

November 14, 2016

The Chehalis city council met in regular session on Monday, November 14, 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, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; David Fleckenstein, Airport Manager; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Andrew Hunziker, Parks and Facilities Manager; Randy Kaut, Deputy Police Chief; Dale McBeth, Municipal Court Judge; Judy Pectol, Finance Manager; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources/Risk Manager; Don Schmitt, Street Superintendent; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Citizens Business.** Dale Luger (344 River Heights Road, Centralia) addressed the council about a house he recently purchased at 581 NW Quincy Place that is in disrepair. He and his wife purchased the property at a trustee sale with the goal of making it an asset to the neighborhood and the city. He stated that buying property at a trustee sale is risky and it is imperative that the buyer perform exceptional due diligence. The best source of information is the county recorder's office for loans, liens, legal description, etc. Mr. Luger stated he performed his due diligence on the property, but he was unaware of existing city utility bills for the property. It was only after he made the purchase did he find out that he owed \$6,173.58 for monthly utility bills back to March 2013, even though he owned the property for just four days. He was made aware that the city has an ordinance allowing for base charges of approximately \$80 per month regardless of whether service is provided. He didn't think the city was providing full disclosure by not providing the consumer with any information regarding back due water bills even though they are senior to county taxes or any other liens. He stated the back charges represent 10+% of the entire purchase price of the property. He stated he had no way of knowing that he would have to pay such a bill. He asked if it was fair by not recording it with the county. He stated he has been severely damaged because of the city's lack of transparency. He requested the city change its operating procedures to prevent this from happening in the future by recording a document with the county to put people on notice that a utility bill is owing. He also requested that he be reimbursed \$6,173.58.

Mayor Dawes stated the city's ordinance(s) provide that either the back charges or the cost of a new hookup is paid, whichever is less.

City Attorney Hillier stated Mayor Dawes was correct. He thought the real question was what is "due diligence." In the city of Chehalis it has been a longstanding practice that if you buy a property at a trustee sale you get a litigation guarantee from a title company, which includes language that the buyer should check with local jurisdictions because there are utility liens that are not recorded. He stated that was a regular practice in the state of Washington.

Councilor Ketchum suggested that Mr. Luger meet with the city manager and city attorney and bring back a recommendation to the city council.

Mr. Luger stated he has attempted to meet with city staff at public works, but is told their hands are tied because of the ordinance.

Councilor Spahr stated the ordinance is written according to state authorization and most every city in the state of Washington operates under the same policy.

Councilor Lund thought some people think that going to a title company is enough. He asked if there was something the city could fix, so other people don't have to go through this.

City Attorney Hillier stated that people are protected when they go to a title company and get a litigation guarantee.

2. **Public Hearing – 2017 Proposed Budget and Revenues Sources, Taxes, and Levies.** Mayor Dawes recessed the regular meeting and opened the public hearing at 5:18 pm. City Manager Anderson provided an overview of the 2017 proposed budget, including the budget process, a summary of funds, revenues and expenditures, items/projects included in the budget, and items/projects not included in the budget.

There being no public comment, Mayor Dawes closed the public hearing and reopened the regular meeting at 5:35 pm.

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

a. Minutes of the regular meeting of October 24, 2016;

b. October 14, 2016 Claim Vouchers No. 117182 – 117340 in the amount of \$1,080,426.47; October 31, 2016 Payroll Vouchers No. 39226 – 39267, Direct Deposit Payroll Vouchers No. 7614 – 7708, and Electronic Federal Tax Payment No. 165 in the amount of \$690,267.17; and October 31, 2016 Claim Vouchers No. 117341 – 117447 and Electronic Funds Transfer No. 102016 in the amount of \$199,157.87; and

c. Resolution No. 20-2016, First and Final Reading – Surplus of City Property.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Administration Reports.** Rick Sahlin informed the council about three meetings this week regarding the Chamber Way Bridge replacement project:

- Nov. 15, 2:30 pm at Thorbecke's with the Lewis County Community Trails group to discuss sidewalks and bike lanes/shared-use paths
- Nov. 16, 2:00 pm at the Holiday Inn with Chamber of Commerce businesses
- Nov. 16, 4:00-7:00 pm at the Holiday Inn for the public

5. **Councilor Reports.**

a. **Update from Councilor Spahr.** Councilor Spahr attended the EDC board meeting. Some interesting things are coming up that he hoped we would hear about within the next six months. He also attended fire and budget meetings.

b. **Update from Mayor Dawes.** Mayor Dawes added the November 4 mayors meeting that was primarily about flood preparation, along with the monthly meeting with Fire District No. 6. The final meeting of the council budget committee was November 10, and he attended the Historical Museum's annual meeting and dinner.

6. **Ordinance No. 963-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2017, and Ordinance No. 964-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2017.** Judy Pectol stated the ordinances include information required by the state and the county and states in dollars what the city expects to collect for 2017.

Councilor Taylor moved to pass Ordinance Nos. 963-B and 964-B on first readings. The motion was seconded by Councilor Pope and carried unanimously.

7. **Ordinance No. 965-B, First Reading – Adopting the Proposed 2017 Budget.** Councilor Taylor moved to pass Ordinance No. 965-B on first reading. The motion was seconded by Councilor Spahr.

Councilor Taylor stated that during the public hearing, it was noted that no salary increases are included in the 2017 budget. He asked if there was any reason to believe that the three union contracts currently being negotiated would be approved with no salary increases. City Manager Anderson believed it was too early to tell. She was inclined to think that all three would probably ask for increases.

Councilor Taylor asked about a future reserve fund for employee retirement cash-outs. He thought it would be good for the council to know what that dollar amount was. He asked if any employees were planning to retire this year and if their cash-outs were budgeted? City Manager Anderson stated that some retirements are planned, but cash-outs are not budgeted; however, some are offset by enterprise funds, so it is not always a 100% General Fund impact. She noted it was a concern both in terms of the payments of separation for long-term employees, as well as the issues associated with the next generation of workers.

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Councilor Taylor asked what the cash-outs consist of. City Manager Anderson stated they include anything owed to the employee, such as sick leave and vacation time.

Councilor Taylor asked about the fire truck that is budgeted for next year. City Manager Anderson stated it is a pick-up truck, not a fire truck.

Councilor Pope stated The Chehalis Foundation set money aside for the aquatics center for future maintenance and repairs. He will follow up at the next Foundation meeting.

Mayor Dawes touched on the money set aside for a Building Abatement Fund. As mentioned earlier in the meeting, the city received a one-time revenue source from building permit fees. The budget committee suggested taking part of that money and creating the abatement fund. This would be a tool for staff to take care of some nuisance buildings, put a lien on the property, and repay the fund. Another item included in the proposed budget is a chip sealer, which will go a long way in improving city streets. He noted this is not in anticipation of the Transportation Benefit District vote. The city council had previously set aside 4% of sales tax revenues to go toward chip-sealing type of projects.

Mayor Dawes noted that during the budget committee meetings it was made clear that the fire department interior is deteriorating, which could eventually cause problems to the main structure. Regardless of talks with Fire District No. 6 and what comes from that, the current building needs to serve the department for a number of years, so we need to make sure the structural integrity is kept sound.

Councilor Harris stated a lot of projects and equipment have been set aside over the years, but some are now to the point of having to be addressed.

The motion carried 6 to 1. Councilor Lund voted against the motion.

8. Citywide Phone System. City Manager Anderson stated the city's phone system has been failing, most recently with issues in the police department being unable to transfer incoming calls. The city's IT committee suggests purchasing a Voice Over IP (VOIP) system, which will require additional broadband and new switches. These would be one-time expenses to upgrade the entire network, and save a little money because there will no longer be any long distance charges. The cost of the phone system is estimated at \$28,000 and another \$11,800 for new network switches, along with additional charges for broadband that are included in next year's normal operating budget.

Councilor Harris moved that the city council approve the expenditure of \$28,000 to replace the city's phone system and \$11,800 for the purchase of new network switches, as well as the related budget adjustments. The motion was seconded by Councilor Pope and carried unanimously.

Councilor Spahr asked if the new system would be citywide. City Manager Anderson stated all buildings, except the Wastewater Treatment Plant and Airport, would be included. Both of those buildings have upgraded phone systems and network limitations.

Councilor Spahr asked what network switches included. City Manager Anderson stated those were the switches that connect the equipment to the actual network.

Councilor Lund asked if the expenditure would be spent locally. Ed Schonack, the city's IT contractor, stated the vendor they have been working with is out of state.

The motion carried unanimously.

9. Executive Session Pursuant to RCW 42.30.110(1)(c) – Consider the Minimum Price at Which Real Estate Will be Offered for Sales or Lease; 42.30.110(1)(g) – Evaluate Qualifications of an Applicant for Public Employment; 42.30.110(1)(i) – Potential Litigation; and 42.30.140(4)(a) – Collective Bargaining. Mayor Dawes announced the Council would be in executive session for approximately 60 minutes and no action would be taken following the executive session. Mayor Dawes closed the regular meeting and the council adjourned into executive session at 5:58 pm.

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The regular meeting was reopened at 7:47 pm, and there being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

Approved: November 28, 2016

Initials: _____