

Chehalis City Council

Meeting Minutes
November 8, 2021

The Chehalis City Council met in regular session on Monday, November 8, 2021. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following members present: Terry Harris, Tony Ketchum, Jerry Lord, Dr. Isaac Pope, and Bob Spahr. Councilor Daryl Lund participated via Zoom. Staff present included: Jill Anderson, City Manager; Tammy Baraconi, Planning and Building Manager (Zoom); Lance Bunker, Street/Storm Water Superintendent; Kiley Franz, City Clerk; Melody Guenther, Court Administrator (Zoom); Erin Hillier, City Attorney; Andrew Hunziker, Facilities Manager; Trent Loughheed, Public Works Director (Zoom); Dale McBeth, Court Judge; Devlan Pool, Wastewater Superintendent; Brandon Rakes, Airport Operations Coordinator; and Chun Saul, Finance Director; Glenn Schaffer, Human Resources/Risk Manager (Zoom); Dave Vasilauskas, Water Superintendent; and Lilly Wall, Recreation Manager.

1. **Approval of Agenda.** A motion to approve the agenda was made by Councilor Spahr. The motion was seconded by Councilor Lord and carried unanimously.

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

- a. Minutes of the regular City Council meeting of October 25, 2021; and
- b. October 29, 2021 Claim Vouchers No. 132815 – 132901 and Electronic Funds Transfer Check Nos. 1627 – 1655 in the amount of \$300,713.51; and
- c. October 29, 2021, Payroll Vouchers No. 41789-41849, Direct Deposit Payroll Vouchers No. 14060-14167, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 364-367 in the amount of \$789,544.85; and
- d. Amendment to professional services agreement with Precision Approach Engineering for the Airfield Pavement Rehabilitation Project; and
- e. Resolution No. 14-2021, first and final reading – Incentive program for lateral police officer applicants.

The motion was seconded by Councilor Lord and carried unanimously.

3. **Public Hearing – Proposed 2022 Revenue Sources – Property Taxes and Levies.** City Manager Anderson explained that the budget documents were disseminated to the Council and made available to the public online on Tuesday, November 2nd.

Chun Saul provided a presentation regarding the proposed 2022 revenue sources. Ms. Saul explained that the general fund is the primary operating fund for the City and provides funds for all basic municipal services. Funding for the general fund comes from taxes, fees for services, state shared revenues, and other such revenues. The estimated revenue for the general fund for 2022 is \$11,909,220. Of this estimated revenue, tax revenue makes up approximately 82%; reserve fund monies will be used to balance the budget. Mayor Dawes clarified that typically the revenue estimates for the prior year have been low and more revenues are received, and those funds were the ones being used to balance the budget. Of the available revenues, 52% of the budget is allocated to police and fire services, 12.1% is allocated to parks and facilities maintenance, 2.8% is allocated to municipal court, 8.2% is allocated to building and planning, 3.7% is allocated to recreation, 8.8% is allocated to administrative functions (city council, city manager, city clerk, human resources, and finance departments), and 12.4% is allocated to the non-departmental fund.

Ms. Saul explained that every year, the city must set levy amounts to support the cost of the general government. Ms. Saul briefly reviewed the current tax amounts levied by the City. The continuation of the EMS levy was approved by voters in August 2021 and would be collected at \$0.50 per \$1,000 of assessed value. The total proposed regular tax levy amount for 2022 is \$1.81154 per \$1,000 of assessed value.

4. **Public Hearing – Proposed 2022 Budget.** City Manager Anderson explained that the city-wide budget is made up of 27 funds, the utilization of 26 of which are restricted by law or policy; the general fund is used to provide general municipal services. The total city-wide budget is \$41,615,222. Five new capital expenditure funds have been created, these funds are for wastewater, water, storm and surface water, the airport, and park improvement; these funds will help with long-term planning by creating dedicated reserve funds.

The total budget for 2022 has increased by \$11,153,737 or 36.6%. This increase is due to an intra-fund transfer to the new five new capital funds. Without these transfers, the budget for 2022 has decreased by \$255,266 or 0.84% of the amended 2021 budget. Of all city-wide expenditures, the general fund makes up approximately 32%, special revenue funds (such as the transportation benefit district, lodging tax, federal grant control funds) make up 11%, utility funds make up 48%, the airport fund makes up 7%, and the remaining 2% is made up of the firemen's pension fund, debt service fund, and capital projects funds.

Of the 8.2% sales tax rate: 6.5% is allocated to the state; 0.01% is the state fee; 0.64% is allocated to Lewis County, transit, mental health, and juvenile detention; 0.85% is allocated to the City of Chehalis general fund, and 0.2% is allocated to the City of Chehalis transportation benefit district.

Ms. Saul explained that the proposed budget planned to fill five positions in the city that were left vacant during 2020 and 2021. These positions include two firefighters, one police officer, one part time parking enforcement officer, and one part time administrative assistant for the recreation department. Two new positions have been added to the budget, one for a property maintenance worker, and one for a financial analyst. ARPA funds will be used to fund one police officer position, two firefighter positions, and the purchase of police body cameras and the associated software.

City Manager Anderson provided a brief overview of budget concerns: additional positions are a necessity, increasing costs in services and supplies, ongoing facility maintenance and repairs, revenues may not continue to grow, and uncertainty about the end of COVID-19 stimulus money and payment deferrals. The City Council budget committee recommends that the 2022 City Council budget committee continue to meet quarterly.

5. **Ordinance No. 1023-B and Ordinance No. 1024-B, First Reading – Adoption of Property Tax Levies.** A motion to pass Ordinance No. 1023-B and Ordinance No. 1024-B on first reading was made by Councilor Ketchum. The motion was seconded by Councilor Spahr and carried unanimously.

6. **Ordinance No. 1025-B, First Reading – Adopting the 2022 Proposed Budget.** A motion to pass Ordinance No. 1025-B on first reading was made by Councilor Ketchum. The motion was seconded by Councilor Spahr and carried unanimously.

7. **Administration Reports.**

- a. **City Manager Update.** City Manager Anderson introduced the new Street/Stormwater Superintendent, Lance Bunker. City Manager Anderson also informed the public that there are still vacancies on the planning commission and the historic preservation commission.

8. **Councilor Reports/Committee Updates.**

- a. **Mayor Dawes.** Mayor Dawes informed the Council that he attended the memorial service for Gary Stamper. He also attended the Mayor's meeting, a walk-through of a potential parking lot site with Lilly Wall and Andrew Hunziker, and will be meeting with local legislatures on November 30th.

9. **Executive Session.** Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(i)(iii) – Litigation or Legal Risk and RCW 42.30.110(1)(c) – Sale/Lease of Real Estate, not to exceed 7:07 pm and there will be no action taken following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:07 pm. and the executive session began at 6:10 pm. At 6:10 pm, Mayor Dawes extended the executive session to 7:30 pm. Following conclusion of the executive session at 7:30 pm, the regular meeting was reopened and was immediately adjourned.

Dennis L. Dawes, Mayor

Kiley Franz, City Clerk

Approved:

Initials: KF