

November 28, 2016

The Chehalis city council met in regular session on Monday, November 28, 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, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Tony Ketchum was absent (excused). Staff present included: Jill Anderson, City Manager; David Fleckenstein, Airport Manager; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Trent Loughheed, Interim Community Development Director; 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; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*.

Mayor Dawes announced that an item has been added to the agenda – Resolution No. 21-2016, First and Final Reading – Declaring an Emergency Relating to the City's Phone System, which will be addressed under New Business.

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

- a. Minutes of the regular meeting of November 14, 2016;
- b. November 15, 2016 Claim Vouchers No. 117448 – 117592 and Electronic Funds Transfer No. 1020161 and 112016 in the amount of \$811,649.05; and
- c. Amended Resolution No. 18-2016, First and Final Reading – Accepting and Approving the 2016 Lewis County Multi-Jurisdictional Hazard Mitigation Plan.

The motion was seconded by Councilor Lund and carried unanimously.

2. **Administration Reports.**

a. **October Financial Report.** Judy Pectol reported that utility funds and the General Fund are receiving more revenues than budgeted, except for intergovernmental loans. Expenditures are under budget, and with the budget amendment later on the agenda, they will be under budget at year-end. The Airport Fund is being watch closely. Although it has a large fund balance now, \$1.5 million of that is held at the county and will be spent next June, dropping the fund balance significantly.

Mayor Dawes stated the budget doesn't show that the \$1.5 million is money the county is actually holding. The interest that accrues off of that money comes to the city. Ms. Pectol confirmed the city is receiving that interest, but will not receive the December installment until June 2017. The county has the money invested and each time the city makes a payment on the airport's general obligation loan, the county pays the interest accrued in that six months. The county wants to have security to make sure that when the June payment is due there is enough money in the county airport account to pay it all.

Mayor Dawes stated that was troubling because he recalls Commissioner Schulte saying there would be enough money that would be set aside in the county budget to cover that obligation when it became due and that was part of the airport agreement. Mayor Dawes stated the agreement needs to be reviewed because it shouldn't be withheld. The agreement needs to be held to the letter. The council concurred.

Mayor Dawes noted sales tax revenue continues to show improvements, although not quite back to the level of 2008.

b. **City Manager Update.** City Manager Anderson reminded the council of their special meeting on December 5 at 5:00 pm for an executive session to discuss union negotiations, and no announcements/actions are expected following the meeting. She also reminded everyone about the Santa Parade this Saturday at 11:00 am downtown.

3. **Councilor Reports.**

a. **Update from Councilor Harris.** Councilor Harris thanked city staff and his family for putting up Christmas decorations downtown. He also stopped by the chamber on the evening they were handing out shopper survival bags, which was a great event.

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b. **Update from Mayor Dawes.** Mayor Dawes attended one of the Chamber Way bridge information meetings put on by WSDOT, and the November 18 meeting to review .09 grant requests at the EDC. A couple of projects were approved out in the Port of Chehalis.

4. Ordinance No. 963-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2017, and Ordinance No. 964-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2017. City Manager Anderson stated the City Council received a staff presentation at the last meeting. She noted there are no proposed changes to the tax rate levies.

Councilor Spahr moved to approve Ordinance Nos. 963-B and 964-B on second and final readings. The motion was seconded by Councilor Pope and carried unanimously.

5. Ordinance No. 965-B, Second and Final Reading – Adopting the Proposed 2017 Budget. Councilor Lund moved to approve Ordinance No. 965-B on second and final reading. The motion was seconded by Councilor Taylor.

City Manager Anderson acknowledged staff, and particularly Judy Pectol, on their work on the budget. There were some minor revisions to the salary schedule from the budget presented at the last meeting, which will be reflected in the final budget document. There were no changes to the ordinance.

The motion carried unanimously.

6. Ordinance No. 966-B, First Reading – Amending the 2016 Budget. City Manager Anderson stated the major items reflected in the budget amendment include revenues from permit fees, and an increase in sales tax revenue and grant funds. Other amendments address staff adjustments, as well as one-time expenditures for repairs to the fire department building and replacement of the citywide phone system. Two major general fund items include the Recreation Park project and Dillenbaugh Creek project. Others are relatively minor and many are offset by some form of revenue.

Mayor Dawes asked if monies would be put back into the city budget with regard to repairs on the Aquatics Center and The Chehalis Foundation having set aside monies for that. City Manager Anderson stated it was her understanding there might be some maintenance funds available, whether or not it will cover all of the cost remains to be seen. The administration will discuss this with the Foundation.

Councilor Lund moved to approve Ordinance No. 966-B on first reading. The motion was seconded by Councilor Spahr.

Councilor Spahr asked if the \$200,000 increase noted in local retail sales and use tax was an estimate or actual amount. Judy Pectol stated it is an estimate of a little less than what we actually think we're going to get over what was budgeted.

The motion carried unanimously.

7. Resolution No. 21-2016, First and Final Reading – Declaring an Emergency Relating to the City's Phone System. City Manager Anderson stated the need for a new phone system was discussed at the last city council meeting. At that time, the council authorized the expenditure funds to proceed with the replacement of the phone system. Through that process there were bid requirements that needed to be followed, which were in process; however, after the power outage last week, the Public Works phone system went down. While they were able to get back up and running, it showed the fragility of the system. In addition, while the phones are working, the voice mail system is not. The state auditor's office was contacted to communicate the situation to see if this would qualify for an emergency purchase and allow the city to waive normal bid procedures. We received confirmation earlier today that this indeed meets the standards of the state for declaring an emergency. The resolution before the council would waive the requirements of going through a competitive bid process.

Councilor Lund moved to adopt Resolution No. 21-2016 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

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Councilor Pope asked about the status of the issue brought at the last meeting by Mr. Dale Luger. City Manager Anderson stated she has spoken with Mr. Luger and a meeting is scheduled with him on December 6.

Councilor Taylor asked for information about the Main Street B&O Tax Incentive Program that allows businesses to donate their state B&O taxes to Main Street programs. City Manager Anderson stated representatives from the Chehalis Community Renaissance Team would be providing an update during the December 12 council meeting.

There being no further business to come before the council, the meeting was adjourned at 5:27 pm.

Mayor

Attest:

City Clerk

Approved: December 12, 2016

Initials: _____