**Chehalis City Council**

Meeting Minutes

April 25, 2022

 The Chehalis City Council met in regular session on Monday, April 25, 2022. Mayor Ketchum called the meeting to order at 5:00 pm with the following members present: Jerry Lord, Kate McDougall, Dr. Isaac Pope, Bob Spahr and Kelly Wilson. Councilor Daryl Lund was present via Zoom. Staff present included: Jill Anderson, City Manager; Tammy Baraconi, Building and Planning Manager, Lance Bunker, Interim Public Works Director; Tedd Hendershot, Fire Chief, Cassie Frazier, Interim City Clerk, Sam Satterfield, City Attorney; Randy Kaut, Police Chief, Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Manager, Jud Riddle, Interim Water Manager, Glenn Schaffer, Human Resources, Lilly Wall, Park and Recreation Manager, Celest Wilder, Public Works Engineer and Madisen Lester, Court Administrator viz Zoom. Dan Warn, Reporter and Jared Wenzelburger, Photographer, both from The Chronicle.

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

 2. **Moment of Silence in Remembrance of Chehalis Airport Employee, William Villanueva.** Mayor Ketchum shared the sudden and tragic loss of a recent addition to the Airport staff. William’s life was cut short during a vehicular accident that occurred on April 15, 2022. Mayor Ketchum shared the City and Councils condolences to his wife and three daughters and asked that we take a moment of silence to honor and remember him.

 3. **Proclamation, Police Week May 9-15, 2022.** Mayor Ketchum presented a proclamation in honor of the Chehalis Police and the important and vital role they play in our community. Chief Kaut was present to accept the proclamation on behalf of the Police Department and thanked the Council for their recognition.

 4. **Citizen Business** .Elizabeth Smith requested to speak to the Council regarding Civil Planning and the process. Mrs. Smith and her husband Floyd Smith shared their frustrations needing a landscape engineer for the storage facility they are building on Hamilton Road. Mrs. Smith stated that due to their being BPA powerlines on half their property, the only safe location to do landscaping would be in the ditch to prevent trucks from running over them. Mr. Floyd mentioned that “Kmart” had no requirement for landscaping and they are a much bigger project than what they are building. That location also has double the traffic and did not have a requirement for a TIA (Traffic Impact Assessment) while they were required. Mrs. Smith mentioned a BLA (Boundary Line Adjustment) and being required to have this also. Mrs. Smith spoke about emails she has with City Staff, City Manager Jill Anderson, Lewis County Assessor Dianne Dorey, Tammy Baraconi, Building and Planning Manager and Ken Frazier, Surveyor. Mr. Smith inferred that the City had 9 employees while the surrounding local cities had much less, averaging around 4 employees per city and stating that these cities were able to get projects approved and processed in a reasonable amount of time unlike the City of Chehalis. Mrs. Smith’s stated that Darigold did not have to submit a SEPA and stated that they didn’t want to hire a landscape designer because they couldn’t afford one. Mr. Smith’s concern is that this will be pushed out so far beyond the building season and the rising costs of supplies will make it impossible to complete. Mr. Smith questioned who was reviewing the projects Gibbs and Olson Engineering firm has with the City.

Mayor Ketchum thanked the Smith’s for their candor and stated that the City needs to work to try to resolve the issues being brought up at each meeting. City Manager Jill Anderson addressed the Council by stating an understanding of the frustrations the Smiths are having. Ms. Anderson addressed the “Kmart” topic by saying it was a project done on an existing lot with an existing building. There is a continued concern about the backlog in both Civil and Planning. Ms. Anderson wanted to clarify the number of staff the City currently has in each department. The Planning department has only 4 staff and the City is contracting outside help to try to catchup and work through the backlog. There are also 3 phases in the planning department: land use, civil review, and lastly building. The department had major staffing issues in the land use section beginning over a year ago with staff changes and covid restrictions. Now the department is facing backlog issues in the civil section. The City has contracted with Gibbs and Olson to help catch the department up from that backlog. Ms. Anderson also addresses the comparison between Chehalis and Centralia’s staffing, stating Centralia does have 4 staff, the same as Chehalis, however they have a robust engineering department, a Public Works Director, a full-time city engineer, and 3-4 engineering technicians. This department is who is responsible for doing the civil reviews. This is the reason for hiring Gibbs and Olson to review civil plans. The City has hired an outside firm, SCJ, to review all of Gibbs and Olson’s projects with the City. Ms. Anderson suggested with the growth occurring in the City, the Council and Staff may need to reassess adding positions to the City to facilitate the increasing workload. Mayor Ketchum suggested we may need to have another open discussion with Gibbs and Olson to work out any issue that may be hindering the process.

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

1. Minutes of the regular City Council meeting of April 11, 2022; and
2. Vouchers and Transfers – April 15, 2022, Claim Vouchers No. 133996 - 134104 and Electronic Funds Transfer Checks No. 1955 - 1991 and 50-53 Voucher Checks in the amount of $536,387.94; and
3. Bids for Rock, Gravel, Asphalt ; and
4. Interim Fire Station Project: Acceptance and Closeout of the Site Preparation Component of the Project Completed by Barcott Construction; and
5. Resolution No. 4-2022, Authorizing the Application for State and Federal Grant Assistance for Recreation Park Parking Lot Construction.

 The motion was seconded by Councilor Lord. Councilor Pope asked if the residents on 13th street located near the prospective parking lot been notified of the project. Ms. Anderson asked Lilly Wall, Parks and Recreation Manager to address the question. Ms. Wall stated that she had spoken with a few residents but has yet to make an official announcement. Mayor Ketchum asked City Attorney Sam Satterfield to read the Resolution for the record. The motion carried unanimously.

 5. **Ordinance Number 1028-B, Second and Final Reading- Amending the 2022 Budget.** Mayor Ketchum asked if there were any updates or corrections. Ms. Anderson stated there were not.

A motion to approve Ordinance number 1028-B, Second and Final Reading- Amending the 2022 Budget was made by Councilor Spahr and seconded by Councilor McDougall. Mayor Ketchum asked City Attorney Sam Satterfield to read the ordinance for the record. The motion carried unanimously.

 6. **Water Rights Purchase from Marwood Farms, LLC.** City Manager Jill Anderson addressed the City Council on this topic with the assistance of Water Rights Attorney Tom McDonald of Cascadia Law Group. Ms. Anderson said the demand for water has become more prevalent in recent years and the need to purchase water to fulfill the needs of the community is ever present. The opportunity to purchase 160 acre feet of consumptive water from Marwood Farms on the Chehalis River during irrigation season, the peak season of water consumption, has been broached to the City.

Mr. McDonald covered the previous concerns the City Council had with the draft contract agreement that was presented by the Marwood Farms attorneys and believes the agreement leans in favor of what the City Council was wanting. The goal is to buy this water right at $2,800.00 an acre foot of consumptive water that is approved for change. There will only be closure on this when the Department of Ecology (DOE) has fully approved the change. There is also a $25,000.00 escrow fee that will be deposited 15 days after the agreement is signed, but it would not be closing on the full price until DOE has reported its findings and gives their approval. If DOE only approves 100 acre feet, the City would then only be paying $280,000.00. The first part would be filed with the Keeis County Conservancy Board, and they will process it. Once that gets approved, it will go to the DOE where they have up to 2 months to look at it and decide if they want to modify it, approve it, or deny it. Mr. McDonald stated that he and the City feel confident in this water rights agreement and believes it will be approved by the end of the year, beginning of next at the latest. The change will be changing the purpose of use, changing it from irrigation to municipal purposes and to change the point of diversion from two diversion points to the current water right on the Chehalis River. The place of use will also change from the farm to the service area of the City. There are 2 limitations on these water rights, the first being an irrigation right for seasonal use only. The other water right is senior to the in-stream flow, causing regulation on the flow when it drops below a certain point. Mr. McDonald wanted to note that there are timeframes in this agreement of when a decision would need to be made. In this agreement, the City has agreed that within 30 days of signing the agreement there would be an application submitted, and within 2 years a decision will be made.

Ms. Anderson wanted to clarify that the intent is to use the Water Capital Fund for this purchase and that the funds are there to cover it. Ms. Anderson also shared that the City is currently experiencing some infrastructure limitations on the raw waterline that filters the water to the City’s plant, therefore the City would need to fix these areas before using this water right. Mayor Ketchum asked, if the City doesn’t use the water within a certain timeframe, could Marwood Farms take back the water rights like has previously happened on the Chehalis. Mr. McDonald addressed the question by saying that if the City gets close to that deadline, it would befit the City to go in and request an extension to the development schedule to ensure the rights stay in place. Mr. McDonald feels confident in the schedule put in place for this agreement that there is a long enough time period to ensure proper development. Councilor Spahr asked if the water rights they lost previously were secondary and this one was a primary. Mr. McDonald agreed that it was primary rights. Councilor Spahr asked if it would be more difficult for them to take away the rights like they had before, stating concern like the Mayor has over this happening prior. Mr. McDonald stated that it wouldn’t make a difference if it was secondary or primary, it is more up to the City to be diligent in making sure there is a development schedule to show there is progress from the City to use the water.

A motion was made to approve the request by Councilor Spahr. The motion was seconded by Councilor Pope and carried unanimously.

 7. **Modification of Lodging Tax Funding for Chehalis Centralia Railroad and Museum.** Ms. Anderson addressed the City Council saying the City had received a request from the Chehalis Centralia Railroad and Museum regarding the use of the LTAC funding they had been awarded for the current year. The request is for a revision to the use of the funds. Ms. Anderson wanted to remind the City Council that last year the decision had been made by the Council to leave the Committee seats vacant and that there is not a current Lodging Tax Advisory Committee in place. The original request for use was for advertising and promotion. With the railroad not in operation at the moment, they are asking for it to be opened up to be used for operational costs as well until they are fully operational again.

Mayor Ketchum asked if this should be brought in front of the committee to decide upon like they have needed to do in the past. Ms. Anderson clarified by stating it is her understanding that since there is not a current committee and they are not deciding on the amount, just the reallocation of the funding for a different purpose, this is a decision the Council could make in leu of reassembling the committee. Counselor Lund asked for advice from the City Attorney on the matter. Mr. Satterfield agreed that the committee would be the ones making the decision, but the Council could make the decision since there is not a current committee. Unless there is a major change for the funding, then the committee would have to be reinstated to make the decision from that point on. Ms. Anderson stated that there is no change in the dollar amount, solely the use of the funding. Councilor McDougall asked how the process would begin for the committee moving forward if that is the decision that is made. Mr. Satterfield stated that the City Council would need to direct the staff that this is the decision they have made, and the staff would then proceed to make the arrangements to fill the committee spots. Mayor Ketchum stated that the City needs the committee to be reassembled and put back in place, so they are prepared for the next round of applications later this year. Mayor Ketchum asked if the Council wanted to hear from Railroad Director Mary Kay Nelson. Councilor Lord stated that the Council could hear from Ms. Nelson to discuss the urgency for the funding and if it can be delayed until June, the Council could make their decision based on that. Councilor Wilson asked Ms. Nelson how long the designated funding would last for the railroad and how it would benefit them currently.

Ms. Nelson thanked the Council for inviting her to speak and also thanked them for the funding. Ms. Nelson stated that the railroad has approximately $6,000.00 in bills each month whether they run or not and this pays for their general operating expenses. With that figure, $30,000.00 would last the railroad 5 months. Ms. Nelson noted that the railroad is not in dire straits, they have funds saved. However, in looking at some of the rental costs they incur, utilizing LTAC funding for these expenses while not operational would offset the strain to their savings. The railroad is also applying for SBA loans and FEMA funding to cover flood damage from earlier in the year that has also attributed to the shut down of operation as well as insurance issues.

Mayor Ketchum asked if the Railroad and Museum are stable enough to hold out till the end of June to allow time for the City to reassemble the committee to make the decision and bring a request back to the Council. Ms. Nelson said yes, they would be able to sustain.

Councilor Pope made motion to refer it back to the committee. Once the Committee is appointed, they will convene to discuss the topic, come to a decision, and present the recommendation to the Council by the June 27, 2022 meeting. Councilor Spahr seconded the motion and carried unanimously.

 8. **Ordinance 1029-B First Reading- Revision to Infraction Penalties.** Ms. Anderson informed the City Council that this ordinance is something that has been needing to be done for some time. The City is need of changing fees in response to the States changes and their requirement of a certain amount be added onto it. The updates would remain appropriate for the infraction committed. Changing some of the fees to a higher amount would not be beneficial to minor infractions committed. Ms. Anderson turned the floor over to Chief Randy Kaut to discuss further the changes that had been discussed in the budget committee meeting previously.

Chief Kaut reiterated that the State has asked the City to increase the fees for infractions by 105%. This would make some offenses unreasonable. Chief Kaut pointed out that some fees had been removed due to first, second and third offense stages with increasing amounts for each offense. Chief explained that system doesn’t work due to the officers not having access to which offense the person has committed and therefor there was no need for the second and third stage fees. Also, to note, there was an addition to parking infractions. Two parking infractions were added due to being missed at the previous budget meeting and would not be affected by the 105% penalties directive but still needed to be approved and could be done on this agenda item.

Mr. Satterfield agreed that this increase puts the City in a difficult situation with the increase, but the numbers all lined up. Mayor Ketchum asked if the 105% was a revenue stream for the State. Chief Kaut stated that there are programs the money is supposed to be delegated to but was unsure of the specifics.

A motion was made to approve the first reading of Ordinance 1029-B by Councilor Spahr. The motion was seconded by Councilor Wilson. Mayor Ketchum asked Mr. Satterfield to read the Ordinance for the record. Councilor Spahr noted that the chart given with the current fees and the prospective fees where they were reduced, the infractions were not common and would not affect the budget that much. The motion carried unanimously.

 9. **Administration Reports**.

1. **City Manager Update**.
	1. Ms. Anderson spoke about the community cleanup that occurred on April 23, 2022. Ms. Anderson stated that about 50 people came out and assisted in trash pickup downtown and throughout the City. The Mayor, Lilly Wall, and Ms. Anderson herself were all out and about with the community cleaning up.
	2. Ms. Anderson also wanted to continue the discussion from earlier about building issues and give an update on the progress of other projects brought up at past meetings by Aaron Fuller. Mr. Fuller has approximately 10 projects in play at the moment. There were 36 Civil Permits processed last year. These permits are detailed and take time to review due to their nature and the types of land being used for them. The City has hired outside help to catchup on the review of any backlogged permits. There was an absence from the City Engineer due to a medical occurrence and this caused another backlog. The City brought Gibbs and Olson on board on an on-call basis to assist in the backlog at the end of 2021. Gibbs and Olson then were named the City Engineer after the current City Engineer left after the beginning of the year. The number of projects that became backlogged had become significant. There have been roughly 10 months that were delayed, and Ms. Anderson apologized if The Smith’s projects were amongst them and acknowledged that is very frustrating. Ms. Anderson stated that the City has heard the Council and the developers and that is where Gibbs and Olson have come in to assist with it. With the amount of backlog, Gibbs and Olson has distributed the workload to several engineers in their firm to help catch the City up and get projects moving in the right direction. There are only 4 outstanding projects still in review and 2 of those should be completed this week. The remainder are needing a response back from the applicants to proceed. Progress is being made; however, 8 more projects have been submitted this year. This matter is being taken seriously and the City is taking action to handle the issues that have been mentioned. Ms. Anderson mentioned that the Council may need to revisit adding staff in the future to assist with the continue of growth happening consistently in the City. Ms. Anderson noted that the Smith’s should be getting a comment letter in about a week. Gibbs and Olson reviewing their own City projects was addressed with Ms. Anderson stating that they are not, the City has hired an outside firm to review Gibbs and Olson’s projects.

Councilor Spahr asked about the landscape architect for commercial projects and where that comes into play. Ms. Anderson explained that it is a part of the SEPA requirements and was added a few years ago. Also saying there are very few enhancement requirements in the City’s code. With this requirement, it benefits with stormwater management and is to enhance the esthetic and quality of the project and makes the project more attractive for the community.

10. **Councilor Reports/Committee Updates**.

1. **Councilor Lund.** Councilor Lund spoke about his concerns for the Landscape Architect saying that it drives up the prices on rent for apartments and houses in the area and there is no need for it. Councilor Lund was also told that there was electrical engineering that was required and said it wasn’t necessary. All of these things raise the cost so people can’t afford to live here.
2. **Councilor Spahr.** Councilor Spahr attended the City Budget Committee meeting and the results of that were presented tonight. Councilor Spahr stated he tried to go to a hydrogen fuel meeting to see what was up and coming for the future but couldn’t find a parking spot, so he left.
3. **Mayor Ketchum.** Mayor Ketchum attended the LEOFF Board meeting along with another Twin Transit Board Meeting. Mayor Ketchum was also present at the Firemen’s Pension Board meeting held at City Hall. Mayor Ketchum addressed the cleanup Ms. Anderson had mentioned early involving the Experience Chehalis crew and the difficulty standing up the next day from all the hard work they put in. There was also an impromptu meeting held with Councilor McDougall, Councilor Wilson, Lewis County, Chief Kaut, Lewis County Gospel Mission and a gentleman who had worked with Night-by-Night shelters in the past. The group learned a lot about what to do and what not to do and found it very helpful.

 11. **Executive Session**. Mayor Ketchum announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(c) – Sale/Lease of Real Estate and RCW 42.30.140.(4)(b)- Collective Bargaining (Chapter Controlling- Application), not to exceed 7:01 pm and there will be no action taken following conclusion of the executive session. Mayor Ketchum closed the regular meeting at 6:01 pm. and the executive session began at 6:02 pm. Mayor Ketchum adjourned the executive session and reopened the regular meeting at 7:01 pm and was immediately adjourned.

 Anthony Ketchum, Sr., Mayor

Cassie Frazier, Interim City Clerk

Approved

Initials: CF