

October 8, 2012

The Chehalis city council met in regular session on Monday, October 8, 2012, in the Chehalis city hall. Mayor Pro-tem Harris called the meeting to order at 5:30 p.m. with the following council members present: Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Mayor Tony Ketchum was absent (excused). Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Pro-tem Harris announced the council would be in executive session pursuant to RCW 42.30.140(4)(a) – collective bargaining for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Pro-tem Harris closed the executive session at 5:56 p.m. and announced the council would take a five minute recess before opening the regular meeting at 6:01 p.m. Additional staff included Glenn Schaffer, Police Chief; Bob Nacht, Community Development Director; Herta Fairbanks, Public Works Director; Rick Sahlin, Street Superintendent; Dave Vasilaskas, Water Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Kyle Spurr from *The Chronicle*.

2. **Presentation of Certificates.** Bob Nacht recognized the Bethel Church, St. Joseph Church, and the Church of Jesus Christ of Latter-day Saints for their participation in the 2012 National Day of Service, noting they did a significant cleanup/painting project for the city. Mr. Nacht presented a certificate of appreciation to Newell Jorgensen, representing the Church of Jesus Christ of Latter-day Saints, who had about 350 volunteers out in the community working on various projects for different agencies. He noted certificates were prepared for all three churches and he would be delivering the other two.

3. **Briefing on Updates to the 2012 Lewis County CEMP Annexes.** Lewis County Deputy Director of Emergency Management Ross McDowell briefed the council on the 2012 CEMP. He reported on the four new annexes, which included: the AMBER Plan (America's Missing: Broadcast Emergency Response Plan); the EAS Plan (Emergency Alert System Plan); the Counter Terrorism Response Plan; and the Hazardous Materials Emergency Response Plan.

Mayor Pro-tem Harris asked how they kept accurate information with regard to addresses, phone numbers, and such. Mr. McDowell reported their database is updated daily. He noted they request updates twice a year from the different agencies and ask the liaisons from each agency to keep them updated as things change within their organizations. The city's main liaison is Fire Chief Kelvin Johnson.

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

- a. Minutes of the regular meeting of September 24, 2012;
- b. Claim Vouchers No. 104232-104339 in the amount of \$122,462.20 dated September 28, 2012; Payroll Vouchers No. 35998-36080, Direct Deposit Payroll Vouchers No. 3448-3520, and Electronic Federal Tax Payment No. 115 in the amount of \$706,376.28 dated September 28, 2012; and
- c. Resolution No.16-2012, first and final reading - adopting the 2012 Lewis County Comprehensive Emergency Management Plan, including annexes.

The motion was seconded by Councilor Spahr and carried unanimously.

5. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reminded the council about the Chehalis Foundation's gala on October 17. He noted the emphasis would be on the fundraiser for the Chehalis Pool.

b. **Update From Councilor Dawes.** Councilor Dawes reported that he and the other two budget committee members, Mayor Pro-tem Harris and Councilor Spahr, had been working with the different city departments on the 2013 budget. He noted there were some items that would be coming back to the full council for discussion.

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Councilor Dawes reported the Lewis County Historical Museum would be holding its annual meeting on November 4. He stated he didn't know how many of the current officers would be returning, noting a lot of them committed to one year, until the museum got back on their feet.

Councilor Dawes reported on the North Lewis County Regional Fire Authority Planning Committee, noting they were getting closer to where they can start rolling in some more firm information. He stated the committee hoped to have something ready in 2013, at which time the council would have to decide what the next step would be for the city.

c. **Update From Mayor Pro-tem Harris.** Mayor Pro-tem Harris report the Lodging Tax Advisory Committee met on Friday, October 5 to review and put together a proposal for the 2013 funding allocations. He noted City Manager MacReynold and his administrative assistant Caryn Foley were also in attendance. Mayor Pro-tem Harris stated they planned to bring something back to the council on October 22 for their consideration.

6. **Resolution No. 15-2012, First and Final Reading – Adopting the Port of Chehalis Comprehensive Plan.** Mr. Nacht reported there was a joint effort between the city and the Port of Chehalis to get our planning documents in line with each other. He noted under growth management there were a number of plans associated with the city's comprehensive plan, which the city adopts by reference.

Mr. Nacht reported the Port's comprehensive scheme of development in the Industrial Development District was regulated by the city and its development review process under an interlocal agreement the city has with Lewis County. He reported the interlocal agreement provides an opportunity for the Port to be a reviewer for anything presented in the Port. Mr. Nacht stated the city also provides review in the case of permit applications presented by the Port for Port projects. He noted several years ago the city revised its subdivision regulations and created a special section to deal with the manner in which the Port develops property for their specific purposes.

Executive Director Jim Rothlin talked briefly about the primary mission of the Port, which was to bring new jobs and retain jobs for the community. He reported their focus over the last five years has been to provide "shovel ready" property, noting they signed off on a regional general permit last year that was approved by the United States Corps of Engineers (Corps) that allows them to pre-permit properties. Mr. Rothlin suggested by taking care of the items that require consultation by the Corps first, the property would be ready when the tenants come looking to develop. He stated their primary goal was to get it from a one to two year process down to a one to two month process.

Mr. Rothlin reported they were also looking at transportation, water capacity, and development guidelines. He noted they worked with Mr. Nacht on the current city development standards and adapted them to industrial use. Mr. Rothlin stated the Port's plan was very understandable, consistent, and affordable. He indicated they were starting to focus on flexibility and labor force, noting they never know what a client will be looking for.

Mr. Rothlin reported they were working on an incubator project through the University of Washington's Research and Development Department, and they were also tied in with the Centralia College Center of Excellence Program.

Mr. Rothlin thanked City Manager MacReynold for his support, noting he was very pro-development. He stated it was nice to have a city that works with you, which is not the case for most ports.

Councilor Spahr moved that the council adopt Resolution No. 15-2012 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

7. **Ordinance No. 900-B, First Reading – Water Utility Rate Adjustments; Ordinance No. 901-B, First Reading – Wastewater Utility Rate Adjustments; and Ordinance No. 902-B, First Reading – Storm Water Utility Rate Adjustments.** Public Works Director Herta Fairbanks reported the three ordinances were proposing to adjust the utility rates for the water, sewer and storm water systems, based on the direction given by the council at the previous meeting.

Ms. Fairbanks briefly reviewed the direction given by the council, which was to take a conservative look at our reserve levels and keep all of our utilities in a financially viable position.

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Ms. Fairbanks noted the city had not raised rates since 2007, adding they had done everything possible to try to offset the need to have to come to council. She noted one of the main driving factors was the debt service requirement for the wastewater treatment plant.

Ms. Fairbanks talked briefly about the zero percent interest loan the city took out several years ago to build the new wastewater treatment plant. She noted they knew it would have an impact on the rates, but the offset that the city would be in compliance with environmental regulations and be able to treat the city's wastewater was worth the need to issue the debt and resulting debt service.

Ms. Fairbanks reported they were now at the critical point where they are going to have to start drawing down that debt service reserve, which would not sit well with our funding agencies.

Councilor Spahr stated, in light of the fact that they started the process when the plant was first built and stopped it midstream, the city needed to get back on track.

Councilor Spahr moved to pass Ordinance Nos. 900-B, 901-B, and 902-B on first reading.

Councilor Pope seconded the motion.

Councilor Taylor reported he understood that projects and taking care of maintenance are important to do, but the requirement of having to keep so much of the taxpayers' dollars in reserves didn't sit well with him. He felt the economy was still in a recession and for people who are finding it hard to find work, having to pay an increased utility bill was asking a lot. Councilor Taylor stated he understood the requirement put on the city and the need to raise more money to cover it, but he didn't think trying to do projects right now was the right thing to do.

Councilor Taylor stated he could see himself supporting the need to take care of the debt obligation, but couldn't vote for a rate increase at this time.

Councilor Lund stated he would be following Councilor Taylor and voting against raising the rates. He reported we have one of the highest unemployment rates in the state, and people can't afford to pay what they pay now. Councilor Lund noted he agreed with former Mayor Walter B. Graham, Sr. that the city should be run like a business.

Councilor Spahr stated it was a business, and it has responsibilities and debt. He felt by not raising rates they would put the loan in jeopardy, costing the rate payers a lot more money down the road.

Councilor Pope suggested deferring the rates over the past several years was not good business. He felt the city was stressed and they needed to raise the rates to take care of the debt.

Councilor Lund noted several times he's asked the question, "Why aren't we working on cutting the budgets in the utility departments like they were with the rest of the city." He reported he was told by several people that the city didn't have to worry about it because those departments have money coming in all the time. Councilor Lund suggested if they would have cut back, maybe they wouldn't be in the position they are in now.

Councilor Spahr stated the utilities provide a service, and the cost for providing service is now exceeding the city's revenues. He believed they had made some reductions in the utility departments, as much as they possibly could. Councilor Spahr suggested by not doing something right now would be pretty irresponsible.

Councilor Dawes stated he could certainly understand both side of the argument, but they can only mitigate so much. He suggested if they want to be ready for when things bounce back, they were going to have to put money into the infrastructure. Councilor Dawes noted it was unfortunate the city is being required to put a certain amount of money in reserves, but they should always have a certain amount put away because you never know when something big may blow.

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Councilor Dawes stated he was comfortable supporting the rate increases because he's been assured that only projects that absolutely have to be done will be done. He suggested if they don't do anything they may end up digging themselves into such a hole that they have to charge two to three times the amount they are looking at now. Councilor Dawes stated if they want the city to get better there are going to be sacrifices, and as the council, they were going to have to make those tough decisions.

Councilor Pope called for the question.

The motion carried 4-2, with Councilors Taylor and Lund voting against the motion.

There being no further business to come before the council, the meeting adjourned at 6:46 p.m.

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Mayor

Attest:

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City Clerk

**SUGGESTED MOTION**

**I move that the council approve the minutes of the regular city council meeting of October 8, 2012.**