

June 27, 2016

The Chehalis city council met in regular session on Monday, June 27, 2016, 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; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Rick Sahlin, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; and David Fleckenstein, Airport Manager. Members of the media included Justyna Tomtas from *The Chronicle* and Susan DeLaire from *DeVaul Publishing*.

1. Citizens Business

a. **Marijuana Grow Operations on State Avenue**. The city council heard from several concerned business owners located on or near State Avenue regarding the potential of more marijuana grow operations opening up in the area.

Frank Mason (215 Glen Rd) stated he would like to see the city limit the number of grow operations within the city. He reported he could be affected by this because there's a warehouse next to his shop on Riverside. Mr. Mason felt it would be better for the city to reject this idea, noting there are enough retail operations to where the city will get a little bit of tax money.

Mark Giffey (Chehalis Centralia Veterinary Hospital – 1214 NW State Avenue) stated he's concerned about the odor and how it will affect the businesses on State Avenue. He inquired about the status of the current applications and asked if the city would require any mitigation for the odor issue. Mr. Giffey also wondered how easy it would be for a production facility to go into retail sales.

Mayor Dawes indicated the city has a limit of two retail stores and is already at that limit.

Ralph Hubbert (Tires, Inc. - 1283 NW State Avenue) reported there are plans to put a large grow operation at 1132 NW State Avenue. He too had concerns with the odor, as well as property values and the type of people it will bring to the area. Mr. Hubbert suggested the city limit the number of facilities within so many square miles of other grow operations, or retail stores. He stated it just doesn't feel right to put this type of business in part of the heart of the community.

Tim Saylor (Service Saw/Workwears, Inc. – 1320 NW State Avenue) stated he and others were aware of the two retail facilities within the city, but were not aware of the grow operation currently located across from Palmer Lumber. He indicated the application made for 1132 NW State Avenue is for a larger growing operation that will be closer to his business, adding the thought of a grow operation down the road sending that smell his way is nearly unacceptable. Mr. Saylor stated he didn't have any moral objections, but is concerned about property values.

Joy Templeton (Once Upon a Thyme – 1090 NW State Avenue) stated she's worked very hard for eight years putting her business together. She noted the proposed processing facility is right next door to her business and has real concerns about the odor, property values, security and safety. Ms. Templeton provided the council with a petition signed by her customers, adding nobody wants it. She asked that the council take a good look at this because it affects all of the businesses on State Avenue. Ms. Templeton felt this type of business should be where there's not a lot of commerce and wished it was a business that everyone could enjoy that would enhance the community and neighborhood.

Mr. Hubbert also provided the council with signed petitions from other businesses in the area.

Mayor Dawes reported, in April, the council passed an ordinance limiting the number of retail facilities to two, in either the general commercial or industrial zones of the city limits. He noted his error was that he thought they had also limited the processing and growing operations to two, as well. Mayor Dawes stated the council has the option to either amend the current ordinance to place a limit on processing facilities, or do nothing and have an unlimited number within the industrial zones.

City Manager MacReynold reported the city currently has four applications in process, noting two of them are at the State Avenue address that was discussed earlier.

Councilor Pope wondered if the applications in process would be grandfathered in.

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City Attorney Hillier indicated they're not grandfathered in as a complete permit, but they are to the extent that they were submitted before any changes were made to the ordinance. He noted it's not to say they will be given a permit, but we need to process the ones that are in our hands.

Councilor Spahr stated he would like to see the odor issue addressed in the proposed ordinance, even by the existing facility.

City Manager MacReynold reported the odor issue came up a few months ago and the city required the business on State Avenue to put in a significant system to filter the air. He believed that situation has significantly changed, but couldn't say that in absolute certainty.

Councilor Harris inquired about the four applications in process, wondering if they limit the number to one, would the current facility have to go out of business before they could let another one in, and would they do it in the order of filing.

City Attorney Hillier stated if the council limits it to one there would only be one, except for the fact that there are applications on file. He noted since the applications would have preceded the amendment to the ordinance, it's very possible that if one of those applications is approved by the state the city could then have two.

Councilor Pope stated it's his understanding that they can't do anything until the state approves the licenses. He asked if they could find out what stage the licenses are in and if the city could provide input prior to the state taking any action.

City Manager MacReynold stated he could find out, adding the current four applications in process all need approval from the state.

Mr. Hubbert stated the person he spoke with said they could be licensed as early as July 3.

Mayor Dawes asked if the council could move to amend Ordinance No. 956-B to limit the number of grow operations to two within the city limits.

City Manager MacReynold stated the council could certainly do that.

City Attorney Hillier reported they could make a motion to limit it to two, but it wouldn't pass until the next council meeting, at which time they could suspend the rules and pass it on first and final reading.

Councilor Taylor suggested limiting it to one grow operation.

Councilor Harris wondered if they should call for a special meeting.

Councilor Ketchum stated they could vote on it at the special meeting they have coming up with Lewis County Fire District #6 on June 30.

Councilor Ketchum moved to amend Ordinance No. 956-B to limit grow operations to one within the city limits of Chehalis.

The motion was seconded by Councilor Pope.

Councilor Ketchum stated he would like to see the ordinance drafted so they could vote on it at the special meeting on June 30.

City Manager MacReynold noted the city provided advertisement for a special meeting for discussions with the fire district and suggested this would be a special action and require a separate notice. He felt they were stepping outside their normal process and would be setting themselves up for litigation if anyone cared to challenge it. City Manager MacReynold stated he completely supported what the council is saying, but offered a word of caution about fast-tracking it.

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City Attorney Hillier agreed and suggested the council allow time for proper notice. He stated they don't even know if the applications are vested, but would find out more in the next day or so and report back to the Mayor.

Councilor Pope stated he would still like to know if the city can submit input to the state prior to the approval of the applications on file.

City Attorney Hillier reported the city always has an opportunity to provide input, but the state first has to give us notice of application. He noted, historically, community development gets those notices, but no one from that department has contacted others in the city to say those are on the table.

Mayor Dawes suggested after hearing from the city manager and city attorney the proper procedure might be to put a motion on the floor to direct staff to prepare the necessary documents to amend Ordinance No. 956-B with the limitation of one grow/processing facility.

Councilor Ketchum withdrew his motion and Councilor Pope withdrew his second.

Councilor Ketchum moved to direct staff to prepare the necessary documents to amend Ordinance No. 956-B with the limitation of one grow/processing facility.

Councilor Pope seconded the motion.

Councilor Spahr asked if the odor issue would be addressed in the amended ordinance.

Mayor Dawes stated yes.

Councilor Harris suggested they hold a special meeting on Tuesday, July 5 to take action on it.

Mayor Dawes stated if they need to schedule it, they can.

The motion carried unanimously.

b. **Establishment of Tourism Promotion Area (TPA)**. Lewis County Public Facility District Chair Todd Chaput reported they completed the petition per RCW 35.101 and have over 60 percent of the lodging locations agreeing to participate in a TPA. He noted a copy of the signed petition was also dropped off with the city of Centralia for their consideration. Mr. Chaput reported the next step would be to hold a public hearing, but that would be up to the city council.

Councilor Lund asked what the council could do to help move it along.

Mr. Chaput stated the only thing at this time is to set the date and time for a public hearing.

City Manager MacReynold reported the administration is coordinating the process with the city of Centralia, adding both cities will be taking action on this item, one after the other.

2. **2016 Employee Benefit Trust WellCity Award**. Mayor Dawes reported it's nice to see the WellCity Award go to the city, but more important is the health benefit to the employees. He noted in addition to the award, the city also receives a two percent cost reduction in health and welfare premiums for the employees of the city. Mayor Dawes presented certificates to Betty Brooks, Peggy Hammer, Becky Fox (retired city employee), Jud Riddle, Judy Schave, and David Fleckenstein. Members not present to receive their certificates included Larry Dobyms, Julie Hampson, and Lloyd Gruginski.

Mr. Fleckenstein reported the Committee's most recent endeavor was the "Leap the Levee 5K" on June 18. He noted they were pretty fortunate to have 85 participants for their first year and hoped to do it again next year. He noted the event was organized by the Wellness Committee to highlight and benefit the Discover! Children's Museum with any proceeds received.

3. **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 June 13, 2016 and the special meetings of June 15 and 16, 2016;
- b. Claim Vouchers No. 115924-116072 and Electronic Funds Transfer No. 520161 in the amount of \$546,445.26 dated June 15, 2016; and
- c. Award bid for the Basin 1022 I&I Rehabilitation Project to Michels Corporation in the amount of \$588,159.36 and authorize the city manager to execute a contract agreement for the same.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Request to Help the Homeless.** Robert Landry (mailing address: 587 SW Chehalis Avenue) asked if the city council had any idea how they were going to help the homeless people of Chehalis. He briefly explained his situation and asked if there was a process in place to provide more public awareness about this issue. Mr. Landry reported the Salvation Army in Olympia provides shelter for their homeless every night and he would like to see something like that here.

Mayor Dawes reported he couldn't answer all of Mr. Landry's questions, but the city has worked with various agencies in assisting homeless people. He suggested Mr. Landry set up an appointment with City Manager MacReynold to see what the city can do to help, or to put him in touch with the right agencies.

Commissioner Edna Fund stated they have a homeless/housing coordinator by the name of Michaelle Sorlie and she would provide her contact information to Mr. Landry.

5. **Administration Reports.**

a. **May Financial Report.** Finance Manager Judy Pectol reported the city is doing well at this time. She noted there are still a couple of areas she'll be watching, one being the building permit revenue which dropped after Lewis County took over the permitting in the Urban Growth Area.

Ms. Pectol reported the expenses for the general fund are still a little higher than expected, but that's because she has not made the first allocation for the contra expenses.

6. **Council Reports.**

a. **Update From Mayor Dawes.** Mayor Dawes reported he attended a meeting with One Voice and representatives from the Department of Ecology at J. Vander Stoep's office on June 14 to talk with about the issue of flood control.

Mayor Dawes reported on July 16 he attended the unveiling of Officer Rick Silva's name on the Law Enforcement Memorial next to the Lewis County Courthouse.

Mayor Dawes reported he also attended the Association of Washington Cities conference last week in Everett, noting at the GMA meeting one of the things they heard loud and clear is that they would like to see Boundary Review Boards go away.

7. **Ordinance No. 959-B First Reading – Amending Section 5.04.120 of the Chehalis Municipal Code Dealing with Special Licenses.** City Manager MacReynold reported this ordinance is being brought to the council based on some inquiries at the community development department, adding the city has no clear path for mobile vendors applying to sell ice cream during the summer months.

Councilor Spahr moved that the council pass Ordinance No. 959-B on first reading.

Councilor Lund seconded the motion.

Councilor Spahr thanked the administration for putting some thought into creating the ordinance and not allowing a vendor to sell within 400 feet of a public, or private school. He noted, for clarification, the proposed ordinance will allow certain vendors to use the city right-of-way to do business.

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The motion carried unanimously.

8. **Tentative Offer of Employment and Direct the City Manager to Develop a Contract Agreement for Consideration on July 11, 2016.** Mayor Dawes reported, after a couple of days of interviews and getting input from community members, the council is ready to make a tentative offer to (Tracie) Jill Anderson for the position of city manager. He noted Ms. Anderson is the current city manager in Riverbank, California.

Councilor Ketchum moved that the council make a tentative offer for the city manager position to (Tracie) Jill Anderson and direct the city manager to develop a contract agreement for consideration on July 11, 2016.

The motion was seconded by Councilor Lund and carried unanimously.

9. **Special Meeting with Lewis County Fire District #6.** Mayor Dawes reminded the council about the joint meeting with the Lewis County Fire District #6 Commissioners on Thursday, June 30, at 6:30 p.m. at the District station on Jackson Highway. He noted the meeting would be open to the public.

There being no further business to come before the council the meeting was adjourned at 5:48 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of June 27, 2016.