation at Chase Bank earlier in the day that ended with a suspect in custody shortly after the incident took place. Mayor Dawes stated between the Sheriff's Office and the Chehalis and Centralia police departments there was some very good police work done today and he was very proud of all of them.

Mayor Dawes reported he also attended the Taste of Lewis County event, adding it was very nice and you really get your monies worth.

Mayor Dawes reported the Lewis Economic Development Council banquet was coming up on Thursday, January 29, at the Historic Hotel Washington.

7. Ordinance No. 941-B, Second and Final Reading – Amending Section 5.32 of the Chehalis Municipal Code Regarding Temporary Storage of Fireworks. City Manager MacReynold reported this was the second reading of the ordinance, noting council passed it unanimously at the previous meeting.

Councilor Harris moved to pass Ordinance No. 941-B on second and final reading.

The motion was seconded by Councilor Spahr and carried unanimously.

There being no further business to come before the council, the meeting adjourned 5:35 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of January 26, 2015.