

November 9, 2015

The Chehalis city council met in regular session on Monday, November 9, 2015, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:30 p.m. with the following council members present: Dr. Isaac Pope, Bob Spahr, and Daryl Lund. Councilor Harris arrived at 4:52 p.m., and Councilors Taylor and Ketchum were absent (excused). 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 for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 5:05 p.m. and announced the council would take a short recess and reopen the regular meeting at 5:08 p.m. Additional staff included: Glenn Schaffer, Police Chief; Ken Cardinale, Fire Chief; Judy Pectol, Finance Manager; Lilly Wall, Recreation Manager; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; Melody Guenther, Court Clerk; Rick Sahlin, Public Works Director; Don Schmitt, Street/Stormwater Superintendent; David Vasilauskas, Water Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Dameon Pesanti from *The Chronicle*.

2. **Community Service Award.** Fire Chief Ken Cardinale presented Boy Scout Liam Radtke with a Certificate of Appreciation for his time and service to the city. He noted Mr. Radtke took on a project to mark the location of our fire hydrants with blue reflector dots to make them more visible at night. Chief Cardinale stated he was very impressed with Mr. Radtke and he got the project done very quickly. He reported the reflectors have improved their nighttime operations tremendously.

3. **Public Hearing on 2016 Proposed Budget and Revenue Sources, Taxes and Levies.** Finance Manager Judy Pectol provided a brief review of the 2016 projected revenues. Some of the highlighted items included:

- General Fund:
 - Revenues are pretty flat and slightly lower than the current year
 - Did not take the one percent tax increase allowed by statute, or any of the city's 17.82 percent banked capacity
 - Property tax will increase slightly due to an increase in new construction and improvements - Property tax collection may be higher than projected because we're still waiting on official notice from the Lewis County Assessor's Office on what the assessed value will be
 - EMS Levy is budgeted at the maximum .50 cents per \$1,000 of assessed value
- Revenues received based on population will not increase due to the state decreasing the city's estimated population
- Utility Funds - revenues are expected to increase some, but not a lot
- Airport Fund - revenues will decrease slightly since we will not be receiving revenues to cover capital projects
- Tourism Fund – revenues are doing great

City Manager MacReynold provided an overview of the proposed 2016 budget. He first recognized the department directors, program administrators and their staff, noting they spend a lot of time each year putting the budget together.

City Manager MacReynold thanked Mayor Dawes, Mayor Pro Tem Harris and Council Spahr for serving on the council budget committee. He stated the associated conversations and having the committee give their policy perspective and guidance on what's important for the city is very helpful as we go through the budget process.

City Manager MacReynold also thanked Ms. Pectol, noting she spends a great deal of time working on the budget, as well as dealing with the forms and requirements for budgeting as they change.

City Manager MacReynold reported, with the slow economic recovery, we're projecting very flat revenues in 2016. He noted we're still maintaining a lot of services and making some improvements, adding we've been very fortunate to receive grants and low interest loans to do some additional things.

November 9, 2015

City Manager MacReynold identified some of the bigger changes in the budget for the coming year, to include:

- Purchase of a new fire truck and associated equipment
- Recreation Park Project – design/engineering and funding package
- Cost increases of \$589,000 to cover wages and benefits per contractual agreements with our three union groups
- Close out of the Arkansas Way Extension Project - mainly being paid for by .09 Distressed Counties Funding
- Complete taxiway, ramp and tie down rehabilitation project at the airport - primarily funded by the FAA
- Start I&I Project at the wastewater treatment plant
- Construction of the redundant flocculation basin at the water treatment facility
- Replacement of the high-level reservoir in McFadden Park
- Adding one employee to the street/stormwater division – covered by the stormwater fund and state funding received for arterial streets
- Maintain and hopefully expand the chip seal program
- Complete Phase 1 of annexation strategy
- In discussions with the Chehalis School District to take over the RE Bennett property once they complete construction of their new facility on 20th Street
- Revisiting our funding options for the Transportation Benefit District
- City Manager replacement search starting at the beginning of 2016

City Manager MacReynold stated he was pleased to report that the proposed 2016 budget is balanced in spite of increasing costs and flat revenue projections. He noted the 2016 budget maintains services and provides reserves of 10 percent for the general fund, as directed by council.

Mayor Dawes closed the regular meeting at 5:23 p.m. and opened the public hearing.

There being no public comment, Mayor Dawes closed the public hearing at 5:24 p.m. and reopened the regular meeting.

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

- a. Minutes of the regular meeting of October 26, 2015;
- b. Claim Vouchers No. 114018-114141 and Electronic Funds Transfer No. 102015 in the amount of \$486,511.05 dated October 30, 2015; and Payroll Vouchers No. 38485-38534, Direct Deposit Payroll Vouchers No. 6501-6588 and Electronic Federal Tax Payment No. 153 in the amount of \$668,678.92 dated October 30, 2015; and
- c. Adopt Resolution No. 11-2015 on first and final reading setting the date for a public hearing on the assumption of rights of the Chehalis Transportation Benefit District.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope provided an update on the Recreation Park Improvement Project. He noted they had a good turnout at the first open house on October 29, and had a few people attend the second open house on November 5. Councilor Pope reported they received some very good ideas on what the park should be and look like. He noted one of the proposals suggested they move the ball fields over to Stan Hedwall Park and make Recreation Park a pure open-space park, which is something they need to consider.

Councilor Pope reported they'll be presenting the project to the leadership group at the Chehalis Middle School on Friday, November 6.

b. **Update From Mayor Dawes.** Mayor Dawes stated he wanted to echo Councilor Pope on the two public open houses, noting it was nice to see the good turnout at the October 29 meeting.

November 9, 2015

Mayor Dawes reported he attended the Mayors' meeting on Friday, November 6. He also attended a meeting in Morton, Washington, where he was asked to be on a committee to discuss whether or not they should discontinue having District Court there one day per month. Mayor Dawes stated, because what used to take one full day now takes less than two hours, the committee recommended they discontinue it. He stated the Lewis County Commissioners will have the final say, but if they follow the recommendation of the committee, it will probably discontinue as of May 1, 2016.

6. Ordinance No. 946-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2016, and Ordinance No. 947-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2016. Mayor Dawes indicated a corrected copy of Ordinance No. 947-B had been provided to the council prior to the meeting.

Councilor Spahr moved to pass Ordinance Nos. 946-B and 947-B on first reading.

Councilor Pope seconded the motion.

Councilor Spahr asked if the \$1,380,293 to be levied in 2016 is comparable to last year, with the exception of new construction.

Ms. Pectol stated it is with the exception of new construction and improvements, and refunds for devalued property.

Councilor Spahr stated he wanted to make it clear that the city was not taxing more money. He reported the proposed levy amount for collection is given to Lewis County and they set the levy rate based on the assessed value of our community. Councilor Spahr noted increases or decreases in assessed valuation for any piece of property will cause the tax amount to go up or down.

The motion carried unanimously.

7. Ordinance No. 948-B, First Reading – Adopting the Proposed 2016 Budget. City Manager MacReynold recommended passage of Ordinance No. 948-B on first reading, adopting the proposed 2016 budget.

Councilor Harris moved to pass Ordinance No. 948-B on first reading.

The motion was seconded by Councilor Spahr and carried unanimously.

8. Ordinance No. 949-B, First Reading – Amending the 2015 Budget. Ms. Pectol reported the information provided in the agenda report was pretty much self-explanatory, and offered to answer any questions the council might have.

Councilor Spahr moved to pass Ordinance No. 948-B on first reading.

The motion was seconded by Councilor Pope and carried unanimously.

9. Observance of Veterans Day. Mayor Dawes stated, on behalf of the City Council, he wanted to thank all of the Veterans for their service and the sacrifices they've made.

There being no further business to come before the council, the meeting adjourned at 5:38 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of November 9, 2015.