

September 10, 2012

The Chehalis city council met in regular session on Monday, September 10, 2012, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:46 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; Peggy Hammer, Human Resources Administrator; Herta Fairbanks, Public Works Director, and Rick Sahlin, Street Superintendent. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Interview Applicants for Chehalis River Basin Flood Authority City Representative Selection.** The council interviewed three applicants interested in representing the city on the Chehalis River Basin Flood Authority. The applicants included Pete Bezy, Lyle Hojem, and Arnold Haberstroh.

Mayor Ketchum announced the council would take a two minute recess and re-open the regular meeting at 6:01 p.m.

2. **Briefing on Twin Transit Six-Year Development Plan.** Twin Transit General Manager Rob LaFontaine provided the council with a PowerPoint presentation on their six-year development plan. He noted the transit development plan was a requirement of state law that had to be submitted annually to the Washington State Department of Transportation (WSDOT). Mr. LaFontaine stated the plan included information on how they plan to capture state transportation objectives, and what they plan to do with their own services, facilities, and equipment.

Mr. LaFontaine talked briefly about the special taxing district formed in 1985, noting they started out at .1 percent tax, which jumped up to .2 in 2004. He stated the .2 percent local sales tax provided about 65 percent of the revenue needed to operate.

Mr. LaFontaine reported Twin Transit provided over 30,000 annual service hours per year with six fixed bus routes throughout the communities and complementary paratransit. From 2004 to 2008 they generated a revenue surplus (when the sales tax increased from .1 to .2), which has helped to maintain service levels over the last few years.

Mr. LaFontaine stated they plan to aggressively pursue additional operational grant assistance through both WSDOT and the Federal Transit Administration. He noted they would also pursue capital grant funding for bus acquisition and a potential building remodel project.

Mr. LaFontaine reported they would be evaluating an increase in the local transit sales tax from .2 percent to .3 in November 2014, if revenues remain stagnant. He stated he was comfortable with the current .2 percent, adding it would be enough to maintain the 30,000 service hours they currently provide.

Mr. LaFontaine talked briefly about the following: the potential of extending service routes outside the two communities; converting from the current flag-style bus service to a more modern fixed route; and customer service.

Councilor Pope expressed his disappointment with the current service for kids with disabilities, adding he felt paratransit was doing everything they can to not transport the kids. He requested a meeting with Mr. LaFontaine and Councilor Taylor to discuss the issue and try to resolve it. Mr. LaFontaine expected they were being serviced by Paratransit Services, Inc. out of Bremerton, Washington. He added he would be more than happy to sit down and have that conversation.

Councilor Harris brought up the issue of raising the tax rate from .2 to .3 percent and asked if there had ever been any discussion about going to the hundredths of a cent, such .21 or .23 percent. Mr. LaFontaine said if they could do that it might be more suited for their needs.

Mr. LaFontaine reported, out of the 29 transit authorities in Washington, they had one of the lowest tax rates in the state. He stated he was comfortable with the .2 percent, so long as it's functioning as it traditionally has.

Councilor Dawes asked where the authority to raise taxes came from. Mr. LaFontaine stated he suspected the Board would have to approve it for voter approval. Councilor Dawes thought the council would have to do that.

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Councilor Dawes stated, while they may have lost 10 to 16 percent of their tax revenue, the city has lost about 25 percent of its sales tax revenue. He also brought up the issue of ridership, noting at certain times of the day buses are seen running empty and wondered if they should evaluate that issue during these lean times. Councilor Dawes suggested, rather than looking for more, perhaps they need to start looking at alternatives as to what can be done to get by.

Councilor Taylor asked Mr. LaFontaine if he could find out if they have a contract with Paratransit, Inc.

Councilor Lund inquired about the use of larger buses. He suggested they could be running smaller buses that would be cheaper to operate and purchase. Mr. LaFontaine reported five of the six fixed routes run a smaller style bus. He noted the 30-foot bus was the smallest of the larger buses that you can purchase. Mr. LaFontaine reported they select their buses based on capacity, and they are a good product.

3. Update on the Chehalis Avenue Project. Public Works Director Herta Fairbanks reported the Chehalis Avenue Project would no longer be referred to as the "Beautification Project" because it now included grinding and overlay of the street. She reported they were getting very close to sending the project out to bid and wanted to bring the council up to speed on what had been done over the course of the last year. Ms. Fairbanks provided a brief history of the project and how it came about.

Ms. Fairbanks reported there had been some significant changes to stormwater permitting, which have not yet affected Chehalis. She noted Chehalis still considered a Phase II stormwater city, but that could change in 2017 when the state issues all of the permits. Another issue that could change Chehalis to a Phase 1 city sooner would be our population. She noted we're currently sitting at about 7,300, and the trigger is 7,500.

Ms. Fairbanks talked briefly about the bulb-outs, noting they were looking to do something beneficial and came up with a project to incorporate some of the future stormwater requirements. She reported one of the options with streetscaping was to do rain gardens. Ms. Fairbanks described the function and creation of rain gardens, noting one of the benefits was that they offer water treatment for stormwater runoff, which Chehalis Avenue does not currently have.

Ms. Fairbanks reported they had been working with HDR Engineering, Inc., to come up with some ideas that would work within the confines of the money available and the defined scope. She stated they were also working with Patty Kaija on the plantings for the rain gardens, noting their focus was to maintain the visibility requirement at intersections, and to have some consistency within the Chehalis downtown areas.

Councilor Harris asked if any test holes had been dug on Chehalis Avenue to make sure they can plant directly in the ground. Ms. Fairbanks stated they did test it and they were good. She reported they were also re-working the existing stormwater system to have an overflow, so if and when the rain gardens fill up, the overflow will go directly into the storm system, rather than backing up onto the street.

Ms. Fairbanks talked briefly about the trees, noting they decided to go with a deciduous tree because it had to be something that wouldn't grow too terribly high at maturity and it would have to survive in a rain garden atmosphere.

Ms. Fairbanks provided an aerial photo showing how the intersections would be adjusted along Chehalis Avenue. She noted with federal grant money you have to make everything compliant with federal regulations. Ms. Fairbanks reported the overlay project would go from Main Street all the way to Pacific Avenue, and the beautification project would go from North Street to Park Street.

Mayor Ketchum noted he had heard rumors that Chehalis Avenue would be turned into a one-way street and wanted to confirm that it would include two-way traffic. Ms. Fairbanks noted that was a false rumor.

Councilor Dawes commented on the angle parking, noting it was a little bit tough to back out. He asked if the plants would have any effect on the angle parking. Ms. Fairbanks reported they selected plants that will have a low-growth habit, so they won't obstruct the visibility with angle parking. She noted anytime you have a vehicle parked at an angle, and another in front of it, the visibility was going to be obstructed when trying to back out. Councilor Dawes suggested they may have to look at adjusting the speed. Ms. Fairbanks reported, since the pilot project was implemented in 2010, there hasn't been any increase in accidents in that area.

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Councilor Pope brought up the issue of Lewis County's plan to do something on Main Street, and asked if it would cause problems with the city's project. Ms. Fairbanks reported she's had communication with the county and they are aware of our project.

Councilor Spahr asked if the sidewalks were going to be replaced as part of the project. Ms. Fairbanks reported they would remain the same, noting there was money available for refurbishment if the sidewalks were too narrow; however, Chehalis has amazingly wide sidewalks and they don't qualify for funding.

Councilor Spahr asked if the bulb-outs would be sized well enough for large trucks to make the corners. Ms. Fairbanks suggested the large trucks could still make the corners; however there might be some encroachment into the opposing traffic lane by some of the larger vehicles, such as the fire departments ladder truck. She noted the only way to mitigate that would be to get rid of the first few angle parking spaces, but that would bring them back to where they were in the beginning.

Councilor Harris noted very often at night there are large delivery trucks parked on Chehalis Avenue. He suggested, with the new bulb-outs they were going to be forced to park out in the road and asked how that would be dealt with. Police Chief Glenn Schaffer reported the delivery trucks have always been a challenge. He stated he would follow up with the parking enforcement officer regarding the issue, adding in the past she's worked with the delivery truck drivers to try to figure out the best times for delivering.

Councilor Lund asked if they would lose any parking on the east side of Chehalis Avenue. Ms. Fairbanks stated it wouldn't be any different than it was now.

Councilor Harris inquired about the rain gardens, wondering if they might become a dump site for the things that are currently being collected and going into the river. He asked if the Washington State Department of Ecology (DOE) or Environmental Protection Agency (EPA) had done any work to figure out who would be responsible for cleaning the rain gardens and putting new soil down when necessary. HDR, Inc. Engineer Mark Burch indicated there was nothing really out there right now; however, they plan on putting trash-racks on the end of the overflow devices, so they can at least keep garbage from going downstream into the river.

Councilor Taylor asked if the plants would be able to live through all the grease and oil going through the rain gardens. It was noted that the plant selection would be used for collection and would help treat the water. Ms. Fairbanks reported rain gardens were still relatively new and predicted in 20 to 30 years we would start seeing grants to rehab them. Mr. Burch indicated the rain gardens and the other planters would also have an irrigation system to them, as well.

Councilor Lund talked briefly about how the old downtown looked during his younger years. He reported sometime between 1972 and 1975 Mayor Ray Melhart came up with a great plan for the downtown area, now referred to as "Melhart's Maze." Councilor Lund reported the downtown area has been fixed up a number of times over the years, but always ends up looking bad. He suggested Chehalis Avenue has looked great the whole time because all they've ever done was clean it with a street sweeper.

Councilor Lund stated the project was an added expense and didn't think it was fair to the citizens. He didn't believe the businessmen really cared about the project either, adding he was a businessman and he didn't care.

Dave Tagert (Devilfish Public House - 289 NW Chehalis Avenue) commented on the current condition of the cross streets of Chehalis Avenue and NW Prindle. He felt the business owners were somewhat responsible for the weeds, but at the same time, where was public works? Mr. Tagert suggested the streets looked like garbage every Friday and Saturday morning after the bars let out. He felt Chehalis Avenue was in desperate need to be beautified. Mr. Tagert stated he was all for the project to beautify the community and to get people interested in what we have to offer.

Jeff Robertson (Cascade Tax Service-365 NW Chehalis Avenue) reported he had concerns that there wouldn't be any new sidewalks included in the project, and if that were the case, he would be against it. He suggested by making the sidewalks a little bit narrower they could widen the roadway. Mr. Robertson stated he would be interested in hearing about what it would cost to form an LID (local improvement development) with the businesses in order to do the project right and make it the premier street in Lewis County, not the garbage dump it is now.

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Mayor Ketchum suggested City Manager MacReynold set up a meeting with Mr. Robertson to discuss his concerns.

Chehalis Community Renaissance Team (CCRT) Chair Larry McGee felt it was a huge step forward and reminded everyone that the idea came from the hundreds of people that attended the meetings back in 2007/2008, when the plan was being put together. He stated the consultant believed the entrances to the city should be a matter of pride, which was why they were working with the Lewis County PUD to make the intersection of NW Quincy Place and Main Street look good.

Mr. McGee briefly reviewed some of the survey numbers from the Chehalis Avenue pilot project, noting for the most part, they were very positive.

Mr. McGee stated he was impressed by the job that Ms. Fairbanks and the staff have done, adding he felt they were making a big step in the right direction. He noted the project wouldn't solve the curb problem or make the sidewalks look beautiful, but it would make a substantial improvement.

Reggie Macomber (Carquest Auto Parts Store - 372 NE Chehalis Avenue) reported one of the things that greatly concerned him was the overall width of the street. He thought it was a big mistake to go forward with the project without first widening the street by reducing the size of our current sidewalks. Mr. Macomber stated he wasn't a huge fan of the bulb-outs and plantings because of the maintenance required. He suggested if they do the whole project right the first time, they won't have to mess with it in the future.

Mr. Macomber reported he also had some concern regarding the new trees, noting he just spent thousands of dollars on new signage for his building and hoped they wouldn't plant trees that would cover them up.

Chris Butler (Butler Surveying - 475 NW Chehalis Avenue) stated he was 100 percent behind any effort that improves the downtown corridor. He stated he agreed with the grinding and overlay project, adding he was certain that the underlay of the street was plenty sufficient to support the project.

Mr. Butler thought the rain garden concept was a waste, and didn't believe it would garner any credit with DOE. He suggested the city would be better off to take the money for the rain gardens and invest it in new curbing.

Mr. Butler brought up the issue of the city hiring an outside survey crew when his company could have done the same job and saved the city 60 to 70 cents on the dollar. He stated he understood that it wasn't the council's decision, but the city hired an outside general contractor, who hired the surveyor from Tumwater.

Councilor Pope reported when he came to town a number of years ago the downtown area needed some work and a lot of the coffee-clutches wouldn't let them do anything, noting they killed everything the city tried. He stated even though the city has a lot more people involved now, including the CCRT and the Chehalis Foundation, the coffee-clutches are still trying to kill everything. Councilor Pope suggested it may not be the best plan and it may not please everybody, but they had to start somewhere. He stated he was in favor of the project and was supportive of the Renaissance.

Councilor Dawes stated the easiest thing to do was nothing and suggested they not take the easy road out. He believed by taking little steps to show some progress, it would build and they would eventually get the wider streets and new sidewalks. Councilor Dawes stated, while it may not be the best or what he would like to see, the city needed to take the step and do something.

Councilor Harris reported city staff was very aware of the conditions of the sidewalks in the downtown area, and the work that had to be done under them. He noted the grant money received for the street project would not apply to the sidewalks; therefore, any work done to alter them would be a direct taking of tax dollars from the citizens. Councilor Harris stated, even though it may not be all of what they wanted, it was a great start and he supported it.

Councilor Spahr reported over the years they've talked about a central business district and developing a taxing authority for improvements and it's always been shot down. He suggested this might be a good time to talk about it again, since

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they've had some positive input. Councilor Spahr suggested it would be a shame to do the streets and not the sidewalks, but if the money's not there, it's not there. He stated he agreed with everything that had been said and wanted to see the project happen.

Councilor Taylor stated he couldn't agree more with Mr. Butler's comments regarding the city hiring an out of town business to do something that a local business could have done. He reported he would be in favor of the city ensuring that people who live and pay taxes in Chehalis get the work the city puts out.

Mayor Ketchum reported the issue had been discussed before, noting part of the thought process was that when bids go out there's wording included that states, "Use local business if they have the qualifications."

Ms. Lindgren reported, when you're dealing with federal money, you cannot make that distinction. She noted normally when you receive federal money it's a level playing field and you cannot provide a benefit to local versus somewhere else.

Mayor Ketchum thanked everyone for coming and expressing their concerns and opinions.

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

a. Minutes of the regular meeting of August 27, 2012;

b. Claim Vouchers No. 103986-104109 and EFT No. 72012 in the amount of \$187,096.82 dated August 31, 2012; and Payroll Vouchers No. 35906-35997, Direct Deposit Payroll Vouchers No. 3377-3447, and Electronic Federal Tax payment No. 114 in the amount of \$684,930.70 dated August 31, 2012; and

c. Approve interagency agreement and letter of understanding to rent the City of Seattle's under bridge inspection truck to complete the mandatory bridge inspection on Chamber Way.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Administration Reports.**

a. **Work Session to Discuss Utility Rates.** City Manager MacReynold reminded the council about the upcoming work session on September 24, to talk about utility rate adjustments.

6. **Council Reports.**

a. **Update From Councilor Dawes.** Councilor Dawes stated, at the last board meeting of the Lewis County Historical Museum, they had an extensive discussion about the planning of the budget for next year. He noted he was a little frustrated with the materials put out regarding the city's lodging tax. Councilor Dawes asked, "How was an agency supposed to plan a year when they are told the money can be used one way for the first half the year and one way the second half."

Councilor Dawes reported it was his understanding that there was some potential movement to allow the current use of lodging tax advisory funding to continue past June 30, 2013. He stated he didn't want to steal Councilor Lund's thunder, but thought he came up with a good suggestion, which was to have the council write a letter to our Senator and Legislators informing them that the city would like them to do everything in their power to support the change of not restricting the lodging tax advisory money. He suggested a similar letter be sent to the Association of Washington Cities (AWC) Executive Director (CEO) Mike McCarty, encouraging them to get on board early.

Councilor Dawes reported if the museum had to go back to the old way of how the funding could be spent, they would have to close their doors. He stated he didn't understand the thought process of having the money go for advertising only.

Mayor Ketchum reported it was his understanding that AWC was taking it up and they were pushing to keep the current use of funds the same. He stated he wasn't opposed to any letters being sent from the council.

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Councilor Harris suggested the discussions of the Lodging Tax Advisory Committee were going to be very complicated this year. He talked briefly about the state's fiscal year, which runs from July 1 to June 30. Councilor Harris suggested they may already have a problem with the money that has been set aside to run a Babe Ruth tournament in Centralia, which falls after June 30, 2013.

Councilor Harris felt our Legislators would be willing to continue the current use of the money because the economy hadn't turned around yet, which was why the money was freed up in the first place. He suggested if there hadn't been a sunset date on it, they probably wouldn't even be addressing it.

b. **Update From Councilor Pope.** Councilor Pope reported on the grants for the swimming pool project, noting they may know if the money will be available by April. He stated if the money does become available they would have enough to do the complete project.

Councilor Pope reminded the council about Chehalis Foundation's informational gala coming up on October 17, at the Riverside Golf Course.

c. **Update From Mayor Ketchum.** Mayor Ketchum reported he attended the Mayor's meeting on September 7. He talked briefly about two items that were brought up and discussed; the first was an email that recently came out concerning the fees for the upkeep of the river gauges, adding the city's amount would be between \$2,000 and \$2,500. He noted the county would pay the invoice and bill the cities. Mayor Ketchum suggested City Manager MacReynold talk with Commissioner Ron Averill regarding the matter.

The second item had to do with Southwest Clean Air Agency (SWCAA) budget cuts. Mayor Ketchum noted rather than cut their budget by 20 percent, they decided to raise their fees to make up the difference. He stated the Commissioners were concerned because of the inconsistencies in the fee scale. Mayor Ketchum suggested City Manager MacReynold talk with Commissioner Bill Schulte about the matter, noting the Commissioners would like the council to send a letter to let SWCAA know that this was not appropriate, which he supported.

d. **Draft Letter Regarding Hotel/Motel Tax.** Councilor Lund made a motion to draft a letter to our state Legislators and AWC in support of keeping the current rules for the hotel/motel tax in place.

The motion was seconded by Councilor Spahr and carried unanimously.

7. **Grant Offer for Chehalis-Centralia Airport for Capital Improvement Projects.** Airport Manager Allyn Roe reported the airport was eligible to receive \$150,000 per year that can build up from year to year to be spent however they wish on eligible infrastructure projects at the airport. He noted originally they submitted a grant for \$126,000 to fund the engineering/design stage for a taxiway reconfiguration. Mr. Roe felt the project was excessive at the time, but still wanted to get the application in. He stated the construction estimates came back at around \$600,000, so they decided to not pursue that project and were working with the FAA to use the funding on other eligible projects.

Mr. Roe reported, under the agreement, the city and Lewis County have to approve all AIP grants that they receive.

Councilor Dawes moved that the council approve the grant offer for the Chehalis-Centralia Airport and authorize the City Manager to execute the grant agreement in the amount of \$126,000 to be used for capital improvement plan projects.

Councilor Taylor seconded the motion.

Councilor Dawes stated he assumed when the project was identified, it would be part of the 2013 budget that would come before the council later in the year. Mr. Roe reported they had about \$100,000 budgeted in 2012. He noted they have a 3-bay garage they are looking at, which would be partly used to house their snow removal equipment. Mr. Roe stated they should be able to use the bulk of the money this year, but anything carried over would certainly be listed in the 2013 budget.

Councilor Dawes stated at one time there was some talk about raising the old hangars at the north end of the airport and modifying them. Mr. Roe stated it was on their master plan to build out more to the south and eventually demolish the old

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hangars to the north. He noted they were having problems filling the occupancy of the hangars, so currently they've decided not to pursue that project.

The motion carried unanimously.

8. **Executive Session.** Mayor Ketchum announced the council would take a five minute recess before going into executive session pursuant RCW.42.30.110(1)(g) – evaluate the qualifications of an applicant for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum reopened the regular meeting at 8:17 p.m. and there being no further business to come before the council, the meeting adjourned immediately.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of September 10, 2012.