

2005	Harris	Ketchum	Lund	Pope	Rider	Spahr	Taylor
Meeting Date							
January 10	P	P	P	P	P	P	P
January 24	P	P	P	P	P	P	P
January 31 (Special)	P	P	A(ex)	P	P	P	P
February 14	P	P	P	P	P	P	P
February 15	P	P	A(ex)	P	P	P	P
February 28	P	P	P	P	P	P	P
March 7 (special)	P	P	P	P	P	P	P
March 14	P	P	P	P	P	P	P
March 21 (special)	P	P	P	P	P	P	P
March 28	P	P	P	P	P	P	P
April 4 (special)	P	P	P	P	P	P	P
April 11	P	P	P	P	P	P	P
April 25	P	P	P	A(ex)	P	P	P
May 9	P	P	P	P	P	P	P
May 23	P	P	P	P	P	P	P
June 13	P	P	P	P	P	P	A(ex)
June 20 (special)	P	P	P	P	P	P	P
June 27	P	P	P	P	A(ex)	P	P
July 11	P	A(ex)	A(ex)	P	P	P	P
July 25	P	P	P	P	P	P	P
July 26 (special)	P	0	A(ex)	P	P	P	A(ex)
August 8	P	P	P	A(ex)	P	P	P
August 15 (special)	P(ph)	P	P	P	P	P	P(ph)
August 22	P	P	P	P	P	P	P
September 12	P	P	A(ex)	P	P	P	P
September 15 (special)	P	A(ex)	A(ex)	P	P	P	P
September 26	P	A(ex)	P	P	P	P	P
October 10	A(ex)	P	P	P	P	P	P
October 17 (special)	P	P	P	P	P	P	P
October 24	P	P	P	P	P	P	P
October 25 (special)	A(ex)	P	P	P	P	P	P
November 1 (special)	P	P	P	P	P	P	P
November 10 (special)	P	P	A	P	P	P	A(ex)
November 14	P	P	P	P	P	P	P
November 21	P	P	P	P	P	P	P
November 28	P	P	P	P	P	P	P
December 12	P	P	P	P	P	P	P

P = Present

P (ph) – Present (Telephonically)

A = Absent

A(ex) = Absent (excused)

January 10, 2005

The Chehalis city council met in regular session on Monday, January 10, 2005, in the Chehalis city hall. Mayor Fred Rider called the regular meeting to order at 5:00 p.m. and went directly into executive session with the following council members present: Daryl Lund, Dr. Isaac Pope, Tony Ketchum, Bob Spahr, Chad Taylor, and Terry Harris. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resource Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; and Bob Nacht, Community Development Manager.

1. **Executive Session.** Mayor Rider announced staff and council would be in executive session pursuant to RCW 42.30.110(1)(c) – sale or lease of real estate, and there would be no decisions following the conclusion of the executive session.

Mayor Rider closed the executive session at 5:15 p.m. and announced council would reconvene into regular session at 6:00 p.m. Additional staff present for the regular meeting included: Mansoor Ghorbani, City Engineer; Mark Petrie, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle* and Shawn O'Neil, KITI.

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

- a. Minutes of the regular city council meeting of December 27, 2004;
- b. Claim Vouchers No. 77108-77241 in the amount of \$186,625.58 dated December 30, 2004;
- c. Appointments to the Planning Commission and the Historic Preservation Commission; and
- d. Bid award to Braun Northwest, Inc. for remounting the "Box" on the 1990 medical aid vehicle to a new chassis in the amount of \$86,346.

The motion was seconded by Councilor Taylor

Mayor Rider inquired as to how they came up with the names for the appointments. Joanne Schwartz stated that as openings become available, they place notices in *The Chronicle*, encouraging people to apply.

Mayor Rider recognized Wayne Galvin, Barbara Mason, and Brenda O'Conner as being reappointed to the Historic Preservation Commission for three-year terms. He also recognized the reappointment of Scott Blinks and the appointment of Adam Holgate, who would be replacing Judy DeVaul who tendered her resignation from the Planning Commission, having completed eight years of dedicated service. Mr. Blinks and Mr. Holgate would both be serving four-year terms to the Planning Commission.

The motion carried unanimously.

3. **Citizens Business.**

a. **Alexander Park Renovation Project Status Report.** Judy DeVaul, from the Chehalis Foundation, reported they now had a full-time caretaker at the park providing monitoring and security. She noted several projects had been completed at the park, including:

- The permanent engraved plaques for the tables and benches (which were almost completely sold out)
- The gates and fencing
- The white picnic shelter
- The electrical, water, and septic

Ms. DeVaul noted a few projects remaining to be done included:

- Permitting, fill, and grade
- The pathway through the perimeter of the park
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- The block building restrooms
- The flag pole and bench area
- The Kiwanis playground (Kiwanis \$5,000 donation)
- The Tractabel sport court
- The Tracy Hampton memorial sport court (currently gathering donations)

Ms. DeVaul also stated they had received some very significant donations for the project: \$26,000 from Security State Bank; \$25,000 from Title Guaranty; and \$50,000 from Jim Lintott in memory of his father Robert E. Lintott, a former English teacher at W.F. West. Ms. DeVaul stated things were going very well with the park, reporting they still had quite a bit of money to raise, between \$40,000 and \$50,000, to really do what they want to do at the park.

Ms. DeVaul reported Mr. Lintott wanted to insure the park continue to be beautiful, as well as maintained, and came forward with an additional \$50,000 to be earmarked for future maintenance of the park.

Ms. DeVaul stated because of the significant donations from the Lintott family, the foundation proposed the name of the park be altered and be called the Robert E. Lintott/Alexander Park. The Foundation had spoken to John Alexander and his family and stated they were perfectly fine with altering the name. Councilor Lund, in fun, stated he had a problem with the name, indicating if Virginia Lintott could put up with him as a child, the park should also include her name. Councilor Lund stated he was fine with the proposal of the Foundation.

Councilor Spahr said he had a personal problem with renaming something that was already established after someone else. He felt it did a disservice not only to the person it was originally named after, but the person whom it's to be named after. He noted it would always be called Alexander Park, but since they were re-baptizing a new park with the blessing of the previous donator of the land, he would be in favor of it.

Councilor Spahr moved to direct staff to prepare a resolution to rename the park to be the Robert E. Lintott /Alexander Park. The motion was seconded by Councilor Lund and carried unanimously.

Mayor Rider stated the foundation was doing a great job and were to be commended for their hard work. Ms. DeVaul thanked the council for their support.

b. **Lewis County Convention & Visitors Bureau.** Mary Kay Nelson passed out maps and brochures to the council and thanked them for supporting the Lewis County Convention & Visitors Bureau. She noted back in December, the council approved a budget to include funding for the bureau and felt it was necessary to come and give an update of what the bureau had been doing. She noted the map they received was a collaborative effort of the bureau and the Southwest Washington Tourism Coalition. The project was partially funded by a grant from the U.S. Forest Service, Amtrack, who also played a big part in the project, and support from six counties in the Southwest Washington region. Ms. Nelson reported they would be distributing about 300,000 of the user-friendly maps.

Ms. Nelson stated 2004 was a good year for them. The lodging tax reports indicated the numbers were up a little and stable. Countywide the lodging tax dollars were \$372,000 in 2004, Chehalis' portion being \$68,000. The budget for 2005 would be \$243,000, the same as their 2004 budget. Of that, the city of Centralia would fund 62%, 17% would be funded by the city of Chehalis, and another 18% by Lewis County. She noted Lewis County tourism was a \$130 million industry employing over 2,000 employees.

One of the major accomplishments in 2004 was the web site development, which could be located at tourlewiscounty.com. Ms. Nelson hoped the people in the county would utilize the web site as a tool to get information about our area.

Another major program was a media relations program, which they contracted out to a public relations firm. They were able to get some great articles in a Seattle magazine and in the AAA Journey. She noted one article hit the associated press in the *LA Times* regarding Centralia's downtown revitalization project.

Mayor Rider reported he was hearing good things and they were doing a great job. Ms. Nelson noted everyone seemed to be pulling together and making it happen. They had the support of everyone, and that was the key.

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4. PUBLIC HEARING.

a. **Chehalis Components of the Proposed Lewis County Multi-jurisdictional Hazard Mitigation Plan.** Ms. Schwartz stated the purpose of the hearing was to receive public comment on the Chehalis component of the Lewis County multi-jurisdictional hazard mitigation plan. The adoption of the plan was required for any future disaster mitigation or recovery funding from state or federal agencies. She noted the examples used in the agenda report were the buyout program the city did after the 1996 flood, and the elevation of homes in Centralia. Both projects came about as a result of flooding. She stated the plan identified select hazards, such as flooding, earthquake, volcano eruption, landslides, severe storms, and explosions. It also included specific mitigation strategies, programs, and projects relating to them.

The project encompassed 49 local agencies, which included Lewis County, cities, schools, fire, and cemetery districts. What made the plan unique was that it was a countywide plan. The city of Chehalis received \$87,500 with a local in-kind match of \$12,500. The city of Centralia also received funding. Lewis County was unable to receive any funds due to an invalidity ruling by the Western Washington Growth Management Hearings Board. She noted the county stepped in and put some of their own money, and a lot of their own time and effort.

Ms. Schwartz stated the city of Chehalis took the lead on the project. City employees involved in the project included former Public Works Director Jim Nichols, serving as the project coordinator until he left the city, Grants Administrator Marilyn Riebe, Community Development Manager Bob Nacht, and herself. Ms. Riebe kept everyone on-track making sure the monies were taken care of, including the in-kind contributions, and worked with Marty Best at the state.

Mayor Rider closed the regular meeting at 6:27 p.m. and opened the public hearing. There being no comment, the public hearing was closed and the regular meeting was reopened.

Ms. Schwartz stated the plan was not a document to put on a shelf and ignore. The plan required regular review against the goals and would need to be adjusted to reflect changing conditions on an ongoing basis. The committee members would conduct annual meetings to coordinate implementation and maintenance activities.

Ms. Riebe noted the current project was for "natural hazards" and within the next two years they would need to address "manmade hazards."

Ms. Schwartz introduced Project Manager Steve Anderson, P.E., from Brown & Caldwell. His firm was hired to do the project with the city. Mr. Anderson addressed council stating what he thought was worthwhile throughout the planning process was how the agencies worked so well together on something of that significance. He noted it was rewarding to see how everyone teamed together to come up with the best ideas. He hoped the agencies would continue to work together to update the plan and make sure they do the maximum they could to mitigate potential future hazards. He thanked the city on behalf of Brown & Caldwell for giving them the opportunity to be of service to the city.

Ms. Schwartz concluded her presentation by asking that the council suspend the rules and adopt Resolution 1-2005 on first and final reading.

5. NEW BUSINESS.

a. **Resolution 1-2005, First Reading – Indicating the City's Willingness to Continue Participation in the Updating and Expansion of the Lewis County Multi-jurisdictional Hazard Mitigation Plan.** Councilor Pope moved to suspend the rules requiring a second reading. The motion was seconded by Councilor Spahr and carried unanimously. Councilor Pope moved that the council adopt Resolution No. 1-2005 on first and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

b. **Consultant Contract to Complete National Environmental Policy Act (NEPA) Compliance Work.** Mr. Campbell explained to council that this work was necessary not only to receive money the city had already been awarded, but also to qualify for further potential funding for the wastewater treatment plant project.

Patrick Wiltzius added they initially did the environmental report for the wastewater treatment plant by consulting with state agencies. At that time they only needed to complete the State Environmental Policy Act (SEPA) requirements. Now, a few

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years later, they've been told by the Department of Agriculture that in order to receive State and Tribal Assistance Grants (STAG), they need to complete reporting on the national level. Mr. Wiltzius asked that council approve the agreement with Adolfson Associates, Inc. for consultant services to complete the NEPA compliance process for the wastewater treatment plant project grant funding.

Mayor Rider asked if it just involved taking the SEPA information and putting it into NEPA format. Mr. Wiltzius indicated they would need to do a biological assessment and update some of the initial contacts with the tribes and the State Archeological Historical Preservation Office, and hoped to have the project complete in two to six weeks.

Councilor Spahr moved that the council approve the agreement with Adolfson Associates, Inc. for consultant services to complete the NEPA compliance process for the wastewater treatment project for an amount not to exceed \$8,236. The motion was seconded by Councilor Lund and carried unanimously.

c. **Amendment No. 1 – Newaukum/Riverside.** Mr. Campbell stated this was an amendment to an existing contract with Gibbs & Olson for engineering services for the Newaukum Avenue watermain project. Mark Petrie noted that through some unforeseen negotiations and easements, the city had to provide 800 feet of sanitary sewer and asked Gibbs and Olson to provide an estimate for engineering services for the design. With their estimate, Gibbs and Olson also included estimates for construction management. After reviewing the amendment presented by Gibbs & Olson, it was determined the city engineering division could provide construction management duties and responsibilities for the Newaukum Avenue watermain project saving the city about \$90,000.

Councilor Lund asked if the engineering for design could be done by a local firm instead of sending it out of town. Mr. Petrie stated it could have been, but this was a last minute issue that came about and Gibbs & Olson already had everything plotted out and surveyed. He felt Gibbs & Olson could initiate the designs a lot quicker, and had hoped to get the project out to bid that week. Councilor Lund stated it would be nice if staff would utilize local businesses more.

Councilor Spahr moved that the council approve Amendment No. 1 for the Newaukum Avenue watermain project engineering services in the amount not to exceed \$11,275. The motion was seconded by Councilor Taylor and carried unanimously. Councilor Harris thanked staff for saving the city \$90,000.

6. **Staff and Council Reports.**

a. **2004 Bridge Inspection Report.** Tim Grochowski addressed council reporting on the seven bridges mandated by the Washington State Department of Transportation (DOT) to have thorough inspections every two years by a qualified engineer who specialized in that type of work. He noted the Chamber Way bridge was inspected last November by DOT, free of charge, using a special under-bridge truck, but would not receive that report for a few more months.

Mr. Grochowski reported the bridges were all found to be structurally sound, however, a previous report found scour damage to three bridges, and the latest inspection reported four bridges that need repairs because of scour problems. Those bridges include the bridge over Coal Creek on Coal Creek Road, Coal Creek on National Avenue, Salzer Creek on National Avenue, and the (newly reported) bridge over Salzer Creek on Exhibitor Road.

Mr. Grochowski stated the city had budgeted \$50,000 for repairs in 2003 and 2004 in the stormwater utility fund, but have not yet undertaken the project. He noted as a result of the declining balance in the stormwater fund during the past few years, no money was budgeted for the work in 2005. He indicated Marilyn Riebe had searched for grant monies, but found that any one bridge needed at least \$50,000 worth of work before it was eligible for grant funding.

Councilor Spahr asked what scour damage was. Mr. Grochowski stated scour damage was water that rushes through, under the concrete abutments, and creates an undermining effect. Councilor Spahr asked how something like that would be repaired. Mr. Grochowski indicated they could go in and put rock debris to divert water in the channel, but they would need to get the Department of Fisheries permission first, or they could pour more concrete underneath the bridge, by sandbagging the creek around the area in order to have a dry area to work.

Mr. Grochowski stated the worst one he's seen was the bridge under National Avenue that didn't actually look like a bridge. He reported it was the one between Coal Creek and Kresky that was more like a box culvert and carried two waterlines, five sewer lines, a main gas line, and phone lines.

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Councilor Harris asked if the slippage on National Avenue was affecting the footings at all. Mr. Grochowski stated he was told no, it was not.

b. **Federal Grant Approved for Roundabout Project.** Mr. Campbell stated the city officially heard from the Department of Transportation that the \$3 million from the federal grant could be used for the roundabout project. Mr. Grochowski stated he had a conversation last week with Bill Pierce, our regional engineer, and asked if there was any way they could find out if the money was available or not. Mr. Grochowski stated he received the letter that day indicating the city could use those funds for the Chamber Way project.

c. **Downtown Visioning Workshop.** Mr. Campbell stated a workshop had been scheduled for Wednesday, February 9, at 6:00 p.m. at the Washington Hotel building. He noted there would be more information and a news release going out at a later date. Councilor Pope asked how many years the group had been meeting to discuss the downtown area. Joanne Schwartz stated they had been meeting for the last three years, but it was always going to be a work in progress.

d. **Sheriff John McCroskey Retirement Celebration.** Mayor Rider reported a retirement party was scheduled for Sheriff McCroskey on February 19, starting at 4:00 p.m. with dinner starting at 5:00 p.m. at the Lucky Eagle Casino.

7. **Executive Session.** Mayor Rider announced the council would convene into executive session at 6:55 p.m. after a five minute break beginning at 6:50 p.m. pursuant to RCW 42.30.140(4) - collective bargaining, and there would be no decision following conclusion of the executive session. Following conclusion of the executive session, the regular meeting was reopened at 8:30 p.m.

There being no further business to come before council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

January 24, 2005

The Chehalis city council met in regular session on Monday, January 24, 2005, in the Chehalis city hall. Mayor Fred Rider called the regular meeting to order at 5:00 p.m. and went directly into a public information meeting with the following council members present: Daryl Lund, Dr. Isaac Pope, Tony Ketchum, Bob Spahr, Chad Taylor, and Terry Harris. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resource Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, City Engineer; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Mark Petrie Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Andy Sennes, Property Manager; Lilly Wall, Recreation Manager, and Bill Nacht Asst Fire Chief. Members of the news media in attendance included Julia Nicholls and Sarah Getchman of *The Chronicle* and Shawn O'Neil, KITI.

1. **Public Information Meeting.** Dave Campbell opened the public information meeting at 5:00 p.m. to talk about the proposed new public safety building and bond measure. He noted staff started looking at the process about two years ago. Some of the options included:

- Staying in the existing buildings
- Looking at other sites, such as, the L & E Bottling building; the PUD building; property along National Avenue; and the Lewis County Public Services Building

Some of the city's concerns included price and the location to best serve in an emergency situation.

Mr. Campbell had the court, police and fire department representatives each explain the demographics of their departments using maps provided by Pfaff Architects of Chehalis.

Becky Fox reported the courts main office would be located on the main floor, and the court room, jury room and a mini clerk's office would be located in the basement.

Jerry Boes reported on the fire department's space needs and stated his department would be located on the first floor. They proposed to build six apparatus bays on the south end of the building where the current parking lot was located. They also proposed to build an additional room above the apparatus bays for training.

Dale Miller wanted to point out that the plans they were presenting were initial plans, subject to change. He reported his department would be located on the second floor of the building, giving them about 6,800 square feet. Their current square footage was 3,800. He also noted the building was already wired for fiber optic, communications and everything needed for critical infrastructure. He stated the city's current emergency operation center was located at the activity building on 13th Street and Market Boulevard, but would be moved to their location if they took occupancy.

Mr. Boes talked about the fire response areas, which was driven by the Washington Surveying and Rating Bureau, noting it was something that took a lot of consideration when looking for a location for the building. In his opinion, the Lewis County Public Services Building couldn't be in a better location to cover the entire city limits.

Citizen concerns included: backing the trucks in and out without blocking traffic on Market Boulevard; growth of the city to the north; annexation to the south; lighting for emergency response; traffic congestion on Market Boulevard; and parking. Staff addressed some of the questions noting the design was not set in stone. They had some options for parking, and reported lighting would be installed to stop traffic to allow emergency vehicles to enter onto Market Boulevard.

It was asked if the \$4.5 million was the architect's estimate and would the bond be totally dedicated to the project. Mr. Boes stated yes. He also reported the architect did a comparison and if they elected to start from scratch to build the proposed building, it was estimated to cost anywhere from \$800,000 to a million dollars more. Economically he thought the proposed building site was a good buy.

A citizen inquired as to what the city would do with the old buildings, and if they were sold would that money be applied to the bond to help the citizens lower their taxes back down. Mr. Campbell noted they didn't have a plan for the existing building. One option would be to sell it to a buyer, another would be to lease it for office space, at least on the main floor. Another would be to demolish the building and perhaps build something new or leave it flat for a parking lot. Whichever option was pursued, it would be up to the council as to what the city would do with the revenue. He was sure if they were able to sell it

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and get any kind of measurable amount of money, the council would probably entertain the notion of applying it to the bond issue, paying off some of the debt, or use it for some other fire or police capital need.

It was asked why the city didn't start making arrangements back in 1993 to put money in a building replacement fund. Mr. Campbell noted in 1993 there were evaluations of different plans, potential plans in 1995, and in those occasions they were told the timing was wrong. Mr. Campbell stated the city just hasn't had the kind of money on hand to set aside for a building that might cost a couple million dollars. Councilor Spahr noted the city had some building replacement money set aside, but didn't want \$2 million setting in the fund, because the temptation to use it was too great.

Mr. Campbell noted it wasn't uncommon for a city, county or school district to have to go to the voters and request a bond measure of some sort to replace a building. He noted the city was fortunate they were able to assemble money and replace fire equipment apparatus on a regular basis, but they just haven't had the kind of taxing capacity to set aside money for a building.

It was asked if the city would need to purchase any more land for the six bays proposed to the south end of the building. Mr. Campbell stated the bays would be located where the existing public parking was on the south side of the building. It was asked if there was an option to purchase the property where the existing espresso building was along with the house on the hill. Mr. Campbell noted it was something suggested, but they didn't have a purchase option on that land like they do with the county building site. If deemed necessary they would talk with the property owner to see if it was for sale.

Jim Hill asked if the city paid for parking for police and fire employees at their current location. Mr. Campbell stated the city leased a parking lot across the street next to the railroad tracks for about \$4,000 a year.

Mayor Rider closed the public information meeting at 6:02 p.m. and announced council would reconvene into regular session at 6:15 p.m.

2. Proclamations / Presentations / Introductions.

a. **Chronicle Staff Reporters.** Mayor Rider announced the city had a new staff reporter from *The Chronicle*, Sarah Gecthman, and noted he had the pleasure of saying goodbye to a very good reporter, Julia Nicholls.

b. **Rotary Month.** Mayor Rider presented a proclamation to Rose Bowman recognizing Rotary for 84 years of service to the city, for improving human conditions in the community and around the world.

Ms. Bowman presented the city with two Rotary flags the city could display during the month of February.

c. **Recognition of Judy DeVaul for Service on the Planning Commission.** Mayor Rider presented Judy DeVaul with a vase in recognition and appreciation for her years of dedication and outstanding leadership on the Chehalis Planning Commission. Ms. DeVaul stated the city of Chehalis was such a professional organization and noted it was an absolute joy and honor to work on the Planning Commission.

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

a. Minutes of the regular city council meeting of January 10, 2005;

b. Claim Vouchers No. 77272-77381 in the amount of \$1,180,816.98 dated January 14, 2005; and Payroll Vouchers No. 23640-23812 in the amount of \$547,364.96 dated December 30, 2004;

c. Intergovernmental Purchasing Agreement with Thurston County Fire Protection District No. 8 to use the city's bid with Braun Northwest Inc. to remount a box on their emergency aid vehicle; and

d. Water Treatment Residuals Retention Basin Project – Final Acceptance – Release retainage in the amount of \$33,118.94 to Stellar J Corporation for construction and warranty work.

The motion was seconded by Councilor Taylor.

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Councilor Spahr asked if the intergovernmental agreement was a one time deal or if it was something other entities could utilize. Mr. Campbell stated it was something that was available through state law. Fire District No. 8 in Thurston County asked to piggyback on the city's bid for remounting a box on an emergency aid vehicle. He also noted Chehalis could do the same thing on a project or equipment purchase if another governmental agency had a bid award for something we might be going out to bid on.

Councilor Spahr asked if the cracks in the pictures presented in the agenda of the water treatment residual retention basin were all repaired. Mark Petrie stated they had been repaired.

The motion carried unanimously.

4. **New Business.**

a. **Resolution No. 2-2005, First Reading – Renaming Alexander Park.** Councilor Ketchum moved to suspend the rules requiring a second reading. The motion was seconded by Councilor Spahr and carried unanimously. Councilor Ketchum moved that the council adopt Resolution No. 2-2005 on first and final reading. The motion was seconded by Councilor Spahr.

Councilor Lund stated Jim Lintott called him last week noting he was very proud of what the foundation was doing and would try to provide the city with more money for that project.

Councilor Harris wanted to be sure the Alexander family had no problem with renaming the park. Ms. DeVaul stated Jay Vander Stoep actually spoke with Mr. Alexander about the possibility of renaming the park. She noted right from the start he was thrilled about the park being restored. The Alexander family, from John down to the grandchildren, had actually been helping the foundation to restore the park.

Susan Gonzales asked if the city's focus was on money or history. She noted if the Alexander family didn't have a problem with renaming the park that was fine, but thought it was setting a precedent that as soon as someone came in and donated the most money, they would be the person or organization to get their name on the sign. She liked what the city did with Penny Playground. A name plaque went up to acknowledge the people who participated and donated to the project. Ms. Gonzales thought it should still be called Alexander Community Park.

Councilor Pope stated Alexander Park was deteriorating. When the foundation was formed, they looked to see what project they could do to kick it off. He noted the Lintott family came forward to say if they restored the park they would give the foundation a certain amount of money. If they had not come forward with the money the park would still be in disrepair. He thought it was appropriate the city make the name change since there was agreement between both families.

Mayor Rider agreed with Councilor Pope, but didn't disagree with Ms. Gonzales. The fact that conversations went on between both parties and they both agreed, the city should go in the direction of renaming the park.

Councilor Spahr stated he agreed with Ms. Gonzales, but would be voting for it since it was the Alexander family who gave the property to the city in exchange for a water line at the time, and because the Alexander family supported the name change.

The motion carried unanimously.

b. **Resolution No. 3-2005, First Reading – Renaming Recreation Park.** Councilor Spahr moved to suspend the rules requiring a second reading. The motion was seconded by Councilor Taylor and carried unanimously. Councilor Spahr moved to pass Resolution No. 3-2005 on first and final reading. The motion was seconded by Councilor Taylor.

Councilor Taylor asked if other service clubs were contacted to make sure they were okay with the potential name change. Mr. Campbell asked Andy Sennes to talk to other clubs and individuals who had also contributed to the park over the years. The feedback he got from Mr. Sennes was the other clubs had commitments to Recreation Park and other recreation facilities, and would continue to participate in the needs of the city.

Michael Petra, past president of the Kiwanis Club, had concerns about renaming the park. He gave a history of what the Kiwanis Club has done at the park and had to ask himself, if they as a club would want to continue donating money to the

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proposed Rotary Park. They would certainly continue supporting the city park if there was no change to the name, but was unsure if they would commit to the park if the city renamed it. He noted there were a lot of other projects around the community that needed money as well.

Councilor Spahr stated the disservice may have been done back in 1945 when the Rotary Club did so much to get the park developed. He inquired about the shake roof, which was put on in 1974 and then replaced in 1983. Mr. Boes stated it had to do with the eruption of Mt. St. Helens, stating the ash was really hard on shake roofs.

Councilor Pope stated he had also been wrestling with the idea of renaming the park, saying there were a lot of people in the community who had made contributions, not only to Recreation Park, but to the other parks in our community. He wondered if those people would be okay with the name change. He asked how the city would appease those who disapprove of the city changing the name.

Mr. Campbell stated staff could not find any record or adopted policies for naming or remaining facilities. He thought the city should have a policy, and on the staff level they were already starting to do some research to propose something in the next few weeks. He was hopeful it would serve as some guidance in the future to requests or ideas of naming and renaming parks and buildings in the city. He noted it was up to the council to make those kinds of decisions and adopt policies.

Ms. Bowman wanted it to be known the request in no way was meant to ignore contributions of other service clubs in the community.

Councilor Harris stated he would be more in favor of remaining a park after a service club than after a family and thought there should be limits in park name changes.

Jim Hill suggested council delay their decision until staff draws up some guidelines.

Councilor Spahr moved to table Resolution No. 3-2005 until the first meeting in February. The motion was seconded by Councilor Harris and carried unanimously.

d. Resolution No. 4-2005, First Reading – Supporting the City's Proposed Public Safety Building Bond Measure on the February 8 Election Ballot. Councilor Ketchum moved to suspend the rules requiring a second reading. The motion was seconded by Councilor Pope and carried unanimously. Councilor Ketchum moved to pass Resolution No. 4-2005 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

e. Community Services Department Modular Addition/Replacement. Mr. Campbell stated the report was in response to discussion from last October when staff presented the issue of additional space being necessary at the community services complex in response to the reorganization, which shifted engineering services to the community services department. Council requested staff to come up with some information on potential costs and different approaches to creating additional space. He noted a report was prepared by Bob Nacht based on bids received by the city. Mr. Campbell suggested they schedule a work session next week to go into more detail, and to talk about potential needs of financing the proposed additional space.

Joanne Schwartz noted the engineering department has been part of the community services department since last fall and they still haven't accomplished the goal of having a single location for information and resolution of all development permitting issues.

Ms. Schwartz noted they had three different scenarios to look at. The first would be to lease or buy. The second would be to put an addition onto the existing building, and the third would be to replace the entire building. She noted staff would like to go over all of them with council at a work session the following week. Mayor Rider thought that was an appropriate thing to do stating he would rather do it in a work session and invite the public to participate. Mayor Rider set a meeting for Monday, January 31, at 5:00 p.m. at the community services activity building.

f. Replacement of SCBA Air Bottles. Jerry Boes stated the department had 25 spare self-contained breathing apparatus (SCBAs). They also had an additional 25 tanks they purchased in 1996. He explained the tanks have a life span of 15 years. After the 15 years the tanks have to be discarded as required by a Department of Transportation regulation. Their current SCBAs had six years left on them and the spare bottles had two years. He noted the department put money aside in

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their equipment reserve fund for the replacement of the bottles. He reported if they were to wait two more years to replace them, the new cost would be between \$22,000 and \$25,000.

Mr. Boes reported the Seattle Fire Department recently changed out all of their SCBAs that were only four years old. The used bottles had 11 years of service remaining and are being offered for \$450 each from Sea Western. Mr. Boes asked to spend \$12,000 today to buy bottles that had 11 years of life on them instead of waiting two years to spend \$25,000 for new bottles.

Councilor Spahr moved that the council authorize the fire department to spend \$11,250, plus tax, from the automotive/equipment reserve account to purchase 25 used SCBA air bottles from Sea Western. The motion was seconded by Councilor Harris and carried unanimously.

5. Staff Reports.

a. Employee Service Awards. Mr. Campbell noted this month the city would recognize two employees for their service to the city. Jeff Shine, Development Review Specialist/Building Inspector for the community services department who has been with the city for 10 years, and Willie Shupp, Police Sergeant, who has been with the police department for 20 years.

b. EDC Banquet. Mr. Campbell reminded council and staff the annual Economic Development Council banquet was on Thursday, January 27, at 6:00 p.m. at the Chehalis Eagles.

c. Visioning Session. Mr. Campbell reported a visioning session was scheduled for Wednesday, February 9, at 6:00 p.m. at the Washington Hotel building.

d. Staff/Council Teambuilding Interviews. Mr. Campbell noted that most of the teambuilding sessions had been scheduled with Michael Pendleton. Most of those interviews were scheduled for February 2, 3, 7, and 8.

6. Council Reports.

a. Landlord/Tenant Past Due Utility Accounts. Councilor Taylor stated he brought up a couple of years ago an issue having to do with landlords and tenants, and how water bills are collected on past due accounts. He indicated he was trying to figure out a solution for the landlords, as well as the city. Councilor Spahr stated council set their present policies and most everything to do with the policies, with the landlords association. Councilor Taylor stated one of the issues was when one of their tenants moves out, there's an outstanding bill to be paid, and it was their responsibility. What they would like was for the city to allow them to set the deposit amount to be paid by the tenant for utilities.

Councilor Spahr asked if Centralia was currently doing it that way. Susan Gonzales stated they were, but they had the ability to waive it. They also had the option to choose if they wanted the city to collect the deposit or the landlord to collect it themselves. Mayor Rider stated they had addressed some of the issues, but maybe they needed to direct staff to look into the matter and come back with some recommendations on what to do. Mr. Campbell stated staff could present a report about the history and what our existing policies are, and present some options, perhaps in a work session.

b. Chehalis River Basin Partnership. Councilor Spahr reminded everyone a meeting was set for Friday, January 28, at 9:30 a.m. at the Lucky Eagle Casino.

c. Levy Support Signs. Tim Grochowski wanted to remind council and city staff if they were supporting the levy, they needed to make sure their signs were not placed on the city right-of-way, but rather on private property.

d. Sheriff John McCroskey Retirement. Mayor Rider reminded staff and council that February 19 was the day of Sheriff John McCroskey's retirement party.

e. Streamline Sales Tax Mitigation Proposal. Councilor Harris reminded council and staff of the consequences if the proposal passed. According to the last projection the city would lose about \$400,000 a year in sales tax revenue. He stated it was the legislator's intention to take a few years and slowly decrease the amount of sales tax revenue the city would normally receive. He stated it could be mitigated with no harm to anyone. All they were doing was taking the sales tax they are going to

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collect and redistribute it differently. He stated they could set up a model, track it, but still distribute the sales tax the way it would normally be done. If it were to go national to tax internet sales, they could go into compliance immediately.

f. **Sheriff Department Reassessed Jail Service Fees.** Mayor Rider reported the Sheriff's department had reassessed their fees and the city would save about \$2,600 in 2005.

g. **Council Meeting Time.** Susan Gonzales wanted to commend Council for changing the time and keeping the time of the city council meetings at 6:00 p.m. to meet the needs of the city voters, and those of them who had jobs.

h. **Long Time Community Leader Passes.** Mayor Rider announced the city had lost a leading citizen, his friend, Daryl Lund's father who passed away. He noted Jim Lund was one of the better leaders of this community, and was involved in the community for a long time. He wanted Councilor Lund to know his father was a great man, and great leader, and would be sorely missed.

7. **Executive Session.** Mayor Rider announced the council would convene into executive session at 7:35 p.m. after a five minute recess beginning at 7:30 p.m. pursuant to RCW 42.30.140(4) – collective bargaining, and there would be no decision following conclusion of the executive session. Following conclusion of the executive session, the regular meeting was reopened at 8:57 p.m.

There being no further business to come before council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

January 31, 2005

The Chehalis city council met in special session on Monday, January 31, 2005, at the Chehalis community services activity building. The work session began at 5:00 p.m. with the following council members present: Fred Rider, Terry Harris, Bob Spahr, Tony Ketchum, Chad Taylor and Dr. Isaac Pope. Councilor Lund was excused. Staff present included: Dave Campbell, City Manager; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Mansoor Ghorbani, City Engineer; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Andy Sennes, Property Manager; Lilly Wall, Recreation Manager; and Rebecca Teitzel, Community Services Office Manager. Members of the news media in attendance included Sarah Getchman of *The Chronicle*.

1. **Community Services Department Office Space Needs.** Mayor Rider noted the subject of the special work session was for the community services department office space needs. Mr. Campbell turned the meeting over to Joanne Schwartz and Bob Nacht who had done most of the work on the proposal.

Ms. Schwartz asked council and staff to step across the street to go on a tour of the current facility.

Mr. Nacht reported to council they had received three bids and the portions of the bid documents relating to the costs were attached in the agenda. It appeared that the best overall scenario would be to replace the existing building, noting it would eliminate the current buildings inefficiencies and add the most value to the end product. He reported that site built structures were coming in at a cost from \$100 to \$150 per square foot for the building itself. He noted the low bid for a replacement modular building was \$248,414.32 including sales tax.

Mr. Nacht also reported there would be additional costs to the actual costs of construction to house the existing community services functions in other facilities during any construction project.

Councilor Pope asked if there was any money in the reserves to go toward the facility. Mr. Campbell stated they budgeted a little over \$600,000 in the public facility reserve in 2005. Councilor Pope asked Mr. Campbell if future monies in that fund would be used to pay the debt. Mr. Campbell stated that if there were new money available, such as a surcharge on building and development permits, those monies would also be applied to the fund where the up-front cost would come in.

Councilor Pope stated something needed to be done. He suggested they build a new building now, otherwise they would be back again in four or five years to discuss the same issue of adding onto the building, or building a new one. Mayor Rider and Councilor Taylor both agreed.

The Council was concerned about the looks of a modular. They've heard from several people in the community who have the same concerns as well. With the location being one of the entrances to the community they agreed it needed to look nice.

Mayor Rider stated he would like to see a rendering of what the building would look like, similar to the drawings they had for the police and fire services building, before they make any decisions.

At the time they started looking at the project, the issue was how much would it cost, they didn't get into specifying exterior amenities, but it was something they could do.

Council talked about location, parking and the size of the building they might need for future growth.

Tim Grochowski suggested council start looking at charging for inspection fees, engineering services fees, and permit fees to recoup some of the wages the city is paying for outside work. Councilor Harris told Mr. Grochowski to write it up, stating it was something long over due. He noted if the city had to send its employees out to make sure a job was done right, someone should be paying for that service.

Mr. Nacht stated the window of opportunity for amendments to the city's development regulations and comprehensive plan would be open for the next two months. They would be receiving petitions for amendments to the development regulations, which included the fee structures. He suggested that during that period of time, staff present a proposal for scheduled fees for those types of activities. Mayor Rider stated he was all in favor of taking a look at those types of things, because he also believed the city should start charging for those types of services.

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Mayor Rider stated Councilor Pope pretty much summed it up, and they all agreed. Ms. Schwartz stated what she was hearing was council wanted staff to go back to the drawing board, get something laid out that they could see, something bigger, and what the cost would be.

Mayor Rider said he wanted to see a design of what the building would look like. He also wanted to see floor plans laid out with some sort of an artist rendering of what it was going to look like inside as well. He didn't know what the future of the old building would be, but wanted the new building setting separate and away from it.

Councilor Harris stated if they were going to do something, they had to do it right. He would like to see one of the floor plans turned over to an architect and have them take a look at it. He noted if it were stick build, a lot of the costs would come in from cabinetry, plumbing, and electrical.

Mayor Rider stated the city had a lot of really good people who work for the city that know a lot about building and architecture, and thought they should be given the information and have them come back to council with a plan.

Mayor Rider stated they wanted a decent looking building, room for expansion, a design of exactly what it would look like and wanted to know what it was going to cost.

There being no further business to come before the council, the meeting was adjourned at 6:15 p.m.

Mayor

Attest:

City Clerk

February 14, 2005

The Chehalis city council met in regular session on Monday, February 14, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Lilly Wall, Recreation Manager; and Andy Sennes, Property Manager. Members of the news media in attendance included Sarah Getchman of *The Chronicle*.

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

- a. Minutes of the regular city council meeting of January 24, 2005, and the special work session of January 31, 2005;
- b. Claim Vouchers No. 77250/77382-77387/77390-77549 in the amount of \$270,582.75 dated January 31, 2005; Claim Vouchers No. 77388-77389 in the amount of \$16,574.43 dated January 29, 2005; and Payroll Vouchers No. 23813-23967 in the amount of \$538,838.27 dated January 31, 2005;
- c. Award bids for rock, gravel, an asphalt to various vendors;
- d. Award construction contract for Valley View water booster pump station project to Con-Agg. Inc., in the amount of \$255,345.75; and
- e. Award construction contract for Fairview water line project to Pape & Sons Inc., in the amount of \$192,875.76.

The motion was seconded by Councilor Taylor and carried unanimously.

2. **Citizens Business.**

Jim Hill (1963 SW Snively, Chehalis) addressed council regarding the public safety building bond levy. He stated he would like for council to consider doing a rerun of the bond levy. He noted as of last Friday, 1006 people voted in favor of the bond issue and 717 people voted against it.

He reminded council they were only 28 votes short of the 60% needed to pass. He believed people were aware of the need to move the fire, police and court departments to a new building. Although he wasn't part of the citizens group that studied the proposed building and its location he did believe the sight was right, and most of the concerns expressed by the voters were thought about by the group.

He asked council to start looking to see if there were any changes that needed to be considered that hadn't been thought of yet. He asked them to revisit the issue and give the committee a deadline to report back to council so a revote could occur at the earliest possible time. Mr. Hill stated to delay a resubmission of the issue could cause the loss of the building site, an increase in debt service therefore costing the taxpayer more in interest rates, and it could end up costing more due to inflationary pressures.

Mayor Rider stated he realized it was not on the agenda, but it was on his and Dave Campbell's agendas. He noted they planned to bring it up under staff reports later on in the meeting. He stated a meeting was scheduled for February 22, 2005, to meet with the original committee, the campaign committee, and any concerned citizens to share their views of where they were at, and how to proceed forward.

Mr. Hill also commented on item No. 14, stating he believed in, and supported the Veterans Memorial Museum. He thought it was a good project for the city that would bring in some needed revenue. However, he spoke against the item, which was the payment of elevator costs for the museum. In his opinion using \$50,000 in Community Development Block Grant (CDBG) funds, right after a levy failure, didn't show good faith to the voters. He believed there were individuals and private funding sources available to give a lift to the museum and thought they should be given every opportunity to contribute. He noted that budgeting through amendments really didn't show sound leadership or vision.

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Mr. Hill stated, while the Veterans Memorial Museum was an excellent project, he would ask that council not support the issue by contributing \$50,000.

Councilor Spahr asked Mr. Hill if he was aware of where the CDBG monies came from, and what they could be used for. Mr. Hill stated he was aware and knew that the request for \$50,000 did qualify.

3. Unfinished Business.

a. **Resolution No. 6-2005, First Reading – Adopting Policies and Procedures for Naming and Renaming City Buildings, Facilities or Interior Features of Facilities.** Mr. Campbell reminded the council that during the last regular meeting in January they reviewed two requests to rename city parks. At that meeting, council asked staff to prepare some proposed policies and procedures dealing with naming and renaming of buildings, parks, and other city facilities. He then asked Joanne Schwartz and Lilly Wall to present the proposed resolution to council.

Ms. Schwartz first thanked Ms. Wall for her work on the project. She then reported on the proposed policies stating they would have three categories: one for naming something new; one for renaming something; and one for naming of interior features of facilities. They also established criteria for applying the categories, noting the most complicated would be the renaming of facilities. They also created an application, which would need to be filled out in order to apply for any one of the categories. Ms. Schwartz stated the applications would ultimately end up in front of council for final approval.

Councilor Taylor moved that the council adopt the policies and procedures for naming/renaming of city buildings, facilities, and parks or interior features of facilities. The motion was seconded by Councilor Pope.

Councilor Harris moved to amend the main motion to suspend the rules requiring two readings of a resolution. The motion was seconded by Councilor Taylor and carried unanimously.

The main motion, as amended, carried unanimously.

b. **Resolution No. 3-2005, Tabled from January 24, 2005, First Reading – Renaming Recreation Park.** Mayor Rider stated since they now had policies and procedures in place, they should send the request to staff to come back with a recommendation according to the policy.

Councilor Spahr stated he would like to hear what Rose Spogen had to say. Mr. Spogen (174 Yates Road, Chehalis) stated she was very much opposed to the renaming of Recreation Park. She noted the Penny Playground came about because of a need, and the families in the community all came together to make it possible by saving their pennies. She noted there were other clubs and groups that also contributed, but they worked jointly to complete the project. Ms. Spogen went on to talk about the different facilities within the park and how they came about. Ms. Spogen noted there was a need in the city, which she would like to see the Rotary and other area service clubs take on, and that would be to put a new roof on the pool. She was sure that over the years the Rotary Club had made many wonderful contributions, and it should be celebrated, but didn't see the need to rename the park as part of that celebration.

Mayor Rider stated he had a letter from the Chehalis Kiwanis Club who also objected to the renaming of the park.

Councilor Pope noted staff was asked to put together a vehicle for naming and renaming city buildings, facilities and parks. He reminded council they did not table the motion to wait on the policies and procedures. He asked to bring the motion to the floor and then made a motion to reject Resolution No. 3-2005. The motion was seconded by Councilor Ketchum.

Councilor Harris, Taylor, and Spahr all agreed and indicated they would be supporting the motion. Mayor Rider stated he wanted to disclose that he and Councilors Lund and Taylor were all members of Rotary clubs. The motion carried unanimously.

4. New Business.

a. **Resolution No. 5-2005, First Reading – Interlocal Correction/Detention Agreement between the City of Chehalis and the City of Wapato.** Mr. Campbell stated it was the third interlocal agreement between Chehalis and the city of Wapato. The city continued to use Wapato's jail facilities when appropriate and he asked that council approve the resolution.

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Mayor Rider indicated the agreement only applied to people sentenced to serve 30 days or more at a rate of \$35.00 per day.

Councilor Harris moved that the council adopt Resolution 5-2005 on first reading. The motion was seconded by Councilor Taylor.

Councilor Harris asked if it was in the city's best interest to have a 30-day termination of the agreement by either side. Bill Hillier stated it wouldn't put the city in harms way. He noted if one city terminated the agreement and there was someone being housed, the city of Wapato would have to continue that relationship with the city to hold that prisoner until their time was served. Mayor Rider reminded council there was nothing stating the city had to send the prisoners to Wapato. The motion carried unanimously.

b. **Contracts for the Chehalis Regional Water Reclamation Facility Project.** Mr. Campbell stated after ten years they were finally at a point of recommending a contract for construction of a new wastewater treatment plant. He noted a lot of work had been done during this time to get to this point. Patrick Wiltzius stated the engineers estimate was \$27.8 million, which included the construction of a new wastewater treatment plant, a force main underneath the river to the poplar tree plantation, and the installation of the irrigation system at the plantation. It did not include the replacement of the outfall, which was in the capital facilities plan for 2008. There were also a couple pieces of rolling stock, a dump truck and loader, which the city would purchase in 2007, at a lower cost, rather than putting them into the contract.

Mr. Wiltzius stated they received five bids ranging from \$27.4 million to \$29.4 million. Apollo, Inc., of Kennewick was the apparent low bidder at \$27,464,108.71. They had an extensive construction background with numerous successful water and wastewater projects in Eastern Washington. The most notable was the major upgrade to the Walla Walla treatment plant. He noted Gibbs & Olson conducted reference checks and recommended staff award the contract to Apollo Inc. It should be noted there was a slight discrepancy with the bidding. On Apollo's bid, the bottom total of the bid was listed correctly, but when you added up all the lines, it did not add up right. It turned out that when Apollo wrote down the bid, they inadvertently transposed some numbers concerning the markup for some electrical work. Staff worked with the city attorney and another outside attorney specializing in public works bidding law, and they determined that council could accept a corrected bid. He noted that in no way did it affect the standing of all the other bidders.

Mr. Wiltzius pointed out as part of the agenda report they also had a construction management contract with Gibbs & Olson for \$3,338,186 to provide the management of the project during the three year period of construction.

Mr. Wiltzius went on to say this was a major milestone for the city. He gave thanks to several people and departments who had contributed thousand of hours towards the success of the project. Mayor Rider stated he wanted to voice the same thanks. He noted Mr. Wiltzius did a good job keeping council informed and complimented him on his thoroughness in developing the bid documents. Mayor Rider also thanked Councilors Pope and Spahr for their perseverance and support of the project over the years, noting their input and knowledge helped bring them to get where they were today.

Councilor Spahr moved first that council accept the corrected bid, and second to award the contract for the construction of the Chehalis Regional Water Reclamation Facility project to Apollo, Inc., for an amount not to exceed \$27,464,108.71, and authorized the public works director to sign the engineering services agreement for construction management with Gibbs & Olson for an amount not to exceed \$3,338,186. The motion was seconded by Councilor Pope.

Councilor Spahr stated the staff was to be congratulated for the work done on the project. He noted Mr. Wiltzius was one of the only employees left, since the beginning of the project besides Gibbs & Olson, which gave an example of why tenure was important. He thanked Mr. Wiltzius for the work he did on the project.

Councilor Ketchum commented on the wastewater division, stating his company, I.P. Callison's, had been working very closely with Mr. Wiltzius and his staff for the last three weeks, and added the citizens of Chehalis should be very proud of their

employees. They had been very professional, helpful, and courteous. He noted that he was very proud of the people who worked for the city, and was glad to know city staff would be running our treatment plant, and not some other company. Mr. Wiltzius stated he would pass that information on to his staff.

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Councilor Spahr noted as a point of information, on the \$3.3 million to Gibbs & Olson, there would be at least six or seven consultants involved with the engineering contract. They would include archeologists, structural engineers, electrical and computer programming engineers, landscaping engineers, and numerous other consultants as part of the contract. Mayor Rider asked that it be noted that Gibbs & Olson went out of their way to try to find local engineers who could do some of the inspections and some engineering work, but at this time the local people didn't have the expertise or the manpower to do those jobs.

Mayor Rider noted there was some discussion about Apollo, Inc.'s bid being almost \$2 million less than the other bids, which raised some flags with staff, as well. He reported that Gibbs & Olson and Mr. Wiltzius did an extensive check on it and they were satisfied with their work.

The Mayor called for the vote and the motion carried unanimously.

Mr. Wiltzius thanked council for their support. He indicated he would be setting up a groundbreaking ceremony on Tuesday, March 15, at 2:00 p.m.

Mr. Grochowski reassured council Mr. Wiltzius was the right person for the project. He noted Mr. Wiltzius would make sure everything was accounted for on the project. Mr. Wiltzius emphasized again, it was a group effort.

c. **Construction Contract for the Prindle and Riverside Pump Station Upgrades.** Mr. Wiltzius stated the city had been on a parallel path with a different consultant designing upgrades to the Prindle and Riverside pump stations. Both pump stations handled all the sewage for the city of Chehalis, Napavine and Lewis County. He reported the Prindle pump station was over 57 years old, and Riverside was over 29, and both needed to be upgraded to meet the hydraulic conditions of the new wastewater treatment plant. Staff worked with Brown and Caldwell to design the upgrades, and went out to bid. They received six bids, the low bid being \$3,624,128 from Stellar J. Corporation. He noted Stellar J. Corporation had worked for the city on a previous project and indicated the city had some working concerns, but staff worked those issues out with Brown and Caldwell and felt Stellar J. would do a good job for the city. Brown and Caldwell along with staff recommended the contract be awarded to Stellar J. Corporation for \$3,624,127.88. Mr. Wiltzius indicated there was no construction management contract with the agenda report because Brown and Caldwell included those costs with the design contract, which was already approved by council.

Councilor Spahr moved that the council award the contract for the construction of the Prindle and Riverside pump station upgrades to Stellar J. Corporation for an amount not to exceed \$3,624,127.88. The motion was seconded by Councilor Lund and carried unanimously.

Councilor Harris reminded council and citizens this was a project already accounted for in the 2005 budget, and actually came in less than what they had budgeted.

d. **Engineering Services Agreement for Louisiana Avenue Widening.** Mr. Campbell stated that one of the new developments near the airport, Home Depot through its development agreement, was obligated to extend Louisiana Avenue as a two-lane fashion roadway to the extent of the property, and beyond that, north across the Barnes property to the dike and Airport Road. Staff was requesting council to approve a contract with an engineering firm to design the build-out of Louisiana to five lanes so that when the appropriate time comes for full development of that property, the city will have a street project they can show to potential developers and those who may be interested in doing the construction on that project.

Mr. Grochowski stated that the Twin City Town Center was currently using the services of DCI to develop the airport's master plan. DCI would have the base-line information of their existing project to incorporate into the project. Mr. Grochowski stated they would like to hire DCI for \$43,310 to design the rest of the project, which would include a five lane road from Home Depot through the Barnes property. He stated the city would be paying for the additional three lanes with money from the public facilities reserve fund, and they would need to do a budget amendment for that at a later date. He reported the city would get the money back when they sell or lease the property. Mr. Campbell stated they would expect, through the sale or lease of that property, to recover any costs the city invests in the development.

Councilor Taylor moved that the council approve the engineering services agreement with DCI at a cost of \$43,310 for the widening of Louisiana Avenue through the Barnes property. The motion was seconded by Councilor Spahr.

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Councilor Ketchum asked if DCI was working with the city for possible future expansion to make sure the roadway was put exactly where it needed to be. Mr. Grochowski stated DCI was currently working for Home Depot. He noted Anthony Bredberg, from B & A, Inc. had been out and marked the wet land area so the city would know where to put the road. Councilor Harris asked if the cost included going up and over the dike. Mr. Grochowski stated it would be over the dike and tie into Airport Road. Mr. Campbell noted the design work was not to the level of specifications for actually bidding on a contract for construction, but it would be more than a conceptual design. The motion carried unanimously.

e. Payment of Elevator Cost for Veterans Memorial Museum. Mr. Campbell stated construction of the Veterans Memorial Museum building located west of the freeway was continuing. He noted one of the ways the city could be involved was to make sure the building was equipped for handicap or disabled persons. The primary feature of that would be an elevator for access between the main floor and the upper level. He stated the costs would be eligible for funding using the Community Development Block Grant (CDBG) funds, similar to the commitment made to the library a little over a year ago. He reminded council the Veterans Memorial Museum building was located on city property, which the city had leased to them, and the building itself would become city property once the lease expired or was terminated. Mr. Campbell noted the city was proposing to improve a building, which was a public access facility eventually to be fully owned by the city. In the meantime the Veterans Memorial Museum organization would continue to operate it.

Councilor Pope asked Mr. Campbell to explain what the CDBG funds could be used for. Mr. Campbell noted there were certain limitations on the use of the funds. They originally came from the federal government, through the state in some cases. He reported the funds the city currently had were funds that had been recycled from grants the city received in the 1980's. He stated generally CDBG funds were limited to use for projects or activities that benefit low and moderate income people. By definition, senior citizens and people with disabilities or handicaps are considered low and moderate income. Funds could also be used to remove blight in a community, which also has a definition found in federal and state rules and regulations. Councilor Pope asked if the monies were in separate funds. Mr. Campbell stated they were maintained in separate funds and do not pass through any other funds.

Councilor Lund moved that the council appropriate \$50,000 from the CDBG fund reserves to help pay for the costs of installing an elevator at the new Veterans Memorial Museum building. The motion was seconded by Councilor Taylor.

Councilor Lund asked Lee Grimes about people donating money for the elevator. He thought they had already received a lot of donations. Mr. Grimes stated, to date, they had invested \$1,132,000 of which \$325,000 was in-kind gifting. The rest of the money had been raised through various sources of funding, the largest coming from a \$250,000 grant from the state of Washington. The next largest was \$122,000 from an 84 year old ex-prisoner of war. Rotary, Sertoma, and other service organizations had donated funds, as well. The smallest donations had come from the piggy bank of a local child, which contained \$3.72, and they received a \$4.00 donation from a lady who was a nurse in the South Pacific during WWII. Those involved with the museum wanted to thank council and all those involved who had stepped forward to make the project what it is today.

Mr. Grimes reported on the progress of the building stating they hoped to have the interior completed by the first part of March and begin moving in. They tentatively scheduled the grand opening to be on Memorial Day. They still needed the last \$100,000 push to get the interior completed, but still thought they should be able to meet that date. If they couldn't, they would move the grand opening to the 4th of July. They would make a determination within the next month as to a final date for their grand opening.

Councilor Spahr asked how much the city had in the CDBG fund. Mr. Campbell stated between the two block grant funds the city had a reserve of between \$600,000 and \$700,000 in the 2005 budget. He noted the \$100,000 pledge to the library was already considered in the total reserves budgeted. Councilor Spahr called for the question and the motion carried unanimously.

f. Interlocal Agreement for the Provision of Additional Sewer Capacity between the cities of Chehalis and Napavine. Mr. Grochowski stated the cities of Chehalis and Napavine had worked together on a means of providing additional sewer system capacity for Napavine's needs. The new force main would consist of approximately 4,780 feet of 12-inch HDPE pipe from Napavine's pump station to a transition manhole at their city limits and Chehalis's UGA boundary. From that point the pipe size would increase to an 18-inch PVC gravity main for 4,735 feet along Hamilton Road. He noted they would be using 10 to 12-inch duct alarm pipe, which would run through the city's UGA to allow the city to serve everyone along Hamilton Road. He

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noted there may be a couple properties that would still require a grinding pump system to lift sewage into the gravity alignment because their land sloped away from the road.

The total cost of the project was about \$1,016,000. Lewis County had given the city an EDC grant not to exceed \$159,289 to cover some of the costs. They also had an agreement with Napavine and Lewis County to charge for sewer capacity. Mr. Grochowski noted there were no budgetary requirements from the city for this project.

Councilor Spahr moved that the city council approve the interlocal agreement between Chehalis and Napavine and authorize the city manager to sign it. The motion was seconded by Councilor Pope and carried unanimously.

g. **Baseball Batting Cage Complex at Stan Hedwall Park.** Andy Sennes reminded council the project had been presented to them earlier that year. Volunteers had reviewed site options and would like to build the 60' X 144' facility at the entrance of Stan Hedwall Park. They had engineering plans ready to submit to the building department and needed approval from council to move forward to start building on the site. Mr. Hillier stated from the Chehalis Foundation's standpoint, after Ray and Mary Ingwersen contributed \$70,000 for the proposed facility, the foundation unanimously approved the concept and was in full support of the project.

Councilor Ketchum moved that the council approve the construction of a new pole barn style, six-bay batting cage complex by Chehalis Baseball near the entrance of Stan Hedwall Park. The motion was seconded by Councilor Taylor and carried unanimously.

h. **Building Permit Fee for Regional Water Reclamation Facility.** Bob Nacht presented council with a recommendation for the building permit for the new regional water reclamation facility. Mr. Nacht stated the issue was kind of an anomaly, noting the building code required that permit fees be based on a construction value of the project. What they were looking at was a water reclamation facility that had a lot of plumbing, mechanical, and electrical work involved that was not necessarily regulated by the building code. What they proposed to do was to use a cost per square foot basis for the actual physical structures themselves, and not the actual process equipment, or electrical and mechanical equipment. They calculated the number of square feet in the actual buildings using the base cost per square foot established by the code for like buildings. The construction value of the project was then \$3.104 million rather than \$27 million for the permit fee. He asked that council allow them to use the \$3.104 million as the basis for calculating the permit fee in the amount of \$21,931 instead of a fee of \$195,000. It would save the rate payers on the utility side, but the general fund would forego the difference in permit fee revenue. Mr. Nacht noted the \$21,931 was adequate to cover the actual inspection services they would perform on the facility.

Councilor Lund stated by not paying the full amount, the people who don't pay taxes would be getting a break on their end. Councilor Spahr stated Napavine and Sewer District No. 1 would both be getting a bit of a break, but indicated it wouldn't save that much money over 25 years, and in that case he didn't believe it mattered that much.

Councilor Ketchum moved that the staff use \$3,104,006 as the valuation for the regional water reclamation facility for the purpose of calculating the required building permit and plan review fees for the reasons described in the agenda report. The motion was seconded by Councilor Taylor.

Councilor Lund stated that Mr. Nacht indicated people paid for building permit based on the full amount of what the project was. He wondered, since the city was giving itself a break, would they do it for other companies coming in with large projects. Mr. Nacht stated companies could request relief, and they do disclose that information. He noted they deal with the EDC and those types of issues all the time. The motion carried unanimously.

5. **Staff Reports.**

a. **Petitions for amendment to the comprehensive plan and development regulations.** Mr. Nacht reminded council the window of opportunity for citizens to petition the city to change the rules was open. They would be accepting petitions between February 1 and March 31, 2005. All the petitions would be compiled and would go through an extensive review process through the development review committee, the planning commission, and ultimately end up before council. The council would then determine if the development regulations, public works standards, comprehensive plan, or zoning maps needed to be changed. He noted they would have a number of issues come through this year to do with the capital facilities element of the comprehensive plan, and the addition of the urban growth area, including the swap with Napavine, would need to

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be accommodated in the comprehensive plan, as well. He noted a number of rezone issues had been proposed, and they may see a couple of requests for additional urban growth areas based on negotiations that had occurred over the last several months.

b. **Reminder About AWC's Annual Legislative Action Conference.** Mr. Campbell reminded council about the conference starting on February 16 in Olympia. He stated they had a dinner scheduled with state representatives Alexander and Debolt on Wednesday evening at 8:00 p.m. at the Olive Garden.

c. **Public Safety Building Debriefing.** Mr. Campbell reported a meeting was scheduled for Tuesday, February 22 at 5:15 p.m. at the activity building. They would be notifying everyone involved with the process to attend that meeting. They would be discussing what the city should do next with the proposed project.

6. **Council Reports.**

a. **Downtown Visioning Workshop.** Councilor Harris reported that Mr. Campbell facilitated a meeting last week with business people and citizens. They talked about plans for the future of the city, including business and property development. He noted it was a brainstorming session to hopefully give them some direction on where they were going.

b. **Appoint Representative to the Convention and Visitors Bureau (CVB).** Mayor Rider stated he hadn't been able to attend the CVB meetings and wanted to appoint Joanne Schwartz to be city's representative and himself to the alternate position. He noted Ms. Schwartz had been attending the meetings and represented the city quite well.

Councilor Taylor moved to appoint Ms. Schwartz as the city's representative to the CVB and Mayor Rider to the alternate position. The motion was seconded by Councilor Spahr and carried unanimously.

c. **Preliminary Meeting to Discuss Annexation.** Mayor Rider reminded council and staff that on Tuesday, February 15, at 5:00 p.m. at the District 6 Station, an open public meeting would be held with Council and the Commissions of Fire Districts No. 5 and 6 to discuss annexation and possible cooperative moves between the fire departments.

Councilor Pope asked if the city had any reports about annexation available from prior years they could look at. Mr. Campbell stated they had files in the archives and different staff offices concerning previous annexation studies, and the conclusions and the recommendations that came out of them.

There being no further business to come before the council, the meeting was adjourned at 7:39 p.m.

Mayor

Attest:

City Clerk

February 15, 2005

The Chehalis city council conducted a special meeting on Tuesday, February 15, 2005, in the main Fire District No. 6 station. Mayor Fred Rider called the meeting to order shortly after 5:05 p.m. with the following council members present: Terry Harris, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Lund was excused. District No. 5 Commissioners included: Tracy Torgerson, Terry Bartley, Steve Hensen and Steve DeChellis, Fire Chief. District No. 6 Commissioners included: Reginall Macomber, Dave Sabin, Jim Dekoker, Lois McKee, and Rick Wirta, Fire Chief. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; and Dale Miller, Police Chief. Members of the news media in attendance included Sharyn Decker of *The Chronicle*.

1. **Potential Annexation of the Chehalis Industrial Park.** Mayor Rider explained the meeting was a preliminary meeting to discuss annexation and where the city was going with it and how they planned to put it all together. Mayor Rider asked that the discussion be limited to those on the city council, the two fire districts No. 5 and 6, and immediate staff including Dave Campbell, Jerry Boes, Bill Hillier, and Fire Chiefs Wirta and DeChellis.

Mayor Rider stated he had a conversation with District No. 6 Commissioner Reginall Macomber about annexation and what some of the different options were pertaining to response times and interlocal working agreements. He noted he knew of no conversations between the city and Fire District No. 5 regarding the issue.

Mayor Rider stated it was the city's present plan to annex in the industrial park, and indicated council was just waiting for the finance department to get back to them on the feasibility. He stated if it looked like an issue they would move forward on, the city wanted to get with Districts No. 5 and 6, the port, and the county to discuss the plan. He reported that the tax steps and how it would happen had not been decided yet, but the city believed from a preliminary investigation it would be fiscally beneficial for the city. He reported the annexation would run from Bishop Road, up to Jackson Highway, and back to the city limits of Chehalis. Mayor Rider indicated staff had informed him that the best way to maintain the city's fire ratings was to have a facility somewhere in the central core of the downtown area, and eventually build a secondary station somewhere in the LaBree or Maurin Road area.

Commissioner Tracy Torgerson stated they just found out about the meeting a day before, and they really didn't have time to give it much thought, but came to the meeting to gather information. Commissioner Steve Hensen indicated there was some confusion as to who could attend the meeting. They were told it would be an executive session. He noted the ground work on the meeting was less than desirable and less than straight forward. Mayor Rider stated, originally the discussion was, they should meet in executive session since the issue dealt with acquisition of land, and that it would be the elected officials in a closed meeting. He made it clear at the time that it would be fine with him as long as it was satisfactory with the city manager and city attorney. At that time, Bill Hillier informed him that the nature of the meeting wouldn't require them to go into executive session. Mayor Rider apologized to Fire District No. 5 for not getting with them sooner. He explained that in conversations with District No. 6 the meeting idea came up and the city manager suggested they get District No. 5 involved, as well as the port and the county.

District No. 5 asked if a meeting notice was posted. Mayor Rider reported a notice went in the newspaper on February 12, stating the city of Chehalis was holding a special meeting with Districts No. 5 and 6 to discuss annexation. Mayor Rider noted he didn't know where the communication broke down, but they shouldn't have had to find out about the meeting from the newspaper.

Mayor Rider reported if the numbers come through, the city would annex in the industrial park taking about 40% of District No. 6 and less than 5% of District No. 5. Commissioner Macomber stated it would be good for everyone if city laid out its proposed plan, specifically for fire protection, and asked what the city's preliminary proposed plan to provide adequate fire protection for the annexed area was. Mayor Rider stated nothing was concrete and asked Jerry Boes to address the question. Mr. Boes noted all the departments had put service plans together and submitted them to the finance director who was looking at the financial feasibility, but was unsure if he could comment on them at that time. Mr. Campbell stated they had information put together, but thought it would be preliminary to say what the city's plans were at that point.

District No. 6 Commissioner Dave Sabin stated if they were going to lose 40% of their district, they would like to see a plan where they would all work together, and would also like to find a way to not lose all of their revenue. Mayor Rider stated he understood what Commissioner Sabin was saying, but the city would need the revenue if they were going to supply services to the annexed area.

February 15, 2005

Councilor Pope reported the city looked at annexation once and decided it was not financially feasible for the city at that time. Now they were looking at it again. He stated it was no big secret that the city had been planning to annex the area, noting it was the only way the city was going to grow. He stated the city made it known that when the power plant was approved to go on-line and started generating income, the city would annex that area in. He reported the feedback he was getting was the question of what the city was going to do about District No. 6 because they were not going to give up their area. He noted there were ways to cooperate and manage those kinds of issues. Councilor Pope stated when District No. 6 was building their new facility, he questioned if there was any planning done with the city on where the facility should be built. It was his understanding even with the large power plant going in, there was no planning done. He asked if everyone could get together, look at the overall picture, and do some planning. He indicated they needed to talk about the full area and see what they could do for boundaries, responsibilities, create interlocal agreements and come to a solution they could all work toward.

Mayor Rider felt they needed to form a committee of representatives to sit down and start hammering things out so they could get something on the board, and come up with an agreement they could all live with.

Mayor Rider noted when the city annexed they would need enough tax base to supply service to the area, and hopefully enhance the rest of the community. He indicated growth management was pushing the city for those types of things, and everyone needed to understand it was natural progression.

Commissioner Macomber thought the purpose of the meeting was to open the lines of communication. He noted everyone had some voice, but ultimately annexation decisions were going to be up to the city council. However, from his personal perspective, they all answered to the taxpayers and wanted to do what was best. He thought the best approach would be to have a committee look at the issue and come up with a proposal, which could ultimately be decided upon by the governing body. Mayor Rider agreed with Commissioner Macomber stating it would be a good way to go.

District No. 5 had concerns about the money needed to cover the rest of their district, the portion the city would not be annexing in. Mayor Rider noted he understood. District No. 6 reminded council they needed to look at the big picture. They stated 60% of cities were having financial problems because of financial costs and noted they would ultimately need to work together to keep costs down. Mayor Rider stated his job as a councilman was to represent the taxpayers of the city, and it was their job to represent the taxpayers of their districts. They both had to provide the best protection and response time they could, and that was what he was after.

Councilor Harris stated it would be a fact finding mission and they should establish a committee with a minimum number of representatives from each area rather than a maximum. He noted it would make the meetings more constructive, and would also cut down the number of differences of opinions and arguments.

Mayor Rider thought the best way to accomplish it would be to form a small group of people consisting of three council members (Councilor Spahr suggested the GMA Committee), one commissioner from each fire district, a representative from the port, all of the fire chiefs, and a union representative. They also suggested someone from the industrial commission and the county commissioner's office be on the committee, as well. Mayor Rider noted everyone could go back and talk among themselves about who they wanted to have on the committee, and get back to the city manager to let him know who their representatives would be.

Councilor Pope suggested they also hire an independent recorder to take minutes in detail. He also wondered if they should have legal counsel available to make sure they were within the legal boundaries of what the RCWs required. Mayor Rider thought each entity should take any concerns back and share them with their own legal council. It was asked if they should look at having a moderator. Mayor Rider didn't think that would be necessary.

It was decided they would meet on Tuesdays at 5:30 starting March 1, at the main District 6 facility.

Councilor Pope wasn't sure if it was needed right now, but thought the committee should have a budget to do the necessary work. Mayor Rider noted the participants on the committee should discuss that and come back with a recommendation.

Mr. Boes asked if the meetings were going to be open public meetings or private workshops. Mayor Rider stated since there were no quorums involved they would be private workshops, and when the committee comes to an agreement the information would be given out.

February 15, 2005

Mr. Campbell thought the committee should also be given a timeline to come back with their recommendations. Councilor Pope thought it should be the decision of the committee as to what the timeline should be. Mayor Rider agreed and thought the committee needed to discuss what they wanted to accomplish and how long it would take to do it.

As a group, they decided the committee would be called the Fire/EMS Protection Annexation Committee.

Councilor Pope noted he would like to see a map with an outline of the area that showed how the districts overlapped, and one that also showed the taxing districts and boundaries. Mayor Rider noted the city had that information and it would be provided to the committee.

Casey Beck, Chehalis Firefighter, stated the Chehalis Fire Department was a separate entity from the union and requested that Chief Boes and Asst. Chief Nacht represent the city, and that the union have two separate representatives on the committee (himself and Rob Gebhart). Mayor Rider didn't see that as being a problem, he just didn't want to get the room too full.

There being no further business to come before the council, the meeting was adjourned at 6:05 p.m.

Mayor

Attest:

City Clerk

February 28, 2005

The Chehalis city council met in regular session on Monday, February 28, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:09 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Jim Larson, Finance Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Sarah Getchman of *The Chronicle*.

1. **Consent Calendar**. Councilor Ketchum moved to approve the consent calendar comprised of the following items:

- a. Minutes of the regular city council meeting of February 14, 2005, and the special meeting of February 15, 2005; and
- b. Claim Vouchers No. 77550-77713 in the amount of \$168,242.29 dated February 15, 2005.

The motion was seconded by Councilor Pope and carried unanimously.

2. **Unfinished Business**.

a. **Resolution 5-2005, Second Reading – Interlocal Correction/Detention Agreement between the City of Chehalis and the City of Wapato**. Councilor Taylor moved that the council adopt Resolution 5-2005 on second and final reading. The motion was seconded by Councilor Spahr and carried unanimously.

3. **New Business**.

a. **Ordinance No. 784-B, First Reading – Amending the Animal Control Ordinance**. Mr. Campbell stated the proposed ordinance, with revisions, was a follow-up on issues discussed during the downtown visioning meeting held on February 9. Bob Nacht reported the new Ordinance would amend Ordinance 704-B, the animal control ordinance, and would provide a mechanism to require pet owners to carry with them a means to pick up and dispose of any animal waste (feces).

Councilor Taylor moved that the council pass Ordinance No. 784-B on first reading. The motion was seconded by Councilor Ketchum and carried unanimously.

4. **Staff Reports**.

a. **2004 Year-End Budget Status Report**. Jim Larson reported that with the general fund's strong revenues and under-spent expenditures, the city finished the year in a better position than what they had projected in the budget. He noted sales tax continued to be strong, which was good since the city's property taxes were limited. He stated the water fund was almost exactly where they expected it to be at the beginning of the year, just slightly behind by \$13,000. He reported the wastewater fund was in good shape as well. He noted the city did not receive all the expected state loan revenue due to postponed capital projects in the water and wastewater funds.

Councilor Spahr asked why, if general property taxes were up 4.3%, were the EMS taxes down. Mr. Campbell stated they estimated a little more closely with respect to the EMS property taxes than they did with the general property taxes.

Councilor Spahr asked if the city was still having a problem collecting gas utility taxes from WestFarm Foods and if so, did staff have any idea when it might be resolved. Mr. Larson stated he has had discussions with the State Department of Revenue (DOR) and was told it was in the courts and there was no real idea when it will move through. He noted WestFarm Foods originally changed the way they purchased their gas and took the legal position that they were exempt from the gas tax. The state audited WestFarm Foods and came down with the decision that the taxes were owed and due to the city and state. At that time WestFarm Foods appealed the state's decision to the Court of Appeals. He noted there was no real good indication as to when the city would have any final resolution. Mayor Rider asked what would happen if WestFarm Foods didn't pay. Bill Hillier stated it was out of the city's hands, but the issue would be litigated and enforced by the DOR. Mr. Larson noted the city was not projecting to receive any money from WestFarm Foods.

Councilor Taylor asked how much WestFarm Foods owed in back taxes. Mr. Larson stated they were probably looking at about \$100,000.

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Councilor Ketchum requested that council get a sales tax breakdown by month, comparing the last couple of years.

b. **GMA Committee Meeting Reminder**. Mr. Campbell reminded council about the GMA meeting on Tuesday, March 1, at 7:00 a.m. at the activity building.

c. **Work Session on March 21**. Mr. Campbell asked council to consider scheduling a special meeting on March 21, for an informal work session. The meeting would be scheduled for 5:00 p.m. at the activity building.

5. **Council Reports**.

a. **Chehalis River Basin Partnership Meeting**. Councilor Spahr asked Patrick Wiltzius to report on the Chehalis River Basin Partnership meeting. Mr. Wiltzius reported the partnership was continuing to work to find funding for Phase 4. He noted a representative from the Department of Ecology was also at the meeting.

b. **AWC Legislative Conference**. Councilor Harris first wanted to welcome home the troops that had just returned. He reported his brother-in-law was one of the National Guard troops returning back home. He acknowledged a special welcome home to Jim Larson's son who was injured a couple months ago.

Councilor Harris reported on the AWC legislative conference, where they discussed the streamlined sales tax issue. He noted there were now two bills going through the senate, SB 5622 brought forward by those representing cities that would be negatively impacted by the streamlined sales tax legislation, and SB 5908, from those representing cities that would be positively impacted. Both bills provide a means of mitigation for negatively impacted cities, however each bill includes a very different means for doing so. He noted there were some from the winning cities who had no concern for the "losing" cities. He also noted Representative McIntire, out of Seattle, would be sponsoring another bill if SB 5908 didn't go through. He stated it was one more reason the city needed to look harder at annexation and encouraged everyone to contact their legislators!

Councilor Spahr noted council needed to keep in mind they had already lost the MVET monies and if they lost to the streamlined sales tax, the city would then become a double loser.

Councilor Harris reported that any mitigation plan would be moot. He noted the state wanted to pay money back to the cities with money they expect to be paid by voluntary compliance by people willing to pay sales tax, even though not requested to. He reported the Department of Revenue knew they couldn't guarantee anything.

c. **Bond Levy Meeting**. Mayor Rider stated they needed to make some decisions on whether or not to run the bond again for the police and fire services building. He noted there was a citizens meeting with the original committee and the campaign committee, and they both felt the city should move forward as quickly as it could to get the issue back on the ballot.

A meeting was scheduled for March 7, at 5:00 p.m. at the Chehalis city hall. Mr. Campbell noted it would provide a forum for people to comment, or to express what their concerns were. He noted in order to have something on the May ballot, a resolution would need to be passed by council by the end of March.

6. **Executive Session**. Mayor Rider announced staff and council would convene into executive session at 6:40 p.m., after a five minute break beginning at 6:35 p.m. pursuant to RCW 42.30.110(1)(c) – sale or lease of real estate, and there would be no decisions following the conclusion of the executive session.

Mayor Rider closed the executive session at 6:50 p.m. and reopened the regular meeting.

7. **City Representation at Meetings Regarding Annexation**. There was discussion amongst council and staff as to who should attend and represent the city at meetings regarding the potential annexation of property south of town. It was determined that annexation was being driven by the city, and the number of city participants shouldn't be limited. All appropriate staff and member of the council's GMA committee should be on hand to provide their expertise and knowledge.

February 28, 2005

There being no further business to come before the council, the meeting was adjourned at 6:55 p.m.

Mayor

Attest:

City Clerk

March 7, 2005

The Chehalis city council met in special session on Monday, March 7, 2005, at the Chehalis fire department. The work session began at 5:02 p.m. with the following council members present: Fred Rider, Terry Harris, Bob Spahr, Tony Ketchum, Chad Taylor, Dr. Isaac Pope, and Daryl Lund. Staff present included: Dave Campbell, City Manager; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Rob Gebhart, Fire Captain; Dale Miller, Police Chief; Rebecca Fox, Court Administrator; Tim Grochowski, Public Works Director; Patrick Wiltzius, Wastewater Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Sarah Getchman of *The Chronicle*.

1. Proposed Public Safety Building Project Bond Measure. Dave Campbell stated they were holding the meeting to get public feedback and comments on where the city should go next with respect to the proposed public safety building. Most of the feedback from a prior meeting was oriented to putting the same ballot measure back out for voter consideration for the same building and location. Mr. Campbell's own recommendations were somewhat different from that. While he still believed the project was a good one, he thought there were still a number of questions that came to mind with respect to the potential annexation of the industrial park. Mr. Campbell stated the kinds of questions raised in his mind couldn't be answered until the issue of annexation was resolved, and, if, so, on what terms. Some of those questions were how would city plan to provide for fire responses in the industrial park if the city did annex, and what would the impact be on the tax rate if the ballot measure passed and annexation occurred. He stated those kinds of questions could not be answered definitively at that point until the decision was made whether or not to proceed with annexation.

Mr. Campbell believed with those types of issues out there, council should hold off on putting the ballot measure out for consideration until the issue of annexation was resolved. He stated for all practical purposes that meant waiting until September.

Mr. Campbell noted what he was hearing from public comment, and comments from those who were on the committee, was that the city should go ahead and put the proposal back out to the voters as soon as possible, meaning this coming May.

Councilor Spahr asked when the option to purchase the building was up. Mr. Campbell reported that the current option would expire in September or October 2005. He stated if the option expired and the city was still interested in pursuing that building, the city would need to negotiate a new option with the county.

Councilor Pope stated there was a great deal of misinformation about that being the only building the city looked at. He noted there was other property the city looked at and asked Mr. Campbell to remind everyone of what the other options were for building sites. Mr. Campbell reported that the city did look at a number of other sights, which included the L & E Bottling plant located on State Avenue, the existing PUD building in downtown Chehalis, and a parcel of property located further north along State Avenue toward Chamber of Commerce Way. Councilor Pope noted at one time there was some discussion about RE Bennet School. Mr. Campbell stated that was about ten years ago. Councilor Pope asked if 13th Street and Market Boulevard was talked about as a potential site. Mr. Campbell noted they did have some discussion at one time about that area being a potential site.

Mayor Rider noted there was some discussion about buying some bare land, but after looking at that option they found it would cost between \$6 to \$7 million dollars compared to the \$4.5 million for the current proposed site.

Mayor Rider stated they needed to decide as a council if they wanted to move forward to put the bond back on the ballot for another revote. He believed they needed to look at it again and educate the public more. He reported that everyone he had talked with since the election understood it better after he explained it to them. He noted not everyone agreed with him, but they all agreed that they needed a new fire station. They either voted against it because of a miscommunication or misrepresentation, and in most cases it was the miscommunication.

Councilor Lund felt the people had spoken and that council should listen to the people. He thought it would be better to put community services in the proposed building and put the fire station somewhere else.

Councilor Spahr noted that in listening to the people and the media, the issues were the annexation and the location. He thought community services could be located just about anywhere, but stated it was very critical where the fire department was placed, and that's why they chose the proposed location. He noted there had been discussion about the railroad tracks and where they were located. He reminded everyone that you wouldn't want your first line responders next to the railroad tracks. He strongly believed if they were going to construct a new building, it needed to be at a better location.

March 7, 2005

Councilor Spahr noted there were a lot of questions about annexation and why the city wouldn't be able use the District No. 6 station. He reminded everyone that District 6 built their facility at its current location because it was central to their district. He concluded the city could be serviced from one location as it existed right now if properly located. If council decided to annex the industrial park area, they could service that area by placing a substation somewhere centrally in that location. He stated even if they decided to use the District 6 station they would still need to place a substation in the middle of the industrial park, which would end up being more costly to the city because they would now have two substations to man, and pay for.

Councilor Spahr noted there were concerns about traffic congestion at the proposed location. He noted the only vehicles that would be exiting the building from the front would be the fire department. Other concerns included the amount of people who would be placed in the building. The county currently employed either 63 or 33 people in the building, the city staff requirements were a maximum of 18.

Mayor Rider noted the city's concern about having a building located next to the tracks wasn't about the trains, but rather what the trains were carrying on them. He noted the trains today are longer and go much faster than the trains 20 years ago. It was also recommended by a Department of Transportation Safety Committee that the city move the facility away from the train tracks for those same reasons.

Councilor Harris stated they needed to look positively at the future. He noted the answers they were giving to people may not be what everyone wants to hear, but they would end up with a successful solution, one way or the other. He stated he was ready to put the bond measure back out on the ballot. He thanked everyone involved for all the hard work done on the campaign. He noted they were forced, in a very short amount of time, to get an adequate amount of information out to the public.

Dennis Dawes (1851 SW Kimberly Ct, Chehalis) believed there were some things the city needed to do before putting the bond measure back out to the public, which included:

- Analyze the election results and recheck election strategies. He stated there were still questions that needed to be answered and believed there was a lot of confusion regarding the timing of other issues such as the wastewater treatment plant, and in the middle of the election, issues of spending another \$300,000 on a building for community services. He reported people were questioning why the city would need the bond measure if they had that kind of money to pay for other buildings.
- Find out why there were so many negative letters printed in the paper regarding the bond measure. In his opinion there were quite a few letters from Fire District No. 6 alone, that he believed had an unfavorable effect on the election.
- Use citizens on the committee to be the main speakers for the project. Use staff only as technical support.
- Have more community/neighborhood meetings.

Mr. Dawes noted they only had to walk around and look at the current facility to know they needed a new one. He also mentioned if the city did follow through with the annexation, it would not take any assessed valuation from the north part of town, therefore still making it necessary to have response to that area. That would mean they would need a substation in the industrial park area to service the south end of town. He stated it wasn't a matter of what the city wanted, but what the city could afford.

Mr. Dawes also stated if the city was planning to annex in the next 12 to 15 months, he would not put the issue up for a vote until after that issue was resolved. He believed the city should run the bond measurer again, but only after questions and concerns were addressed.

Councilor Spahr stated Mr. Dawes made a good point, and asked if they should postpone the revote until after the proposed annexation. He noted the deadline on the building lease was coming up and the reason the city chose the building was because opportunity was knocking, and it seemed to fit the city's needs. Councilor Spahr threw out the idea that if they decided to wait until after the annexation, they could still purchase the building with bonds later in the year with a minimal property tax increase. He indicated the city could then lease the building back to the county for a year or two until they get their feet on the ground with the annexation. He stated the building could be used for office space for other departments, such as

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public works or city hall, if the city decided not to use it for the police, fire and court facility. Mayor Rider stated he had the same thought about just purchasing the building for future use.

Mayor Rider agreed with Mr. Dawes stating he thought they needed to have more community meetings. He believed they needed to look at the whole scenario of how they were going to do it, which would include approaching the press, both the voice and printed media, to help educate the community.

Mayor Rider believed the work the citizens committee did in choosing the proposed building and location ended up being the best bang for their buck at that time. Mayor Rider stated he'd also heard comments that the city was not allowing for any growth by purchasing the proposed building. He reported there would be room for expansion in all of the departments they proposed to put in the facility.

Jim Martin (374 SW 15th Street, Chehalis) agreed the city needed a new fire station, but asked at what cost. He didn't believe it was the right location or the right cost. As a citizen he wondered why he paid more taxes on average than our neighbors, referring to Centralia, and got less service. Now he's being asked to pay more for a building that was inadequate, and the city would outgrow before the end of the payoff. He thought council owed it to the citizens to look at those issues before they build again. He felt the people had spoken, noting if it failed by one or a hundred votes, it still failed. The response he was getting was it failed because of the cost and the location. He thought instead of putting it out for a revote, council should reevaluate and come back with something different. Mr. Martin indicated there were other issues that needed to be dealt with and hoped that council would make the public aware of them, instead of trying to slide things by them.

Councilor Pope asked Mr. Martin what he meant by "he pays more for less service." Mr. Martin stated from the numbers he'd seen, citizens in Chehalis pay 37% more than the city of Centralia for fire and police services. He stated Centralia also had an advance life support program (ALS), which the city of Chehalis did not. Jerry Boes stated the city had a contract with AMR to provide ALS services, and stated what other fire departments were doing was duplicating services. Mr. Boes reported the city responds with EMT's (Chehalis firefighters are all EMT's), as well as an ALS service.

Chief Miller also responded to Mr. Martin's comments saying the index crime rate in Centralia was up 26%, while Chehalis's was up 2.6%, which in his opinion indicated the city of Chehalis was providing sufficient service.

Mayor Rider responded to Mr. Martin stating this was not the city of Centralia. The council represented the city of Chehalis and they have agreed, as a council, to provide a level of service to the citizens of Chehalis.

Mayor Rider stated Mr. Martin indicated things were not being told to the citizens in regards to projects and what things were going to cost. Mayor Rider stated council did a good job letting the citizens know what their plans were and how much things were going to cost. He noted that unfortunately everything the city does costs big bucks.

Mr. Martin responded by saying, as a taxpayer he sees the problems the city has, and using Chamber of Commerce Way as an example, he stated at some point the city was going to have to deal with the issue of traffic congestion. Mayor Rider stated the city was dealing with it and already had funding in place for the project.

Mr. Martin stated he didn't know why it was going to cost over \$2.8 million for renovations, and hoped the city could give him a breakdown of what those costs were. Norm Pfaff, Pfaff Architects, stated the cost to renovate the proposed building was based on eight stations they had in their data base. Mr. Pfaff indicated it was cheaper to renovate the proposed building than it was to build a brand new station, as outlined in the booklet. Mr. Martin stated he hadn't seen that information. Staff provided Mr. Martin with a booklet to look over.

Jim Hill (1963 SW Snively, Chehalis) asked Mr. Martin what he would support. Mr. Martin stated he would not put the fire station in the proposed area, which would only increase traffic and parking issues. He believed the building should be somewhere off to the side, in a centrally located area, that would not impact the public.

Mayor Rider stated, as he did before, that may not be the best location or the best facility, but for the availability and costs, it was the best location.

Dennis Dawes stated after looking at different buildings and sites that was the best available option for the money that was available. He noted those who had lived in the city for years knew how traffic flowed, and the committee addressed those

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concerns. Mr. Dawes stated there are a lot of people who had thrown out reasons why they don't like it, such as they don't like the location. What he would like to see is for those people to come back with a better alternative or suggestions on something better. He reminded everyone that the building would be for three different departments, not just one.

Mayor Rider stated they didn't just decide to buy the building in a short period of time. The committee spent almost a year and a half, with 25 core people that met on a regular basis to come up with the recommendation made to the city.

Mr. Campbell responded to one observation that Mr. Martin made in reference to the calculation provided in the consolidation study, with respect to the cost of providing public safety services. He noted the calculations done in the consolidation study were based on if cities were to fund their departments entirely by property tax revenues. Mr. Campbell stated those were specious calculations because that was not the way cities were funded. As the council already knows, cities receive sales tax dollars and Chehalis was fairly wealthy from a sales tax standpoint. The city also had utility taxes and a number of other fees that go into the general fund that paid for the police and fire departments. If the city were to only pay from property tax revenues services would cost more in Chehalis. The reason for that was Chehalis had more police officers and firefighters per thousand population than Centralia, and in that respect the city of Chehalis provides an even higher level of service to the community. In other respects, Chehalis really doesn't pay more for police and fire services. Mr. Campbell noted the overall property tax in Chehalis is actually lower than it is in Centralia because the city has a good base of sales tax revenue.

Mr. Hill pointed out that this was the first time the city of Chehalis had run a bond issue, and the fact that the city had never done it before could be one of the reasons why the city is in the situation it is now.

John Panesko (222 SE Spring Street, Chehalis) stated the citizens were being asked to spend a great deal of money for essentially no increase in service, no additional fire equipment/vehicles, firemen, or police officers. He believed that could have been what Mr. Martin was alluding to. He believed everyone agreed the city needed a new station. He'd heard that Fire District No. 6 had spent \$2.5 million for their new station, described to him as a super palace, and the city of Chehalis wanted to buy a building to renovate for \$4.5 million. Mr. Panesko wanted to see what other options and costs there were out there. He suggested the city spend \$2 million on a building for police and court, locating it somewhere on 13th Street. This would allow the police department to have immediate access to the freeway to get to the other end of town, north or south, under a minute and a half. He stated the city would still have \$2.5 million to build a fantastic fire station wherever the city chose to build it. He felt the committee did a great job, but they didn't talk about any other options and what they would cost.

Mr. Dawes stated a study was done in 1990 using 13th Street as a potential site. In 1990 it would have cost \$5 million for a police, fire and possible city hall building.

Councilor Harris noted they were talking about construction costs only. He stated the city would need to buy property, grade it, and then build the building. He used Rite-Aid as an example, who paid \$1.1 million just for their property, then had to pay to have it graded and then paid another \$2.8 million for a building. Councilor Harris stated the committee and staff had been working on the project for years, and just because people hadn't been paying attention to what the committee was doing, doesn't mean that things hadn't been looked at.

Councilor Pope stated it needed to be said that Fire District No. 6 spent a great deal of money on their station. If they had shared in the planning with the city, they could have put their station further down in the middle of the Industrial Park. He noted it would take a lot of consideration and planning on everyone's part to resolve issues in a community. He stated Chehalis was a small community and they needed to do what was best for the community.

Frank Mason (545 N Market Blvd, Chehalis) agreed with some of the thoughts from council and from Mr. Panesko. He stated if the average citizen or businessman was looking to purchase a building, they were going to pay in excess of a million dollars. He noted a few important things to look at would be parking availability, would it be best suited for the need, and one that would require very little remodeling to fit the need long-term. Most of the people he had talked to had issues with the fire department being located on Market Boulevard, taking away parking. He noted that a lot of the citizens never had the story until late in the game. He also felt the issue of the community service building coming out the same week the ballots were due back, perhaps made people question whether council had thought things through. He suggested putting community services into the proposed building. He also inquired about municipal court, wanting to know how many court trials were held per year and wondered if they really needed a full fledged court facility. He was truly convinced that if the city ran the bond measure a second time, with the same idea, they would fail even worse. Mr. Mason noted he had served on the building committee and that he had no problem with the city acquiring the county building. His thought would be to use it for a city hall facility, along with community

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services. His biggest concern was he didn't like taking a building designed for offices and convert it into sleeping quarters, which would require a sprinkler system, and basically take up a parking lot to put in a fire hall. Mr. Mason noted there would be no room for expansion and there would be additional cost to install the angle parking along park street. He commended everyone for the job they were doing, but asked that there be more discussion on the project.

Mayor Rider stated they had some good suggestions and felt they should take a harder look at the issue before they made a decision as to what direction they would be going.

Councilor Lund made a motion to direct staff to do what Frank Mason suggested. He stated the people in town want things done right, and didn't want to remodel an old building. The motion died for a lack of a second.

Councilor Pope recommended they defer any decisions until council makes a decision on annexation.

Councilor Taylor stated the committee still needed to hear what other people had to say about the project. He knew the project had been studied and people had put a lot of time into it, but felt there were still those out there who would want to give some input to the process. He noted people were coming up with some good ideas, such as putting community services into the proposed building. He wanted to give the committee one more chance to look at things and thought they should wait until September to put the issue back on the ballot, after they've made a decision on annexation.

Councilor Harris issued a challenge to the citizens to come up with some ideas. He suggested they do some research and come up with a plan with an actual option that the city could afford, that the people would vote for.

Mayor Rider felt the proposed facility would work. He felt the city staff, Norm Pfaff, and the committee had done an excellent job in making sure the facility would work. If the citizens of the community were going to say no, but wanted something else, he would be more than willing to look at that with the understanding they may have to spend \$8 million dollars.

Councilor Spahr stated they need to take the input from the meeting seriously and stack it up against the project to see if it would work. There were some good points about parking brought out. He noted he didn't know if he wanted to put it off until September. He wanted to think about it some more and have the committee take the information back and look at it some more, as well.

Councilor Spahr reminded everyone the city had the banking capacity to purchase the building. With the city's taxes being so low, they could raise property taxes to pay for the building. He stated that was not what council wanted to do, but wanted the citizens to have ownership and a say. Now that people know about it they're asking questions, and hoped the more questions they ask, the more answers they would find.

Mr. Hill asked that the council reconstitute the committee and refresh the proposal to add any new ideas. Mayor Rider noted that was his thought, as well.

Diane Rasmusson (198 Galaxy, Chehalis) noted she had been involved in two of the committees, but found it difficult to make it to the meetings, especially during the holidays. She was surprised and pleased at the response they did get from the public. She indicated when people are in doubt, they either vote no, or don't vote at all.

Matt Comisky (721 SW 20th Street, Chehalis) believed the reason the ballot measure failed was because of the dollars involved. He noted before anything would pass they needed to cross the hurdle over the concern of the costs. He stated with only a few options out there right now, that could be the best location.

Mayor Rider stated the cost of doing business had gone up, and the current facility was not going to last forever and someday it would need to be replaced.

Mr. Comisky asked if the building wasn't up for sale, would they even be sitting there discussing it. Mayor Rider stated more than likely they wouldn't be, but because it was, it prompted the discussion. Mr. Comisky suggested the committee not focus so much on location, but to do cost benefit analysis of what it would cost to build a new building and throw out some different funding options, and prove to the public that this was the best and primary option. Mayor Rider believed the committee

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had done some of those different things. They looked at different funding options and the proposal they had in front of them was what they came up with.

Mayor Rider stated what they may have failed at was communication.

Councilor Spahr believed they should strike while the iron was hot!

Mayor Rider stated the council would provide some direction at Monday's council meeting.

There being no further business to come before the council, the meeting was adjourned at 6:45 p.m.

Mayor

Attest:

City Clerk

March 14, 2005

The Chehalis city council met in regular session on Monday, March 14, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Amanda Vey, Asst. City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Mark Petrie, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Dave Vasilauskas, Incoming Water Superintendent; Lilly Wall, Recreation Manager; and Andy Sennes, Property Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle*.

1. **Proclamations.** Mayor Rider presented Michaelle Fries, emergency services specialist with the Mount Rainier Chapter of the American Red Cross, a proclamation declaring the month of March to be "American Red Cross Month" in the city of Chehalis. Ms. Fries reported the American Red Cross committed \$440 million to the tsunami victims and met that goal. The Mount Rainier Chapter rose over \$300,000 and of that, \$25,000 came from Lewis County. She stated they had 65 dedicated volunteers in Lewis County who are there and ready to help if a disaster were to occur. She reminded everyone to be aware they still needed volunteers and funds to help respond to local disasters.

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

- a. Minutes of the regular city council meeting of February 28, 2005, and the special meeting of March 7, 2005; and
- b. Claim Vouchers No. 77714-77833 in the amount of \$290,836.81 dated February 15, 2005; and Payroll Vouchers No. 23968-24125 in the amount of \$528,079.05 dated February 28, 2005.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Citizens Business.**

a. **"Rosie the Riveter" Project.** Edna Fund, from the Timberland Regional Library Board, addressed council regarding the "Rosie the Riveter" project. She reported that the "Rosies and the Guys" reunion would be coming up on July 4th. She handed out a little "Rosie Trivia" for the council to see how much they knew about what happened during WWII. (Council was able to answer three of the six trivia questions). Ms. Fund reported that the Chehalis Boeing plant was located in the PUD building, and employed 700 people at its peak. She indicated that 70% of the people who worked at the plant were women, who used their married name, which created quite a challenge in trying to locate them. She noted the group had enlisted school children, who are good with computers, to do some research by looking through public records to try and help locate the Rosies.

Ms. Fund stated the Chehalis plant had won the "Excellence Award" in 1944 and on April 16, Boeing had a B-17, one the Rosies had actually worked on, land at the Chehalis Airport as part of the celebration. She also reported that former Chehalis City Councilor Joyce Venemon was a Rosie. Ms. Fund noted the reunion would be opened up to all Lewis County residents who worked in war support. She reminded everyone that on July 2 they would be dedicating the Veterans Memorial Museum; July 3rd would be the start of the "Rosie Reunion"; and "Summer Fest" would start on July 4th. She reported that the Rosies who are able to be there would also be part of the 4th of July Parade. Mayor Rider stated Ms. Fund and her group were to be commended for their efforts in bringing it all together. Ms. Fund stated they were hoping to replicate a picture of the Rosies and the Welders, and asked if it would be possible to close down the street by the PUD in order to do so. Mayor Rider didn't see that the city would have a problem in doing that. Ms. Fund stated it as going to be a real patriotic time in Lewis County this year.

4. **Unfinished Business.**

a. **Ordinance No. 784-B, Second Reading – Amending the Animal Control Ordinance.** Bob Nacht reported the amended ordinance would not affect responsible pet owners, stating responsible pet owners picked up after their animals. The intent of the ordinance would be to give staff the opportunity to contact irresponsible pet owners who do not pick after their animals.

A citizen in the audience (who wished to remain anonymous) asked how the city intended on punishing those who don't take care of their animals. Mr. Nacht stated the issue of irresponsible pet owners required staff to make contact with them as time and effort would permit, but indicated the animal control officer did work flexible hours when they had problematic areas. The citizen stated she had complained to the city manager about her neighbor's three dogs that she'd been picking up after for

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the last 11 years. She noted that Mr. Campbell was very kind and he listened to her. Mr. Nacht stated they would first have to identify who the responsible party was prior to citing anyone. Mayor Rider stated he hoped the new ordinance would give staff the ability to enforce the law a little better. Mr. Nacht stated the city's process required a chain of events to occur before they could actually do anything. The first step would be to have a written complaint filed at the community services office identifying what the issue was, and at what location.

Mayor Rider stated the changes to the ordinance were addressing a citizen's complaint and comments that came from the visioning committee on the issue. Mr. Nacht noted if a person was walking their pet on a public sidewalk or in a public park, the ordinance required the animal to be licensed, on a leash, and the owner to have in their possession a means of picking up after the animal. It would also allow a police officer or animal control officer the opportunity to contact people to make sure they were capable of picking after their animal.

Councilor Lund asked if a citizen had to fill out and sign a complaint form in order to get Mr. Chambers to go out and do his job. Mr. Nacht stated in order for the city to pursue contact with an individual a report would have to be filled out and signed. He noted the report would give the city probable cause to contact the individual. He also reported that when complaint calls come in anonymously, the city will do an emphasis patrol in that area, but typically the animals are not running around when they go out to patrol the area.

Councilor Lund asked if there was any way to change the legal documentation. Amanda Vey said no, because everyone had the right to confront their accuser, and in order to pursue something legally they had to have a witness.

Mr. Nacht stated when they first created the process of procedure, and the mechanism to get nuisance abatement and animal control into ordinance form, they spent hours with the attorneys structuring the program so they wouldn't run into prosecutorial problems. He guessed that 85% of nuisance complaints were civilly related. The system was set up to preclude staff from becoming involved with civil issues between neighbors, and the system will do that if used properly.

Councilor Taylor moved that the council pass Ordinance No. 784-B on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

b. **Proposed Public Safety Building Project.** Mr. Campbell stated the item was on the agenda again, at council's request, following last week's special meeting to hear from people in the community about their ideas and suggestions for what to do next in the wake of last month's election, which fell just short of getting 60% approval for financing for the proposed public safety building project. Mr. Campbell did some research on a proposed project from 1995 and found that to build a police, fire and municipal court facility at the corner of 13th Street and Market Boulevard it was estimated to be \$4.5 million.

Mr. Campbell recommended deferring any action in terms of putting the proposed project back on the ballot until they made a decision about the potential annexation of the industrial park. He stated there could be some unknown issues with the annexation, which could cause people to vote no, or not at all until those issues are addressed.

Mayor Rider stated he personally went out and talked to people around the community and found that some still had questions about the costs, but no one actually opposed the project. They believed there was a need, and after he talked with them, they felt better educated about it. Overall, people seemed to have a positive attitude toward the building proposal.

Councilor Spahr reported that putting it off until September could be acceptable, and didn't believe by putting it out that far that people would forget about it. Councilor Spahr thought it was important to sit down with the committee and get them more involved in going out to the public. He noted there were a lot of items in the proposal that people didn't see, such as the furnishings for the building. He was in favor of waiting until September and wanted to work towards educating the public more between now and then.

Councilor Ketchum and Mayor Rider both agreed with Councilman Spahr. Mayor Rider stated the people had spoken, but believed there were some educational problems to deal with. He believed the city needed to move forward with the plan and make some changes in the original proposal, even if they believed the plan was solvent. Mayor Rider stated that unless someone wanted to challenge it, or come up with something different, he told Mr. Campbell that staff should move forward, get the committee reorganized, and start educating the public.

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Councilor Taylor believed they had a solid plan. He was in favor of the project and was not opposed to waiting until the annexation issues were resolved. He stated he would also be open to any new ideas if something came up between now and then.

Councilor Ketchum thought it was a tremendous proposal and they needed to get the group focused and working on it again.

Councilor Spahr noted the most popular alternative from the meeting on the 7th was to tear down the current location and rebuild there. He stated he thought the architect did some ground sampling in that area and found they would need to dig out eight feet in order to get stability to put a new facility in the same location. If they did use the same site, he questioned where they would put the police and fire services while they were in the process of rebuilding.

Mayor Rider reported that at the last meeting of the original committee, the campaign committee, and other interested citizens, they all recommended the city move forward with the same plan and put it back on the ballot.

Councilor Harris thought they could do both the annexation and the building all at the same time. However, he believed Mr. Campbell was correct in having them at least look at what the recommendation on annexation was first. If nothing else, it would make it much more cost effective for the citizens who pay property tax. Secondly, if in fact the city had to build a smaller sub-station, which would be part of the annexation plan, the city may not need as many bays in the recommended facility, which would allow more parking, and decrease the cost of the facility. He still thought it was the best facility and suggested they look at the September date as being the target date they put the issue back on the ballot.

Mayor Rider reminded council they had a meeting on the 4th, and one on the 28th that would allow them to give input and direction to Mr. Campbell regarding the issue.

5. Staff Reports.

a. **Employee Service Awards.** Mr. Campbell reported awards of recognition for service were given to Water Superintendent Mark Petrie for 5 years of service, and Bobbi Boone, Land Use Technician, for 5 years of service.

b. **Introduction of the Incoming Water Superintendent.** Tim Grochowski introduced David Vasilauskas, who would be replacing Mark Petrie on April 1. Mr. Vasilauskas had been with the city since 1990. Mr. Grochowski believed Mr. Vasilauskas was the best, without going outside, to replace Mr. Petrie. He noted Mr. Vasilauskas had a history with both Chehalis and Centralia, and would be around for a long time.

c. **Wastewater Treatment Plant Ground Breaking Ceremony.** Mr. Campbell reminded council and staff about the ground breaking ceremony on March 15 at 2:00 p.m. (420 NW Louisiana Avenue).

d. **Special Work Session on March 21.** Mr. Campbell reminded staff and council about the upcoming council meeting on Monday, March 21 starting with an executive session at 3:00 p.m. and a special work session at 5:00 p.m. to discuss various topics. Both meetings would be at the activity building at community services.

e. **Special Meeting on April 4.** Mr. Campbell asked council to schedule another special meeting to go over the outcome and ideas that resulted from the "visioning session" held last month in downtown Chehalis. A meeting was scheduled for Monday, April 4, at 5:00 p.m. at the activity building at community services.

6. City Council Reports.

a. **Recommended Next Steps for Leadership Team Development.** Councilor Pope stated he and Mayor Rider met with Dr. Michael Pendleton to go over the results of his report from phase 1. The basic question he wanted answered by the council was, should they go to the next level in the teambuilding process.

Mayor Rider stated he and Councilor Pope sat down with Dr. Pendleton and went through the report. Dr. Pendleton gave them his thoughts on the first phase results and let them know where he felt staff and council were and what issues they needed to do address. Mayor Rider and Councilor Pope recommended that staff and council move forward to the next phase of the project.

March 14, 2005

Councilor Harris was in complete support of phase II, but was unsure about phase III, which appeared to be a follow-up on everything. He asked what the timeline was between phase II and III. Mr. Campbell stated phase III would be a number of months after the completion of phase II, perhaps a year later. Councilor Pope indicated the report suggested a one year follow-up.

Councilor Spahr noted phase II looked like three one day workshops, in which Dr. Pendleton would write up three reports for \$725. He asked if the fee was for three different reports or three copies of the same report. Mr. Campbell explained the three different workshops proposed would involve one with just the council, one with just the staff, and one with both council and staff together.

Councilor Lund stated he was in favor of the process originally, but was disappointed in the outcome of the report. He felt it didn't do a whole lot to help the group. Instead of spending anymore money on the process he would rather see the money spent on filling pot holes around town.

Mayor Rider stated he appreciated Councilor Lund's comments, but he thought it was something positive and it would be money well spent. He thought council and staff needed to understand their rolls and work better together.

Councilor Harris explained that the first phase was an identifier, not a problem solver. He believed they owed it to staff and themselves to help identify problems to make it them a more cohesive unit. He felt they should follow-up with phase II, and look at phase III down the road and decide later if they needed it or not.

Councilor Taylor stated the document already identified where their weaknesses were and gave them some things to do to improve on. He thought it would probably be a good idea to do phase II, but didn't think it was necessary. He stated they had been give the information from Dr. Pendleton on what needed to be done and felt they could probably do it themselves. Councilor Taylor stated he didn't believe he would vote in favor of the motion.

Councilor Pope made a motion to move forward to phase II of the teambuilding process. The motion was seconded by Councilor Harris. Councilor Taylor asked Councilor Pope if he thought phase II would be beneficial. Councilor Pope said he believed it would be. Mayor Rider felt Councilor Taylor's comments were good, however he felt they needed to take the next step, and thought it was important to have a third party to lead that portion of the process. Councilor Taylor said it was the first time he'd ever been involved in a teambuilding study, and noted it could be a good thing and stated he would go along with their recommendation. Mayor Rider responded by saying the first step was to identify the problems, the second was to address them, and the third phase was to follow-up and make sure the problems were addressed.

The motion carried 5 to 2, Councilors Lund and Taylor voted against the motion.

b. **Flood Control.** Councilor Taylor reported they were in a holding pattern. They were still looking at the same projects, just trying to reprioritize some of them.

c. **Community Spirit Awards.** Mayor Rider reported that at the Chamber meeting they presented community spirit awards to Derek Shannon of KITI- Live 95, for the great job they do at their station, and to Rick Petty for his years of service of putting on events in downtown Chehalis.

7. **Executive Session.** Mayor Rider announced the council would convene into executive session at 7:24 p.m. following a break beginning at 7:19 p.m. pursuant to RCW 42.30.140(4) – collective bargaining. Mr. Campbell noted there could be a decision made after the executive session. Following conclusion of the executive session, the regular meeting was reopened at 7:43 p.m.

a. **Police Union Contract Negotiations for 2005-2007.** Councilor Ketchum moved that the council approve the collective bargaining agreement between the city and Teamsters Union Local No. 252 (representing the police uniformed personnel) for the years 2005-2007. The motion was seconded by Councilor Taylor and carried unanimously.

There being no further business to come before the council, the meeting was adjourned at 7:44 p.m.

March 14, 2005

Mayor

Attest:

City Clerk

March 21, 2005

The Chehalis city council met in special session on Monday, March 21, 2005, at the community services activity building. Mayor Rider opened the work session at 3:05 p.m. and immediately closed the regular session and went into executive session with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, incoming Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; Mansoor Ghorbani, City Engineer; Lilly Wall, Recreation Manager; and Andy Sennes, Property Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle*.

1. **Executive Session.** Mayor Rider announced staff and council would be in executive session pursuant to RCW 42.30.110(1)(c) - lease or sale of real estate, and there would be no decisions following the conclusion of the executive session.

Mayor Rider closed the executive session at 5:03 p.m. and announced council would reconvene into regular session at 5:09 p.m.

2. **Potential "Conwell Hill" Development, High Level Reservoir, Coal Creek Road Waterline, and Other Water Capital Project Impacts.**

a. **Coal Creek Road Waterline.** Mansoor Ghorbani explained the deficiencies in the city's existing water system located on Coal Creek Road in the vicinity of the Faith Baptist Church. He stated the city had the opportunity to partner with the church in the installation of a larger water pipe that would benefit the city and other property owners in the area. He indicated that in order to expand, the church would require 900 feet of 4-inch fire line along Coal Creek Road. Mr. Ghorbani explained that the city had the opportunity to participate in the upsizing of the line to an 8-inch line that would better serve the existing property owners, which would provide fire flow to the church, and provide water capacity for future growth. Mayor Rider stated the only question was, if the church got approval for the 4-inch line would the city want to pay the difference to upgrade it to an 8-inch line. Staff recommended that the council approve city participation with the Faith Baptist Church for the water main upgrade on Coal Creek Road to an 8-inch line.

Councilor Spahr moved that the council approve city participation in the water main upgrade on Coal Creek Road in an amount not to exceed \$35,000. The motion was seconded by Councilor Lund. Tim Grochowski asked if a latecomer agreement could be developed to recoup costs if others connected to the line at a later date. Bill Hillier stated the city could not collect a latecomer fee for city utilities, but explained that the church could. Pastor Jim Modlish stated the church would do whatever they could to help make the process more expeditious. Mr. Grochowski stated the city would work with the church to develop a latecomer agreement. The motion carried unanimously.

b. **Conwell Hill – Capital Improvements.** Mr. Ghorbani explained that the current city water system was unable to provide water to higher elevation areas north of the high level reservoir, and there were no upcoming improvements to the area in the city's comprehensive plan. He noted there had been a number of development inquiries regarding the area. He reported the city might have the opportunity to partner with developers in the installation of reservoirs and water mains that would benefit the city, the developer and the current property owners. He noted the city's water comprehensive plan proposed the installation of a 100,000-gallon reservoir adjacent to the existing high-level reservoir in 2005 and the installation of a 236,000-gallon reservoir adjacent to the Valley View twin reservoirs in 2008. He explained that those reservoirs would address the fire flow storage deficiency for the high level and Valley View zones. Mr. Ghorbani stated the city and the National Height developer hired TJF & Associates to analyze the feasibility of providing water to the areas above 300 feet. The consultant concluded that there were options, such as to enlarge and/or relocate the proposed high-level reservoir in a manner that would benefit National Height and other areas that the city was unable to serve. The construction costs for the options ranged from one to two million dollars and would include transmission lines to the high level reservoir. Mr. Ghorbani stated that further study was necessary to determine the best option and explore the possibility of partnering with National Height and other developers in that area. He indicated the study could also determine the benefit to the area and the fair contribution to be made by the National Height developer.

Councilor Spahr moved that the council approve the negotiation of an engineering contract with TJF & Associates in an amount not to exceed \$20,000. The motion was seconded by Councilor Taylor and carried unanimously.

March 21, 2005

3. **Latecomers Agreement Policies and Potential Revisions.** Mr. Grochowski stated that the current language was not user friendly. He noted the language had caused some frustration and confusion, as it was written, to developers and property owners. He noted the developers claimed that they didn't know anything about the latecomer's agreement and wondered why the city didn't notify them about it. He explained that the current standards stated that an agreement must be signed prior to plan approval. Mr. Grochowski explained that there are a lot of "what-ifs" that could come into play that would cause costs to differentiate, even up to the point of completion. Mayor Rider said it sounded like Mr. Grochowski was proposing to lighten up and allow someone, if they forgot to do the proper paper work, to sign those papers at the later date. Mr. Grochowski stated that was correct. Mr. Grochowski explained staff was currently working on the first update of the public works standards and now was the time to make any suggestions or changes to the standards so they could include them in the 2005 update.

The consensus by council was to have staff review the issue and bring something back to council for approval.

Mayor Rider called for a recess at 5:50 p.m. and took a five minute break. The meeting was called back to order at 5:55 p.m.

4. **Flagged Crosswalks.** Mr. Campbell stated the report was on information about a new way to increase public safety at certain crosswalks in the city. Mr. Grochowski reported the city of Kirkland was the founder of the program, which involved placing signs at certain crosswalk locations, and installing flag holders on each side of the street. He stated pedestrians would then use the flags as a device to stop traffic while they crossed the street. Mr. Grochowski reported they would be putting up signs next week on Market Boulevard near the Lewis County Public Services building and the Presbyterian Church. Mr. Grochowski estimated the cost of the project to be \$150.

5. **Televising Council Meetings.** Councilor Taylor stated the issue of televising council meetings was something he had been in favor of for some time. He reported that a survey had already been done and it was clear that people didn't want to do it at that time, but has had several inquiries about it since that time. He wasn't sure if another survey would be necessary, and also had some concerns of how they would pay for it, but wanted to put it out for discussion. Councilor Harris stated in talking with the city of Centralia last February, they stated they might be able to split some of the costs with us if we were to use the same company that televised their meetings. It was the consensus of the council to form a committee to work with Centralia and do some research on costs. Councilors Taylor, Lund and Ketchum volunteered to be part of the committee.

6. **Quarterly Report on 2004-05 Council Goals.** Mr. Campbell reported on the goals that were "already underway" which included:

- Downtown revitalization
- Police-fire-court building
- Industrial park annexation planning
- Chamber Way improvements
- Utility rate study
- Utility plans implementation

Council "goals" currently in progress or completed included:

- City newsletter
- Web site development
- Customer service training for employees
- Downtown parking system and policies
- Newaukum Avenue improvements

Councilor Taylor stated he hadn't been receiving any complaints about customer service, but had actually been receiving complements. Mayor Rider complemented Caryn Foley on the good job she'd done coordinating the staff/council teambuilding process.

March 21, 2005

7. **Parking Rules and Parking Fund.** Mr. Campbell pointed out that during the last couple budget cycles the ending fund balance in the city's parking fund had been declining. Chief Miller reported the decline in that fund was due to a decrease in revenues from parking rentals, and the increase of expenditures for salaries and wages. The agenda report included several graphs, a parking infraction survey, and the city of Longview's ordinance, which had been reviewed by our city attorney's office, which declared outstanding parking infractions as being a nuisance. The ordinance stated that any vehicle, which three or more notices of parking infraction had been issued for, which there had been no response and payment of the penalties, would be considered a public nuisance 14 days after the mailing of the notice provided. The vehicle would then be immobilized by a wheel boot and posted with a notice to the owner. The owner would then be required to pay all outstanding parking tickets and a "boot" fee of \$50 within 24 hours for the vehicle to be released.

Chief Miller reported on the city's current ordinance in regards to the penalty of repeat parking infractions. If the penalty was not paid within 72 hours, a \$5 infraction increased to \$20 and a \$15 infraction increased to \$50. He reported that there was no recourse for \$10 chain parking, the fine remained the same.

Chief Miller indicated a public meeting was scheduled for Tuesday, April 12 at 5:30 p.m. in the city hall council chambers. That meeting was to invite all Chehalis business owners, employees and city residents to come and discuss and review the city of Chehalis on-street parking regulations and to provide input.

After some lengthy discussion on the matter council recommended that staff hold the public meeting as scheduled, and asked staff to prepare an ordinance to implement Longview's outstanding parking infraction system.

8. **Open Discussion.** Councilor Taylor noted that Mr. Grochowski mentioned that it was taking a lot of time to get through the process of applying for a new water line. He asked if there was any part in the development regulations that could be changed to help streamline the process. Mr. Grochowski stated the issue had been taken care of.

Councilor Lund asked Mr. Grochowski what was happening with the large stormdrain behind Kaijas on Rhode Island. Mr. Grochowski stated it was one of the oldest lines and staff knew it was in bad shape and needed to be replaced.

There being no further business to come before the council, the meeting was adjourned at 7:05 p.m.

Mayor

Attest:

City Clerk

March 28, 2005

The Chehalis city council met in regular session on Monday, March 28, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Dave Vasilaukas, incoming Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; and Mansoor Ghorbani, City Engineer. Members of the news media in attendance included Julia Nicholls of *The Chronicle*.

1. **Presentations.** Mayor Rider presented a community spirit award to the city Parking Enforcement Officer Linda Bailey. Mayor Rider stated the award was being given to Ms. Bailey by the business community and the city of Chehalis. The award thanked Ms. Bailey for her ability to work with those whom she came into contact with, for being gracious, responsive and thoughtful. He noted that the council also wanted to thank her for the quality of work she provided for the city.

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

- a. Minutes of the regular city council meeting of March 14, 2005, and the special meeting of March 21, 2005;
- b. Claim Vouchers No. 77834-77994 in the amount of \$534,066.50 dated March 15, 2005;
- c. Award construction contract for the Newaukum Avenue water system improvements to A & A Excavating, Inc., in the amount of \$703,373; and
- d. Authorize city manager to sign grant agreement on behalf of the city involving the City of Chehalis, Lewis County and the FAA.

The motion was seconded by Councilor Taylor. Councilor Ketchum asked if the city would be out any money if something went wrong with the project. Airport Manager Fritz Guenther stated there would be no loss to the city. Mayor Rider inquired about the Newaukum Avenue water system improvement project and asked if it was the project previously approved and then postponed due to the weather. Dave Campbell reported the project was one that had not been on any previous agenda, noting it was the upgrade of the waterline going out to Newaukum Avenue on the west side of town, under I-5. The motion carried unanimously.

3. **New Business.**

a. **Resolution No. 7-2005, First Reading – Declaring Personal Property to be Surplus.** Dave Campbell stated periodically the city had property that was no longer of any use. Judy Schave reported there had been a correction to the resolution noting the two items from the community services department had been removed from the list of surplus items. One of the vehicles was going to be used by the public works department and the other vehicle would be used by another department if necessary. Mayor Rider stated the city shouldn't keep any vehicles if they had to keep putting money into them to keep them running, but if the city could still use them that was a good thing.

Councilor Ketchum moved that the council suspend its rules requiring two readings of a resolution. Councilor Pope seconded the motion and it carried unanimously. Councilor Ketchum moved that the council adopt Resolution No. 7-2005, as corrected, on first and final reading. Councilor Pope seconded the motion and it carried unanimously.

4. **Staff Reports.** Dave Campbell reported the only item he had was a reminder to council and staff about the work session scheduled for April 4 at 5:00 p.m. in the activity building at community services. The primary topic would be the follow-up on the visioning meeting from last month. He stated if staff could get the numbers together on a business by business basis, they might be able to present the report on the annexation study, as well. It would depend on what they could put together during the coming week.

5. **Council Reports.**

a. **Chehalis River Basin Partnership.** Councilor Spahr reported there was a River Basin Partnership meeting, but he didn't make it and asked Jim Hill to report on it. Mr. Hill stated they had a good session about water conservation, and they continued discussing the possibilities of phase 4.

March 28, 2005

b. **Hamilton Road Sewer Project.** Mayor Rider stated he would like some information at the next meeting about the Hamilton Road sewer project. He had been approached by George Gill who spoke to him specifically about having to put in a pump station. Mayor Rider stated it was previously reported that there would be a couple of properties that would need to hook up to a pump station, but he was now hearing it was closer to 80% of the property owners. He noted the line was supposed to be 15-feet underground, and he was now hearing the line was only going to be installed 5-feet underground. He noted that most of the properties along Hamilton Road were lower than 5-feet and were now going to be required to install grinder pump stations to lift sewage into the gravity line. He stated the whole idea of the gravity sewer line was so they wouldn't have to force the property owners into having to use a pressure system. Mr. Grochowski stated he would research Mayor Rider's request and present something to council at the next meeting. Councilor Pope asked if it was possible that when people have those kind of questions, that they direct them to whatever department it pertains to. He stated he may be out of line for saying it, but he felt it was inappropriate for someone to approach the Mayor about something that should be addressed and handled by the department. If they were unable to resolve their issue at that level, then they should bring it to council. Mayor Rider stated he didn't necessarily think it was inappropriate. Councilor Lund added he had heard around town that the former public works director cut a deal with the contractor so the line didn't have to go down as deep. He wanted to know if what he was hearing was true. Mayor Rider stated all he wanted was a report from Mr. Grochowski on the issue. He wanted to know how many people were going to have to hook up to pump stations, and if it was going to be 80% then they were going to have a problem because that was never the intent in supporting that issue.

There being no further business to come before the council, the meeting was adjourned at 6:14 p.m.

Mayor

Attest:

City Clerk

April 4, 2005

The Chehalis city council met in special session on Monday, April 4, 2005, at the community services activity building. Mayor Fred Rider called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Patrick Wiltzius, Wastewater Superintendent; Mansoor Ghorbani, City Engineer; and Bill Nacht, Asst. Fire Chief. Members of the news media in attendance included Julia Nicholls of *The Chronicle* and Paul Walker of KITI Radio.

1. **Hamilton Road Sewer Project Design.** Mr. Grochowski reported on the question raised at the last council meeting regarding the Hamilton Road sewer design. Representatives from the city of Napavine and Gibbs & Olson were also present to answer any questions. Mr. Grochowski provided a map to show the three scenarios they looked at when they were determining how deep the line should go. The map showed where the shallow line at 7 feet would be located, the medium line at 9 feet, and the deepest line at 15 feet. He reported the city chose to go with the shallowest line, 7 feet, due to costs, and reported it would service the area back at least 300 feet from the main line. They knew they would be able to service most of the properties, but those located further back beyond the 300 feet would require a grinding pump station to lift the sewage into the gravity alignment.

Councilor Pope asked if the properties located further back from the road were part of the original proposed local improvement district (LID). Mr. Grochowski stated they were, and that during the conceptual design of the sewer line the city tried to put an LID together, but only had two or three favorable responses from property owners. Mr. Grochowski reported that Steve Ashley, from the city of Napavine, was able to get Lewis County to contribute some rural economic development monies (grant monies managed by the Economic Development Council) in the amount of \$200,000 to put towards the project, while the city of Napavine would be paying for rest of the costs.

Mayor Rider stated he was told that 80% of the property owners wouldn't be able to hook up to the line if it wasn't run deeper. Councilor Spahr responded by saying most of the properties would be served by the gravity line, but those with buildings located beyond the 300 feet would have to pump it to the gravity line. Mayor Rider reported that after looking at the map, even if they went to the best scenario, the property or buildings located beyond the 540-foot area would need to install some kind of pump to get it back to the gravity line. Councilor Pope stated it seemed that the people who were asking the questions were engineers and they should know how a gravity system works. Mayor Rider thought the same thing and that was why he asked the question in the first place. He stated the city wanted a gravity line that would service Napavine. Napavine now had what they needed as required by the Department of Ecology mandate, noting all the properties would have access to the line. He also reported the line was going in at no expense to the property owners except for hook-up charges.

Councilor Spahr reported it was a decision staff made based on the information they had. Tim Grochowski stated it was a decision he made after looking at the project and found that most of the properties could be served by gravity, and the one's that couldn't be, could be served by grinding systems. Mayor Rider was satisfied with what was being done and he stated his question had been answered. He stated if there were property owners who wanted the line further down in the ground, they were going to have to come up with the money to make up the difference, and they needed to do it quickly.

2. **Follow-up on the February 9 Community Visioning Meeting.** Mr. Campbell reported that the primary purpose of the meeting that evening was to talk about the issues, ideas, and suggestions that came from a visioning meeting two months ago. He reported that staff had identified the different topics and put them into different categories for council to think about. Joanne Schwartz stated a lot had been happening in the downtown area and believed Centralia and Chehalis were on the upswing. She noted since the late 90's, council made downtown revitalization one of their goals and it has remained on their goal list ever since. As mentioned in the agenda report, she stated "You never stop evolving your downtown area." She noted the last time they did a visioning assessment they didn't have a twin city's town center, or all the growth that was going on throughout the city.

Ms. Schwartz reported that during the visioning meeting in February the group came up with a lot of good ideas. She stated it was amazing how long the list was of all the different areas in the community that were being developed. Those areas included: downtown; State Avenue; Market Boulevard to Jackson Highway; Twin City Town Center; Main Street; Kresky/Gold/National Avenues (the Miracle Mile); Newaukum/Riverside (museums); Interstate Avenue/13th Street (exit 76); the airport, Chehalis Avenue; Washington Avenue (health center); and Pacific Avenue.

Ms. Schwartz explained the different elements starting with:

April 4, 2005

a. **Physical Environment.**

- Transportation – It was suggested they do a transportation study and look at parking possibilities. Mayor Rider asked if council was willing to spend \$50,000 to do the study. Councilor Spahr stated it was something they needed to start looking at long-term. Mayor Rider said it was important to take another look at doing a study to find out how much it was going to cost, and to look at the scope of work needed. Mr. Campbell stated staff could do an RFP, and with that process come up with some potential costs. Councilor Taylor stated it would be the first step to getting the downtown looking really nice. Ms. Schwartz thought even before they start thinking about infrastructure it was important to know what they wanted to do with the area. It was recommended by the group that the city do a transportation analysis to include: the corridor from Main Street to Market Street; Market Street to the downtown area, over to Chamber Way; and also include Pacific and Washington Avenues. There was also discussion at the meeting on the 9th about closing Boistfort Street from Market Street to Pacific Street, and making it into a plaza. Councilor Harris suggested the city look at redesigning the area in front of City Hall and the Library to make it more inviting, more like a park. Jim Hill (1963 SW Snively) stated when the council decides to move forward with the study, they needed to look forward not just to 2005, but to 2020. He believed council needed to acquire a lot of public input and allow them to become a part of the process. Ms. Schwartz responded by saying “Visioning 2005” was just a title, it had nothing to do with the years-out they were looking at.
- Street washing - Mayor Rider stated they needed to put together a plan to clean the streets and sidewalks. The consensus was to start washing down the streets and sidewalks at least annually, if not quarterly. Mayor Rider suggested staff look into purchasing a piece of equipment to use for sweeping the sidewalks and getting into the corners where the street sweeper was unable to clean. Mayor Rider stated it would give the business owners a reason to be proudful.
- Façade improvements – It was suggested that the city partner with business owners to provide low interest loans from the CDBG fund for façade improvements. Jim Larson stated there were some legal issues that needed to be addressed if the council chose to move in that direction. He suggested they talk with the city attorney’s office to make sure they followed the necessary legal requirements.
- Upgrade the downtown infrastructure – Upgrade water, sewer and storm lines, and new street lighting and landscaping. Mayor Rider noted there had been some discussion on how to get money for the project and indicated some could be done with business improvement district (BID) or local improvement district (LID) monies. He noted in order to get anything started they would need to have some money upfront, but stated the city didn’t have a lot of money available to put towards the project. He believed staff needed to look hard and fast to find the dollars. He didn’t think it would necessarily all have to come for BIDs or LIDs, but they could be a part of it. Mr. Campbell stated they could schedule another work session to discuss that matter.
- Chateau St. Helens (appearance and occupancies) – Ms. Schwartz reported she had talked with the new owners of the building, out of Bellingham, who are eager to be a part of the community and were looking at different options for the use of the building. They also told Ms. Schwartz the name of the building would be reverting back to the St. Helens Inn. (Councilor Harris suggested a welcome letter be drafted by the Mayor and sent to the new owners). Mayor Rider stated that some of the problems that had come from the St. Helens Inn were due to the “less than desirable actions of people” that reside and/or loiter around the building. He had to agree the city needed constant, hardcore enforcement in that area.
- Clean area around Veterans Museum – Completed.

Mr. Campbell reported that item No. 1, the transportation study, was a priority and something they needed to do before making any decisions about major capital investments.

Councilor Pope asked if the group talked about any incentives to encourage people to live in the downtown area. He felt if the city had people living in the downtown area, they would have friends and family coming into town to visit. Ms. Schwartz stated they currently had people living in the downtown area, including some business owners.

April 4, 2005

b. **Policies and Rules.** Ms. Schwartz noted the city had strengthened the city ordinance on animal control and a meeting was scheduled for April 12th to talk about parking.

c. **Communications/Marketing/Branding.** Ms. Schwartz introduced Mary Kay Nelson, executive director of the Lewis County Visitor and Convention Bureau (LCCVB) to provide an explanation on "Branding" and to talk about communications and marketing. Ms. Nelson referred to "Branding" as a collection of thoughts, emotions, an identity one associates with a place, service or product. She reported that the number one activity in this community that received the most interest by travel writers and visitors, looking for an experience, was the steam train. She believed the best opportunity of putting Chehalis "on the map" was to continue the emphasis on what made us unique and different.

Ms. Schwartz reported on the tourist market, "getting heads in beds." She reported, for the city alone, it would be pretty difficult to get someone to come and stay overnight, unless they were coming to visit family, or here a business trip, or participating in a tournament event. She noted that was the bigger picture, and why they were trying to market the county as a whole.

Ms. Schwartz also reported on the co-branding of the downtown and the Twin City Town Center (TCTC). She noted the biggest problem was getting people from the TCTC to come to the downtown area. She reminded council that when Wal-Mart was built, one of the mitigating factors was they would be obligated to participate in a transportation linkage between their location and the downtown corridor, such as providing signage, maps, trolleybuses, etc. She reported that once the Chamber Way roundabouts were completed, signage indicating the downtown from TCTC should be explored. Another issue LCCVB had been pursuing was working with the state department of transportation to change some of the signage along I-5. Ms. Schwartz also reported that once the city's website was up and running we could be linked up to other sights such as Tourism Lewis County and The Chamber. The agenda included a list of the current program of advertising being done by the LCCVB for Chehalis. Ms. Schwartz reported that the advertising was paid for by money the city received from hotel/motel tax.

Mayor Rider felt the city did a real good job of marketing. He believed they needed to better identify what they were marketing. He noted he spoke earlier with Todd Christensen, Executive Director of The Chamber, who offered to help out with surveying the community to find out what they want. That way the city would have a vision and a direction to go.

d. **Activities and Events.** Ms. Schwartz reported the latest and most exciting event was going to be the farmers market to be held on Boistfort Street starting on July 5, once a week for 12 weeks. Ms. Schwartz wanted council to know that the city of Chehalis beat out a lot of people to have the farmers market located here. She stated they had the opportunity to go other places, but they chose to come to Chehalis. In conjunction with that, there was going to be four "Alive after Five" musical events instead of one summer event, eliminating the Chehalis Music and Art Festival which "morphed" into ChehalisFest. The suggestion of "welcome bags" was something that had been contemplated for a long time, and it was her understanding that the Altrusa Club had a welcome program and she would be researching that opportunity. They also talked about downtown mailers, but more information was needed to determine the viability of such a project. Mayor Rider noted the 4th of July parade may not be coming back to the city of Chehalis because the city of Centralia now ran "Summer Fest", but noted the Santa Parade would stay in Chehalis.

e. **Financing.** Ms. Schwartz reported it was suggested that a committee be created to do annual fund-raising to raise money for specific projects. She reported that she earlier gave a brief overview of BIDs and LIDS and it was suggested as a possible funding source for major projects. She also had Marilyn Riebe put together a list of potential funding sources in the form of grants and loans, but reported that most of the sources for downtown revitalization programs "dried up" a long time ago. Mayor Rider reported it was important for staff to keep researching loan and grant opportunities. He also heard suggestions of raising business license fees. Mayor Rider didn't believe they should hang their hats on increasing business license fees, BIDs, or LIDs, but indicated it should be a mix of everything, including loan and grant monies.

Mayor Rider asked what the revenues from business license fees was used for. Mr. Campbell stated the total annual revenue was between \$15,000 and \$17,000 and those monies went into the general fund. Mayor Rider suggested they take a look at the fee schedule for business licenses. He also suggested it be something the city put on the chamber survey and ask people what they thought would be reasonable fee to charge for a business license.

Mayor Rider hoped that council had given Ms. Schwartz something to work with and encouraged anyone who came up with any new ideas to share them with Ms. Nelson or Ms. Schwartz.

April 4, 2005

The being no further business to come before the council, the meeting was adjourned at 6:45p.m.

Mayor

Attest:

City Clerk

April 11, 2005

The Chehalis city council met in regular session on Monday, April 11, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Julia Nicholls of *The Chronicle*.

1. **Presentations.** Mayor Rider read and presented a proclamation designating April 11, 2005 as Altrusa Awareness Day. Bonnie Canaday and Joyce Barnes accepted the proclamation on behalf of Altrusa International.

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

- a. Minutes of the regular city council meeting of March 28, 2005, and the special meeting of April 4, 2005;
- b. Claim Vouchers No. 77995-78139 in the amount of \$166,749.34 dated March 31, 2005; and
- c. Accept the seismic stabilization project as complete and release the retainage in the amount of \$47,095 to Hayward Baker, Inc.

The motion was seconded by Councilor Harris and carried unanimously. Mayor Rider applauded Patrick Wiltzius for saving the city almost \$61,000 on the project.

3. **Citizens Business.**

a. **Lewis County Bike Ride.** Rose Spogen (174 Yates Road) of the Chehalis/Centralia Optimist Club came before council to talk about the historical bicycle ride that would be taking place on May 14. She reported the ride was being sponsored by the Chehalis/Centralia Optimist Club and would include about 150 riders. She noted the routes would be the same as they had been for the last two years. Ms. Spogen requested permission to do markings on the streets as they had done in the past and also asked if the city could sweep the roadway in the area of the bike ride to help prevent accidents from happening. Ms. Spogen stated the money raised from the bike ride would be used to provide two students, one from Centralia Jr. High and one from the Chehalis Middle School a \$500 dollar scholarship each, to help with their continued education. The Club also has a tele-binocular program they help fund, which goes out to the smaller schools and provides eye testing.

4. **CCA Retail Two, LLC Development Agreement.** Mr. Campbell reported that Bill Hillier would present the proposed development agreement, which identified transportation related responsibilities for development in the vicinity of the airport. The development agreement being proposed would incorporate the mitigation projects into a contractual obligation between the city, the airport and CCA Retail Two. Mr. Hillier stated the agenda report outlined what the background was on the issue. He reported Home Depot was the third party beneficiary to the proposal, and indicated they could not start construction with their contractor without knowing the city had a contract obligating the tenant of the property to complete the requirements mandated by the traffic impact analysis. The city reduced it to writing a simple contract that required them to complete the requirements before the city would give the final occupancy permit to any of the tenants in the new area. Mayor Rider asked if they needed to meet all the requirements before the city would give them temporary occupancy, as had been done in the past. Mr. Hillier stated they wouldn't be able to open their doors until the improvements were made, unless there was a hold up on the improvements by an act of God, or a lack of permitting being completed by the city, such as wetland issues.

Councilor Harris asked staff about item No. 1 (c) – the Louisiana extension. He noted it stated in the agenda report that Louisiana would be extended at existing grade. He noted at a previous meeting they talked about raising Louisiana Avenue and wondered if that would fall under "existing grade." Mr. Hillier stated the portion on the airport property was a separate agreement between the developer and the airport board. On the city's property further north, they would be putting it in at grade. He noted if the city wanted to develop that portion beyond grade, or contribute to that, he recommended the city to meet and discuss that issue at another meeting before doing so. Mr. Harris also asked if someone could explain item No. 2, which indicated the developer of the project was responsible for 8.6% of the new capacity of the project, and would be entitled to a credit of 5.3%. Bob Nacht reported that the language in the agreement provided that the developer would be responsible for 3.3% of the portion of the project that was not funded by grants or other monies (the local portion of the project) up to a project

April 11, 2005

cap of \$4.7 million. He noted they were obligated to contribute to the project, but that didn't necessarily mean a contribution of cash. The issue was the city expected the project to be fully funded by grants, but reported the city didn't have the final bottom-line figure on the project yet, which meant there was still opportunity for the project costs to go between the grant funded portion and the cap of \$4.7 million, or even higher. The developer would be responsible for the 3.3% of the difference, or the portion that was not grant funded, up to a cap. Mr. Nacht reported they were required to extend Louisiana Avenue to try and take part of their traffic northward instead of through the roundabouts. They were projected to contribute about 8.6% of the roundabout traffic, but by taking some of the traffic off the roundabouts, and leaving only 3.3% of it, they would be getting credit for that percentage.

Councilor Harris asked if any of the other projects in that area were going to be responsible for additional percentages of that coverage. Mr. Nacht reported, as additional development to the airport property was brought to the city for specific project permitting, the city would do an analysis at that time to determine what additional contributions were going to be presented by whatever or whoever, and they would need to contribute their prorated share, as well. Mr. Nacht stated that once the roundabout project was complete the actual level of service would be upgraded to whatever it would be (C or D), and that would allow additional development to come into the airport without necessarily contributing to the roundabout project. However, they would be required to contribute to the upgrade of the Louisiana Avenue extension and some local streets in the area. He noted these were just some of the things that were yet to be determined with a traffic impact analysis.

Councilor Harris noted one of the concerns during the initial construction was the city had to send out numerous letters to the developer over the fact that they were not keeping up with the curbing and guttering, and finishing the roadways in a timely fashion. He asked if the city had any kind of a hammer, other than the CFOs for businesses. Mr. Nacht indicated the city had an abatement process for failure to comply with conditions. He noted there was a fine line between using the certificate of occupancy as a hammer, since that was a building code related issue, as opposed to an abatement process that the city would normally use.

Councilor Harris explained he was trying to figure out a way to assure Home Depot the city would see to it that what they said was going to take place would. Mr. Nacht noted there was a process, and an agreement could be part of that process, if necessary. He also stated since last year the city had become more adept to those types of issues, making sure if anything the developer failed to do was brought to the nuisance abatement process and dealt with more effectively at that level. The city also had the permitting process, which goes through the development review process, the engineering standards, and a number of other things that they now had better control of. Mr. Nacht stated a permanent certificate of occupancy would always be held until everything was completely done. He noted temporary permits of occupancy were provided for in the building code once they got their fire, life, safety, and sanitation issues accomplished. At that point they would then get a temporary certificate of occupancy.

Mayor Rider stated that everyone was making money and not doing their job. Mr. Nacht noted that included the city, as well. Mayor Rider stated he understood that, but they still had an agreement of what was supposed to be done and in what time frame. Mayor Rider had to agree with Councilor Harris that the contractors needed to follow through so staff didn't have to continually spend time worrying whether or not they were going to get the job done. Mayor Rider had no problem with the development, but stated if the city lived up to its part of the deal, then the developer needed to live up to their part, in the same timely manner. Mr. Nacht reported staff now had a tighter grip on those types of issues.

Councilor Lund moved that the council approve the proposed Chehalis Development Agreement between the city, the Chehalis-Centralia Airport Board, and CCA Retail Two, for the implementation of the four transportation mitigation projects identified in the Home Depot transportation impact study, and authorize the city manager to execute the agreement on behalf of the city. The motion was seconded by Councilor Harris. Councilor Spahr noted the language included Home Depot, but asked if it would actually impact other businesses going into the development. Mayor Rider noted there were two documents. The first one being the development agreement for Applebee's and Home Depot and the other one was for the traffic analysis just for Home Depot. Mr. Nacht noted there was a subsequent analysis of the 5-acre site, as well, and noted the numbers were provided in the agreement. Councilor Spahr stated what he wanted to get across was that Home Depot was not being nailed to do all work without participation from the other businesses going in. Mr. Nacht reported there would be subsequent participation by other developments that go in after the fact. The motion carried unanimously.

April 11, 2005

5. **Staff Reports.**

a. **Employee Service Award.** Mr. Campbell reported an award of recognition would be given to Firefighter Steve Emrich, for 5 years of service to the city.

b. **Reminder of Downtown Parking Meeting.** Mr. Campbell reminded staff and council about the downtown parking meeting scheduled for April 12, at 5:30 p.m. in the city hall council chambers. He noted Chief Miller would be hosting the meeting to take comments, questions and suggestions on possible changes to the downtown parking rules and system. Mr. Campbell noted the meeting would be open to the public.

6. **City Council Reports.**

a. **Annexation Process.** Mayor Rider reported he and staff met with Hardel Lumber, Cresline Northwest and their representative Richard Shrader, to talk about how the annexation would affect them. Mayor Rider reported everything seemed to be heading in a positive direction.

b. **Senate Budget Meeting.** Mayor Rider reported that he, Mayor Browning and JD Fouts of Centralia, Ted Shannon, Dave Campbell, and Commissioner Richard Graham and Mark Cook from the county met with Senator Swecker last week to discuss the Senates budget on transportation. He noted they talked about the proposed budget of \$80 million dollars for the widening of I-5, and the plan to widen I-5 at Mellen Street. They expressed to Senator Swecker the project needed to be done, not just planned. They reported to him on the effects it had on the access road for Louisiana Avenue. Mayor Rider stated Senator Swecker listened intently and understood he needed to move forward to try and get the money for that project. Mayor Rider reported he received an email from Washington State Department of Transportation representative Bart Gemhart stating they were going to move forward on the project and would be looking for an additional \$75 million, which would then give them close to \$160 million to put towards the widening and expanding of I-5, from the Grand Mound exit to the Mellen Street exit. He stated the state was confident that \$160 million would be enough to complete the project. Mayor Rider reported that would then allow the city to connect Louisiana Avenue to Airport Road to finish the traffic development in that area. He reminded everyone that even though the city received notification they were moving forward, it didn't mean it was actually approved yet.

c. **Meeting to Negotiate Sewer Connection Fees for the Jail.** Mayor Rider reported he received a letter from Lewis County Commissioner Dennis Hadaller asking the city to meet with them to negotiate sewer connection fees for the new jail facility. The letter asked to have a meeting between himself, the Sheriff and the city sometime in April. Mayor Rider asked Councilor's Harris and Taylor to accompany him and staff to the meeting.

7. **Additional Citizen Business.**

a. **Hamilton Road Sewer Line Project.** George Gill (233 Devereese Road) came before council to discuss concerns he had with the Hamilton Road sewer line project. He understood the line was proposed to be laid quite shallow, about 5 feet. He started there were numerous meetings about the sewer line, and the city's direction was to put the line in at the invert elevation of the manhole, as it currently existed, about an 11-foot bury at the shoulder of the road. Mr. Gill felt at that elevation, depth and slope it would give everyone in the area the maximum amount of gravity to service their properties. He noted if the line was going to be as shallow as the city proposed, he doubted that the property owners would be able to install a water line and get the correct bury above the laterals. He asked council to be aware of the situation and to please take it under advisement. Mr. Gill noted he had spoken with Tim Grochowski, Mansoor Ghorbani, and Mark Petrie about the issue. He thought before the city made the mistake of putting the line in too shallow, they should review and put it in as proposed in the past years. He understood it was late in the process and the job had already gone to bid, but putting it in incorrectly was not a good solution. He noted it would cause problems from that day forward, and the cost to repair a mistake like that would be astronomical.

Councilor Spahr asked what the water lines had to do with the sewer lines. Mr. Gill reported it was all in the same process. Councilor Spahr asked if the city was installing water lines. Mr. Gill reported in the future they would be. Councilor Spahr stated he understood that, but the city was not installing water lines at this time, so what was the problem with water lines versus the sewer lines. Mr. Gill reported they had to have an 18" separation between the sewer line lateral and the bottom of the water line. He noted without that separation it would be a health department concern as addressed in the city standards. He indicated the water main would need a minimum two and a half-foot cover over the pipe, plus 1-foot for the bedding zone, plus the amount of clearance between the laterals and the water line (18 in.), which would be down to about the elevation that should

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be proposed.

Councilor Spahr stated it was really frustrating to him because the city had been trying to do something out there for 10 years, and they couldn't get any cooperation. The city tried to get a local improvement district (LID) out there for the last couple of years and nobody acted on it. They were now finally able to get a line in, with no extra money from the city, and no cost to the property owners. Councilor Spahr reported if the line was going to have to go in any deeper, it was going to cost between \$200,000 and \$400,000 and he was not going to raise the rates of the citizens of Chehalis to put a sewer line out in Napavine. He also reported the city would be unable to add any surcharge to the property owners in Napavine, once the line goes in.

Councilor Spahr stated they discussed the project at the meeting on the 4th of April and nobody came, and now a week later Mr. Gill was there to tell the city there were issues that needed to be dealt with. Mr. Spahr noted the city had engineers from Gibbs & Olson design the project, who explained to the city how it would all work, and now they had people coming in to tell them differently. Mr. Gill stated he understood Councilor Spahr's frustration, and that he had spent weeks of his time working with the same thing and they were always directed to put the line in at the invert elevation, and there was never any fluctuation from that. The reason being, according to Mr. Gill, was because that was the direction of the city. Councilor Spahr asked Mr. Gill when he found out about the depth of the line. Mr. Gill stated he found out approximately a month ago.

Councilor Harris stated the map used on the 4th of April demonstrated that even if the city went to the maximum of 15 feet, the majority of the property, especially the properties that fronted on Hamilton Road, would still have to pump because the ground sloped away from the road. He asked, if in fact most of those properties were going to have to pump to get it up to the gravity feed anyway, where was the concern? Mr. Gill stated he had to review the maps Councilor Harris was referring to in order to see the elevation change he was talking about. Councilor Spahr said he was confused because Councilor Harris was talking about the shallowness of the sewer line for pumping into the line, and asked if what Mr. Gill was talking about was the water line in correlation with the depth of the sewer line. Councilor Spahr stated they were going to have to pump no matter what. Mr. Gill stated not necessarily. He stated he visited with Mr. Ghorbani, who thought there would be laterals in the ditch line, and if that was the case, that would be unacceptable.

Councilor Pope stated since the city paid Gibbs & Olson to design the system he would rather have them come and explain it to him, rather than someone else. Mr. Grochowski came forward stating the way it was currently designed, the average depth of the line would be 7 feet. He noted, for the record, Mr. Gill owned the property that was farthest away from the frontage road, which could be the lowest elevation of all the properties in the area. Mr. Grochowski stated Gibbs & Olson attended the meeting on the 4th to answer any questions, to discuss the depth and the side sewers, but no one showed up. He also reported the city didn't have any plans for a water main at this time, but stated there was currently a water main in the area put in by the Department of Health, due to the hazardous area at the north end of Hamilton Road. Mr. Grochowski noted if the water line was to be extended it could be run down the whole length on other side of the road. Councilor Harris stated that would eliminate the issue of an 18" lateral off of the sewer line. Mayor Rider agreed. He noted the city didn't have a plan to install water lines, but needed to be proactive. Mr. Grochowski stated the Mayor was right about that, and as he explained earlier, he would just run the water line down the other side of the road. Mayor Rider asked if that was acceptable with any freeway expansion. Mr. Grochowski said it would become the city's right-of-way once they incorporate the road. Councilor Spahr asked what side of the road the sewer line would be on. Mr. Grochowski reported it would be on the west side of the road, the same side the properties were located.

Mr. Grochowski suggested the city have Mr. Gill talk with Gibbs & Olson regarding his concerns. Mayor Rider thought that would be appropriate if it would satisfy Mr. Gill. Mr. Grochowski said he could arrange for Mike Marshall from Gibbs & Olson to come down and meet with Mr. Gill at the site. Mayor Rider said that would be his suggestion and if people were still unsatisfied, to bring it back and they would take it to the GMA Committee. Councilor Spahr believed they were getting information from all different sides and felt it was important that council understood what was going on. He felt council should be in on the discussion to get a full understanding of the issue. Mayor Rider said that was fine with him if Councilor Spahr wanted to take it to the GMA Committee. Mr. Campbell reminded council that if they did change the design, especially putting in a line deeper than what was now planned, would add to the cost of the project and someone was going to have to come up with the additional money. Councilor Pope stated the city should have no intention of changing it. Mr. Grochowski stated they needed to remember, this was Napavine's project, which was already awarded and going to construction in about a week.

8. **Executive Session.** Mayor Rider announced the council would convene into executive session at 6:59 p.m. after a five minute recess beginning at 6:55 p.m. pursuant to RCW 42.30.110(1)(c) – lease or sale of real estate, and there would be no decision following the conclusion of the executive session. Following the conclusion of the executive session, the regular

April 11, 2005

meeting was reopened at 7:24 p.m.

9. Additional City Council Report.

a. **Annexation.** Mayor Rider stated he forgot earlier, but wanted to comment on the annexation issue. He noted some may have heard that Fire District No. 6 went to talk to State Representatives Alexander and DeBolt, and Senator Swecker about the annexation. Mayor Rider stated he had a conversation with Senator Swecker after the meeting about the transportation dollars, and explained to him that the city was trying to work with the district, not around them. Senator Swecker said he would keep that in mind, and if they came back, he would give him or Dave Campbell a call to let the city know. Mayor Rider also talked with Rep. DeBolt last week on the same issue. Rep. DeBolt stated District No. 6 called him and said if the city followed through with the annexation, they would go bankrupt. Rep. DeBolt told Mayor Rider the city needed to do something about the situation. Mayor Rider's comment was, first the district needed to prove to the city they would go bankrupt. With that said, Rep. DeBolt stated he would have his fiscal people do an audit on them to see if that was the case. Mr. Campbell noted the city just received a letter from District No. 6's attorney, which stated according to state law their existing indebtedness could be charged to areas the city might annex in, in the future. He noted if that was the case that would eliminate the argument that they were standing to potentially go bankrupt because of the indebtedness on their station. Councilor Harris asked how that would affect revenue coming into the city. Bill Hillier stated the city would have to assume part of their indebtedness, but could offset that debt by telling them the city would not be taking the equipment the city would be entitled to. Mayor Rider said it was his understanding that if the city annexed in 40% of their assessed value, the city would be entitled to 40% of their assets, less the debt. Once that was done, the amount they would owe the city would be about \$1million dollars worth of assets, and in that case, the city could tell them to keep their cash and equipment, which would be half of the outstanding debt, or the city could just choose to buy their building and eliminate their debt.

There being no further business to come before the council, the meeting was adjourned at 7:28 p.m.

Mayor

Attest:

City Clerk

April 25, 2005

The Chehalis city council met in regular session on Monday, April 25 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Bob Spahr, and Chad Taylor. Councilor Pope was excused. Staff present included: Dave Campbell, City Manager; Amanda Vey, Asst. City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; and Mansoor Ghorbani, City Engineer. Members of the news media in attendance included Carrina Stanton of *The Chronicle*.

1. **Introductions/Proclamations.**

- a. Mayor Rider introduced Carrina Stanton as the new reporter from *The Chronicle*.
- b. Councilor Ketchum presented a proclamation to Sharron Owen from the Washington Native Plant Society, declaring the week of May 1-7 as "Native Plant Appreciation Week."
- c. Mayor Rider presented a proclamation to "Butch" Teall, Leading Knight/Youth Activities Chairman for the Elks Club, declaring May 1-7 as "National Youth Week."

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

- a. Minutes of the regular city council meeting of April 11, 2005;
- b. Claim Vouchers No. 78140-78314 in the amount of \$326,145.07 dated April 15, 2005; and Payroll Vouchers No. 24126-24292 in the amount of \$554,065.16 dated March 31, 2005; and
- c. Set a public hearing date of May 9 at 6:05 p.m. to declare a portion of "The Barnes Property" surplus.

Councilor Taylor seconded the motion. Mayor Rider asked that a correction be made to page 4 of the minutes, paragraph 3. He noted the title of Councilor Spahr was stated as "Mayor." He asked that the wording be changed to reflect "Councilor." Councilor Harris moved to amend the main motion to change the wording to read "Councilor." The motion was seconded by Councilor Taylor and carried unanimously. The main motion, as amended, carried unanimously.

3. **New Business.**

a. **Parking Fees.** Dave Campbell stated the proposal to be presented by Chief Miller was a follow-up on the discussion from a work session with council a couple weeks prior, regarding parking fees charged in a lot the city currently leased from Burlington Northern Santa Fe Railroad (BNSF). Chief Miller noted after reviewing the current lease with BNSF and comparing it to the revenues received for parking, a letter was sent to the current businesses leasing the lot (Petra Insurance and Security State Bank) that indicated the city would be increasing the fees, with council's approval. Included in the letter was an outline of what the city was currently paying for the two BNSF lots versus what the city collected in revenues for leased space permits.

Councilor Spahr moved that the council approve the increased fee of \$30 per month for the BNSF lots starting July 2005 and increase the fee by 3% every January 1 thereafter, through 2008. The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Lund made a motion to direct staff to take eminent domain of the lot for the betterment of the citizens of Chehalis. The motion died for a lack of a second.

4. **Staff Reports.**

a. **Placement of Second Readings of Ordinances and Resolutions on Agenda.** Judy Schave stated Mr. Campbell asked that she review how other cities were handling second readings of resolutions and ordinances. She found that most cities, in order to streamline the process of approving items, would put the second reading on their consent calendars. Councilor Harris stated it made perfect sense and any items they wished to discuss could be pulled for the purpose of discussion. Mayor

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Rider was all in favor of expediting the process, but noted they should have the right to pull any item off the consent calendar for further discussion. Mr. Campbell reminded council the new process would only apply to ordinances and resolutions that were fairly routine and non-controversial. Items such as the budget or property tax levy ordinances would still show up as a second reading under unfinished business.

b. **Annual Audit Report.** Jim Larson presented the 2003 audit report to council. He pointed out that there were really two parts to the audit report. Those two parts were the opinion on the financial statements, and audit findings. In 2003 the city received a clean opinion, or an unqualified opinion, which meant the city did a good job. He noted the city had gone 24 years without any findings, and stated not only was it a reflection on the current finance department, but on everyone in the city and those preceding him. He stated the auditor could find findings not only on the financial statements, but on any of the operations of the city. Mayor Rider said it was a reflection of a great staff from the top, down. Dave Campbell noted he continued to give credit to the staff prior to him coming to the city for setting the tone of wanting to do things right, and asked questions of the auditors when necessary.

Mr. Larson stated there were a couple items brought out in the audit the city needed to improve on. The first being an issue of a council member voting on an item that provided funding through the hotel/motel tax to an organization of which the council member was a member of the board. Mr. Larson noted it wasn't illegal, but the auditor felt, in best practice, it would have been best if that council member would have excused himself from voting. The second item had to do with the wastewater fund being over budget. This happened when the city created new funds during 2003 by splitting the water and sewer fund into two separate funds. At the time of the split, staff didn't move enough money into the wastewater portion to cover the expenses. Mr. Larson noted those were issues staff needed to monitor and would continue to do so to make sure those kinds of oversights didn't happen in the future. Mr. Larson reported the city had partially implemented the new standard called GASB 34. He noted the state created the "comprehensive basis of accounting" for small Washington cities and the city could continue to operate as it did in 2003 under its current implementation. He reported the 2004 finance reports would be in full compliance with GASB 34.

c. **Experimental Crosswalk Flags.** Mr. Campbell stated there had been some discussion in the community about the experimental placing of flags at certain crosswalks within the city. Mr. Campbell reported they had two categories to talk about. The first being "no good deed goes unpunished" and the other being "you can't please all the people all the time." Mr. Campbell asked Mr. Grochowski to remind council what the intent was and what staff recognized ahead of time in response to some questions out there regarding the experiment. Mr. Grochowski reported the intent was to try to make it a little safer to cross at certain, unusual crosswalks within the city. City staff fabricated the flag holders, which were placed on either side of the road last Thursday on Market Boulevard between the county building and the Presbyterian Church. Mr. Grochowski noted he received another offer from Greg Lund, asking if Century 21 could pay all the expenses of having another flag site set up between 12th and 13th Streets because they had seen a lot of close calls in that particular crosswalk.

Mr. Grochowski also reported he had heard some negative response on a radio program that morning about the placement of the experimental flags and had some concern about it, but noted it was just the opinion of one or two people, not everyone. Mayor Rider noted the city implemented the experiment because of a citizen's request. They had actually seen something similar working in another city. He noted council had made some jokes about it the day they approved it, but it was all in jest. He felt it was important to try and increase the safety of city crosswalks. He noted it was just an experiment and it wasn't fair for someone to attack the program prior to giving it some time to see if it was something the city wanted to continue on some of the busier crosswalks.

Mr. Grochowski also reported that some of the original flags had already been stolen. The new flags would be marked with "Chehalis PW", which would also help identify them if stolen. He hoped it would also discourage people from taking them. He stated another thing they could do is talk to Lewis County Public Works and have them pull the flags in at night, but then they wouldn't be available for those using the crosswalk after 5:00 p.m. He noted they just had to put some trust in the residents and hope the program worked to help prevent future accidents, or to save a life somewhere. Councilor Taylor reported he was up north earlier in the day, and around an entire hospital they had similar flags at every crosswalk. He noted the flags were being used by everyone and it seemed to be working well for both the pedestrians and the drivers.

Councilor Harris suggested putting some flags between the Law & Justice Building and the Courthouse at the intersection of Pacific Avenue. He noted it was a very busy intersection with high traffic volumes and no controls for crossing the street. Mayor Rider noted there were a few crosswalks in the community that were "oddy" placed and those were the ones that the city should look at.

April 25, 2005

Councilor Ketchum stated if Century 21 wanted to have flags installed he would be in favor of letting them do it. Mayor Rider noted that particular crosswalk had a lot of young people going back and forth because they come up from the school and thought that would be another good location to try it out at.

Susan Gonzales (PO Box 74, Chehalis) asked if the city would be liable if someone were to get hit while using the flags. Amanda Vey stated the city would not be held liable whether people used the flags or not. It was no different than having a school crossing guard available at certain times during the day to escort children across the street. People could still cross the street, without the crossing guard, and the school would not be held liable.

Mr. Campbell wanted to bring up the fact that just because the city was trying this experiment at one location didn't mean there was any obligation to try it at every location around town, anymore than the city being required to stripe crosswalks at every intersection.

Another issue brought up by Mr. Grochowski was the area in front of the Chehalis post office. He handed out a site map detailing the area on Cascade Avenue. He noted people continue to ask why the city doesn't have a crosswalk between the church and the post office. He noted the issue had been explained several times over the last 20 years. If the city put a crosswalk in that particular location outside the post office on the corner of North Street and Cascade Avenue, by law, the city would have to paint out 20 feet on each side of the crosswalk, which would eliminate four parking spots in that area. He noted they could put one in if council requested them to do so, but stated if they did they would have to start answering to the citizens as to why they took away the parking. Mayor Rider stated he wouldn't want to see those parking spots removed. Councilor Harris pointed out that without parking on the other side of the street, there would no longer be a need for a crosswalk. Councilor Spahr stated jaywalking was also mentioned and asked Mr. Grochowski to explain the meaning of jaywalking. Mr. Grochowski stated jaywalking was crossing the street by foot outside the crosswalk, against the signal light or not at a corner, which was a traffic misdemeanor, subject to a fine if a clear indication of where to cross existed. He had also heard it defined as when you cross in the middle of the block between two signalized intersections. Chief Miller stated his department didn't actually site people for jaywalking, but actually used the disorderly conduct statute in the ordinance, which states if you block traffic you could be fined \$250.

5. Council Reports.

a. **Chehalis River Basin Partnership.** Councilor Spahr reported at their last meeting they had a long discussion on phase 4, which involved taking the plan and putting it to work. He noted they were proceeding very cautiously on phase 4 because a lot of people were concerned about implementing the plan and creating an obligation to other entities, even though the plan says they couldn't obligate any entity. Patrick Wiltzius invited anyone with concerns to start attending the next couple of meetings. The partnership's next meeting would be Friday, May 20 at the Lucky Eagle Casino at 9:30 a.m.

b. **Lewis County Convention and Visitors Bureau (CVB).** Mayor Rider reported there had been some discussion within the CVB about some changes with regard to the three funding entities. He stated the three entities were going to take a look at the direction they want their monies to be spent. He also noted he discussed the issue with Joanne Schwartz and believed she had already started some of the preliminary work. In talking with Dave Campbell, he believed they should have the lodging tax advisory committee work with Ms. Schwartz prior to a meeting between the three entities. He stated the CVB had been in operation for almost two years without being involved with The Chamber.

c. **Crime Stoppers.** Mayor Rider reported he attended a Crime Stoppers dinner and auction. He noted they did a good job of putting on the program, and the organization raised enough money to keep them funded for a while.

6. **Executive Session.** Mayor Rider announced the council would convene into executive session at 6:53 p.m. following a break beginning at 6:43 p.m. pursuant to RCW 42.30.110.(1)(g) - review of public employee's performance. Following the conclusion of the executive session, the regular meeting was reopened at 7:25 p.m.

April 2, 2005

There being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

May 9, 2005

The Chehalis city council met in regular session on Monday, May 9, 2005, at the community services activity building. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Public Hearing.** Mayor Rider closed the regular meeting at 6:00 p.m. and went directly into the public hearing to discuss the possibility of declaring a portion of "The Barnes Property" surplus.

Bill Hillier stated a public hearing was required, by statute, to determine the viability of selling the property. The issue before council was whether the property was of no further use to the city and whether the sale was appropriate. Mayor Rider asked if the council had any questions. There being none, he opened up the hearing to the public for anyone wishing to address council regarding the issue. There being no comments or input the public hearing was closed.

Mayor Rider reopened the regular meeting at 6:01 p.m.

2. **Resolution No. 8-2005, First Reading, Declaring a Portion of "The Barnes Property" Surplus.** Mr. Hillier noted there was a correction to make to the resolution prior to approving it. In section 2 of the resolution it indicated that if the city passed the resolution that the property would be placed in the hands of the city manager to negotiate a sale for the "assessed" value of the real property. It should have stated the "appraised" value of the real property. Mr. Hillier noted the change would be made to the resolution prior to the second reading.

Councilor Ketchum moved that the council adopt Resolution No. 8-2005 on first reading. The motion was seconded by Councilor Taylor. Councilor Pope asked when the appraisal would be completed. Mr. Hillier stated they had one come in that day, but he didn't have a chance to review it, but would have something at the next meeting to present to council. The motion carried unanimously.

3. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items.

- a. Minutes of the regular city council meeting of April 25, 2005;
- b. Claim Vouchers No. 78315-78462 in the amount of \$240,228.27 dated April 29, 2005; and Payroll Vouchers No. 24293-24451 in the amount of \$524,704.97 dated April 29, 2005;
- c. Authorize the city manager to sign the grant agreement between Lewis County and the city for the acceptance of monies from the "Distressed Counties Fund" for \$200,000 to help fund the Hamilton Road sewer project pursuant to RCW 82.14.370; and
- d. Appoint Rick Alexander to the Historic Preservation Commission to complete the term of Robert Schroeter expiring December 31, 2006.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **New Business.**

a. **Request for Use of a Portion of Chehalis' Water Rights from Sovran Lewis LLC.** Mr. Campbell reported the city had received a request from Sovran Lewis LLC, currently working with the city of Napavine, to have Chehalis send water to Napavine to help with the development of their industrial park. Mr. Grochowski reported the city had been approached to look into supplying the city of Napavine with water and believed Mr. Sovran would be the go-between person to discuss any issues regarding the matter. Mr. Grochowski noted that before the city did anything with the issue he would like to stop and look at what the city had done and take a look at the city's current infrastructure. He stated, with council's approval, he would like to hire TJJ and Associates to do some homework for the city, and the city should draw up some kind of agreement with Sovran and

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determine who would pay for what. Mr. Grochowski believed a water rights analysis should be conducted to ensure that we had the ability to supply water to others and our own urban growth area (UGA) in the foreseeable future. He noted in his report the city needed to take a good look at our aging infrastructure and other needs before signing any contracts. Staff listed some of those needs as:

- Water promised to Tractebel
- The Kennicott/Yates reservoir
- Our existing infrastructure – small lines that feed the south-end of town
- South-end pump station on Jackson Highway
- The Henderson pump station-raw water line-that pumps water up to the treatment plant (currently not in operation)
- The Chehalis River
- Meter accuracy
- Metering raw water versus treated water

Councilor Pope noted he reviewed the report and believed there were too many unanswered question and suggested they table the issue until those questions were answered. The motion was seconded by Councilor Lund.

Councilor Spahr stated he would prefer to deal directly with Napavine, rather than working through Sovran. He also stated they were talking about two different issues, the first being whether or not the city would supply water to Napavine through Sovran and the second was the need to do a study on our own system for our own needs. Mr. Grochowski stated he thought they could both be combined, but in order to make a deal with Sovran the city first had to determine who they were going to provide water to. Councilor Spahr was wondering if they shouldn't take the matter up in two separate motions, or put the whole thing off for a couple of weeks until they could get more information. Mr. Grochowski stated before they made any decisions he would like the chance to talk with Neil Amondson who was the representative for Sovran. Mr. Grochowski state he wouldn't mind having them help pay for some of the needed analysis. Mayor Rider believed they should pay for the portion of the analysis that would determine whether or not the city had enough water to sell. Mayor Rider noted if the city was going to do a study and that type of information for Sovran could be derived from it then he had no problem paying for it. But, if it was going to be a completely separate issue that wouldn't be addressed in the study, then those expenses needed to be incurred by Sovran, just as they were with Virgil Fox when he requested water from the city, noting the city did the study and Mr. Fox paid for it, and will continue to pay for any expenses incurred at getting the water to Lewis County Water-Sewer District No. 5. Mr. Grochowski was unsure of what was told to Mr. Fox from what he was hearing. He stated the city may have to pay someone to run the pipe from the city's filter plant all the way out. Mr. Grochowski stated another option would be to look into putting in some filter plant sub-stations to help the situation.

Councilor Harris asked if they could possibly use "Class A" water to supply Napavine's industrial park. Mr. Campbell stated if it was purely for industrial use purposes, it could be another source of water that could be used for Napavine. Councilor Harris thought it should be part of the study to find out how much it was going to cost to run "Class A" water down to Napavine. Councilor Spahr noted that before going in that direction he would like staff to bring back a report on what would be studied and what it was going to cost. Mr. Grochowski asked if council wanted him to contact Sovran to see if they would be willing to pay for a portion of the analysis. Councilor Spahr stated his personal feeling was they should deal with Napavine directly. Mayor Rider noted Napavine already passed a resolution in support of the issue. He thought that perhaps Napavine, Sovran and Chehalis should sit down and figure out what everyone wanted, and what they would and wouldn't do. Mayor Rider noted in his discussions with the mayor of Napavine he indicated they weren't 100% sure of what Sovran was wanting, but they were willing to work with Sovran and the city of Chehalis to get water for their future UGA and industrial growth.

Mr. Campbell noted council wouldn't have any information without a scope of work and a contract with TJF. He suggested rather than table the issue, council direct staff to get the information and bring it back to them. Mayor Rider stated he didn't know what Councilor Pope and Lund meant by their motion, but he would like to see staff get that information and bring it back. Councilor Pope stated it was his intention to table any action until they got information back on the issue. Mr. Campbell noted if they tabled it, there would be no information to bring back, but if they brought back a proposed scope of work and a contract with TJF, then they could talk about the kinds of information to move forward on. Councilor Pope stated the motion should then be changed and withdrew his motion. Councilor Lund withdrew his second to the motion.

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Councilor Pope made a motion to give Mr. Grochowski the authority to collect any data necessary to make an appropriate decision whether the city should move forward on the project with Sovran or participate directly with Napavine. The motion was seconded by Councilor Lund.

Councilor Spahr asked Mr. Grochowski and Mr. Hillier if the motion covered enough, noting they were talking about doing a scope of work with our own system, as well as Napavine's. Mr. Grochowski stated he understood the motion to mean to study our own system. He asked if they were wanting two scopes. Mr. Hillier stated there was a jurisdictional question, noting the city would contact Napavine to determine what their intentions were, and if necessary the city could then supplement the scope of work with Napavine. The motion carried 6 to 1, Councilor Spahr voted against the motion.

5. Staff Reports.

a. **Meeting with Lewis County Rental Association.** Jim Larson reported he had met with the Lewis County Rental Association on April 17 to talk about some of their concerns and listened to their suggestions. Mr. Larson stated they discussed several things including how the billing process worked, how the city collected, applied and refunded deposits. The overall concern of the members of the association was how existing city practices contribute to their losses when tenants vacate without paying their utility bills. One of the suggestions by the association was to do monthly billings instead of bi-monthly billings for residential customers. Another suggestion was to change the city's deposit policy to emulate Centralia and allow the landlords to set the amount of the deposit we collect from a tenant. In asking the group which of the two ideas they thought were more important, they thought going to the monthly billing would be the most useful. Mr. Larson stated he committed to the association that he would see if there was a way to do it. He noted it would take council action to make monthly billings work, and it would impact the workload of both the finance and public works departments. He hoped there would be a way to make it work without increasing staff. Councilor Pope stated he would like Mr. Larson to come back to them with a detailed recommendation of what the total cost would be, including the increase in printing and mailing. Mr. Larson noted he was looking for ways or opportunities to free up staff time and to be more efficient. One idea he had was to possibly get out of billing for garbage service.

Mr. Larson also discussed the city's current deposit policy, which was set by ordinance and indicated the landlord would be ultimately responsible for the bill. He indicated that changing the policy to allow the landlord to set the amount of a deposit would not pose an administrative problem as long as the city established a default amount to collect if a landlord does not specify something different. Legally, the city would not want to facilitate discriminatory practices on the part of a landlord, such as requiring different deposits for different tenants renting equivalent space. He stated there were a couple of options to look at, which included increasing or eliminating deposits, or allow the landlord to collect whatever they felt was a fair deposit.

Mr. Larson stated the association also expressed frustration with the city's policy of collecting the base fees for water and sewer, even when a residence was vacant for a long period of time. He noted that particular issue was already discussed by the citizen's advisory committee and their collective opinion was that it was just a cost of doing business. Mr. Larson advised staff to pursue either or both of the courses of action, which included exploring the possibility of a one month billing and/or explore changing or eliminating required deposits.

Councilor Taylor stated he was glad to see that something was finally being done to address the issue. He said it was something that had been bothering him since he came onto the city council. He liked the idea of a monthly billing and no deposit. Mr. Larson stated it was important to know that past practice helped cut the city's losses. Given the fact that rates will be going up, and when they do the city would also be increasing their losses.

Councilor Harris asked if the city stopped collecting deposits and made it retroactive, how much was the city going to have to come up with to reimburse those who had already paid deposits. Mr. Hillier stated they would do it without going retroactive and continue to apply the current deposits at the time the billing was closed.

Councilor Lund agreed with Councilor Taylor that a change was needed, noting, the current system was kind of a hassle for property owners. He felt it should be run like a business or set up like LC PUDs system. If a person had good credit the city would turn their water on, and if they had bad credit they would need to come up with large deposit.

Mayor Rider thought eliminating the deposit was a good idea. He stated the control the city had without a deposit would be the ability to shut the water off, and if they wanted the water turned back on they would have to pay the past due bill. Mayor Rider noted the other questions was should they put the burden of the unpaid bills on the property owner or the renter.

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He noted he had mixed emotions about that, but his first reaction was that it should be on the person who doesn't pay their bills and moves down the road. Mayor Rider stated they also needed to take into consideration the costs of trying to collect past due bills. He was sure they would have the same problems with that as they did with parking enforcement. He also thought it was a good idea to allow the landlord to collect a large enough deposit to pay for cleaning and any outstanding utility bills left behind. He thought the monthly billing was a good idea and would possibly help those on fixed incomes. He noted the city should look at a process that wouldn't require monthly readings. Mr. Larson stated it would be more efficient to bill everyone at the same time, and noted one idea was to continue as we were reading the meters on alternate months and bill an average for the other month.

Councilor Spahr asked if Mr. Larson would be having another meeting with the association. He was curious about how they felt about eliminating the deposits collected by the city. Mr. Larson stated he could set up another meeting. Councilor Spahr stated he also had some concern about going to a monthly billing, noting people already had the opportunity to come in and prepay any amount on their account. He also stated a majority of people had their PUD bill coming on one month and their utility bill coming the next month. Councilor Spahr also wanted it noted the city wasn't the one issuing credit to the tenants it was the landlord who was allowing the tenants to move in.

Councilor Harris thought another way to bill the second month would be to bill for the base charges only, that way each person could pay something and get that portion out of the way, but noted as Councilor Spahr stated earlier, they already had the ability to do that now. He didn't feel it was the city's responsibility to be the collector for landlords if their tenants didn't have the ability to pay their bills. He didn't know if changing the system just to save the landlord an additional 30 days of a water bill was a good idea. He could see where the city could make some minor changes and make something work, but first he wanted to see what the cost of that process would be, to include staff time, billing, and postage.

Councilor Lund just wanted to remind everyone that landlords were not only the young to middle-aged people who had a lot of money, but also include the elderly who were on fixed incomes who depend on their rental income to live on. He felt the proposed changes would help the elderly.

Mayor Rider stated he would like to have some more information and to have Mr. Larson come back with a solid recommendation. He suggested possibly setting up a work session committee with the landlords, council, and staff to come up with something that would work for everyone.

Mr. Campbell stated there were certainly some policies involved, but primarily it was an administrative issue. Mayor Rider stated it was his intention to have Mr. Larson gather the information and bring back some information and a recommendation. Mr. Larson reported that he would bring back a cost analysis to include the costs for a monthly billing, some kind of change to the deposit policy, and look at the non-payment risk the city would assume.

b. **Set Date for Council Teambuilding Session.** Caryn Foley stated she needed council to look at their calendars and come up with a date to meet with Michael Pendleton. A meeting date was set for June 14 at 9:30 a.m.

c. **Drinking Water Standards Violated.** Mr. Grochowski reported that over the weekend, on May 7, the city violated the state drinking water standards. He noted there would be no need to boil water, but they were required to notify customers that a short-term failure in their drinking water treatment process allowed a small amount of water with turbidity at levels higher than state standards to enter the city's distribution system. He stated because the city was a "Class A" plant the matter needed to be reported to everyone on the system. He would be talking to the newspaper and the radio to do an announcement. Mr. Grochowski reported it was the first time this had ever happened, and the operator involved with the situation had been with the city for over 20 years. One problem was the incident was supposed to be reported within 24 hours to the Department of Drinking Water (DDW) and that did not happen. The operator did notify the water superintendent on Monday morning of the situation. Mr. Grochowski stated they were waiting for a notice from the DDW that would go out to notify the customers and media.

6. **Council Reports.**

a. **Washington Business Week at W.F. West.** Councilor Harris commented on a letter received from Shannon Matson, Program Manager for Washington Business Week, thanking Mr. Campbell for his participation at W.F. West. The letter stated Mr. Campbell was an essential team member and his participation was instrumental in the program's success.

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Councilor Harris also wanted to thank Ed and Gene Pernerl for the copy of their letter addressed to Rob Fuller, concerning recent opinions printed in *The Chronicle*.

b. **Proposed Purchase of Lot for Parking.** Mayor Rider reported they had received a letter from John and Barbara Hankins regarding their property located on the corner of Washington Avenue and National Avenue. Mr. Hankins was inquiring if the city would be interested in purchasing the property to use for a parking lot. Mayor Rider asked Chief Miller if he received a copy of the letter or if he was working on anything with that issue. Chief Miller reported the city had a parking lot right above the property mentioned, and didn't see the need at this time for another one in that area.

Mayor Rider announced council would be taking a five minute break beginning at 7:05 p.m. The regular meeting was called back to order at 7:10 p.m.

7. Work Session.

Industrial Park Area Annexation Service Plan and Financial Analysis. Mr. Campbell reported staff was in step 4 of the scope of work – council discussion of the proposed service plan and financial analysis. He noted there were also other attachments to the agenda report that had important information for council to review. Mr. Campbell first reported on the map which showed the annexation study area. He noted the map included most of the city's industrial and commercial land south of the current city limits, between I-5 and Jackson Highway. He noted there were a few parcels adjacent to the current city limits the city would include in the proposed annexation study area, primarily to clean up the boundaries currently in the south end.

Mr. Campbell reported on the number of assumptions made by the city. He noted as, or if the assumptions changed, it would change the projections of revenues and expenditures that were being forecasted at that time, but noted they had to make some assumptions in order to do an analysis. Mr. Campbell stated the proposed service plan was just a plan right now. Staff made some assumptions about how they would like to go about implementing those services, such as fire protection. He noted there was a lot of time between now and 2006 if annexation proceeded, which staff would be potentially meeting with Fire Districts No. 5 and/or 6 to talk about, in more detail, how services might be provided in that arena. Mr. Campbell reported that no decisions would be made that night, but they had already started the process of setting up meetings with the fire districts.

Jim Larson reported on the assumptions of the Industrial Park area annexation financial analysis which included:

- The city's EMS levy would be reauthorized in 2009 at a rate that would continue property tax revenue growth at 1%.
- Fire "other annual costs" including interest and principal on a \$500,000 loan for 25 years for a new substation.
- The value of Fire District 6 assets acquired, net of debt assumed, is spread over an assumed useful life as if the city were to borrow the money at an assumed interest rate. RCW 35A.14.400 and .500 talked about the city's right to acquire assets of the district upon annexation, and the continuation of outstanding indebtedness obligations. Our analysis accounts for the net of these.
- The ratio of real estate excise tax to square miles collected within the existing city limits would apply to the annexation area.
- Real estate excise tax receipts would increase with inflation.
- The ratio of building permit revenue to square miles within the existing city limits would apply to the annexation area.
- The industrial park area flood control district would remain in place and the city's storm drainage utility would receive revenues and be responsible for services throughout out the remainder of the area to be annexed.
- The ratio of storm and surface water utility fees to square miles within the existing city limits would apply to the annexation area to be serviced by the storm drainage utility.
- Annexation would be effective on 01/01/2006.
- Chehalis Power has significant assets that depreciate over time. That depreciation could impact the property tax rates paid by other property owners
- The city's regular property tax levy would increase by 1% annually. There is no projection of additional development within the annexation area. (This was obviously a conservative assumption; the industrial park area would undoubtedly continue to grow and develop, particularly with the pending construction of the LaBree Road interchange.)

Councilor Taylor asked if Mr. Larson could explain No. 3 in more detail. Mr. Larson stated that RCW 35A.14.400 states if a portion of a fire protection district including less than sixty percent of the assessed value of the real property of the district is annexed to or incorporated into a code city, the ownership of all assets of the district shall remain in the district and the

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district shall pay to the code city within one year or within such period of time as the district continues to collect taxes in such incorporated or annexed area, in cash, properties or contracts for fire protection services, a percentage of the value of said assets equal to the percentage of the value of the real property in the entire district lying within the area so incorporated or annexed upon annexation of a fire district. The fire protection district shall provide fire protection to the incorporated or annexed area for such period as the district continues to collect taxes levied in such annexed or incorporated area. RCW 35A.14.500 states when any portion of a fire protection district is annexed by or incorporated into a code city, any outstanding indebtedness, bonded or otherwise, shall remain an obligation of the taxable property annexed or incorporated as if the annexation or incorporation had not occurred.

Mr. Larson noted if the value of the fire districts assets exceed their debt, the assets received would be liquidated to pay for some of the debt.

Mr. Larson went on to explain the financial analysis, which included: annual inflation rate; inflation rate for employee health insurance benefits; interest rate for borrowing; annual water/sewer/storm utility rate increases through 2009; assessed taxable real property values for 2005; assessed taxable personal property value for 2005; property tax rate – city regular levy and EMS for 2005; county road fund levy tax rate for 2005; current city area, annexation area, and flood control district area; additional taxable utility use charges for electricity, natural gas, and telephone; current city utility tax rates for electric, natural gas, and telephone; utility tax 6% limit; utility tax rate after 6% limit; reduction in water and sewer rate revenue; current city storm drainage revenue; average REET from the past 4 years; property tax revenue growth rate – projected; 2005 budgeted building and planning fees; value of Fire District No. 6 assets acquired (net of debt assumed); and year of benefit from assets.

Mr. Campbell reported on the service plan, which explained the proposed staffing needs and other services or resources needed to provide services in the area. Those items included: salaries and benefits; other annual costs for each department; startup costs; and annual contributions to capital funds.

Councilor Pope asked if the city had volunteer firefighters already trained or was that something they would need to look into. Fire Chief Boes stated they had an ongoing staff of volunteers who come in and train. Councilor Lund asked if the city included a tanker in the cost of additional equipment needed. Mr. Campbell stated they didn't include a tanker, but it could be something negotiated through the process with District No. 6. Councilor Lund asked how the negotiations were going. Mr. Campbell reported they had met twice and had been receiving correspondence from the districts, which suggested some ideas for how fire protection might be provided. He noted staff would be getting back together with the districts to talk more about the suggested ideas.

Councilor Taylor had some concerns regarding providing services when it snowed and wanted to know how many snow plows the city had and could the city provide those services to the proposed area of annexation. Mr. Grochowski reported the city had three snow plows that plowed the arterials of Chehalis. He noted he talked with Chief Boes about putting a sand pile and truck at the fire substation once it was built.

Jim Larson reported on the general fund revenues and the revenues that would be lost to proposed utility tax mitigation from 2006 to 2015. He also reported on the real estate excise tax revenue increases, which were dedicated to capital fund improvements. The numbers presented in the agenda would be in excess of what the city was currently receiving. Mr. Larson went on to talk about the impact to the storm and surface water utility fund. He reported the revenue was estimated on square miles, and was pretty much a break even situation. Mr. Larson then reported on the revenues that would be lost to the water and sewer because those businesses being annexed in would now be billed the inside city rate rather than the outside rates. He noted in terms of those funds, it wasn't considered a huge loss.

Dave Sabin (123 Brown Road, Chehalis) asked if the city did annex in January 2006 would the city collect the taxes in 2006? Mr. Larson stated the city would not collect any property tax until 2007.

Mr. Campbell stated the plan with respect to sharing existing information was to schedule one or more public meetings and invite anyone potentially affected, from a property or resident standpoint in the vicinity of the industrial park, to come talk with the city and listen to the proposed service plan. They city would like to get their comments, whether acceptable or not acceptable. They would also be sharing with the businesses for which they had calculations, on an individual basis, the potential impacts on them with respect to annexation. That information would include the actual assessed value, utility usage, and utility tax impacts.

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Mr. Campbell reported on the proposed petition for annexation to the city. The petition addressed the city's plan with respect to the property owners in the industrial park area. Some of the covenants and restrictions included:

- The city would strive to maintain a fire insurance protection rating of at least a "5".
- Newly annexed water and sewer customers would begin paying the lower in-city user rates upon annexation.
- The city would not assess storm drainage utility fees on properties included within a flood control district. The city may provide storm and surface water control services to a flood control district under contract.
- The city would amend its existing electricity and natural gas utility tax ordinances, as they apply to manufacturing, food processing, and wholesale distribution businesses (Standard Industrial Classification Codes 20-39 and 50-51), such that the existing 6% rates are applied on usage up to a tax liability of \$10,000 per utility per customer per year for their combined facilities/operations, and 1% rates are applied thereafter up to a maximum tax liability of \$75,000 per utility per customer per year, with consideration given to adjusting the \$10,000 tax liability figure periodically based upon inflation.
- Other than water and wastewater service connection fees, the city does not currently assess impact fees on new development and none are anticipated at this time. It is recognized that the city's comprehensive plan does state that development proposals will be evaluated under SEPA for possible mitigation requirements.

Mr. Campbell reported with the assumptions made to services and the outline as planned, staff believed the city could provide services and the city would be able to cover those costs. He felt it was something the city could take on without great financial burden, including a way of mitigating taxes on the large businesses. Mr. Campbell noted the recommendations were to direct staff to begin conducting meetings with businesses and property owners in the Industrial Park area and to hear any information the city had developed, including specific impacts. Another recommendation, they didn't really talk about was the additional parcels south of Bishop Road. He stated the recommendation would be to include those additional parcels in the proposed annexation area. He also recommended that the previously designated council representatives and staff meet with Fire District 6 and 5 officials to discuss options for how to provide fire protection to the area upon annexation.

Mark Giffey (179 Hojem Heights, Chehalis) stated staff had worked very hard to mitigate the impact financially but wanted to know the range of dollar effect the mitigation would have on the businesses. Mr. Larson reported the mitigation would reduce the cost to businesses anywhere from zero to \$80,000 a year, depending on their usage. Mayor Rider stated one other thing he felt was important regarding that same issue was if a facility had two separate locations, one located in town and one in the industrial park, they would be considered to be one client.

Councilor Spahr moved that council direct staff to schedule meetings to present the proposed annexation service plan and financial analysis to residents and business representatives in the area, that the originally proposed area be modified to include the parcels requested recently by the Port of Chehalis, and that staff assist with the next steps in the formal process of annexation. He also moved that the previously designated council representatives and staff meet with Fire District 6 and 5 officials to discuss options for how to provide fire protections to the area upon annexation. The motion was seconded by Councilor Taylor.

Councilor Lund asked how soon it would be before they started having meetings with Fire Districts 5 and 6. Mayor Rider stated they would be starting right away. The motion carried unanimously.

Mayor Rider thanked staff for getting all the numbers together and let them know he appreciated their hard work.
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Mr. Campbell stated he assumed council would want to be present for the public meetings as they occurred and let them know just as soon those dates had been set.

Councilor Lund commented on the city newsletter stating it had turned out great and staff did a good job putting it together.

There being no further business to come before the council, the meeting was adjourned at 8:15 p.m.

Mayor

Attest:

City Clerk

May 23, 2005

The Chehalis city council met in regular session on Monday, May 23, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Water Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Proclamations.**

a. **B-17 Day.** Mayor Rider presented Edna Fund, Helen Halloway, and Ed Ikenson of "The Rosies and the Guys" with a proclamation declaring May 31, 2005 as "B-17 Day" in the city of Chehalis in support of our war support workers.

b. **Chehalis Blue Star Salute Day.** Mayor Rider stated he had the privilege of going to the Veterans Memorial museum on Saturday to read a proclamation proclaiming May 21, 2005 as "Chehalis Blue Star Salute Day." Mayor Rider stated a flag with the blue star was delivered to city hall with a request that the city fly it until our troops return home.

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

- a. Minutes of the regular city council meeting of May 9, 2005;
- b. Claim Vouchers No. 78463-78632 in the amount of \$462,091.71 dated May 13, 2005;
- c. Resolution No. 8-2005, second reading, declaring a portion of "The Barnes Property" surplus;
- d. Set date and time of June 27 at 6:05 p.m. for a public hearing concerning the 2006-2011 six-year transportation improvement program; and
- e. Approve the design contract with Cosmopolitan Engineering for the new wastewater treatment plant outfall for an amount not to exceed \$210,226.

The motion was seconded by Councilor Taylor and carried unanimously.

3. **New Business.**

a. **Additional Monitoring Wells for the Poplar Tree Plantation.** Mr. Campbell stated as a result of staff turnover at the Department of Ecology (DOE), they had asked the city to drill some additional wells for ground water monitoring purposes at the poplar plantation. Patrick Wiltzius reported the city currently had three monitoring wells at the plantation, which were installed in 2003 at the time the plantation was developed. In a letter received a month ago from DOE, it requested that the two most northerly wells be decommissioned, five new wells be installed and an addendum be issued to the hydrogeologic report prepared for the plantation by Robinson, Noble & Saltbush, Inc. (RNS). Staff and RNS met with DOE and got them down to four wells and negotiated to do readings off the bridge. The cost to install four monitoring wells at the plantation would be about \$21,500, which would include the decommissioning of the two other wells. Mr. Wiltzius stated since they didn't know what the ground water looked like under the plantation it would be in the best interest of the city to get the new wells installed and commence sampling to establish a baseline of the water quality. It would also provide city staff with the necessary information to efficiently manage the plantation.

Councilor Harris stated, a while back, when the city met with DOE they asked if they could either drill some wells or use the city's current wells to do some monitoring and at that time the city told DOE they could drill their own. Mr. Wiltzius stated at the time they did not allow DOE on city property and the city did not provide DOE with any information from our wells. He also noted the other study DOE was doing was a groundwater monitoring study for the Centralia-Chehalis valley, which DOE had completed. Mr. Wiltzius stated DOE assured them there was no connection between their original request to do some testing and the current request to have new wells installed. Mr. Wiltzius stated it was one of the largest projects in Western Washington for reclaimed water and felt they were just trying to gather the best information they could.

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Councilor Spahr noted it was part of the consent decree and there really wasn't a lot they could do about it. He noted the irritating part about it was the location of the previous wells put in was under DOE's guidance and guidelines. Now, at our expense, we have to put in more wells. Councilor Spahr asked if the city had other information accumulated from the old wells in our files. Mr. Wiltzius stated the only thing they collected was ground water levels in the two most northerly wells that DOE wanted decommissioned. He reported those two wells were essentially full of water year-round, which made them useless. Councilor Spahr asked if the city checked for things like nitrates. Mr. Wiltzius stated the city didn't do any quality testing yet since they were still waiting to get the permit to see what they had to test for. Councilor Spahr hoped the city would do some testing so we would have it on record as to what was in there now. Mr. Wiltzius noted the new permit required the city to start testing as soon as possible. Once they install the other four wells they would go ahead and start monitoring all five on a quarterly basis. Councilor Spahr reported the recommendation stated it was for an amount not to exceed \$14,000. Mr. Wiltzius stated there were actually two different issues to the agenda. The first was \$14,000 for Robinson, Noble and Saltbush, Inc. to do the testing on the wells once they were installed, to supervise the installation, to conduct the first two sampling events, and train city staff to do all the sampling in the future. They would also provide an addendum to the hydrogeological report. The city estimated it would be around \$7,500 to install the four new wells and decommission the other two. Mr. Wiltzius stated the suggested motion was for \$14,000 for the consultant, and to authorize the city to install the four new monitoring wells out of the wastewater budget for approximately \$7,500.

Mr. Wiltzius reported they had been getting a lot more cooperation from DOE than they had been in the past. The new hydrogeologist at DOE was working with staff and willing to listen to reason. Councilor Spahr noted he had also seen a lot more cooperation and openness by DOE. Mayor Rider stated the city had also been more cooperative and hoped if DOE ever changed managers again the city would still be able to use the plantation for the water and not be required to put it back into the river. Mayor Rider asked if it would behoove the city to just cap the two wells and use them for future testing. Mr. Wiltzius stated they knew it was standing groundwater and they would have to pump the wells almost down to the bottom to get a good inflow of the groundwater.

Councilor Spahr move that the city council authorize the installation of four additional monitoring wells at the poplar tree plantation and authorize staff to contract with Robinson, Noble & Saltbush, Inc. for an amount not to exceed \$14,000 for related services. The motion was seconded by Councilor Taylor and carried 6 to 1. Councilor Ketchum voted against the motion.

Mayor Rider asked if staff would be making a motion to cover the \$7,500. Mr. Campbell noted the \$7,500 for the installation of the wells would be absorbed within the current budget.

b. **Mutual Aid Agreement with the City of Olympia.** Chief Boes reported he received a request earlier in the month from the Olympia fire department requesting the city consider entering into a mutual aid agreement for fire and emergency medical services with their department. He noted the city of Olympia was involved with a countywide mutual aid agreement in Thurston County and Chehalis was involved with a mutual aid agreement in Lewis County. He noted the proposed agreement would give the city another department outside our county to call if we had a situation come up that depleted all of our other resources. Chief Boes looked at the agreement as an insurance policy that he hoped the city would never have to use. He stated the chances of having to respond were pretty slim, but thought it was a good policy to have.

Councilor Taylor moved that the council authorize the mayor to sign the mutual aid agreement with the city of Olympia for fire and emergency medical services. The motion was seconded by Councilor Lund. Councilor Spahr asked if the city had a similar agreement with the city of Tumwater. Mr. Boes stated we did not, but he could certainly look into it. Councilor Spahr asked, if the city ever responded to a situation that ended in a lawsuit, would the city be involved in the lawsuit. Mr. Hillier stated the city could be named, but there were summary dismissals for situations that were not directly related to our participation. He believed it wouldn't raise any more potential liability than what we already faced. He noted it was a new move by city attorney's to start getting agreements in place to cover the issues of liability rather than leaving the city open to risk. The motion carried unanimously.

c. **Additional Community Services Department Office Space.** Bob Nacht addressed council regarding their temporary space needs. He referred to the agenda report that explained why the temporary office facility was necessary, noting it would only be until they had a long-term solution for the space limitation of the community services complex. He stated Mayor Rider and Councilors Pope and Spahr had been working with the department on what they would eventually need to accommodate the engineering division. He reported it would be several months before a final decision or office would be available for use at the community services complex. Mr. Nacht reported since the engineering division was transferred to their

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department, staff had been trying to find a way to get the services to the people and developers that they wanted to do in the first place, noting that "one stop permitting" was the ultimate goal of the whole reorganization effort.

Mayor Rider asked if the temporary office would be put on the north end of the building. Mr. Nacht stated they anticipated putting it on the north end, that being the most convenient and the least expensive location to put it. It would also allow for some temporary parking without taking out any trees.

Councilor Spahr moved that the council direct staff to pursue a month-to-month rental contract with Pacific Mobile for a 1,440 square foot office building, including setup, and authorize staff to pursue contracts for a sitework and ancillary work necessary to install such a building to make it operational, using the public facilities reserve fund, the cost not to exceed \$30,000 plus monthly rental. The motion was seconded by Councilor Pope. Mayor Rider asked if the \$30,000 was just for the installation. Mr. Nacht explained it was just to put it there, but they expected it to be less than that. He noted they could run into some issues that would need to be dealt with, such as plumbing and water-sewer services. The proposal also provided for the increase in the parking facilities at community services, since they anticipated some engineering staff cars to come from the public works complex that would need to be secured, as well as the private vehicles. The motion carried unanimously.

4. Staff and Council Reports.

a. **New Rail Routing in Centralia.** Mayor Rider stated the Port had brought the city information from the Department of Transportations (DOT) budget that stated there was \$7 million to construct a new rail traffic interchange that would re-route several long trains each day through certain neighborhoods in Centralia and possibly in Chehalis. He noted it was the old Chehalis Western tracks they were upgrading. He was told that Tacoma Rail would be using the tracks to facilitate the delivery of grain to be shipped out of Grays Harbor by bringing three 100-car trains, twice a day through our area. It was his understanding they could conceivably go from Chehalis to Centralia, which meant they would be moving through the city at 20 m.p.h.

Mayor Rider reported the situation was more complicated than just the traffic issues. He noted some of it had to do with the ability of the ports and the cities to set our own destiny by putting ourselves in the way of Tacoma Rail. He reported there were also issues of fairness when setting rates of potential customers that locate in either port. He noted in the information sent to DOT and the Senate Transportation Committee, it appeared that both cities and the community were supportive of the money. Senator Swecker stated he didn't even know the \$7 million was in the budget. Mayor Rider noted neither of the cities, the port, or the PUD even heard about the money until after it was passed.

Mayor Rider introduced Mayor Browning of Centralia to talk about the issues they were facing. Mayor Browning gave a brief history of the situation stating Centralia had been facing continuous problems having to do with switching and backups throughout their city. He noted last fall, Tacoma Rail spent several hundred thousand dollars upgrading all four intersections on First Street, Main Street, Locust Street and Mellen Street in Centralia. Mayor Browning reported they had met with Senator Swecker and two representatives before session, and the cities of Centralia and Chehalis, the Ports of Centralia and Chehalis, and the PUD were all on the same page regarding the matter. Mayor Browning reported what they most feared had happened. The city of Tacoma, owning the rail line, procured a \$7 million grant out of the recent gas tax increase to upgrade the rail line all the way from the junction in Centralia to the junction south of Chehalis. He reported the city of Tacoma had been losing money on the train for a long time and the only way to get their money back was to send more trains through our area. He reported the city of Tacoma stated they knew nothing about the money being in the budget, but noted it was really surprising when they called them earlier they said that Centralia really liked the idea because it was going to improve transportation in their city.

Some of the potential impacts included:

- The possibility of stopping the entire city of Centralia from getting east to west.
- Transportation to the only regional hospital would have to be rerouted to Chehalis.
- Tacoma would start charging easement fees for electrical, water, wastewater, and stormwater lines.
- The rates being offered by Tacoma Rail to the ports seem to differ depending on who the customer was.

Mayor Browning stated the Centralia council intended to pass a resolution on May 24, and send a letter to the Governor asking her to stop the project until they looked at all the alternatives. It wasn't their intention to stop progress, but they don't want to see either town shut down because of it. They also intended to send a letter to the Governor requesting her to come to town and drive by the tracks to see the potential impacts on both communities. Councilor Harris noted he listened to the

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Governor a couple of weeks ago talking about the issue and she reported how it would do nothing but create jobs. He found it ironic that the information she was getting was just what someone was telling her, instead of looking at what was really going on.

Dave Muller, Lewis County PUD, reported they had an ongoing dispute with Tacoma Rail for a better part of five years. Some of their issues included:

- Each electrical crossing, overhead or underground was going to cost \$500 per year, per customer.
- Permits would be revocable with 90-days notice.
- They would have to accept the negligence of Tacoma Rail's actions.

Mr. Muller stated they tried to get some reasonable consideration for their permits, but had no success. About a year ago they received notice from Tacoma Rail that all the crossing permits were being cancelled and they would have to reapply. Finally, after some objection, they met with Tacoma Rail officials who reported they would address a couple of PUDs concerns. Mr. Muller reported they had heard nothing from anyone since that meeting.

Councilor Lund asked if they were dealing with Dennis Dean or the legal staff. Mr. Muller stated the last meeting was with Mr. Dean, but they also met with the city attorney.

Mark Giffey, from the Port of Chehalis reported he had been dealing with Tacoma Rail for about a decade now and was never able to get anywhere to promote economic development in Lewis County. He noted his main reason for participating was because he was a citizen who had dealt with Tacoma Rail and recognized the impact of what the crossings would be like when a mile-long train was switched off the mainline. He stated he didn't believe anyone was trying to stop the grain train from getting to the coast and back, but the communities hadn't been brought in at the proper time to at least find a best case scenario for everybody involved. He felt it was important to join with Chehalis and Centralia to see if there was a better way.

Councilor Lund asked if they weren't already taking the grain trains down to Grays Harbor. Mayor Browning stated they were currently running them on the Burlington Northern tracks. Councilor Lund stated he spoke with Dennis Dean who reported there wouldn't be any more traffic, they were just moving them over from the Burlington Northern tracks to the Milwaukee. Mayor Rider stated the only difference would be that on the Burlington Northern tracks they were going 60 m.p.h. not 20.

Councilor Spahr stated the only problem he had with the letter being sent was the one paragraph which stated that the city's review of the project showed the only beneficiaries would be the Port of Grays Harbor. He was concerned about that because the people in Grays Harbor were good neighbors and he wanted them to benefit from anything they could possibly benefit from. He would like to see that part of the letter reworded and put more of the concern with the railroad. He stated the situation had been dropped on both cities without being advising as to what they were intending to do, or that it was even coming. Mayor Rider stated a while back the ports, PUD, Centralia, Chehalis, and Lewis County had a discussion about the railroad with Representative DeBolt and Senator Swecker. Senator Swecker thought it might be possible to get monies to buy the railroad between the two junctions and let the municipalities, whether it was the ports, the cities, or a combination run the railroad, and now this issue had come up. Mayor Rider reported that both Senator Swecker and the railroad denied knowing the money was in the budget.

Mr. Giffey stated the last paragraph of the letter almost gave testimony from our local area endorsing the project. The letter somewhat told that something was in the works and the cities were not being updated about it. Mayor Rider stated no one in the area was told about the information being presented to the transportation committee. The information made it appear that the communities were behind the forward movement of the project. Mayor Rider stated Senator Swecker's recommendation was that they sit down and discuss the issues with Tacoma Rail and see if some of them could be addressed.

Mayor Rider told council he didn't believe the letter to the Governor was written in a negative way to say that Grays Harbor would be the only ones to benefit from it, he believed they were just pointing out who would be affected in a positive way. Councilor Harris stated he had a little trouble with the wording, as well. He stated his overall view was the letter gave the impression the cities and ports were upset because Tacoma Rail was telling us what to do. He thought the letter needed to be short, sweet, and include numbers. He wanted it to say we weren't upset that they were helping the Port of Grays Harbor, but they were hurting us and every other entity along the rail by their heavy handedness. Mayor Rider reported they were trying to keep everything in the letter positive at this time. Overall the letter stated we were not happy and we wanted to meet. Councilors Spahr and Harris thought a follow-up letter to Grays Harbor would be appropriate

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Councilor Spahr moved that the city council endorse Mayor Rider signing a letter expressing concerns about funding and construction of a new rail interchange in Centralia. The motion was seconded by Councilor Taylor. Mr. Campbell stated the latest version of the letter actually had spaces for all council members to sign. Councilor Spahr stated he wanted that added to the motion. Councilor Lund asked if signing the letter would have an adverse affect on our own port in the future. Mr. Giffey reported Tacoma Rail had already terminated their current permits, but it was their intention to continue to serve their customers. The motion carried 6 to 1. Councilor Lund voted against the motion.

b. **2005 First Quarter Budget Status Report.** Jim Larson reported the bottom line percentage for the general fund revenues as being a little less than 25%, largely because property tax income would not start coming in until the second quarter. He stated sales tax was looking very good and had continued to increase. He stated the city was able to start the year off with a little more beginning fund balance than what was originally budgeted, largely because revenues came in stronger than what was predicted earlier in the year. Mr. Larson reported the revenues in both the water and sewer funds were quite a bit less than 25%, mostly because of grants and loans. He indicated part of grants and loans were reimbursable based on dollars expended. He reported he was anticipating a grant to be coming in soon to cover the expenditures of the Newaukum Village water line project. Mr. Larson reported many of the expenditures budgeted in the water and sewer funds would come from capital outlay projects. As of the end of the first quarter, construction season had not yet begun, but those costs had started to rap up since the end of the first quarter.

c. **NPDES Permit Update.** Patrick Wiltzius reported the city had to apply for a new permit every five years. The city applied for their current permit two years ago and received the first draft last July. Because of the complexity of the permit, staff received authorization from council to have Gibbs & Olson help draft a letter addressing the city's concerns to the Department of Ecology (DOE). A 19-page letter was sent to DOE and they met with them to discuss all of their concerns. As a result of the letter and the meeting, DOE addressed everything the city wanted, within reason. A final permit was issued, but it had a few items reported incorrectly. They took it back to DOE who did a permit modification, which they don't often do. The final permit modification came back and Mr. Wiltzius believed the city could live with it. He reported he felt it was worth the money to have Gibbs & Olson help out with the permit application. Councilor Spahr stated it was wonderful that DOE was communicating with the city and that we could even get them to look at doing a modification. He stated it showed a real difference in the culture up there and hoped it would keep going in that direction. Mayor Rider told Mr. Wiltzius he and his staff were doing a good job.

d. **Schedule Informal Council-Staff Work Session.** Mr. Campbell suggested council set a work session for June 20 at 5:00 at the community services activity building.

e. **Annexation Project Public Information Meeting.** Mr. Campbell reminded staff and council about the public meeting scheduled for Tuesday, May 24 at 7:00 p.m. at the community building regarding the annexation project. He noted individual invitations were sent out to property owners in the proposed annexation area.

f. **Sister City Delegation Visit to Inasa.** Mr. Campbell reported Councilor Ketchum and six others from the sister city delegation would be leaving on June 1 from SeaTac to go to Inasa, returning on Friday, June 10.

g. **Annual Water Consumer Confidence Report.** Dave Vasilauskas presented council with copies of the 2005 annual water quality report. Mr. Vasilauskas stated they did an annual report of the city's water quality and the report being presented to them was based on 2004 information. He noted everything the city did and didn't have in its water was in the report and was pleased to say that everything in our water was good. The report would be mailed out to water customers by July 1.

h. **Veterans Memorial Museum Official Opening.** Mayor Rider reminded everyone that July 2 was the official opening of the Veteran's Memorial Museum.

i. **Building Space Needs.** Councilor Harris reported in the last couple of weeks they had some individual meetings with Corine Aiken from the Library to talk about the library's building situation. He stated it was time to get their heads together and try to figure out exactly where they needed to go with building space issues. He noted they had community services, police, fire, and now the library to deal with. He asked if they could form a committee to take a look at setting goals and parameters for establishing all of the facility and construction needs of the city. Mayor Rider noted he and Mr. Campbell had some discussion about that and intended on bringing up a plan he had been working on. Mr. Campbell suggested they wait until the work session to discuss that matter.

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j. **Chehalis Water Basin Partnership**. Councilor Spahr reported they had a Chehalis Water Basin Partnership meeting and asked if Jim Hill could give a short report. Mr. Hill stated they continued looking at moving forward with phase 4. He noted the June meeting would be an important meeting for anyone to attend as they moved towards implementation. Patrick Wiltzius stated it sounded like most of the partnership was leaning towards phase 4 implementation and the responsibilities that went with it.

k. **Rail Line Switching**. Councilor Lund wanted to add to the rail line matter stating he felt everyone's issues were valid, but there was another issue going on in the community he wanted to address. He reported there was a study done, paid for by community partners, on switching of the rail service in our industrial park and port area. He stated the report indicated Tacoma Rail was trying to take it over. If that were to happen he felt Tacoma Rail would start pushing things towards Tacoma. He noted the study was the first of three phases to look at the feasibility of having someone local do it. Mayor Rider stated the report Councilor Lund was referring to had some very interesting information in it. It addressed the costs, Burlington Northern versus the city, and the feasibility of having a private, city, or port do the switching versus Burlington Northern or Tacoma Rail.

5. **Executive Session**. Mayor Rider announced the council would convene into executive session at 7:28 p.m. after a 10 minute recess beginning at 7:18 p.m. pursuant to RCW 42.30.110(1)(c) lease and or sale of real estate, and there would be no decision following conclusion of the executive session. Following conclusion of the executive session, the regular meeting was reopened at 7:56 p.m.

There being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

June 13, 2005

The Chehalis city council met in regular session on Monday, June 13, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, and Bob Spahr. Councilor Chad Taylor was excused. Staff present included: Dave Campbell, City Manager; Amanda Vey, Asst. City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Bob Nacht, Community Development Manager; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Proclamations and Presentations.**

a. **Hire-A-Veteran Month – June 2005.** Mayor Rider presented Mike Hester and Ken Huff, veteran representatives from WorkSource Lewis County, with a proclamation declaring the month of June 2005 as “Hire-A-Veteran month.” Mr. Hester thanked everyone in the Chehalis community for their support and their interest to serve veterans.

b. **Historical Properties Plaques.** Mayor Rider presented Dr. Hank Kirk and his wife with a historical property plaque. Dr. Kirk thanked the council and staff for their support of the project. He felt Chehalis was blessed with a great number of historic homes and wanted to continue to encourage home owners to keep their homes looking good to preserve the historic quality of the community. Joanne Schwartz reported there were 36 plaques to distribute and hoped it would create interest in others to order plaques for their historic homes. Every contributing home in the three historic districts was sent a letter inviting them to participate in the project.

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

a. Minutes of the regular city council meeting of May 23, 2005;

b. Claim Vouchers No. 78633-78781 in the amount of \$181,224.77 dated May 31, 2005; and Payroll Vouchers No. 24452-24613 in the amount of \$523,489.12 dated May 31, 2005;

c. Department of Ecology’s 2005 Centennial Clean Water Fund grant in the amount of \$2,966,667; and 2005 State Revolving Fund loan in the amount of \$32,572,175.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Citizens Business.**

a. **Timberland Regional Library Summer Reading Program.** Corine Aiken, Chehalis Community Librarian, came before council to talk about the summer reading program that would be starting June 18, 2005. This year’s theme was “Dragons Dreams & Daring Deeds.” The program would include reading and prizes for age’s birth through high school. She noted this was an opportunity to maintain their reading practice through the summer. She reported Councilor Spahr graciously agreed to be the MC for the Twin Cities Pet Show, one of the featured programs on July 26 in the park at the Centralia library. In Chehalis, “Our Friends Group” bought a new area rug with a purple dragon on it. One of the added contests would be the “Name our Dragon” contest. In June the library would be featuring one of its databases “Learn-a-Test.” The program gives citizens the opportunity to practice a variety of tests including: ACT, ASVAB, Civil Service Careers, GED, SAT 2005, US Citizenship, and more. The database would also include a number of courses to learn, practice and test from, such as: grammar for writing, practical math, reading comprehension, resume and interview skills, and basic skills courses with Spanish instructions. Ms. Aiken noted the database had been very helpful to the patrons because the test-prep-books were very hard to keep on the shelves and the library couldn’t keep them updated fast enough. Ms. Aiken indicated there would be a new feature every month, which was accessible from their website at www.trlib.org.

b. **ChehalisFest.** Judy DeVaul reported she and a group of downtown business owners wanted to talk about ChehalisFest, which was a takeoff from the Chehalis Music and Arts Festival in prior years. She stated even though there were some businesses that didn’t want to do the festival this year, there were still some who wanted to participate. She reported that those businesses had been working very hard, meeting every week, to plan the event. Myra Jean Marshall from Myra Jean’s Antique Shop stated they were hoping to get the information out and permission from the city to move forward. She noted the city had agreed to support the group’s efforts with a \$500 donation for advertising from its stadium funds. The group hoped to

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raise between \$4,000 and \$6,000 for the festival.

David Hartz and his wife Beverly, the new owners of Book-n-Brush were impressed by the local support of businesses. He noted the Market Street merchants wanted to reach out to the Chehalis Avenue merchants and invite them to participate, as well. Mr. Hartz stated they had contacted The Chamber of Commerce regarding the name "ChehalisFest" and reported Todd Christensen graciously said they were welcome to use it.

Rowan Guenther from Diversified Games stated she was representing another downtown group who had concerns about closing down the streets for two weekends in a row, because of another event taking place on the July 23. They were also concerned the city might start closing the streets for individual events every weekend. Mayor Rider stated ChehalisFest, Crazy Days, and the Christmas Parade were all pre-approved events according to the current ordinance and didn't necessarily need to come before the council for approval, but would need to go through the Police Department. Ms. DeVaul stated they were trying to be sensitive to other businesses in the downtown area that had other events going on the same day as their event. Councilor Harris stated it was very gracious of the group to work on addressing those issues.

Mayor Rider noted the sale of the Classic Casino would be final on Friday. The new owner was Jim Bakbnowicz who owns the Cadillac Ranch in Longview and a mini casino in eastern Washington. He noted Mr. Bakbnowicz was very excited about the event and would be providing a band on Friday or Saturday night. Mayor Rider was glad to hear the group was cooperating with the other local businesses.

4. New Business.

a. **Resolution No. 9-2005, First Reading, Declaring Property Surplus.** Councilor Spahr moved that the council suspend its rules requiring two readings for a resolution and adopt Resolution No. 9-2005 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously. Councilor Spahr moved that the council adopt Resolution No. 9-2005 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

5. Staff Reports.

a. **Petitions for Amendment to the Comprehensive Plan and Development Regulations.** Bob Nacht reported on the status of petitions for amendment to the comprehensive plan and development regulations that had come before the planning commission. He pointed out two of the proposals, Nos. 054 and 055 were rezone proposals. On No. 054, the planning commission's recommendation was to deny that particular rezone proposal, but instead adopt alternative language in the city's ordinance to accomplish the same thing. He indicated he would go into further detail at the public hearing on the June 27. On items No. 054 and 055 the applicants also requested a refund of their filing fee of \$200 each. They indicated they shouldn't have been zoned R-1 single family residential, since it was clearly commercial property in the first place. He noted council would have the ability to authorize a refund of that money if they so desired. He stated it would be a question that was going to come up during the public hearing.

Mr. Nacht reported the last two items on the list were staff proposals to change the development engineering standards, formerly known as the public works standards. It was their intent to amend two technical areas, one that addressed the latecomer agreements and the other was to provide a mechanism for the city engineer to do the approval process on issues that were compliant with the engineering standards. He stated the public works director would still be the one to grant variances from the standards. He reported the pages included in the packet were only the pages that had proposed changes on them, and he would provide the entire document upon request. They also identified an inconsistency between the development engineering standards and a couple of standalone ordinances the city currently had. In order to eliminate the inconsistency they would propose the elimination of a section of the standards. Mr. Nacht reported that all owners within 300 feet of the proposed rezones had been notified with a direct mailing and a number of them did attend the planning commission public hearing and made comments. The proposals that included additional UGA received a direct mailing, not necessarily within 300 feet because they were all in the county. The minutes of the planning commission meeting would be presented in the agenda report for the public hearing. Those who received the first mailings would also be receiving notification by mail of the upcoming city public hearing on June 27.

b. **Meeting Reminders.** Mr. Campbell reminded council about the upcoming teambuilding session on June 14 at The Chamber office, and the council-staff work session on June 20 at 5:00 p.m. at the activity building.

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6. **Council Reports.**

a. **Water and Sewer Connection Fees for Lewis County Jail Addition.** Mayor Rider reported he attended a meeting with Councilors Harris and Taylor, the Lewis County Commissioners, and various county staff to discuss the hookup fees for the jail. He noted at the time their application was made, the current ordinances were not in effect. The city had two similar situations where they waived the old rates, one for Cascade Hardwoods and the other for the Chehalis wastewater treatment plant. Their recommendation was to do the same for the county jail, with the stipulation the county dispose of the contaminated soil found in the area during project construction, at no charge to the city. He stated the savings to the county would be about \$110,000.

Mayor Rider made a motion to direct staff to calculate the water and sewer connection fees for the county jail expansion project based upon the 2005 rate ordinances contingent upon the county dropping its claim for reimbursement from the city for costs associated with the disposal of some contaminated soil found during project construction. The motion was seconded by Councilor Spahr. Councilor Ketchum asked if the contaminated soil was on the county's property. Mr. Campbell stated the soil was apparently found in the street right-of-way. Councilor Ketchum stated he believed they allowed the lower rate to Cascade Hardwoods because the city had received cooperation from them. He believed, in his absence during the last couple of weeks, the county didn't wish to cooperate with the city and he would be voting against the motion. He noted if they weren't willing to work with the city, he wasn't willing to give them a break. Councilor Lund agreed with Councilor Ketchum stating the county didn't seem to want to give the city any breaks. He questioned why the city even gave the county an occupancy permit until their hookup fees were paid. Councilor Lund indicated he would be voting against the motion. Councilor Pope was concerned about the cooperation, but in goodwill, he would probably vote for the motion. Councilor Spahr stated he would be voting for the motion in hopes of getting some more cooperation and more communication going between the two entities. Councilor Harris stated when the three of them first discussed this issue, he was reluctant to go along with it, but after thinking about it he believed the city should be the one to extend the spirit of cooperation first. He stated with the potential problems of hooking up to Airport Road, there had to be a way to open the door. He looked at the hookup issue as possibly being a way to mitigate future issues with the county and would be voting for the motion, with reservation. Councilor Lund stated the city was progressive and trying to help people build, and didn't believe the city had to be the good guy. Mayor Rider stated he agreed with everyone and stated they had tried several different times to get cooperation from the county. During the meeting he talked about cooperation in length with the county and told them they needed to start working on it. He also brought up the issue of free response calls from the city for police and fire services, yet the city gets billed for the phone call. He told them it needed and should be a two-way street.

Another issue Mayor Rider was concerned about was the boundary review board the county just created. He noted staff didn't believe it would stop the city from annexing, but it could take at least another year to complete. He stated staff had hoped to be annexed by the first of 2006, and now with any luck, they were looking at 2007. He indicated he would be voting for the motion because he believed the city needed to take the high road. Councilor Spahr stated it wasn't pettiness, but a matter of protecting our constituency from having to pay higher taxes as a result of impact fees. He noted when it came to funding infrastructure the county was owned by all the people, but was being taken care of by the 7,000 people in Chehalis, which the city pays taxes on.

Mayor Rider called for the vote. The motion carried 4 to 2. Councilors Ketchum and Lund voted against the motion.

b. **AMR Open House.** Mayor Rider stated he received an invitation that was extended to the citizens of Chehalis to attend the AMR open House at 1218 Borthwick Street in Centralia.

c. **Summerfest Judge Needed.** City of Centralia needed a judge for the Summerfest parade. Anyone interested could contact Carol Hamilton.

d. **Sister City Visit.** Councilor Ketchum reported on the sister city visit to Japan. He indicated they all had a great time. He reported some were pretty nervous about going, but as Councilor Ketchum told them, they were treated like royalty. He noted it was extremely hot and humid. He stated the mayor would be officially done at the end of this month because of the consolidation with Hamamatsu. Councilor Ketchum stated the delegation did a small ceremony for Mayor Yoshimasa Nagayama to honor and thank him. The delegation was presented with a Hannya mask, a female demon, which was worn in Noh theater, the oldest extant professional theater; a form of musical dance-drama originating in the 14th century. Originally, Hannya came from a god of wisdom, but the Noh play made her a demon that revealed anger and jealousy. He noted they were looking forward to sending their delegation here in August.

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There being no further business to come before the council, the meeting was adjourned at 7:05 p.m.

Mayor

Attest:

City Clerk

June 20, 2005

The Chehalis city council met in special session on Monday, June 20, 2005, at the community services activity building. Mayor Fred Rider called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Bob Spahr, and Chad Taylor. Dr. Isaac Pope arrived at 6:00 p.m. Staff present included: Dave Campbell, City Manager; Mark Scheibmeir, Asst. City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; Lilly Wall, Recreation Manager; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Public Information/Outreach for Chamber Way Transportation Improvement Project.** Mr. Campbell explained that the proposal was for a public outreach program, prior to and during construction of the roundabouts along Chamber Way. He noted a lot of the work would be done in 2005 during the summer, fall, and winter months. City staff had talked with Lewis County and the Washington State Department of Transportation (WSDOT), two of the project funding partners, about the specific public information activities they wanted to see take place. They looked at a couple different options and it began to make sense that the city should work through the chamber to coordinate the public information/outreach program because they had a lot of contacts with the business community. Mr. Campbell reported the costs for the program would be absorbed within the grants the city had applied for and received for the project to date, with the exception of the costs of the celebration at the end of the project, which was not grant eligible.

Todd Christensen, President/CEO of the chamber, put together a response for the request of a proposal from the city to include:

- Public Outreach: General concept
- Task 1: Public outreach kick off meeting
- Task 2: Stakeholder interviews and impacted business questionnaire
- Task 3: Open houses and information forums
- Task 4: Small group presentations
- Task 5: Driver education sessions
- Task 6: Regular project updates
- Task 7: Lewis County fair booth
- Task 8: Media management and coordination
- Task 9: Public celebration
- Task 10: Public outreach final report

Mr. Christensen stated the chamber appreciated the opportunity to work with the city, county, and state on the project. He recognized it would be a change in traffic patterns and their desire was to begin to share with the public what kind of changes would occur and when they would come on line. He reported throughout the project they hoped to be able to communicate with the business community about delivery times to best accommodate construction times. In addition to the service contract they would need to define the type of landscaping or beautification in and around the project. Within the proposed budget he was confident they would be able to capture that task through their proposal, at no additional charge.

Councilor Lund moved that the city council authorize contracting with the Centralia-Chehalis Chamber of Commerce for public information activities connected with the Chamber Way transportation improvement project at a cost not to exceed \$63,500, and that the Chamber of Commerce, with their vast resources, pay for the celebration festivities. The motion was seconded by Councilor Taylor.

Councilor Spahr asked Mr. Christensen if they would need to appoint additional staff to help with the project. Mr. Christensen stated most likely they would need to employ some additional temporary staff, which was accounted for in the budget. Councilor Spahr moved to amend the original motion and remove the \$1,200 for the celebration costs. The motion was seconded by Councilor Harris. Councilor Spahr asked where the money was going to come from if it wasn't included in the proposal. Mr. Campbell stated it would come from city resources rather than from the grant money the city would be paid through the state and federal governments. Councilor Spahr asked if the \$63,000 included the celebration fees. Mr. Christensen stated it did, but the city would need to fund it. Councilor Spahr withdrew his motion to amend.

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Mayor Rider asked if Mr. Christensen would be using the internet as a survey tool. Mr. Christensen stated they would be using the internet site and direct mail. Mayor Rider also had concerns that the wrong statements could be made because of perception and wanted to be sure that the updates between the city, and the chamber were close knit. Mr. Christensen noted the sole focus was to get information out to the public, which would be coordinated through a management team to include the city manager, the public works department, the county, as well as with interaction from DOT. Mr. Christensen noted they would be meeting with service clubs, historic preservation groups and various others to discuss such elements as final design; a construction timeline; impact areas; rerouting; and deliveries issues.

Councilor Harris asked if the city had to come up with any out-of-pocket dollars for the project, other than the celebration costs. Mr. Campbell stated if the bids were such that they exceed the current estimates the city would then have to address where the extra funding would come from. Another project that would not be a part of the cost was the landscaping. Those costs would also be something the city would need to bear.

Mark Cook, Lewis County Public Works Department, responded to the question of funding, stating it had been his presumption all along that the county representatives, at this stage of the outreach program, would fund the outreach program through its own T21 monies, noting that money was part of what they talked about allocating for the initial design. He stated they were currently under-running design expenses and thought it was prudent to support the community with the outreach program. He understood the vehicle for that would be a memorandum of understanding (MOU) between Lewis County and the chamber, and not a contract between the city and the chamber. That was the only vehicle he found in the local agency guidelines through WSDOT local programs. He suggested if the council wanted to preserve its money to the maximum extent, that the county still be the funding partner for the outreach effort. Mr. Cook felt the county would still be in the position to completely fund the outreach program, absent the celebration fees.

Mr. Christensen stated they recognized that the public celebration costs did not meet the state and federal guidelines. He felt it was a large project for the city and an opportunity to highlight the accomplishment of both the council and the community. He noted it was a small dollar amount to celebrate a huge success of a major project.

Mayor Rider stated the motion was to approve the \$63,500 and that the chamber pay for the celebration costs. Councilor Spahr stated the chamber, in good faith, gave the city what they considered their costs to do the project, and after hearing discussion on the matter moved to strike the last part of the motion to have the chamber pay for the celebration costs. The motion was seconded by Councilor Harris.

Councilor Lund felt they should put the project out to bid. He asked why the chamber shouldn't be competing with other businesses. He stated there had to be someone out there that could do it cheaper. Mr. Campbell reported they had a received a proposal from a private planning and information company, which was more expensive than what was being proposed by the chamber.

Tim Grochowski stated, speaking as a citizen, he liked that Mr. Campbell got a price quote from someone else. He was also glad to see that by going with the chamber, it would keep the funds local. He noted the chamber cared and would have a vehicle to make sure all those who support the chamber would know what was going on. Mr. Campbell noted that was their thought, that the people and businesses affected would be more responsive to information and requests from the chamber. Mr. Grochowski reminded council that the chamber had a little more pull than the city did with local businesses.

Mayor Rider called for the vote. The motion to amend the main motion carried 5 to 1. Councilor Lund voted against the motion. The main motion carried 5 to 1. Councilor Lund voted against the motion.

2. **Revised Industrial Park Annexation Process.** Mr. Campbell reported a couple weeks ago the Lewis County commissioners established a boundary review board for Lewis County, which would be involved in the proposed annexation and a number of other activities related to changes in boundaries among jurisdictions around the county. It was the first time, to his knowledge, that they've had a boundary review board in Lewis County. He noted it was old legislation and that the 1990 Growth Management Act took the place of such a board. He stated they would now have that process to work through as they moved forward with annexation of the Chehalis industrial park. As a result of the new process, Mr. Campbell presented an outline of the steps and timeframes they were looking at for the next year in regards to the annexation. He noted some of the steps had to go through the boundary review board, and potentially superior court. He noted it wasn't automatic that the proposed annexation would be reviewed by a review board, but it could be requested. The board, once constituted, would

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have a certain number of days to consider the information and make its decision. He reported the board's decision could be appealed to superior court if they ruled against the city's request. He stated the process of annexation could be extended depending if those reviews and appeals were requested.

Councilor Lund asked if there was any way to stop what the county was doing. Mark Scheibmier stated no. The county commissioners had specific authority to form the board. He indicated there were two means of forming a board, one by voter approval, and the other by county commissioner approval. He reported the Growth Management Act suggested that cities and counties do away with such boards because they allowed too much wiggle room when it came to the decision making process. He stated there was a list of legal facts to consider and decide upon that a poorly constituted board would find against the city. He noted it was important to work hard to get the right people on the board and to get strong support from within the proposed area of annexation. He indicated the greater percent of support, the better push the city would have. Mr. Scheibmier recommended the city, as a whole, talk to the Governor's office about their two appointments.

Mayor Rider noted after the first review with the city manager and staff, they believe the city would meet the requirements of the boundary review board, and the annexation would move forward. The only problem was it could take up to another year to move forward, and the importance of that to the community was the broader base of taxation through property tax. He stated some issues might come up in the future that could increase the overall tax evaluation of the city. He felt the county was shirking their responsibilities as elected officials in creating another level of bureaucracy that no one had control over. He also had concerns that two of the board members would be appointed by the Governor, rather than by the local people. He felt the commissioners had chosen to take a negative stance to do that. He believed the city would move forward with the annexation and it would happen. He was told by one of the commissioners that this was a way for the people to have a voice. Mayor Rider stated he didn't see that happening. Mayor Rider saw it as a dictatorial group just like the Growth Management Review Board. He stated it was just one more layer of government that would slow down the progress of growth, annexations, and other issues that make communities grow. Mayor Rider stated a letter was sent to Mayor Browning and JD Fouts to request a meeting of the nine cities within the county to discuss the issue. Councilor Lund asked why the city didn't just write a letter to the county to appeal the process and shut their water off. Mayor Rider indicated the city had the right to do that, but intended to take the high road.

3. City Building and Facilities Planning. Mr. Campbell reported that a couple of councilors suggested having a general discussion about the status of city facilities and building plans. They felt it would be appropriate to throw the issue out for discussion without any particular recommendations, but to talk about what was available and maybe come to a consensus about how to move forward with the comprehensive look at city buildings and facilities. Mayor Rider noted there had been a lot of discussion about that issue and some real major changes since the last time they discussed it. He reported there had been some input about the community services building, the police and fire service buildings, city hall, and now the library. He noted there were some interesting scenarios out there and they still had the option on the county building that could play into it. Mayor Rider's recommendation was to appoint a committee to look at the different options. He asked that the committee include himself, Councilor Harris and one other council member. He also wanted someone from the library, and one member from each city department. Councilor Spahr indicated the city already had a committee that worked on the public safety building and asked if that group was still in existence. Mr. Campbell reported they hadn't met for some time, but a number of them involved with the campaign might be interested in participating. Mayor Rider stated that group was somewhat dissolved, but noted they could still use some of the original people, or some of the campaign group who looked into the public safety building. Mr. Campbell reminded council the group's charge at that time was specifically related to a police and fire station. Councilor Lund stated he liked the proposal made by Mayor Rider and agreed it didn't need to be a big group. He stated he would help with the group as the third councilmember. Councilor Spahr felt they needed to get more involvement by the public than what was being proposed. Mayor Rider stated it wasn't his intention to have just council and staff on the committee. He was talking about going out and finding some citizens to make a committee up of 10 or 12 people. He noted it wouldn't necessarily need to include all the staff. Mr. Campbell stated instead of focusing on the number of people on the committee, if the consensus of the council was to create something, staff could put together some names or slots they would want to have represented on a group and see what they could come up with. Mr. Campbell wanted to emphasize the work would be done in public and the decisions and evaluations made would be something citizens could listen in on. Dennis Dawes responded by saying he was a little confused because the last workshop he attended they talked about resubmitting the ballot and now they had come up with a new plan. He agreed there were a lot of buildings that needed to be set, and if they were going to do a complete facility study, there were firms out there that would help the city to do that. He indicated if the city tried to tackle too much it would probably face more of an avalanche than what they did with the public safety building. He noted he hated seeing the original proposal given up on after only one time. Councilor Harris stated the ideas being kicked around had nothing to do with throwing anything out. What it

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amounted to was things were always fluid. He noted there intention was to keep from trying to reinvent the wheel and if they could resolve the same or multiple issues for the same amount of money or potentially less, they needed to get a committee of individuals of the public and the workforce to find out if some ideas were doable or not. Councilor Harris stated it was prudent the city look at all the avenues and not stay focused on just one thing. Mayor Rider suggested that people contact Mr. Campbell and give him some ideas of who they would like to see on the committee. Councilor Harris suggested Mr. Campbell contact the original group of people from the public safety building committee. Mayor Rider asked that Corine Aiken from the library be on the committee, as well.

4. **Community Farmer's Market.** Joanne Schwartz presented council with a brochure detailing what the community farmer's market would consist of. She reported she met a group last fall and at that point there were many organizations and communities who solicited the group to be in their venue. Ms. Schwartz stated the group fortunately chose the city of Chehalis. She reported the group was formed specifically for our venue, their title being "Community Farmer's Market at Chehalis." She stated the market would be open on Tuesday nights from 2:00 to 6:00 p.m. The reason they choose the hours of operation to be later in the day was because most of the vendors who would be participating currently sell in Olympia on the weekends, and they also wanted to give business people an opportunity to shop later in the afternoon and evening, so they wouldn't have to worry about what they would do or how they would store their purchases.

Ms. Schwartz reported the chamber was working on four Live-after-Five musical events in conjunction with the market. She noted she visited with the abutting property and business owners on Boistfort and they all signed off on the idea, and agreed it was a good event to have in town. Ms. Schwartz stated that because the event was not one listed on council-sanctioned community events, she was seeking approval for them to close off Boistfort Street between Market Boulevard and Pacific Avenue for the event on Tuesdays, beginning July 5 through September 30. She also asked that the Community Farmer's Market be added to council-sanctioned community events.

Councilor Spahr move that the Community Farmer's Market at Chehalis be added to the list of council-sanctioned community events. Councilor Harris seconded the motion. Tim Grochowski asked if Ms. Schwartz was also seeking approval for the Live-after-Five events. Ms. Schwartz stated no and indicated the chamber would deal with their project at a different time. The motion carried unanimously

Councilor Spahr moved that the council approve the use of Boistfort Street between Market Boulevard and Pacific Avenue for the Community Farmer's Market at Chehalis starting Tuesday, July 5, and every Tuesday thereafter through September. The motion was seconded by Councilor Lund and carried unanimously.

5. **Event Sponsored by Market Street Pub on July 23.** Mr. Campbell reported that Todd Miskimens, with the Market Street Pub, would like to close Market Boulevard for an event he was sponsoring on July 22 and 23. Mr. Campbell noted in conformance with our adopted policies it would need to be designated a council-sanctioned community event in order to close those streets, otherwise he would only be able to block off the parking area in front of his own business and any adjacent businesses wishing to participate. Mr. Campbell noted he had communication with Frank and Barbara Mason with the Washington Hotel and they were particularly concerned about any blocking of the street on the dates of July 22 and 23 because they have a wedding event scheduled in their building on those particular days.

Councilor Spahr asked how far out into the street the beer garden would go. Mr. Miskimens stated in years past, it's gone to the curb on the other side of the street, and that was what he was requesting to be done for this event. Councilor Taylor asked if there was a way to hold the event without totally blocking the street. Mr. Miskimens indicated not really. Mayor Rider stated he was under the impression the event would only take place on the 23rd. Mr. Miskimens explained the actual bike ride was on the 23rd, but he wanted to set up a beer garden and stage in front of the Market Street Pub for a street dance on July 22 and 23 from 6:00 p.m. to 2:00 a.m. He asked that Boistfort Street be blocked off on the 23rd so that the riders would have a place to park their motorcycles when they arrived. He asked to close down Market Boulevard on both July 22 and 23 for the beer garden and stage.

Mayor Rider explained during past years the beer garden and street dance events were never written into the program, except for the first year, due to potential liability with liquor, and that's the way it had gone on for the past 12 or 13 years. Councilor Taylor asked if there wasn't a form that if businesses wanted to close off the streets they had to get signatures from other business in the area. Mr. Campbell stated that was part of the application to receive a permit. Mr. Miskimens noted he had 18 signatures and needed about five more. Tim Grochowski asked Dennis Dawes if the city allowed the beer garden to go all the way across the street in the past. Mr. Dawes stated the closure of a street was allowed one time and if a business wanted to

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do it more than once, they were allowed to use the right-of-way area only so the street would be open. Rowan Guenther from Diversified Games stated she had come before council last week and voiced her opinion about street closures. She noted she would understand if it was a group putting on the event, but it was only for Market Street Pub and they would be the only business to benefit from it. She noted if they closed the streets for his event, then for ChehalisFest the following weekend that was going to hurt their finances because weekends were their busy times. Ms. Guenther asked if council sanctioned one individual's event, wouldn't they have to sanction every business that requested approval. She read that other than council-sanctioned community events, a short-term, temporary right-of-way use may not result in the closure of a street and may only apply to a right-of-way, up to and including parking areas immediately in front of the requesting party's address and to the immediate area where owners, managers, or residents had indicated approval. Councilor Harris stated council had the right to allow the closure of a street. Mayor Rider stated it didn't need to be classified as an ongoing event, they could say yes to the application and it would become a council-sanction event. Ms. Rowan stated what she was implying was that if the city sanctioned Mr. Miskimens event, council should expect others to come to council and expect the same treatment.

Chief Miller asked if the beer garden couldn't be set up in the parking stalls in front of Market Street Pub, Rejo's, and the Uniform Shop, and then set the stage up in the Boistfort plaza, and not shut down Market Street. Mr. Miskimens stated he could possibly do that, but would need to reconfigure the beer garden to meet Washington State liquor control board approval.

Councilor Lund made a motion to approve working with Mr. Miskimens to close Boistfort Street between Market Boulevard and Pacific Avenue, and leave Market Boulevard open to accommodate the other businesses in the area. The motion was seconded by Councilor Taylor. Councilor Lund suggested the mayor write a letter to the liquor control board to explain why Mr. Miskimens was being asked to change his configuration. The motion carried unanimously.

6. **Other Street Closure Requests**. Chief Miller stated he received two other requests for street closures. The first from Pope's Kids Place asking to close Arkansas Way at the north end of Wal-Mart for the weekend of the 30th for a "Barbeque-Chile" cook off, running from 6:00 a.m. and 6:00 p.m. The second was from Todd Christensen from the chamber asking to close the upper end of Boistfort Street for the Live-after-Five event on three different occasions. Councilor Lund moved to sanction Pope's Kids Place barbeque and the Live-after-Five event. The motion was seconded by Councilor Harris. The motion carried unanimously.

7. **Status of 2005 Capital Projects/Acquisitions**. Mr. Campbell had each department present to council a comprehensive status report about where they were with respect to capital projects and acquisitions originally approved in the 2005 budget. He reported Dennis Dawes, representing the airport board, would also be give a short report on the status of the construction projects going on at the airport.

Police Department

- Tasers – 13 purchased and deployed in February
- Patrol Vehicle – purchased off state bid in Longview for \$30,000 – should be on the road in two to three weeks
- Range Shack – almost complete

Fire Department

- Medical aid car re-chassis – work done by Braun Northwest, finished in April
- Staff Vehicle – purchased off of state bid in Longview – in service now

Community Services

- Animal shelter replacement – purchased and installed container
- Flooring for V.R. Lee Community Building – quotes being requested
- Swimming pool slide framework – options were being gathered for review
- Bleachers - replaced at the slow pitch complex
- Community Building asphalt – quotes being sought
- Three vehicle replacements – (1) Chevy Caravan, (1) Ford Explorer, and (1) Ford Van – in service now

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- Walk behind mower – 48" mower purchased from Barnett Implement
- Hedwall Park irrigation pump – ongoing project
- Garbage cans – reviewing options for cans throughout parks
- Lift Truck (CS/Street) - looking at used vehicle w/ 30-foot lift

Street

- Lift Truck (see C/S)
- Overlay Chehalis Avenue – from Main Street to 3rd Street – grind overlay.

Water

- Newaukum Avenue water line upgrade – started project May 9 - majority of water line is laid in the ground; July 5 they will be boring under I-5; project on schedule
- New high level reservoir – currently on hold; looking for best location, possibly in the north end
- Valley View pump station upgrade - project started one week prior, ran into phone lines that were never marked; project on hold for another three to four weeks
- Fairview area water line - line is complete; small items to finish up; very little impact on the surrounding area
- Replace emergency generator (filter plant) – currently determining size needed
- Plant controls and automation – plans are done; will go out to bid sometime in September; looking for grants and loans
- Intake flow meter – installed

Wastewater

- New wastewater treatment plant – construction running on schedule
- Prindle Avenue pump station upgrade – bypass pumping installed; old pump station removed; on schedule; on budget; should be done by the end of November
- Riverside Drive pump station upgrade – bypass pumping installed; old pump station to be removed soon; on schedule; on budget; should be done by the end of November

Airport

- Project ahead of schedule
- Runway paint removal and repainting – complete
- New entrance road off Airport Road – road cut in; contractor is concentrating on storm drains, catch basins, water mains, and fire hydrants
- Part of the old abandoned runway demolition – 100% complete; old concrete crushed and recycled to use for fill
- Taxi lane – cut in; sub-base is laid in; hope to have done by July 10

Mr. Dawes reported the following construction items would be covered by the money the city authorized the airport board to borrow from the county:

- Parking lot
- Utilities
- Taxi way
- Security fencing
- Irrigation system
- New signage
- Entrance lighting
- Two lighted wind tunnels (used by the pilots)

Future items included:

- 90% drawings of airport office

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- Pilot lounge
- New hangers

Mr. Dawes felt after all the construction was done, the entire community would have an airport that was very functional and something they would be very proud of.

Councilor Spahr inquired about the road conditions over by the new Veterans Museum. He asked if the city wouldn't have to do some asphaltting in the area of the new waterline. Mr. Grochowski stated on Newaukum Avenue itself they would. Councilor Spahr noted at the entrance to the Veterans Museum they were required to do certain street improvements. Mr. Grochowski stated the Veterans Museum was not required to do that, they did it on their own. He reported it was taken off the plans the city made. He stated they did what anybody else would have done to improve what was in front of their building. Councilor Spahr asked if there was anyway to improve the street area. Mr. Grochowski stated if council wanted to spend some money to improve the area, he could get someone out there to do it. He could get some bids to widen out and match what the museum put in. He also noted the city planned to improve the other half once they were able to get funding for Newaukum to be done.

Councilor Harris asked how Patrick Wiltzius came up with the \$20 million figure for the wastewater treatment plant. Mr. Wiltzius stated it was a rough estimate for 2005.

8. **Flag Flying Policy.** Mr. Campbell reported the city had been requested on different occasions to fly different flags other than what the city was required to by law. He noted there were questions from time to time as to how long the city should leave flags up, and/or should the city approve flags from different organizations to be flown or not. Mr. Campbell reported the city had an informal policy in the past that verbalized the city wouldn't fly any flags other than what was required by state law. That policy had served the city well for many years, but if council wanted to change that they could do so.

Councilor Pope recommended that the council approve the flying of only designated federal, state, and city flags, including the MIA flag as required by state law. Councilor Harris seconded the motion. Mayor Rider asked what a city flag was. Mr. Campbell stated it could be our own adopted city flag at some point. The motion carried unanimously.

9. **Naming New Building at Police Department Shooting Range.** Chief Miller reported that Gary Hodges retired from the city in 1998, as a 30-year member of the department. Staff approached Mr. Hodges when they started looking at building the new site. He reported Mr. Hodges stepped up and did all the planning, worked with Blakely and Hout to get them to provide the materials at cost, and he himself did a lot of work on the building without charging the city for his time. Chief Miller reported that Mr. Hodges was instrumental in a lot of the remodel projects at their current location and felt it would be appropriate to name the shooting range building after him. Chief Miller asked that it be named the G.A. Hodges Building. Councilor Spahr moved that the council approve naming the new building at the city's shooting range after Gary Hodges. The motion was seconded by Councilor Taylor and carried unanimously.

10. **Quarterly Status Report on 2004-05 Council Goals.** Mr. Campbell noted the report included a quarterly update of the council goals. He asked that council ask any questions, or make any comments about the report. Mayor Rider stated in regards to downtown revitalization, there was some discussion about finding out the cost of a sidewalk sweeper and asked if anyone had moved forward with it. Ms. Schwartz indicated that equipment wouldn't be listed until the 2006 budget. Mayor Rider stated he didn't want to look at it in 2006 he wanted to look into it for 2005. Mayor Rider asked if the pool would be open any additional hours for general use in 2005, anymore than it was 2004. Ms. Schwartz noted they had no plans to do anything different than what they did in 2004. Councilor Lund asked what the hours were for the pool. Lilly Wall responded to Councilor Lund's question stating weekdays from 1:45 to 4:15 p.m. the pool was open for open swim. Starting the first week in July they would also have open swim from 7:15 to 8:30 p.m. She reported that in between the open swim sessions they had lessons scheduled. Starting July 5 the pool would be open from 9:40 a.m. to 8:30 p.m., and on Saturdays and Sundays the pool would be open from 1:00 to 4:30 p.m. Councilor Lund asked why they waited until July 5 to be open in the evenings. Ms. Wall reported normally the weather wasn't warm enough, and historically they didn't have a lot of participation until the first week in July and in August. Councilor Lund felt the pool should be open longer hours noting there wasn't anything else for the kids in town to do. He thought the pool was cheap entertainment and asked what could be done to make the hours longer. Councilor Harris reminded Councilor Lund the pool was open longer hours, but they had to include time for lessons in between the open swim hours. Mr. Campbell noted the pool hours were a direct function of the number of lifeguards hired to work at the pool. Councilor Lund asked for a report to tell him how much it was going to cost to add more open swim hours to the schedule. Ms.

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Wall reported lessons started at 9:45 a.m. and ran until 1:15 p.m. starting back up at 5:00 to 7:00 p.m. Mayor Rider asked if there were any lessons on the weekend. Ms. Wall stated no, it was all open swim. She noted when the budget was cut they looked at when they had the most participation, and that was how they determined to be open from 1:00 to 4:30 p.m. on the weekends. She noted the participation levels didn't really drop with the cutback in hours. Mayor Rider stated the only way to be open for more open swim time would be to cut lessons, noting he wasn't recommending that. Councilor Lund indicated the city should hire more staff. Ms. Wall stated it was hard to get certified staff in our area, particularly for a part-time job. Ms. Wall stated if that was what council wanted them to do they would certainly try to hire more staff. Councilor Pope asked what the participation was during the open hours. Ms. Wall stated it all depended on the weather. Councilor Lund again stated he would like to see the hours expanded. Councilor Ketchum indicated the only days they could do that on would be the weekends. Councilor Lund responded by saying the city should expand Saturdays and Sundays then, noting the kids were our future. He also suggested expanding the weekdays until 9:00 p.m. Ms. Schwartz stated the problem with that was staff had other responsibilities of cleaning up, which took up to an hour, but it could be done. Mayor Rider suggested maybe opening earlier on the weekends, instead of staying open later during the week. Councilor Spahr felt staff was hitting the major hours, after 4:15 he wasn't too sure how much participation they would get. Ms. Wall reported they had tried putting on different events on Saturday evenings, but couldn't pull in enough money to pay for the event. Councilor Lund stated it shouldn't matter if they don't pay for themselves, noting that's what people paid taxes for. Councilor Taylor asked if they did stay open later in the evenings, could they send staff home if they didn't have a lot of participation. Ms. Wall stated they had a program set up, but the numbers dictated how many they needed to have on duty. Ms. Wall said she was open to whatever council wanted her to supply to them. Mayor Rider had some concerns as to what it would cost to keep the pool open extra hours. Councilor Lund made a motion to extend the hours until 9:00 p.m. during the week, and 5:00 to 9:00 p.m. for open swim on the weekends. Councilor Taylor stated before they voted on the matter he would like to see something written down, to see what it would do to the budget before they made a budget amendment to cover the costs. Mr. Campbell stated staff could give a report on the costs and staff impacts based on past experience. Mayor Rider stated that was what he would like to see, a report from staff based on Councilor Lund's recommendation. The motion died for a lack of a second.

11. **Mid-Year Budget Work Session.** Mr. Campbell scheduled a work session on Tuesday, July 26. Mayor Rider asked council to get back to Mr. Campbell and let him know it that was a good date for them to meet.

12. **Open Discussion.** Joanne Schwartz reminded council on July 16 she had over 300 LDS Church volunteers coming to town to do some volunteer work. The project would start at 9:30 a.m. at Stan Hedwall Park. They planned a picnic later in the day, but no location was identified at that time.

Ms. Schwartz reported she was working on another addition of the Chehalin and if anyone had anything to add to it, to let her know.

Mayor Rider reported he received an email from Diane Foley thanking the city of installing the new signal flags at various crosswalks in the city. Councilor Harris thanked staff for installing the flags on National Avenue.

There being no further business to come before the council, the meeting was adjourned at 7:28 p.m.

Mayor

Attest:

City Clerk

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The Chehalis city council met in regular session on Monday, June 27, 2005, in the Chehalis city hall. Mayor Pro-tem Ketchum called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Mayor Rider was excused. Staff present included: Dave Campbell, City Manger; Bill Hillier, City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Water Superintendent; and Marilyn Riebe, Grants Administrator. Members of the news media in attendance included Paul Walker of KITI Radio.

1. **Proclamations.** Mayor Pro-tem Ketchum presented Helen Halloway with a proclamation declaring June 3 and 4 as "Rosies and the Guy's Days in the city of Chehalis. Edna Fund showed the "we can do it plaque" that would be put up on the PUD building. She noted there would be other displays put up around town that included articles and pictures from 1940 to 1945.

2. **Public Hearings.**

a. **2006-2011 Six-Year Transportation Improvement Program.** Dave Campbell reported the six-year transportation improvement program (STIP) was something they presented every year. He noted, in the past year, the city had one amendment to the STIP that was approved in December. Tim Grochowski reported the proposed STIP showed the Chamber of Commerce Way corridor, State Avenue, Louisiana Avenue, and the two I-5 northbound and southbound ramps that would be constructed next year with the roundabouts. He reported the original project called for five roundabouts, but staff believed they should pull the roundabout that was to be installed at National Avenue at this time. The reasons being, there was a substantial quantity of earth that would need to be moved to install that roundabout. He stated the roundabout on National Avenue could be built at a later date, or as things grow in the area. They could also look at having future businesses in the area help pay for those revisions. Mr. Grochowski reported he talked with both the county and the state, and they both backed the decision of the city regarding that matter. He stated he and Mr. Campbell were in the process of looking at what would happen to the money that was budgeted for that particular roundabout, wanting to make sure that it would stay on that corridor somehow. He reported he had Mark Cook from the county looking into the matter, as well.

Councilor Spahr inquired about not putting the roundabout in at National Avenue and asked if it would be possible to move the intersection further away from the bridge, giving larger vehicles more ability to turn right. Mr. Grochowski reported the city was almost out of right away in that area. He stated they were working with the Department of Transportation (DOT), looking at some redesign for that intersection. They suggested taking out the stop light and reinstalling stop signs, one heading north on National Avenue, and one going east onto Chamber Way to keep the traffic free-flowing. They also talked about raised islands and traffic curbs, but would wait to see what the traffic analysis suggested. Councilor Harris asked if Mr. Grochowski had an idea of when they would see any revised engineering plans on the roundabouts. Mr. Grochowski stated nothing was revised except the National Avenue roundabout, everything else would remain the same. Councilor Harris indicated DOT was supposed to come back to council. Mr. Grochowski stated before they were ready to go to bid, he would bring DOT back for final approval, sometime in February. Councilor Taylor asked if the fifth roundabout was taken out because the city didn't want to encroach on the other property owners' property, or was it because they didn't think it was needed in that area. Mr. Grochowski stated there had always been talk about businesses going in, and the city could use that to their advantage to have those companies help contribute towards any improvements to that intersection. He stated the main reason it wasn't going in was because the dirt in the area would not be moved by next year. The contractor had started moving some of the dirt, but was only moving it from where he was licensed and permitted to.

Mr. Grochowski reported the downtown area of Market Boulevard had been moved up to number three on the priority list at the request of downtown merchants. He stated the Newaukum Avenue and National Avenue projects were still on the list, noting that the two projects were designed, but sitting on the shelf waiting for money or grants to start the projects. He reported Marilyn Riebe was looking into grants, the deadline being the end of July to submit for construction in 2007. He stated he attached the capital improvement project list, which named the streets staff felt should be looked at as future projects. He reported there was a lot of talk about Snively Avenue being added to the list, and he was looking for direction as to what council wanted staff to do with the plan. Councilor Pope stated he also had some concern about Snively Avenue. He noted it was becoming a main thoroughfare through the neighborhood and was really beginning to deteriorate. Mr. Grochowski reported he had talked with Ms. Riebe about getting a school safety grant, reminding council that was what they did for 20th and Salsbury Streets. He noted that 16th to 20th Streets had also become more of a school pedestrian route.

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Mr. Grochowski reported when the streets were built 50 years ago, they were oiled, and chip sealed streets with only an inch to an inch and a half of hard surface on top of clay with no backing of gravel under it. Councilor Lund asked what they needed to do to put Snively Avenue on the list. Mr. Grochowski stated it was at their discretion. Councilor Pope suggested if staff tried to get a school safety grant, they should try to get one to include sidewalks and curbs. Mr. Grochowski indicated before they would build the street, there were water, storm, and sewer lines issues that needed to be dealt with. He stated there was no need to rebuild the street if the infrastructure under it wasn't in good shape. Mr. Grochowski reported the SW Snively Avenue improvements included: street rehabilitation, curbs, gutters, sidewalks, storm system, signs, transit facilities, pavement markings, water mains, and sanitary sewer for \$1.6 million. Councilor Lund asked if the National Avenue project listed on the STIP had sidewalks included. Mr. Grochowski stated it did. Councilor Lund felt because that street didn't have a lot of foot traffic they should just grind it, repave it, and use the extra money to put towards SW Snively Avenue. Mr. Grochowski stated right now it was designed for curbs, gutters and sidewalks, and it was up to council to tell him what they wanted done with the project. He reported the street needed something done to the asphalt structure itself since it was failing, and one of the city's worst arterials. He reported it could be ground off and asphalt put back on it, but they didn't need to put in curbs, gutters, sidewalks, or street lights. Councilor Spahr stated there was a start date of 2007 to begin the Snively project and asked what the timeline was on council voting on the STIP itself. Mr. Grochowski reported he hoped to have it voted on at the next council meeting. Councilor Spahr asked if they could amend the STIP after the public hearing. Mr. Grochowski stated they could amend it at anytime. Councilor Spahr felt if SW Snively Avenue was included in the STIP it would help to get the grants in order to get the project done. Mr. Grochowski reported what council was currently looking at was the wish list. If they wanted SW Snively on the STIP, staff could do that and they wouldn't need to amend it later. Councilor Lund wanted SW Snively Avenue added to the STIP.

Mr. Grochowski reported he had received some questions about the first two projects of the STIP. In the project phase column, it was noted as PE and CN, PE meaning engineering and CN meaning construction. He reported the PE portion of the project was done, but they were waiting on the construction phase. He indicated they would remain on the STIP list until the construction was completed.

There being no further discussion, Mayor pro-tem Ketchum closed the regular meeting at 6:20 p.m. and opened the public hearing on the 2006-2011 transportation improvement program. Todd Christensen stated on behalf of the Chamber, he rose in conjunction with the downtown businesses and wanted to express that he appreciated their interest and desire to raise the downtown Market Boulevard improvements on the priority list. He stated he would encourage them to continue to look at it not only for engineering, but for moving it forward for construction, for redesign of the streetscape, improvements of the roadway, curbs, gutters, and sidewalks.

There being no further discussion, Mayor pro-tem Ketchum closed the public hearing at 6:22 p.m. and reopened the regular meeting. Councilor Taylor reported he supported the downtown improvement Mr. Christensen commented on. He stated they spent so much time on the Chamber Way improvements and everything on the other side of the freeway, it would be nice to get the downtown revitalization project closer with a design and getting it constructed. He asked if the priority number on the list was set in stone. Mr. Grochowski stated no, they could change or amend anything. Councilor Spahr stated the numbers on the list didn't mean it was the order it would necessarily be done. Councilor Spahr moved that staff move SW Snively Avenue to the STIP. The motion was seconded by Councilor Harris and carried unanimously.

Councilor Lund stated that 20 years ago they talked about improving SW Snively Avenue and the reason they didn't get funding back then was because they had stop signs at various corners. The city was told at that time, because of the stop signs, it wasn't considered a thoroughfare. Councilor Spahr asked Mr. Grochowski to check to see what the stop signs would do to grant funding. Mr. Grochowski stated he would.

b. **Petitions for Amendment to the Comprehensive Plan and Development Regulations.** Bob Nacht reported the planning commission had reviewed all of the petitions. They held a public hearing, received public testimony, and the minutes of that meeting were included in the agenda packet. The planning commission made recommendations on all the proposals, which had been forwarded to council. He stated any requests for additional urban growth area (UGA), or changes in the UGA within the city of Chehalis, need to be approved by the county. Under growth management, only the county can designate or revise UGAs. He stated the reason the process was being presented to council was to put the city on record as to what its position was for each of the proposals, so when the county does open the window for the UGA proposals, sometime in September or October, the city's position would be known. It was incumbent on the applicant to demonstrate to the county that the additional UGA should be approved by the city of Chehalis. He noted a number of the proposals for additional UGA were being presented by staff, and the city would make those presentations at the county level when they got to that point. The bottom line was the

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city's recommendations were simply recommendations to the county as to what they should do with them. He stated in their package they also had two requests for refunds of filing fees for rezone proposals. He asked that council make a determination on those issues subsequent to the public hearing. He also noted a revised fee schedule for city development permit fees, recording fees, and various other fees, was also attached to the package presented to council two weeks prior, under separate cover. He noted one of the issues the city faced was the county notified the city that recording fees would be increased effective August 1. He stated the city also passed an ordinance some time ago establishing a fee structure for filling/grading permits that staff had not yet had a mechanism to collect the fees for. They incorporated all the fee structures, the proposed increase in recording fees, and planning and zoning fees to accommodate those in the fee structure for certain engineering permits to be revised. He stated the underlined portion of the three-page fee structure were the fees being proposed to be revised. The engineering standards and the capital improvement program were likely to be revised subsequent to the public hearing and presentation. Mr. Nacht noted each time they review the development engineering standards/capital facilities program documents they found issues to present for revision to either clarify or make them more user friendly. Should any revisions occur before the second reading of the ordinance, staff would present and identify what the proposed changes/amendments would be, and explain why, and ask council to consider those, as well. Councilor Pope asked, in regards to the fees, did the city combine its fees and the county's fees all into one, or did the city bill contractors separate from the county. Mr. Nacht explained the city had a process separate from the county. When the city's regulations required a relationship with the county, specifically recording fees, the city built that fee structure into our permit, or development permit fee, and the city then paid the county when the recording was done. The city does not have any fees associated with the county. Councilor Pope stated, as he understood it, people in the county who were in our GMA were going to have to be billed and do things according to the city's standards, and the city would be required to see that those bills were billed according to our standards. Mr. Nacht stated the city had yet to enter into an interlocal agreement with Lewis County that provided the city with the authority or opportunity to do that. Lewis County code 17.15.050 provided that the county adopt, by reference, the city's development regulations, but the county retained exclusive administration of them. There was currently no provision for city involvement in the UGA. They do, however, advise the county whenever they receive a permit application as to whether it was consistent with our standards or not, but that was essentially intergovernmental courtesy the city provided to the county. He noted the city had no authority or jurisdiction in Lewis County, nor did the city have the permitting capability to charge fees for the county at this time.

The 2005 summary of petitions for amendment included:

- 05-053 B. Foister, Change to allow mini-storage facility as permitted use in I-L zone. Mr. Nacht reported initially there were issues related to potential traffic impact in an industrial zone. Through the course of discussion staff found there to be no impact via traffic, and no real reason not to have its permitted use as a light industrial zone.
- 05-054 J. Hoss, Rezone 2988 Jackson Hwy – Rocky's store site. The store was discontinued for more than 90-days and was in the UGA, which was county jurisdiction. The city regulations provided that any non-conforming use or occupancy that was abandoned for more than 90 days, was discontinued and no longer vested, and must apply for a conditional use permit to reoccupy. The property was zoned R-1 single family residential, it had been built as a grocery store, and vacated for more than 90 days. The applicant elected to rezone the property as opposed to apply for a conditional use permit, which was an easier process. The planning commission recommended that the single property not be rezoned, but that the city's ordinance be amended to reflect the language in 7-A to provide for the opportunity for the re-occupancy of the property without having to go through the rezone process. Staff felt that was appropriate.
- 05-055 R. McKinnell, 2056 Jackson Hwy – McKinnell Tractor site. Mr. Nacht stated the proposal was to rezone the McKinnell Tractor site, which was developed years ago as a commercial building. For whatever reason in the zoning process it was zoned single-family residential, which staff and the applicant felt was not appropriate. Staff stated it was also appropriate to consider the property immediately south of the McKinnell site currently developed as a church facility, the only other property in that area that was also zoned single-family residential. Staff recommended that the planning commission consider both properties for rezoning. The planning commission recommended that both properties be rezone commercial.
- 05-056 Staff, Consistency – Chehalis/Napavine UGA exchange. Mr. Nacht reported some months ago there was an issue between the city of Chehalis and Napavine regarding some UGA. The county ultimately passed an ordinance that exchanged some UGA between Chehalis and Napavine. Growth Management required that the county's and city's comprehensive plans be consistent with each other. What happened was the county's comprehensive plan was changed to exchange UGAs, but the city's comprehensive plan didn't currently reflect that. The proposal was a housekeeping measure to get the city's comprehensive plan consistent with the county's.

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- 05-057 Staff, Correction – Wallace Road UGA. Mr. Nacht reported whenever UGAs were designated back in 1998-1999, there was simply a line drawn on a map, which was a broad brush approach to UGAs back then. Some of the properties that fronted on the Wallace Road were transected by the UGA line, which allowed part of the property to be within the UGA and part of it was outside the UGA. The county determined through its interpretation of the regulations of the GMA that they would not consider any portion of the property that was transected to be within the UGA. Therefore, those who applied for building permits for development within the portion of their property within the UGA were not granted permits. The proposal would allow the line that was originally intended to include those properties in full to do that, and would also incorporate in two or three additional properties to create a logical boundary for the UGA. He noted it would be presented to the county and in talking with the county planner, he felt it was an appropriate approach to take to fix the problem.
- 55-058 G. Fittro – Add UGA. Mr. Nacht reported the proposal was to incorporate two additional parcels of property into the UGA for specific site development. He noted the applicants were present to give testimony to the proposal of a retirement center.
- 55-059 N. Gunderson – Add UGA. Mr. Nacht reported the proposal was to incorporate part of a property that was not currently in the UGA, into the UGA. He noted it was another transecting piece of property off Panorama Drive. The proposal was to get the whole property into the UGA.
- 55-060 Staff, Add UGA – Alexander Park. Mr. Nacht reported it was a staff presentation to add the Alexander Park property to the UGA.
- 55-061 Staff, Add UGA – Coal Creek area. Mr. Nacht reported the area was primarily an area the city was interested in, which would increase current city services already in the area. He stated there were a number of property owners who had contacted the city regarding acquisition of city services. The city was also looking at the area for a high level reservoir for the north end. It would also square off and create a logical boundary in the UGA.
- 55-062 Staff, Add UGA – Poplar Farm. Staff proposed to incorporate the city's poplar farm, part of the wastewater treatment plant facility, into the UGA.
- 55-063 Staff/K. Klumper, Add UGA, residential property. Mr. Nacht reported the proposal was jointly by staff and by Mr. Klumper to add his residential property at the end of Prospect Avenue to the UGA. It would make city water and sewer available to the property.
- 55-064 Staff, Change – Development Engineering Standards (Public Works Standards). Mr. Nacht reported last year, when the reorganization occurred, the engineering division was placed within the organizational structure of community services. The Public Works Standards, as they currently exist, would not operate well because they still addressed a lot of the issues with engineering being a public works division, opposed to a community services division. They also found an opportunity to assign a number of activities within the standards to the city engineer opposed to the public works director. The proposal would create a philosophical concept, in that, the development engineering standards that would allow anything consistent with the standards to be approved by the city engineer, and anything not consistent would need to be approved, or granted a variance by the public works director. The engineer staff would also do public works related projects in-house, to the extent that they were capable of doing them. He noted there was a provision that section 1.16, having to do with the extension of city utilities that was being requested to be deleted from the standards because there was a standalone ordinance in the city municipal code, Chapter 12.04.052, that addressed the issue that was inconsistent with the document. The plan was to remove the inconsistency. He noted the stand alone ordinance was problematic and staff would be coming back with a resolution to address that issue.
- 55-065, Staff, Update – Capital Improvement Program. Mr. Nacht noted it had to do with all the different projects the city may want to do over the next 20 years.

Mayor pro-tem Ketchum closed the regular meeting at 6:51 p.m. and opened the public hearing for petitions for amendment to the comprehensive plan and development regulations. He stated they would have a three-minute comment period since there were a lot of people there to speak. He reiterated they had the planning commission meetings as part of the record and asked that those speaking not repeat everything said at the planning commission meeting.

Mayor Pro-tem Ketchum went through each file and asked for any public comment. He received responses from:

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- 05-055 R. McKinnell, Rezone. Brian Slater (872 SE Evergreen Drive) stated he appreciated the city's support in changing the property's zoning from residential back to commercial. He reported in order to petition the change they had to pay a \$200 fee. He noted there was a statute or something that stated they could only get part of their money refunded. He felt since they had nothing to do with the original rezoning of the property to residential, they should be entitled to all of their money back. He asked where that language came from and wondered how they could go about changing it. Mr. Nacht responded by saying there was actually no statute under planning and zoning requiring that refunds to be limited to 80%. He stated the 80% was a guide staff used for dealing with building permits. He noted one of the reasons for the recommendation was because they expended fees for legal publications and notices. He reported that staff had no objections of refunding 100% of the fees paid if council felt that was appropriate. He stated 80% was the recommendation, not a statutory requirement.
- 05-058 G. Fittro, add UGA. Rebecca Kling (151-28 Kennicott Road) reported that Mr. Haun would do most of the presentation on the proposal. Mr. Haun presented council with a proposed design of what he wanted to do with the property. He looked at various assisted living facilities and found he didn't like what was being offered and decided he would design something he felt would be better for the elderly. His concept was a prevention model that would help solve some of the high costs to the elderly. Their mission was to empower senior residents with skills, knowledge, and an environment to improve their own health. He reported 21 acres of the site would be used for walking trails and gardening. In addition to that, the buildings would get the heat from the earth, and the energy would come from solar panels on the roofs. They would be practicing wellness and holistic medicine in the project, as well as provide various classes to help seniors stay healthy. Ms. Kling presented some drawing as to what the concept would look like. She noted the facility would have a recreation center, pool, and exercise room. She noted the trails would be opened up to the public for biking and walking along the river. Bob Kling reported on the concept stating they searched long and hard for the right piece of property to develop. He stated it was a unique opportunity to create a beautiful, healing, healthy environment for senior citizens. He believed it was an astonishing opportunity for the community to take care of the senior citizens. He stated there would be different price ranges for the very unique houses that would be earthquake proof, flood proof, rot proof, bug proof, and maybe even bullet proof.
- 59-059 N. Gunderson, add UGA. LuNell Ericken (103 Germaine Drive), spoke for her mother, Nelda Gunderson. She wanted to go on record thanking everyone for considering the matter. She stated the property would be a nice addition to Chehalis, within four miles of the schools and two miles from the freeway. She noted it would be nice to have it all under the UGA.

Mayor pro-tem Ketchum closed the public hearing at 7:09 p.m. and reopened the regular meeting. Councilor Spahr asked Mr. Nacht, in regards to petition file #05-058, if the city would be able to use the park as part of the UGA process, and if it could how would future owners guarantee access to it. Mr. Nacht stated it was way too premature to address any of those issues. The issue was whether the two properties should be included in the Chehalis UGA.

Councilor Lund asked if the new section of Alexander Park was included in the amendment. Mr. Nacht stated it was.

Mayor pro-tem Ketchum asked if they wanted to bring the issue up of refunding the fees back to McKinnell Tractor at 80%. Mr. Nacht stated they would ask direction from the council. He noted it could actually be addressed outside the whole process since it was a budgetary issue. If the council were to direct staff to return 100% of the fee they would start the process the next day. Councilor Spahr stated the other issue they needed to discuss was the refund to the grocery store on Jackson Highway and Bishop Road. They also requested their fees back and council could consider that, as well. Mr. Nacht stated it was a similar issue, the property was zoned R-1 single family residential, when in fact it was currently developed as a commercial facility. Mr. Nacht felt it was appropriate to consider it. Councilor Spahr stated it was obviously developed commercial and should have been zoned commercial. Councilor Pope asked if the city would be setting a precedent for future issues by giving the refunds. Mr. Hillier stated it would be on a case-by-case basis. Councilor Taylor stated he would be in favor of refunding both parties 100% of their fees.

Councilor Spahr moved that the council direct staff to prepare an ordinance incorporating amendments to the comprehensive plan, development engineering standards, and development regulations consistent with the planning commission recommendations, including the revised fee schedule, and that 100% of the filing fee for rezone Petitions #05-054 and #05-055 be refunded. The motion was seconded by Councilor Taylor and carried unanimously.

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

- a. Minutes of the regular city council meeting of June 13, 2005; and
- b. Claim Vouchers No. 78782-78951 in the amount of \$918,985.65 dated June 15, 2005

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Citizens Business.** Karry Vance, 622 NW Pennsylvania Avenue, came before council to request a portion of Pennsylvania Avenue be closed off for a block party on July 4 from 5:00 to 9:00 p.m. He stated they contacted the city and were told they should present their request to council for approval. Mr. Campbell stated the issue could be referred to staff rather than the council having to take any action on the matter. Chief Miller indicated part of the ordinance stated in order to close a city street, if it wasn't one of the three city-sanctioned events, it had to be approved by council. Mr. Campbell believe it was only for the downtown area. Mayor pro-tem Ketchum referred the matter to staff.

5. **New Business.**

a. **Resolution 10-2005, First Reading, Declaring Property Surplus.** Councilor Harris moved that the council suspend its rules requiring two readings of a resolution. The motion was seconded by Councilor Pope and carried unanimously. Council Harris moved that the council adopt Resolution 10-2005 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

b. **Petition to Relinquish a Portion of an Easement.** Mr. Nacht reported the issue was brought to the city by Mr. Kemp Keen. He stated back in 1949 there was an easement granted across Mr. Keen's property for the benefit of the city to create a street that accessed our park and also the transmission tower in the park. He noted some years ago the city closed the parks public access, however, the 40-foot easement remained across Mr. Keen's property. Mr. Keen had since subdivided, the property and created a 30-foot easement for the roadway system to get from SE Hilltop Drive to the park property. Mr. Nacht indicated that in the title search for the sale of the property Mr. Keen identified the 40-foot easement underneath the 30-foot easement and requested that the city relinquish the 40-foot easement for the 30-foot easement that was approved with the short plat. Mr. Nacht reported during the review staff found there was an issue with the location of the water line and fire hydrant that was properly located on the 40-foot easement, but would not be properly located on the 30-foot easement. He indicated the 30-foot easement had been revised to incorporate the fire hydrant and the water line in order to make sure everything was on a street easement. Mr. Nacht recommended that the city relinquish the 40-foot easement because the 30-foot easement, as amended, now covered everything.

Councilor Spahr moved that the staff be directed to execute the necessary documents to relinquish the city's original 40-foot easement as described on the attached record of survey, and convey a non-exclusive street easement on the city's property as also described thereon. The motion was seconded by Councilor Lund and carried unanimously.

6. **Staff Reports.**

a. **Veterans Memorial Museum's Grand Opening.** Mr. Campbell reminded council and staff about the Veterans Memorial Museum's grand opening taking place on Saturday, July 2 at 11:00 a.m.

b. **Mid-year Budget Workshop.** Mr. Campbell scheduled the mid-year budget work session on July 26 starting at 5:00 p.m. at the community services activity building.

7. **Council Reports.**

a. **Virtual Tour.** Councilor Taylor reported he saw a virtual tour of the museum on TV and what the displays would look like, and stated it looked very nice.

b. **Chehalis River Basin Partnership.** Councilor Spahr asked Jim Hill to report on the last Chehalis River Basin Partnership meeting since no city representatives were available to attend the meeting. Mr. Hill reported that the partnership continued to talk about phase 4 funding, which included a grant from the Department of Ecology for \$125,000 per year for the

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first three years, and then \$62,500 for two additional years if the partnership decided to continue. Mr. Hill indicated it would allow them to make, create, and do some implementation of the plan that had been approved by all the entities involved, including Chehalis.

c. **AWC Conference.** Councilor Spahr reported he and Councilor Pope attended the annual AWC conference on June 22 - 24. He indicated the workshops were standard AWC workshops. One important one, the "All Cities Workshop," allowed him the opportunity to testify in front of the legislative body on "boundary review boards." He noted they were very interested and wanted the city to get back to them. They too were confused as to why the county suddenly came up with it. He stated they met a lot of good people from around the state. Councilor Pope reported he was impressed by what others were saying at the conference, which affirmed to him that our city was doing well. He reported there were a lot of people within the state that realized the same thing, regardless of what *The Chronicle* reported. Councilor Spahr stated everything was about trying to find new funding for cities. He noted Chehalis had budgeted very close without levying all of the taxes available to be levied. He stated the city had a lot of room if it needed, to levy some of those taxes available, and hoped the constituency realized that. Joanne Schwartz reported she also attended the conference, although her track was more on downtown revitalization and economic development. She agreed with what Councilor Spahr reported that Chehalis was way ahead of the game and was doing very well compared to other communities.

d. **Grand Opening 1889 Hotel Washington.** Mayor Pro-tem Ketchum reported everyone was invited to the grand opening of the roof top patio of the 1889 Hotel Washington on Tuesday, July 12 from 4:00 to 6:00 p.m.

8. **Executive Session.** Mayor Rider announced the council would convene into executive session at 7:47 p.m. following a short break beginning at 7:40 p.m. pursuant to RCW 42.30.110(1)(b) – acquisition of real property, and RCW 42.30.110(1)(c) – sale of real estate. Mayor pro-tem Ketchum noted there could be a decision made after the executive session. Following the conclusion of the executive session, the regular meeting was reopened at 8:12 p.m. Councilor Pope made a motion to approve the real estate purchase and sale agreement as submitted and authorize the mayor to execute the same. The motion was seconded by Councilor Spahr and carried unanimously.

There being no further business to come before the council, the meeting was adjourned at 8:13 p.m.

Mayor

Attest:

City Clerk

July 11, 2005

The Chehalis city council met in regular session on Monday, July 11, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Daryl Lund and Tony Ketchum were excused. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; and Lilly Wall, Recreation Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items.
 - a. Minutes of the special meeting on June 20, 2005; and minutes of the regular city council meeting on June 27, 2005;
 - b. Claim vouchers No. 78952-79080 in the amount of \$1,164,734.66 dated June 30, 2005; Payroll warrants No. 24614-24806 in the amount of \$577,042.51 dated June 30, 2005;
 - c. Accept the construction of the Newaukum Village watermain extension project as complete and release the retainage in the amount of \$18,528.01 to George Gill Construction; and
 - d. Authorize the finance director to secure a line of credit for up to \$4 million.

The motion was seconded by Councilor Taylor and carried unanimously.

2. **New Business.**

a. **Resolution No. 11-2005, First Reading – Adoption of the 2006-2011 Six-year Transportation Improvement Plan.** Tim Grochowski asked permission to delay the adoption of the six-year transportation improvement plan (STIP) and Resolution 11-2005. He learned from Grants Administrator Marilyn Riebe that the SW Newaukum Avenue improvement project, and the National Avenue improvement project did not score high enough to be considered for grants. Back in 2004 those projects scored 52 points out of 100. Since that time, the city hasn't had the ability to change the numbers to increase them to earmark monies for grant funding. He reported a score of 80+ was needed to be considered. He stated he and Ms. Riebe talked about SW Snively Avenue and thought it might have a better chance of receiving funding. They also discussed changing the scope of National Avenue, taking out the curbs, gutters, sidewalks, and minor widening, and changing it back to the original plan, which was a grind asphalt overlay of National Avenue, Median Street, Hampe Way, Exhibitor Road, and Scott Johnson Road. Mr. Grochowski reported he would like to come back at the next meeting and present a STIP that would put the Chamber Way improvements as the number one project; Louisiana improvements as number two; the downtown Market Boulevard improvements would still be number three; move SW Snively up to number four, from six; move SW Newaukum Avenue improvements to number five; and National Avenue would then move to the number six spot. Mr. Grochowski reported SW Newaukum and National Avenue are already designed, he just wished there was something more out there the city could get grants for. Councilor Spahr stated since there would be two readings, they could go ahead and adopt it on first reading now and amend it at the next meeting, and adopt it as amended at the same meeting.

Councilor Spahr moved that the council adopt Resolution No. 11-2005 on first reading. The motion was seconded by Councilor Taylor. Councilor Pope asked if they would be applying for a grant for SW Snively Avenue. Mr. Grochowski stated that was correct, they had until the end of August to submit the paperwork. He believed SW Snively Avenue would score high because it had pedestrian safety issues with the three schools in the area. The motion carried unanimously.

b. **Ordinance No. 785-B, First Reading – Amending the Chehalis Development Regulations and Zoning Map.** Mr. Nacht reported last February they opened the door to the annual revision and review process for the comprehensive plan and development regulations. They had a number of proposals to amend, mostly in the area of the urban growth area. All of those items were in the agenda packet and he asked that council approve the ordinance on first reading. Councilor Spahr moved that the council pass Ordinance No. 785-B on first reading. The motion was seconded by Councilor Pope and carried unanimously.

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c. **Open Swim Pool Hours**. Joanne Schwartz and Lilly Wall presented council with a recommendation to keep the pool open from 5:00 to 8:00 p.m. on Saturday evenings for the rest of 2005, which would require a \$700 budget amendment. Ms. Schwartz stated staff looked at the pool's history of attendance to come up with their proposal and felt it was the best way to deal with council's request from a previous work session. Ms. Wall presented council with a worksheet which included the cost of expanding open swim, Monday through Friday to 9:00 p.m. Presently the pool was open until 8:30 p.m. The worksheet also included the costs of increasing both Saturday and Sunday evenings from 5:00 to 9:00 p.m. The total cost would be \$2,489 and would increase pool hours to 42 additional hours per week. Ms. Wall reported it would be a struggle to cover those extra shifts, but they would do what they could to accommodate the situation if that was the recommendation of the council. Ms. Wall also had a breakdown on daily participation of the pool in the evenings. Ms. Schwartz reported participation was obviously tied to weather, and until they saw an improvement in that, the numbers were going to be significantly low. Councilor Pope asked Ms. Wall how many years she had been involved with the pool. Ms. Wall reported sixteen years. He asked Ms. Wall, from her experience and history, how cost effective was it to keep the pool open. She reported when they did an analysis five years ago it was determined that the evening swim was the least attended, which led them to reduce the evening swim hours. She stated she believed Saturday would be the most attended session and that was why they made the recommendation to only increase hours on Saturday evening. Ms. Wall stated she was the number one supporter of the pool, and wanted to be sure they were doing what was best for the city. Mayor Rider asked if there was more participation in the evenings than in the mornings on Saturdays. Ms. Wall reported the best attendance was in the afternoon. Councilor Spahr wondered if it would be better to extend the time Monday through Friday to 5:00 and reopen and 7:15. Ms. Wall indicated they scheduled around lessons, and the pool was already in use at that time. He asked what was going on after 4:15 on Saturdays. Ms. Wall stated they were closed, but they occasionally had a cleaning shift come in on Saturday or Sunday afternoons depending on when they schedule it. He stated if they extended Saturday and Sunday to 5:00 that would give them a little more time in the pool, especially Saturday evening. Mayor Rider suggested that next year they should consider having some of the lessons on Saturday, which would leave time during the week for open swim. Ms. Wall reported they liked the two week sessions, Monday through Friday, just because repetition tends to be the best way for children to learn, but they were open to change that. Councilor Pope stated he would prefer to depend on Ms. Wall's experience. Both Mayor Rider and Councilor Spahr agreed with Councilor Pope. Councilor Pope stated if she felt it would be best to be open on Saturday night for a certain period of time, then he was willing to accept that. Ms. Wall stated the only problem she has was trying to keep kids entertained for five hours at a time. She noted there could be more disciplinary problems, just from experience, but they would be willing to try it. Councilor Taylor stated he would be in favor of that, but asked to wait to vote on the matter until Councilor Lund could be in attendance. He felt that he was the one who made the request and he should have some say in the matter. Mayor Rider stated it wasn't a done deal. They were just dealing with the remainder of the 2005 season. He noted staff could use the figures to get some direction for next year.

Councilor Harris moved that the council amend the 2005 budget in the amount of \$700 to utilize towards the pool and allow staff to determine the best days and hours to keep the pool open. The motion was seconded by Councilor Pope and carried unanimously.

3. **Staff Reports**.

a. **"Live After 5" Begins Downtown**. Mr. Campbell reported the "Live After 5" downtown music presentation by the Chamber of Commerce would begin on July 12, on Boistfort Avenue beginning at 4:30 p.m. They had another presentation scheduled for the 2nd Tuesday in August, and possibly one on the 4th Tuesday in August depending on funding availability.

b. **Farmers Market is Already Here**. Joanne Schwartz reported they had their first farmers market last Tuesday. She indicated the group was very pleased with the response. They heard a lot of positive comments about the variety of vegetables, fruits, cheeses, flowers and plants. She noted there were several vendors who couldn't be there last week that would be there on the 12th.

c. **LDS Volunteer Day on July 16**. Ms. Schwartz reported the volunteers would be meeting at Stan Hedwall Park on Saturday, July 16 at 10:00 a.m. They had between 300 and 400 volunteers coming to Chehalis to do various projects which included: exterior painting of various city buildings, tree pruning, pulling weeds at the poplar tree plantation, exterior cleaning at the museum and the chamber, and weeding and cleaning all the entrances to the city. Ms. Schwartz thanked her staff for their help and cooperation on the project. She reported there would be a picnic at 4:00 p.m. at either W.F. West or at the community services building, and everyone was invited to participate.

d. **Community Spirit Award**. Joanne Schwartz reported on Wednesday at 10:30 a.m. a community spirit award would be given to the Uniform Shop in downtown Chehalis. She stated Lori Watilo was a real asset to both the downtown area

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and the community.

4. Council Reports.

a. **City Owned Commercial Property.** Councilor Pope asked council to consider, in the future, that any prime commercial properties the city owned only be leased, and not sold. He felt it was their responsibility to preserve those types of properties for the future of our kids and the community. He noted leasing would bring in annual fees to do upgrades and improvements to those properties. He gave some figures, which indicated the city could make more money by leasing the property over a ten year period, rather than selling it. He stated he would like to discuss it at a future workshop.

b. **Council Responsibilities with Business Ventures.** Councilor Pope asked if Mr. Hillier would explain to council what their responsibilities were as a city and a council, when dealing with business ventures. He noted there was a question of a finder's fee that had come up. Mr. Hillier stated it would be better to address the issue in a work session. He noted they could discuss the protocol of how to deal with surplus property and what the proper steps would be.

c. **Boundary Review Board.** Councilor Harris reported that he and Mayor Rider, Councilor Spahr, Mr. Campbell, and Ms. Schwartz attended the chamber forum that day to talk about the boundary review board (BRB). He stated Mr. Keeton tried his best to explain why they had decided to adopt and construct a BRB. Councilor Harris said Mr. Keeton explained that they wanted to build a non-political body to make determination on issues such as annexations. Mayor Rider reported they did a good job explaining the RCWs and rules, and then interjected their own conclusions, which was what the council had concerns about. Mayor Rider also talked about the importance of appointments to that board. Councilor Harris asked if the city would be subject to a board that was formed after the fact. Mr. Campbell stated it would depend on at what point the legal steps of annexation were in. He indicated the review board being appointed would assume some authority, but there was no question, since there hadn't been a petition or a notice of intent to commence annexation proceedings, our situation would be subject to review. Councilor Spahr stated Mr. Keeton did indicate that our annexation was very logical and made sense. Councilor Spahr also stated he didn't believe the BRB would create much trouble for the city he just didn't understand why they created another layer of bureaucracy to deal with. Mayor Rider stated now that it was there, the city would have to deal with it. He stated staff had looked at the proposal and the criteria under which the BRB would operate and felt the city would have no major problems, it was just going to take a little more time. He stated it was important to move forward in a positive manner. He reported the cities had a meeting and came up with a list of names, and the county was moving forward, in accepting names. He reported there had been some discussion with the Governor's office that they would welcome a list of recommended people for appointment. He noted the county indicated before they send any list, that everyone could meet and compare lists to see if they couldn't come up with a list that would be satisfactory to all entities.

d. **Veteran's Memorial Museum Dedication.** Mayor Rider reported he had the privilege of attending the dedication of the museum. He had a letter from the museum thanking him and the city for their participation.

e. **"Rosies and the Guys" Plaque.** Mayor Rider reported he attended a ceremony in honor of "The Rosies and the Guys" at the PUD building. He stated a plaque was put up at the entrance of the building, which was a former Boeing factory with over 700 employees. He stated the city had a part in putting it all together, along with the PUD, and noted if anyone had the chance they should stop by at take a look at the plaque.

5. **Executive Session.** Mayor Rider announced the council would convene into executive session at 7:03 p.m. pursuant to RCW 42.30.110(1)(b) – acquisition of real estate. Mayor Rider noted there would be no decision made after the executive session. Following the conclusion of the executive session, the regular meeting was reopened at 7:30 p.m.

There being no further business to come before the council, the meeting was adjourned at 7:30 p.m.

Mayor

Attest:

City Clerk

July 25, 2005

The Chehalis city council met in regular session on Monday, July 25, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Presentations.**

a. **Heritage Book.** Former "Rosie", Frances Nugent, presented the city with a heritage book titled "Life on the Home Front." She thanked the city for their contributions which helped make their celebration possible. Helen Holloway also reported on an event happening in Vancouver Washington on August 26, 27, and 28, to celebrate the 60th anniversary of World War II. The event will honor World War II Veterans, home front workers, their families, and all military members and Veterans. She also had a photo album for council to look at with pictures from the day the B-17 was supposed to fly into town. She stated even though it didn't show up, they still got some great pictures of the DC3. Mayor Rider thanked the Rosie's and Edna Fund for all their hard work and added the city was very proud of what they had accomplished.

b. **Boy Scout Troup 373.** Andy Sennes introduced John Baughman, Derreck Sennes, and Steven Vic, members of the Troup 373 who were in attendance working on their communication merit badges.

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

- a. Minutes of the regular meeting on July 11, 2005;
- b. Claim Vouchers No. 79081-79238 in the amount of \$905,496.44 dated July 15, 2005;
- c. Approve contract with Soil Key for the provision of biosolids recycling services; and
- d. Accept quit claim deed of property from James L. Lintott to use for park purposes.

The motion was seconded by Councilor Lund. Councilor Spahr asked if the biosolids would still be going to Eastern Washington. Patrick Wiltzius reported it would be processed in Tenino and sold as compost in that general area. The motion carried unanimously.

3. **Unfinished Business.**

a. **Resolution No. 11-2005, Second Reading – Adoption of the 2006-2011 Six-year Transportation Improvement Plan.** Councilor Ketchum moved to adopt the 2005-2011 STIP (Resolution 11-2005) on second and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

b. **Ordinance No. 785-B, Second Reading – Amending the Chehalis Development Regulations and Zoning Map.** Bob Nacht reported he would have the bound copies of the development engineering standards ready for council at a later date. He noted there were no changes to the text beyond what they had already talked about. Councilor Ketchum asked if the refunds they talked about at the prior meeting had been taken care of. Mr. Nacht noted the refunding would not be included in the ordinance, but was taken care of administratively.

Councilor Taylor moved to pass Ordinance No. 785-B on second and final reading. The motion was seconded by Councilor Lund. Councilor Spahr asked if they had already talked about how Bob's Corner Market was going to do their rezone. Mr. Nacht reported the property owner had requested a rezone of the single parcel of property, but a change to the regulations would provide an alternate means of attaining their goal. Councilor Harris asked if by annexing the poplar tree plantation, would it be attached to the city at a later date. Mr. Nacht stated the proposal was not to annex the plantation, but was to include it in an urban growth area so it could be included in a future annexation. He noted the proposal did not have to be contiguous to the city because it was city owned property. Mayor Rider asked if it was the entire comprehensive plan with updates and changes they were approving. Mr. Nacht stated what they had in front of them was the actual ordinance with the attachments

July 25, 2005

that were referred to in the ordinance, and the text changed on the development regulations. The only thing not attached was the development engineering standards. The motion carried unanimously.

4. New Business.

a. **Resolution No. 12-2005, First Reading, Declaring Property Surplus.** Councilor Ketchum moved that the council suspend its rules requiring two readings of a resolution. The motion was seconded by Councilor Harris and carried unanimously. Councilor Ketchum moved that the council adopt Resolution No. 12-2005 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

b. **Mobile Data Computers.** Mr. Campbell stated the report followed up on one of their 2004-2005 goals. He reported Chief Miller had been working with county staff, the Sheriff's Department, and police chiefs throughout the county on the proposal. Mr. Campbell stated the mobile computers would allow our officers to do a lot more work in the field and become more efficient in responding to calls. Chief Miller stated the police department had been doing all of their reports in-house for about 17 years and noted one of the problems they faced with that procedure was that they could produce good reports to keep track of things, but it took the officers off the street. With mobile data computers the officers would be able to do their reports in their vehicles. He reported the group decided to go with cell technology because the cellular companies built and maintained their own towers. He stated the platform was based on an air card and an antenna, and the entire package would cost about \$31,000. He noted they had some law enforcement/terrorism prevention money available that all the agencies in the county would be using and, from those monies, Chehalis would receive three computer and license fees. Additionally they had some drug taskforce monies that would purchase one additional unit. He noted since it was grant funding, they had to spend the money or obligate it before October 2005. Chief Miller added the only drawback would be the ongoing costs of approximately \$9,800 per year to maintain the system, which included the air cards, licenses, maintenance and support, and dispatch. Mayor Rider asked if Centralia and the county were moving towards the same proposal. Chief Miller reported they met last Thursday and all agreed on a laptop, and to go with Cingular as the carrier. He noted the county's IS Manager, Patti Prouty, negotiated a price for 50+ units, and by going in at a bulk rate it helped out substantially. Chief Miller reported they currently had three detectives that needed computer replacements and would be able to offset some of those costs by utilizing three of the new laptops as portable desktop units that could also be used in the field. He felt overall the benefit of having the officers visible, out on the streets rather than in the office, would be well worth it. He reported a lot of information was web-based and the officers would have access to all of that information while in their vehicles. He also reported the software on the laptops was a step up for touch screen, which would make it more user friendly. Mayor Rider reported he had received some education on the same laptop earlier in the day and was impressed by how they were able to track different locations and areas throughout the city. Mr. Campbell noted besides making our own officers more productive it would also make the county communications center more productive, since they would be spending less time interacting with our officers providing information back to them.

Councilor Lund moved that the council authorize the purchase and installation of eight mobile data computers for the police department, with the funding to be appropriated from the department's automotive and equipment reserve fund account. The motion was seconded by Councilor Taylor. Councilor Harris asked Mr. Campbell about the remaining money left in the automotive and equipment reserves. Mr. Campbell reported they were only talking about the police department's portion of the account in that fund. He reported the fund itself was several hundred thousand dollars, but \$30,000 was how much they reserved specifically for the police department. Councilor Harris reported that \$31,000 had been set aside for next year for the computers, but there was an additional \$56,000 due next year for vehicles. Mr. Campbell reported they would have to restore the fund in order to make future equipment purchases out of it. Councilor Taylor stated he was glad the department was finally able to find computers that would work out in the field. Chief Miller stated they would be working with Ms. Prouty to set the computers up to only have access to about 10 specific web pages to limit the internet capability of them. Councilor Taylor noted they would also save money on overtime since the officers would be able to do their reports in the field and not have to come in or stay over to do them. Chief Miller reported the overtime would be hard to calculate since it all depended on what time they responded to calls. If a call came in at the end of a shift, they would still need to pay out that time, or have the officer come in before his or her next shift. The motion carried unanimously.

c. **UNET.** Chief Miller reported UNET had become a shell organization, but noted the city was still receiving some federal support, and UNET as an organization on paper had to exist in order for the city to receive that funding. Chief Miller stated once they were notified the funding was being cut, he, the Sheriff, and Chief Berg from Centralia began meeting to discuss what they wanted to do to deal with the drug problem in the local area. Chief Miller reported Chief Berg made a proposal that he was very interested in. The proposal involved partnering with Centralia to establish an anti-crime or street crimes unit that would predominately work the twin cities. He stated they would continue to work with the Sheriffs office on cases of mutual

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interest. What both cities envisioned would be to assign each of their UNET detectives to handle all street level narcotics, burglaries, and vehicle prowls. Before he made any formal agreements with Chief Berg he wanted get council's thoughts on the matter. Mayor Rider agreed with Chief Miller that the city of Centralia and Chehalis should form a partnership to help fight street crimes. He indicated the new partnership would allow officers to respond to citizens calling in with information about local drug dealers, where in the past UNET was only concerned about the supplier, not the dealer. Chief Miller stated that was the plan. Councilor Spahr asked what the federal funds funded through UNET. Chief Miller explained it was funding a system that paid for support staff, building rent, utilities, and over-time. He reported they would run out of federal funding in July 2006. The biggest thing the city didn't pay for through UNET was the purchase of evidence and information. The city would have some trust money available that UNET has set aside that the city would be able to use on joint investigations. Councilor Spahr stated it sounded like it would take some of the burden off of our detectives. Chief Miller stated what they were doing was taking control of our own drug issues. Councilor Ketchum stated if they could make it work, he would be in favor of it. Councilor Harris stated it might be beneficial if they could get some kind of an idea of what the budget impacts would be. Mayor Rider believed they should have moved away from UNET to form their own unit a long time ago. He felt UNET did a great job, but also felt that locally we lost our own ability to enforce local issues. The consensus of the council was to move forward with the process.

d. **2005 Mid-year Budget Amendment.** Jim Larson reported that most of the issues in the amendment were either approved in 2004 or the first part of 2005. Those items included:

General Fund

- Municipal Court – Taser
- Election costs for bond issue
- City newsletter
- Improvements to athletic fields (\$4,910.40 in donations)
- Team building exercise
- Project accounting system

Automotive/Equipment Reserve Fund

- New excavator

Councilor Ketchum asked if the city was currently using Eden Systems software. Mr. Larson reported the city was using Eden software for financials and payroll, and he was familiar with the project accounting software. He also hoped to have the Eden utilities software implemented sometime in 2006. Mayor Rider asked if the project accounting system was something that was up and running. He also asked if it could be implemented in a reasonable amount of time. Mr. Larson stated it was a mature product that's been available for some time and because of his own knowledge of the product, he indicated it could be implemented in a short period of time. Councilor Harris stated his understanding was they would be able to take the multi-year capital projects and pull them away from the annual budget, or separate them to where it would be more discernable. Mr. Larson stated it all had to do with a good tracking system and if they wanted, they could begin a process where they would budget the multi-year projects entirely outside the regular budget using a continuing appropriation. Councilor Harris noted the current budgeting process for capital projects was a nightmare to figure out. Councilor Pope asked, in regards to logistics, if the utilities and project accounting would be done in-house. Mr. Larson stated the new utility billing system would allow the city to do it either way, but it was certainly not part of his plan to send it out. He reminded council about the previous contract to have the billing done by an outside company that didn't work particularly well.

Councilor Ketchum moved to pass ordinance No. 786-B on first reading. The motion was seconded by Councilor Lund and carried unanimously.

5. **Staff Reports.**

a. **Employee Service Award.** Mr. Campbell reported a service award would be given to Lilly Wall, Recreation Manager, who had been with the city for 15 years.

b. **Work Session.** Mr. Campbell reminded council and staff about the budget work session scheduled for Tuesday, July 26, at 5:00 p.m. at the community services activity building.

July 25, 2005

c. **Schedule Special Council Meeting for August 8.** Mr. Campbell asked council if they could tentatively schedule another special council meeting in August to discuss the next step in annexation, which would require council to meet with the individuals and property owners who had signed the notice of intent to commence annexation. During that meeting the council and those parties would address at least three different questions, or three different issues. Mr. Campbell indicated the meeting was the next step before the petition itself. A meeting was set for August 8 at 5:00 p.m. at city hall, prior to the regular council meeting.

d. **Farmers Market.** Joanne Schwartz reported the farmers market would be open from 2:00 p.m. to 7:00 p.m. on July 26 because of the Live after 5 events going on that day. She stated the farmer's market board of directors was thrilled with the response they've received.

e. **Opening Day of the Fair.** Ms. Schwartz reported the opening day of the fair would be Tuesday, August 16. She indicated the L.C. Convention Visitor Bureau would be having a booth and needed some volunteers for an hour or two.

f. **LDS Volunteers.** Ms. Schwartz reported they had about 300 volunteers that did a tremendous amount of work around the community. They painted at several different locations, beauty barked the entries to the city, worked at Alexander Park, and picked up garbage. Ms. Schwartz acknowledged Andy Sennes for all his work with Larry Van Quill before the event. She also thanked Tim Grochowski who came and helped out. She reported the city paid for all the materials and she would be putting together a report on how much was spent on the event. Mayor Rider noted he had several people commenting to him about it. He thought it was a fabulous thing to happen to the city and thought that the city should recognize the volunteers for their efforts. Ms. Schwartz reported she was in the process of sending out thank you notes.

6. **Council Reports.**

a. **Market Street Pub Event.** Mayor Rider reported the event at the Market Street Pub seemed to go over well and felt the event was a success for the Toy's for Tot's drive. He stated they were able to do it without closing Market Boulevard, and kept the noise to a reasonable level.

b. **ChehalisFest Weekend.** Mayor Rider reminded everyone about ChehalisFest Weekend. He reported there would be a variety of events going on during the festival including a mint dessert recipe tasting contest.

c. **United Way Luncheon.** Mayor Rider reported that United Way would be talking about the Lewis County Needs Assessment at a luncheon on August 8th from 11:30 to 1:00 p.m. at the Aires in Centralia.

d. **Phase 1 Meeting – Grain Train.** Mayor Rider reported that he, Dave Campbell, and various community organizations got together again to discuss the railroad proposal that would move grain cars through the city of Chehalis and Centralia. Mayor Rider reported Senator Swecker chaired the phase 1 meeting and stated there was some pretty interesting discussion. He was impressed with the way the meeting went and if they continued down that path, they would be able to eliminate the railroads proposal. Councilor Harris asked if Tacoma Rail was becoming a little more reasonable with their easements and fees. Mayor Rider stated they were being more accommodating since Senator Swecker made it very clear if it created a community problem they would pull the \$7 million out of the budget and Tacoma Rail wouldn't be able to do what they intended to do.

e. **Library Pet Show.** Councilor Spahr reminded everyone about the pet show at the Centralia Library on Tuesday the 26th, at 10:30 a.m.

f. **Lewis County Planned Growth Committee Meeting.** Councilor Spahr reported on the meeting noting they dealt with a lot of basic housekeeping issues. They talked about some of the major industrial developments, fully contained committees, and major planned resorts. He reported the hearings board was trying to set up a better mechanism to have better communication between the municipalities.

g. **Chehalis River Basin Partnership Meeting.** Councilor Spahr reported they met on Friday to talk about a coordinated water quality monitoring plan. They were trying to develop a method by which even school aged children could take a portion of the river and monitor it to different degrees, and hoped to get into a plan of action for phase 4. He noted outside the meeting the city received a complement from someone about how our baseball tournaments were run in Chehalis, and how friendly and helpful everyone was. He reported he spoke with Grays Harbor County Commissioner Bob Beerbower who

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indicated they were having problems with the railroad in their area as well.

7. **Executive Session.** Mayor Rider announced the council would convene into executive session at 7:19 p.m. for five minutes pursuant to RCW 42.30.110(1)(b) – acquisition of real estate. Mayor Rider noted there would be no decision made after the executive session. Following the conclusion of the executive session, the regular meeting was reopened at 7:47 p.m.

There being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

July 26, 2005

The Chehalis city council met in special session on Tuesday, July 26, 2005, at the Chehalis community services activity building. The work session began at 5:00 p.m. with the following council members present: Fred Rider, Terry Harris, Bob Spahr, and Tony Ketchum. Councilors Taylor and Lund were excused. Staff present included: Dave Campbell, City Manager; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Mansoor Ghorbani, City Engineer; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasiluskas, Water Superintendent; Marilyn Riebe, Grants Administrator; Patrick Wiltzius, Wastewater Superintendent; Tracy Paddock, Community Services Office Manager; Andy Sennes, Property Manager; Lilly Wall, Recreation Manager; and Judi Smith, Public Works Office Manager. There were no members of the news media in attendance.

Mayor Rider announced that the purpose of the meeting was to review the 2005 mid-year budget status report and the 2006 budget projections, guidelines and issue papers.

1. **2005 Mid-year Budget Status Report.** Jim Larson provided an analysis of revenue and expenditure activity during the first two quarters of 2005. He reported sales tax was expected to exceed the \$3 million budgeted in 2005, and added a certain amount of that money was from the construction of major retail stores that would create additional tax revenue in coming years. Mr. Larson stated the expenditures were about 48% expended half way through the budget year due to understaffing. Overall, the general fund looked good. Councilor Ketchum asked where the city was in regards to the natural gas tax issue. Mr. Larson reported he hadn't contacted the State Department of Revenue for some time, but the issue was still in litigation and could take a long time before we really had a final answer. Mr. Larson reported the water and sewer funds started their capital outlay projects during the second quarter, which was a major portion of both funds. The revenues were where they expected them to be, and operating expenses were coming in at, or below what was budgeted.

2. **2006 Budget Projections, Guidelines, Schedule, and Issue Papers.** Dave Campbell presented staff's projected guidelines for presentation of the recommended 2006 budget. He informed council the general guidelines were similar to ones they've seen in prior years. He told council the city would not assume any new taxes or user fees, and no tax or user fee rate increases in 2006. The only exception would be the new rates being phased-in from the water, wastewater and storm utility rate increases approved last fall. Mr. Campbell reported if and when they proceeded with the annexation of the industrial park, it would have a large impact not only on the cost of providing services, but also in the terms of revenues collected during a particular fiscal year. The assumption would be at this point, in part with the creation of the boundary review board by Lewis County, the annexation of the industrial park would not be effective until 2007. With that assumption they would not see the revenues or the expenses derived from annexation reflected in the recommended budget in 2006.

Mr. Campbell informed the council that staff projected current operating revenues of \$7 million for the general fund in 2006, and expenditures of \$7.2 million, yielding a difference of \$200,000 (expenditures exceeding revenues). He noted the projections were based on existing programs, staffing and service levels. He noted if you factored in what was being projected for the ending balance in 2005 and the beginning 2006 fund balance they would slightly exceed the dollar amount necessary to comply with the council's adopted budget policy of maintaining a 10 percent ending balance by less than \$200,000. Staff then presented issue papers for the council's consideration, which the council ranked in priority as high, medium and low. Council ranked the twelve 2005 budget issue papers as followed:

- Public Works – Street seal coat (oiling) program – High
- Public Works – Jackson Highway Newaukum River Bridge watermain replacement – High
- Public Works – Henderson Park water pump station design - Medium
- Public Works – Snively Avenue street improvements design – High
- Public Works – Downtown traffic flow analysis – Medium
- Community Services – Downtown façade improvement program – High
- Community Services – Property maintenance position (1 FTE) – High
- Finance – Accounting position (1 FTE) – High
- Finance – Zero-based budgeting – Medium
- City Clerk – Laptop computer for councilors – Low – keep on radar (more information needed)
- City Manager – Enhancing public information/communications – High
- City Manager/Finance – Appropriation of new Home Depot – generated sales tax revenue – Low (would like more numbers on possible revenue)

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The work session concluded at 7:30 p.m.

Attest:

Mayor

City Clerk

August 8, 2005

The Chehalis city council met in special session on Monday, August 8, 2005, in the Chehalis city hall. Mayor Fred Rider called the special meeting to order at 5:01 p.m. with the following council members present: Terry Harris, Daryl Lund, Bob Spahr, and Chad Taylor. Councilors Ketchum and Pope were excused. Staff present included: Dave Campbell, City Manager; Mark Scheibmier, Asst. City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Special Annexation Meeting.** Mayor Rider stated the meeting was intended to give the property owners who had signed the Notice of Intent to Commence Annexation Proceedings for the Chehalis Industrial Park area a chance to meet with the council to have three issues addressed before a petition was circulated. Mr. Campbell reported the meeting was required by statute for the parties who had initiated the annexation process, who had signed the notice of intent (NOI), to meet with the council and address the three issues. Those issues were:

- Whether the city would accept, reject or geographically modify the proposed annexation;
- Whether it would require the simultaneous adoption of a proposed zoning regulation, if such a proposal had been prepared and filed; and
- Whether it would require the assumption of all or any portion of city indebtedness by the area to be annexed.

Mr. Campbell noted in the discussion of the agenda, staff included a reminder of what the notice of intent to commence annexation proceedings consisted of. It stated the council initially approved an area to be considered and evaluated for annexation last fall, then, at the request of the Port of Chehalis, added some additional land to that area last spring. He stated the second issue regarding zoning regulations as essentially moot since the area defined in the NOI was within the city's urban growth area and already had adopted land use designations. Mr. Campbell stated the third issue of assuming city indebtedness was also moot since the city had no general obligation bonded indebtedness at that time, therefore, there was no indebtedness that would attach itself to a special property tax levy, or something the property tax owners would be inherently liable for. Mr. Campbell reported there were twelve property owners who had signed the NOI, which according to the calculations represented between 19 to 20% of the area. The requirement by law was at least 10% to initiate the process with the NOI. There were two parties present at the meeting; Pete and Carol Bezy, and Ron and Kris Travers. He noted most of the property owners had called and indicated they would not be able to make the meeting.

Mayor Rider addressed all three questions starting with whether the city would accept, reject or geographically modify the proposed annexation. He believed the city would accept and not geographically modify the proposed annexation. The two land owners present had no objections. Mayor Rider asked whether it would require simultaneous adoption of a proposed zoning regulation. Mr. Campbell reported the issue was already spelled out in the city's adopted comprehensive plan. Joanne Schwartz came forward and pointed out on the map the existing land use designations in the proposed annexation area. There were no objections to the land use designations from either party. Mayor Rider reported the third issue was moot since there was no indebtedness. There were no comments from the two property owners.

Mark Scheibmier reported upon receipt of the petition, assuming a sufficient number of landowners supported the petition, there would follow a public hearing on the petition. He noted that would be the formal opportunity for those who had objections to speak.

Councilor Spahr moved that the council accept the proposed annexation of the Chehalis Industrial Park area as defined in the Notice of Intent to Commence Annexation Proceedings and encourage a petition for annexation to be circulated; confirm that the land use designations in the city's urban growth area represent the intended zoning for the Chehalis Industrial Park area; and confirm that the city has no general obligation bonded indebtedness at this time to be assumed by that area. The motion was seconded by Councilor Taylor and carried unanimously.

Mr. Campbell reported the city was at steps 7 and 8 of the work plan regarding the process, which required the finalization and circulation of the petition among the property owners with the ultimate necessity of getting at least 60% of the property in the area to sign, or be represented by signatures, in order to move the process forward. Councilor Spahr stated in light of what they had done, they still needed to deal with the county and the Boundary Review Board (BRB). He noted there was a possibility the BRB may dictate the city to take in some additional property and asked at that time if the city would have to amend its motion. Mr. Scheibmier reported the motion was fixed and it would simply become a condition of the approval. Mayor Rider noted comments from the county indicated the city may have to take in some residential area as well, and asked what it

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would do to the 60% requirement. Mr. Scheibmier stated that was difficult to answer without knowing if a boundary review would be done. He reported 60% of a district was the triggering event for review, and if the requirement was raised in the review process, the ramifications would then need to be looked at and addressed. He noted it wouldn't require the city to go back and seek approval of the changed boundaries by the petitioners, but would require the city to meet the requirements for 60% ownership of the district's value.

Mayor Rider adjourned the special meeting at 5:17 p.m. and reported they would reconvene at 6:00 p.m. for the regular meeting.

Mayor Rider called the regular session of Monday, August 8, 2005, to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Bob Spahr, and Chad Taylor. Councilor Pope was excused. Additional staff present included: Bill Hillier, City Attorney; and Dave Vasilauskas, Water Superintendent.

2. **Introductions.** Mayor Rider introduced Brian Barcomb and Richard Larson from Troup 2373. Both were present to earn their communication merit badges.

3. **Presentation.** Corine Aiken from the Chehalis Timberland Library presented Councilor Spahr with a certificate of appreciation for lending his cheerful willingness, time, voice, and humor to the 2005 Twin Cities Pet Show, and also for his support of literacy through the library's summer reading program.

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

- a. Minutes of the regular city council meeting of July 25, 2005, and special meeting of July 26, 2005; and
- b. Claim vouchers 79239-79379 in the amount of \$2,275,404.10 dated July 29, 2005; and payroll vouchers 24807-24990 in the amount of \$565,471.51 dated July 29, 2005.

The motion was seconded by Councilor Lund and carried unanimously.

5. **Unfinished Business.**

a. **Ordinance No. 786-B, Second Reading – 2005 Mid-year Budget Amendment.** Councilor Ketchum moved that the council pass Ordinance No. 786-B on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

6. **New Business.**

a. **Ordinance No. 787-B, First Reading – Authorizing the Finance Director to Establish a Line of Credit for the New Wastewater Facilities.** Mr. Campbell reported the ordinance was intended to address a potential cash flow problem for the costs related to the wastewater utility facilities construction. Mr. Larson reported it was an interim construction loan, a line of credit the city could draw on only if they needed, while they waited for reimbursements back from the state. He reported the city was incurring major expenses and wanted to make sure they had the cash available to pay for those expenses in a timely manner. Mayor Rider reported the money from the state was reimbursable after expenses were paid out on the project. Councilor Harris asked if \$4 million was going to be enough, and what the turn around time from the Department of Ecology was on reimbursements. Mr. Larson reported once the process was up and running, the turn around time was expected to be less than two weeks. He reported that unless they received a \$4 million bill all at once, which was unlikely, the \$4 million would be adequate.

Councilor Taylor moved that the council pass Ordinance No. 787-B on first reading. The motion was seconded by Councilor Lund and carried unanimously.

b. **Ordinance No. 788-B, First Reading – Financing to Purchase the County Public Services Building.** Mr. Campbell reported last month council directed staff to work toward the closure of the option agreement to purchase the Lewis County public services building, which involved getting \$1.3 million to the county later in the month. He reported Jim Larson had been working with bond counsel on a means of coming up with interim financing to make that payment, which required the passage of an ordinance. Mr. Larson asked that council set a special meeting the following week for the second and final

August 8, 2005

reading of the ordinance. Mr. Larson reported the terms of the loan were such that it was intended to be a short-term loan lasting up to two years with a generous pre-payment option. He noted if the city wasn't using all of its cash to pay for the construction of the wastewater treatment facility, they might have had the cash to pay for the building upfront. Mr. Larson noted the short-term loan would allow the city to come up with a long-term financing plan, which could include internal financing. He reported the city had given its 30-day notice to the county and it was important to get the financing done in a timely manner to make sure it had the money in hand at the time of closing. Councilor Lund asked if any local banks were contacted about the financing. Mr. Larson reported the situation was very unusual, even for The Bank of America, but he knew they had people on staff that had expertise in that area of financing that a lot of the local banks don't have. Mr. Larson stated he needed to get it done in a hurry and he knew The Bank of America could do it. Mayor Rider asked if there would be any tax burden put on the citizens for the indebtedness, and could the loan be paid off without any penalty. Mr. Larson reported the only way it would become a long-term debt would be if council decided to go back to the people with a definite plan that would involve some additional expenses. As it was, it didn't commit the city to any course of action like that. He noted the loan was set up to make payments twice a year and as long as a payoff was made on one of those dates, there would be no penalty applied.

Councilor Ketchum moved that the council pass Ordinance No. 788-B on first reading and set a special meeting for the week of August 15 to consider the ordinance for second and final reading. The motion was seconded by Councilor Spahr. Councilor Harris asked if what they had in front of them would be the actual draft contract. Mr. Larson stated what they were looking at was the required ordinance that the city needed to have approved. Once it was passed they would have an actual contract. Mr. Hillier stated the city would receive a loan agreement and a promissory note from the bank. Councilor Spahr asked, if between now and the next meeting, if Mr. Larson could get some numbers of what the interest might be on the loan. Councilor Taylor stated he had received several inquiries about the building, most of them asking if it was the intention of council to put the fire station at that location. Mayor Rider stated they were in the process of appointing a committee to determine the best use of the building. The final determination would be up to council, but personally he was not leaning toward putting the fire station at that location. Councilor Lund agreed they probably shouldn't put the fire station there, but the building would be good for offices. The motion carried unanimously.

A special meeting was set for August 15, at 5:00 p.m. in the council chamber at city hall. Councilor Harris stated he would be out of town, but would be calling in to cast his vote. Councilor Taylor noted he would do the same. Mr. Hillier stated as long as they appear telephonically, and listened to the discussion, they had the right to vote.

c. **Stormwater Utility Rate Ordinance.** Mr. Campbell reported the next two items were a follow-up on the special annexation meeting held earlier that evening. He stated they intended to have the council give them official direction on development of ordinances that would mitigate some of the financial impacts of annexation for businesses, and property owners in the industrial park area. The first one pertained to proposed changes in the application of the city stormwater utility. Tim Grochowski reported they were recommending that they change some of the fees for the properties that install stormwater treatment facilities on-site. He reminded council of the changes made to the ordinance last fall that reflected a charge of \$4.89 per equivalent service unit (ESU) for each property per month. He also reported that commercial and multi-family properties were charged a rate of \$4.89 times the number of ESUs of impervious surface, which in the end added up to a lot of money. Another change Mr. Grochowski wanted to make included two additional definitions in the stormwater utility ordinance, the first definition being "detention structure" – meaning a permanent engineered structure designed to store runoff for discharge at rates approximating what would have occurred under predevelopment conditions,. The other definition would be "retention structure" – meaning a permanent engineered structure that provides for the storage of runoff by means of a permanent pool of water or infiltration. Mr. Grochowski asked to change the rates of the on-site retention to be the same rate as a single-family residential unit, which was \$4.89 per parcel. If someone had on-site detention, which held the stormwater for a short period of time and released a small amount at a time, he asked that they be charged the same as a single-family residential rate plus \$1.00 per each additional ESU per parcel. Mr. Grochowski reported it would encourage alternative on-site stormwater control systems and he believed it was in the best interest of all parties. He stated they currently had about six properties, one with a retention system and the others with detention systems. He reported the revenue lost from the change in rates would be about \$5,000 per year.

Councilor Taylor inquired as to why the city would charge a fee to someone who had a retention pond. Mr. Grochowski reported by ordinance everyone had to pay for at least one ESU, which covered costs of inspections and maintenance of the storm system. Mayor Rider had some concerns with charging a large company with a retention pond \$4.89 per month plus the additional dollar per ESU. Mr. Grochowski reported it was a lot of money, but still cheaper than the old rate. Councilor Lund asked why the little guy had to pay full bore and the big guy got such a deal. Mr. Grochowski reported the big guy was actually doing an improvement by keeping the water on his property and treating it, or by at least slowing it up before it goes into the

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system. Mayor Rider noted the ordinance wouldn't apply to just big businesses. Mr. Grochowski stated it could also be used by multi-family and commercial facilities. Mayor Rider indicated he had additional concerns because they recently raised rates to cover the costs of operations. Mr. Grochowski stated they raised the rates a small amount, but they also added a \$489 ESU charge for capital improvements, which would be used for capital projects. Mayor Rider stated he didn't want staff coming back to say they needed to raise rates again to cover the costs of operation. Mr. Larson explained there was a potential that in the future they may need to raise rates because of the reduction in revenue, but they wouldn't know that until some time had gone by. He stated in looking at the whole system, the lost revenue was a relatively small amount and the risk of raising rates was quite small. Mr. Grochowski noted the other important thing to know was the city would have less water going through our system, which meant there would be less demands on the system, and it might allow the city to reduce the expense of operations. Mr. Grochowski reported that some of the areas in the proposed annexation area were in a flood control district, and those areas would be exempt from a stormwater utility charge because they were already paying someone to take care of their stormwater. He noted anyone with new construction would need to submit an engineered drawing that would need to be approved by the city engineer.

Councilor Spahr moved that the city council direct staff to prepare an ordinance amending the stormwater utility charges in sections 13.28.030 and 13.28.040 and also to provide for exemptions for properties located within a flood control district. The motion was seconded by Councilor Ketchum. The motion carried unanimously.

d. **Utility Tax Ordinances.** Mr. Campbell reported when working on the annexation process staff identified a potential burden on large utility users that might be annexed to the city in the industrial park area. Earlier in the year, staff proposed to council one way of mitigating those utility taxes, which they don't pay currently, was to go to a multi-tiered utility tax system. The proposal was that the first \$10,000 in tax liability continued to be the 6% utility tax rate for electricity and natural gas usage. After that level the rate would fall to 1%, with a cap of \$75,000 per year in potential utility tax liability per customer per utility. Mr. Campbell stated staff wanted to get the official direction of council if that was the way they wanted staff to proceed, and prepare the ordinance to effect that kind of policy change in our utility tax system. He indicated it would primarily impact the large power users of either electricity or natural gas. Mayor Rider stated the current utility taxes were charged on electricity, natural gas, telephone, and cable. He noted the proposed ordinance would only apply to the electricity and natural gas.

Councilor Ketchum moved that council direct staff to prepare amendments to the city's electricity and natural gas utility tax ordinances as they apply to manufacturing, food processing, electrical generation, and wholesale distribution businesses (SIC Codes 20-30 and 49-51), such that the existing 6% rates are applied on usage up to a tax liability of \$10,000 per utility per customer per year for their combined facilities and operations, and that 1% rates are applied thereafter up to a maximum tax liability of \$75,000 per utility customer per year, with consideration given to adjusting the \$10,000 tax liability figure periodically based on inflation. The motion was seconded by Councilor Taylor. Councilor Harris asked if IP Callison would be affected by the ordinance. Mr. Campbell thought they could be one of those food processing SIC codes. Councilor Harris wondered if Councilor Ketchum should make the motion, or if he should excuse himself. Bill Hillier noted since the ordinance wasn't before council for consideration it would be okay for Councilor Ketchum to make the motion. He added if there was an issue it could be addressed at the time they vote on it. Mayor Rider noted the ordinance would apply to all businesses within the city limits, not just the annexation area. The motion carried unanimously.

7. Staff and Council Reports.

a. **Grand Opening of Robert E. Lintott/Alexander Park.** Mr. Campbell reminded everyone about the grand re-opening of the Robert E. Lintott/Alexander Park on Saturday at 1:00 p.m.

b. **Sister City Delegation Arrives.** Mr. Campbell reported the sister city delegation from Inasa, Japan would arrive Friday, August 19, about 11:00 a.m. There would be a short welcoming reception at the community services activity building.

c. **ChehalisFest.** Mayor Rider reported on ChehalisFest and believed it to be one of the most successful years the event has ever had. He thanked Judy DeVaul, one of the main people involved in putting the event together, along with various business owners that helped make the event a complete success. He noted they had a variety of events for every age, including a fish pond, a car show, a mint dessert contest, live music, an arm wrestling event at K-Mart, and a barbeque cook-off at Wal-mart. Mayor Rider thanked city staff, as well, for all of their participation during the event. Councilor Harris also wanted to thank everyone. He noted they had a health incident that happened during the event, but was happy to say everything went like clockwork. He stated the facilities were set up to where there was no problem for emergency staff and vehicles to come in and do their job.

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d. **Farmers Market.** Joanne Schwartz reported the farmers market would be open on Tuesday from 2:00 to 7:00 p.m, and the third Live-after-5 event would be from 5:00 to 7:00 p.m.

e. **Southwest Washington Fair.** Ms. Schwartz reminded everyone the first day of the fair would be Tuesday, August 16, and she still needed people to help out at The Convention and Visitors Bureau booth on the 16th.

f. **Planned Growth Committee Meeting.** Councilor Spahr reported they would have a meeting on August 11, at 3:00 p.m. at the Lewis County Courthouse.

There being no further business to come before the council, the meeting was adjourned at 7:03 p.m.

Mayor

Attest:

City Clerk

August 15, 2005

The Chehalis city council met in special session on Monday, August 15, 2005, in the Chehalis city hall. Mayor Fred Rider called the special meeting to order at 5:03 p.m. with the following council members present: Daryl Lund, Bob Spahr, Tony Ketchum, and Dr. Isaac Pope. Councilors Harris and Taylor called in and participated telephonically. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; and Bob Nacht, Community Development Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle*.

1. **Unfinished Business.**

a. **Ordinance No. 787-B, Second Reading – Authorizing the Finance Director to Establish a Line of Credit for Construction of the New Wastewater Facilities.** Dave Campbell noted the item had been discussed in two prior council meetings, and was sure council was aware of the issue and what the need was for the line of credit. Councilor Ketchum moved that the council pass Ordinance No. 787-B on second and final reading. The motion was seconded by Councilor Pope and carried unanimously.

b. **Ordinance No. 788-B, Second Reading – Financing for Purchase of the County Public Services Building and a Road Improvement Project.** Jim Larson addressed council stating they had two options in regards to the financing. He reported the first being the prime rate option, and the other being the LIBOR (London Interbank Offered Rate) option. His own inclination was to go with the prime rate since he understood that process. The rate was not much different and he was told by bond counsel the LIBOR was more volatile and we could actually end up paying more with that option. He noted it would be short-term, with the option of pre-paying without penalty, as long as it was done on one of the regular payment dates. He noted as they proceeded he would be looking for opportunities to refinance the loan internally, long-term. Mr. Larson reported they included an additional \$1 million in the loan for the road improvement project on Louisiana Avenue. The additional \$1 million would be used for filling, raising, and widening Louisiana Avenue, which was not part of Home Depot's responsibility. Councilor Pope moved that the council pass Ordinance No. 788-B on second and final reading with the recommendation of the Finance Director to go with the prime rate option. The motion was seconded by Councilor Ketchum. Councilor Spahr asked what the interest rate would be. Mr. Larson reported it was the indicative all-in rate of 3.36%. The motion carried unanimously.

2. **Executive Session.** Mayor Rider announced the council would convene into executive sessions at 7:19 p.m. for five minutes pursuant to RCW 42.30.110(1)(c) - disposal of property for sale or lease. Mayor Rider noted there would be no decision made after the executive session. Following the conclusion of the executive session, the regular meeting was reopened at 5:37 p.m.

There being no further business to come before the council, the meeting was adjourned at 5:37 p.m.

Mayor

Attest:

City Clerk

August 22, 2005

The Chehalis city council met in regular session on Monday, August 22, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Amanda Vey, Asst. City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; and Andy Sennes, Property Manager. Members of the news media in attendance included Brian Mittge of *The Chronicle* and Paul Walker of KITI Radio.

1. **Presentations.**

a. **Introduction of the Sister City Delegation.** Mayor Rider welcomed the sister city delegation from Inasa, Japan. He thanked them for coming, adding it was a pleasure to meet with them when they arrived on August 19. He also thanked the host families for their participation in the program stating it was a great thing they were doing for international education. Dave Campbell reported they had 26 individuals visiting from Japan, 21 junior high school students and 5 adults. The leader of the delegation was Mr. Hisaji Tachikawa, principle of one of the junior high schools in Inasa. Mr. Campbell reported that Jackie Clark was also in attendance serving as a host family and chair of the sister city committee. He reported the group went up to Mt. Rainier to do some hiking and would be heading over to ride the Chehalis steam train later that evening. They also had plans to visit Northwest Trek, I.P. Collision & Sons, the steam plant, and the coal mine at TransAlta. He stated the delegation would be leaving on Thursday morning to return to Japan.

2. **Consent Calendar.** Councilor Ketchum moved to approve items 4 and 5 on the consent calendar.

a. Minutes of the regular city council meeting of August 8, 2005, and special meeting of August 15, 2005; and

b. Claim Vouchers 79380-79547 in the amount of \$690,679.15 dated August 15, 2005.

The motion was seconded by Councilor Pope and carried unanimously. It was noted a correction needed to be made in the minutes on page 4 of the agenda. The section referring to the added ESU charge for capital improvements in the amount of \$4.89 should have read \$489. Councilor Ketchum moved that the minutes be changed to reflect the correct amount. The motion was seconded by councilor Lund and carried unanimously.

c. **Resolution 13-2005.** Approve to set a date and time of September 26, 2005, at 6:05 p.m. for a public hearing concerning the vacation of a portion of an alley off of SW Riverside Drive.

Councilor Spahr moved that the council suspend the rules requiring two readings of a resolution for adoption. The motion was seconded by Councilor Pope and carried unanimously. Councilor Spahr moved that the council adopt Resolution No. 13-2005 on first and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

3. **Citizens Business.**

a. **Grant Funding Application for Lewis County Historical Museum.** Lewis County Historical Museum Executive Director Clark McAbee came before council requesting a letter of support from council for an application for transportation enhancement funds for the historic preservation, restoration, and adaptive reuse of the former Northern Pacific railway depot. He noted the architect that would be working on the project was the same that worked on the Centralia Depot, the Fox Theatre, and some other local projects. They would be asking for approximately \$2 million in grant funding. He noted there were a number of physical needs of the depot, which included a seismic study, and the replacement of the mortar on the second floor. He reported there was \$42 million available statewide and the museum, being a former railroad depot, was a perfect candidate for the funding. He noted the grant had to be submitted by September 2 to the regional transportation office. Mayor Rider stated, unless someone had any objections, he felt council would be in favor of the move. He noted they would like to have some more information on the project before having council approving anything. Mr. McAbee stated they were waiting for the approximate dollar amount from the general contractor on the conditional assessment.

4. **Presentation/Recognition.** Dave Campbell presented Police Officer Neil Marsh a certificate and pin in recognition of 25 years of service. Mayor Rider stated it was a privilege to know Officer Marsh, adding he was fair, consistent, and honest.

August 22, 2005

5. Citizens Business Continued.

a. **Trails and Rails Project Update.** Selma Bjarnadottier, Southwest Regional Planner for State Parks along with Myron M. Johnson, Southwest Capital Development Manger, and Phil Medford, Manager of Rainbow Falls State Park and Willapa Hills State Park came before council to update them on the Trails and Rails project. Ms. Bjarnadottier gave a slide presentation to show the area of the trails and the Willapa Hills area. They were also asking for a letter of support for a transportation enhancement project, to develop a portion of the Willapa Hills trails between Adna and Chehalis. In the future they were hoping to connect up to the Chehalis Western Trail to make it possible to travel on foot or by bicycle between South Bend and Olympia. She noted \$700,000 in federal funds had been allocated to the trail with the help of Representative Brian Baird. She reported the state parks capital fund for this biennium allocated \$400,000 to the trail. They were in the process of putting together an application in the amount of \$300,000 for transportation enhancement funds, due by September 2. Ms. Bjarnadottier reported they had talked with L.C. Commissioner Eric Johnson about the proposed improvements, and was told that the county would allocate \$50,000 toward the project. Mayor Rider thought it was a very interesting project and would like to see it come to Chehalis. Council agreed and a letter was given to Mayor Rider to sign.

4. New Business.

a. **Ordinance 789-B, 790-B, and 791-B – First Reading, Amending the Utility Tax Rate Ordinances.** Mr. Campbell reminded council that the ordinances were being proposed in part to help facilitate the annexation of the Chehalis Industrial Park. He stated a number of proposals had been brought forward that were designed to mitigate the financial impacts, as they pertained to utility taxes for annexation of businesses in the Industrial Park. He noted the proposals that were before council were ordinances that would take effect January 1, 2006, before they expected annexation to occur. Mr. Campbell stated the ordinances could also have potential impact to existing businesses or entities within the current city limits of Chehalis during the 2006 fiscal year. Councilor Ketchum excused himself from the discussion and voting since his employer fell under the SIC code stated in the ordinances. Mayor Rider inquired about the ongoing problem with WestFarm Foods. He asked, if they fell under the SIC code noted in the ordinance, would they still be required to pay their back taxes. Mr. Campbell stated they would be specifically affected by Ordinance 791-B, which pertained to brokered natural gas. The existing rate going forward from January 2006 would be affected if they used substantial quantities of brokered natural gas, but it wouldn't affect their prior usage, or prior liability. Mayor Rider thought they should press the issue with the Department of Revenue to recover those funds, especially if they were about to get a better option with changes to the ordinance.

Councilor Spahr moved that the council pass Ordinances 789-B, 790-B, and 791-B on first readings. The motion was seconded by Councilor Lund and carried unanimously.

b. **Ordinance 792-B, - First Reading, Amending the Stormwater Utility Rate Ordinance.** Mr. Campbell reported the ordinance was an outgrowth of discussions with respect to annexation of the Chehalis Industrial Park. Tim Grochowski reported the ordinance asked that a couple of amendments be made to the current stormwater ordinance. The first was to add two definitions. Those additions would include "detention structure" and "retention structure." The second purpose was to establish fees for multi-family and/or commercial properties. Staff recommended the on-site retention fee be the same as a single-family residential rate of \$4.89, and the rate for a detention system be \$4.89, plus one dollar per ESU (every 3000 feet of impervious surface). After doing some figuring the estimated loss of revenue would be about \$5,500 per year. He noted with the instituted stormwater rate increases every year, those costs could be recovered. He reminded council the flood control districts were exempt from any stormwater fees and the effective date of the ordinance would be January 1, 2006. Mayor Rider added the retention and detention systems would reduce some of the problems of runoff and could lower some of the overall maintenance costs of the system. He asked Mr. Grochowski, at what point, if an existing business were to put in a detention or retention pond would they be affected by the new rates. Mr. Grochowski stated if it was a designed engineered system approved by the city they would go back and look at it, and the new rate would go into affect January 1, 2006. He asked Mr. Grochowski, if they had several businesses installing either type of the two systems would there be cause for the city to have to go back and look at raising rates again in the near future. Mr. Grochowski stated he really couldn't see too many of those types of systems installed. He noted they could see an increase of them for new construction of the bigger businesses, but not for single-families.

Councilor Spahr moved that the council pass Ordinance 792-B on first reading. The motion was seconded by Councilor Taylor and carried unanimously.

c. **Disability Access Funding for Steam Train Depot.** Mr. Campbell reported the Chehalis-Centralia Railroad Association, which operated the steam train on property the city leased, inquired with the city about the potential contribution of

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money to help with the costs of installing disability access improvements to the building they were currently using as a depot, particularly to install a ramp around the depot. Mr. Campbell reported that Councilor Lund contacted him a couple of weeks ago about the issue and asked him to do some research. He noted the use of CDBG funds, as pledged in recent years for the library remodeling project, and the new Veterans Memorial Museum building, would be an eligible use of funds for the depot to make the building accessible to the disabled or handicapped. He recommended that the council follow prior practice and use the CDBG funds to assist the Railroad Association with the cost of the improvements.

Councilor Spahr moved that the council allocate up to \$5,000 from CDBG funds to the Chehalis-Centralia Railroad Association for disability access improvements for their depot. The motion was seconded by Councilor Pope. Councilor Lund asked, since he was one of the founding fathers, charter members, and a present member if he should excuse himself. It was noted since Mr. Lund was just a member there was no need to exclude himself from voting. Councilor Spahr stated they had been using a lot of money out of the CDBG fund lately, but noted he felt this would be an excellent use of that money. Councilor Harris noted they had allocated a lot out of the CDBG funds, but they really hadn't spent nearly as much as they had allocated. Mayor Rider stated he supported the Steam Train Association and what they had done to the area, noting it was a great asset to the community. He agreed they needed to watch the spending of CDBG funds since they had some other uses they needed to make funds available for, such as downtown improvements. The motion carried unanimously.

d. **Revisions to the Real Estate Purchase and Sale Agreement for a Portion of "The Barnes Property."** Mr. Campbell reported the respective purchasers of a portion of "The Barnes Property" had asked to extend a couple of milestones in the purchase and sale agreement. He noted the agreement as currently written called for completion of a development feasibility study by the buyer by the end of September, and closing of the transaction by the end of October. Mr. Campbell stated the city was somewhat tardy in getting some of the materials under due diligence to the purchasers, but more importantly they recently changed environmental consultants and farming contractors who were working and studying the site. Mr. Campbell stated they would like the work to be further along before having the purchasers commit their funds to completing the study. For those reasons Mr. Campbell recommended that they extend the deadlines for the feasibility study to October 31, 2005, and closing of the transaction to December 31, 2005. Councilor Taylor stated he thought the date on the original agreement was December 31. Mr. Campbell stated when council approved it the closing date was by October 31 and the feasibility study was due within 90-days of the signing of the agreement, which would have been the end of September.

Councilor Pope moved that the council approve extending the deadline for completion of the buyer's development feasibility study for the Barnes Property purchase and sale agreement to October 31, 2005, and for closure of the transaction to December 31, 2005. The motion was seconded by Councilor Lund. Tim Grochowski reported the new farmer was out at the property working the ground, and there had been some work done on the culvert system in the area, as well. He noted, since hiring the new environmental consultant, it looked like they were now ahead of schedule. Mayor Rider stated that was good to know. The motion carried unanimously.

5. **Staff and Council Reports.**

a. **Employee Service Awards.** Mr. Campbell reported that Linda Bailey, Parking Enforcement Officer, would be recognized for completion of five years of service with the city.

b. **Quarterly Council-Staff Work Session.** Mr. Campbell asked that council schedule the next quarterly council-staff work session. Council set a date of Thursday, September 15 at 5:00 p.m. at the community services activity building.

c. **Reminders about the Little League All-Star Team Recognition and Employee Safety Picnic.** Mr. Campbell reminded staff and council about the recognition of the Little League All-Stars at the Chehalis Rotary Club meeting, Wednesday, August 24, at the Kit Carson Restaurant at 12:00 p.m. Mayor Rider would present each player and coach with a proclamation from the city.

Mr. Campbell also reminded council about the annual employee safety picnic, which would be at the V.R. Lee Community Building at Recreation Park on Friday, August 26. The picnic would take place from 11:00 a.m. to 2:00 p.m. He encouraged council to stop in to eat, and visit with staff.

d. **Farmers Market, Live-after-5 Update.** Joanne Schwartz reminded council the last Live-after-5 event would be on Tuesday, August 23, starting at 5:00 p.m. in conjunction with the Farmers Market.

August 22, 2005

e. **Robert E. Lintott/Alexander Park Reopening and Dedication.** Mayor Rider reported the reopening of the park kicked off on Saturday, August 13, adding they had close to 200 people in attendance. He noted they had a few things left to do, but overall it was finished enough for opening, and the city would be gaining a very nice facility. He reported the weather was cooperative and everyone seemed to have a great time. He also thanked city staff who turned out for the event. Mayor Rider added major maintenance costs for the park had been set up through a donation and normal maintenance, such as mowing, would be done by the city staff. Councilor Pope reported The Foundation would be having their annual fund raiser on September 17 at the park. They would be having a salmon bake, partially sponsored by the Chehalis Tribe, with the proceeds going to The Foundation to help with maintenance costs of the park.

f. **Budget Conference Update.** Councilor Harris reported he attended a budget conference on August 18 and 19, in Leavenworth, WA and received an excellent education on budgeting. He reported on House Bill 21-31, which established a grant program for the master business license service. He reported the state was trying to incorporate all city business licenses and state master business licenses into "one stop shopping." He indicated the state would charge an appropriate fee, based on the costs of what they charged for their license and what the cities charged, if a fee applied. The state would be the entity responsible for issuing the license and would compensate the cities for their portion of the revenue collected. He added this process would eliminate current staff time and costs related to maintaining our own system. He noted there was grant money available for software, and the state had allocated \$750,000 toward the project. Another issue talked about during the conference was Initiative 900 – "performance audit review." If the initiative passed, which there was a strong belief that it would, there would be another audit system put in place, separate from the budget audit. It would be a performance audit on an entire city, or just by departments within a city. He also reported that AWC had a new tool available that an entity could check out that would allow people to vote on issues as they were being presented. He thought it would be a good tool for the city if they had issues come up that they wanted to get citizen input on. He wished there was a way to require all city council members to sit in on a budget conference like the one he attended. He felt council did their best, but it was interesting to look at it from a different perspective, and noted he wouldn't look at the budget the same way he had in the past.

g. **Capital Facilities Committee.** Mayor Rider handed out a list of nine potential people interested in being on the Capital Facilities Committee. The list included Anne Garrett, Frank Mason, Bill Van Der Hoeft, Connie Bode, Buck Hubbert, Corine Aiken, Matt Comisky, Jack Thurston, and Frank De Vul. Two additional names were added: Dave Zylstra and Jim Hill. City representatives included: Terry Harris, Daryl Lund and Fred Rider who would be non-voting members from the council and Dale Miller, Joanne Schwartz, Dave Campbell, and any other staff as requested by the committee, who would be non-voting staff members on the committee. Councilor Pope asked if there was a document of work or guidelines for what the committee would be responsible to do. Mayor Rider stated the committee would be expected to come up with that document and city staff would also be talking about the matter during the next council-staff workshop to hopefully come up with some ideas of what was expected. Councilor Pope wanted to make sure there were some guidelines, noting they had expectations from staff of what the committee should be doing and how they should look at things. He stated they also had requirements for space, and hoped the committee would be able to bring back a good recommendation. With no objections to the list, Mayor Rider stated they would move forward with the names they had. Mayor Rider noted if any of the council had a specific direction they wanted the committee to move in, to get that information to Mr. Campbell.

There being no further business to come before the council, the meeting was adjourned at 7:18 p.m.

Mayor

Attest:

City Clerk

September 12, 2005

The Chehalis city council met in regular session on Monday, September 12, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 5:05 p.m. and immediately closed the regular session and went into executive session with the following council members present: Terry Harris, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Lund was excused. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Becky Fox, Court Administrator; and Patrick Wiltzius, Wastewater Superintendent.

1. **Executive Session.** Mayor Rider announced staff and council would be in executive session pursuant to RCW 42.30.140(4) collective bargaining, and there would be no decision following the conclusion of the executive session. At 6:03 p.m. Mayor Rider announced they would reconvene into executive session following the regularly scheduled meeting, to continue their discussion on collective bargaining. After a three minute recess, Mayor Rider called the regular meeting back to order at 6:06 p.m. Additional staff present included Bill Hillier, City Attorney; Bill Nacht, Asst. Fire Chief; Bob Nacht, Community Development Manager; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle*.

2. **Proclamations.**

a. **Work Force Development Month – September 2005.** Mayor Rider presented WorkSource Administrator Lee Stevens with a proclamation declaring September 2005 as Work Force Development Month.

b. **United Way of Lewis County Campaign, September – November 2005.** Mayor Rider presented a proclamation to Councilor Chad Taylor, United Way campaign chair for 2005, declaring September – November 2005 as United Way Months in Lewis County. Mr. Taylor thanked the city on behalf of the United Way board of directors.

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

- a. Minutes of the regular city council meeting on August 22, 2005;
- b. Claim vouchers No. 79548-79716 in the amount of \$4,245,180.99 dated August 31, 2005; and Payroll warrants No. 24991-25178 in the amount of \$566,032.25 dated August 31, 2005; and
- c. Lease agreement with Lewis County for the public services building.

The motion was seconded by councilor Taylor and carried unanimously.

4. **Unfinished Business.**

a. **Ordinance Nos. 789-B, 790-B, and 791-B – Second Reading, Amending the Utility Tax Rate Ordinances.** Mr. Campbell reminded council the changes in the ordinances were being proposed in light of the planned annexation of the Chehalis industrial park. The proposals would make the utility tax ordinances and the way they were applied somewhat more palatable to the larger power users currently located in the industrial park. The proposed effective date of the ordinances would be January 1, 2006, before the annexation becomes effective. He didn't expect there to be a significant impact on existing customers within the existing city limits, a rough guess would be a \$25,000 reduction in total utility tax revenue on an annual basis, with the proposed revisions. Mayor Rider noted Councilor Ketchum excused himself from the discussion and from voting, since the proposed ordinances could affect the company he was employed by. Councilor Spahr moved that the council pass Ordinances 789-B, 790-B, and 791-B on second and final reading. The motion was seconded by Councilor Pope and carried unanimously. Councilor Ketchum returned to the meeting.

b. **Ordinance No. 792-B – Second Reading, Amending the Stormwater Utility Rate Ordinance.** Mr. Campbell reminded council they had talked about the ordinance in multiple meetings and passed the ordinance on first reading last month. He noted the proposed ordinance would make a number of changes to the current stormwater utility ordinance including definitions of retention and detention structures, which offer the opportunity for some savings in utility costs to those property owners who install such facilities. It would also provide that any properties located within the boundaries of flood control districts to be exempt from rates of the city stormwater utility. This would also apply to the Chehalis industrial park in the future, upon annexation. Councilor Spahr moved that the council pass Ordinance 792-B on second and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

September 12, 2005

5. **Staff and Council Reports.**

a. **Council-Staff Work Session.** Mr. Campbell reminded council and staff about the work session on Thursday, September 15 at 5:00 p.m. at the community services activity building.

b. **Housing Needs Assessment.** Bob Nacht reported the city elected to take a look at the housing needs for the city and the urban growth area, and subsequently contracted with Michael Davolio to do an assessment. Mr. Nacht noted the city received a grant from CTED for updating growth management information, specifically the comprehensive plan. Mr. Davolia briefly explained what the document contained and reported, based on the housing needs in the city, the plan seemed to be working. He noted the amount of land set aside in the 1999 comprehensive plan, both within the city and outside the city in the UGA, was adequate to meet the projected needs of the city. He reported the city was well positioned to stay its course in terms of how much land was available for both single-family and multi-family housing. He suggested the city continue looking at housing conditions of the older homes and gave some suggestions as to what the city might look at to help modernize them. He reported it appeared the population trend, in terms of growth, was starting to turn around and the city would start to see moderate increases in population as opposed to the moderate decreases the city had experienced over the last several years. Councilor Pope noted in looking at the current boundaries of the city there wasn't very much area to build on. He reported it was already in the city's growth management plan to go south of town for new construction for the projected increase in population. Mr. Davolio stated that was what was anticipated in 1999 and it hadn't changed any since that time. He suggested the city look at some joint agreements with the county indicating which zoning would govern those areas, and who would permit them. He noted the city should try to retain a measure of control over its ability to meet the projections of the study within the UGA. Mayor Rider stated the city was currently working toward that and it was his understanding there was a new plan coming from the county for an interlocal agreement. Councilor Harris asked what Mr. Davolio meant by modernizing older housing versus bulldozing a block down and rebuilding. Mr. Davolio stated there wasn't a lot they could do with the exterior of the buildings, but they could look at the interior to determine, for example, whether they could be split into smaller units, and still maintain the architectural integrity of the exterior. Councilor Harris asked how they dealt with problems that coincide with transient renters in those types of buildings. Mr. Davolio said some communities had taken the approach that if you create an in-law apartment or a second dwelling unit, you can require that the home is owner occupied, or that the accessory units be rented by a relative of the owner. Councilor Harris asked if the existing homes would be grandfathered in under those kinds of provisions. Mr. Davolio stated no, and explained if something was already there it would be grandfathered in under the requirement, but not a part of it. For the creation of additional dwelling units from the time of an established regulation, they would be. Mayor Rider stated a lot of the information Mr. Davolio shared also fell into what the United Way's needs assessment stated and it was amazing how two different agencies had come up with a lot of the same recommendations. Mr. Davolio stated he didn't believe the city needed to enlarge the UGA, but encouraged council to look closely at strategies for annexation so the city could better control how it would be developed.

c. **Barnes Property Structures.** Mr. Campbell reported over the course of four years the city had several requests from people to demolish one or more of the buildings on the Barnes property for salvage, or to look into moving the house that's located on the property, but noted nothing had come to fruition yet. He reminded council a little over a year ago the city had an approved agreement with an individual to demolish the buildings for salvage purposes, but that person wasn't able to perform and the contract was terminated. He noted the buildings were becoming more of a nuisance to the city because people were vandalizing them. Mr. Campbell reported recently the city had a couple of opportunities come up that would address one or more of the buildings. He stated one individual who contacted the city would like to tear down the barn and perhaps some of the other out buildings for salvage purposes, but not the house. Another family in the business of demolition contacted the city about grinding up everything on the property at a cost of \$23,000. Councilor Spahr stated he hated the thought of grinding up wood that someone might be able to use. Mayor Rider asked if they might consider combining the two, salvaging and grinding. Mr. Campbell stated that could be done, but not to expect the grinder's costs to be significantly less than what they had already quoted, noting they may have some interest in some of the salvage, as well. Mayor Rider suggested the city put out an RFQ to see if maybe someone else might be interested. Mr. Campbell noted that was done not too long after the property was acquired, and the city didn't get any interest at that time. He noted the timing may have been bad, or it may not have been advertised widely enough. Councilor Harris suggested the city have people, organizations, or entities come in and go through and salvage whatever they could and then hire a crew to come in and bulldoze the rest and dispose of it. He thought it might be cheaper than the quote of \$23,000. Councilor Spahr stated that was basically what he was going to suggest. Mayor Rider thought they should salvage what they could first, and from there go with the most economical way to remove the rest. Mr. Campbell suggested giving the city a deadline to find someone to do the work in the fall or winter. If not by then, he suggested looking into contracting to have grinding or some other demolition process take place. Andy Sennes came forward to address the issue of what would be removed from the property by the grinders. He noted that everything would be removed except the foundation, which would be pushed down into the ground. Councilor Pope stated they wanted it to be done in the most efficient and cost effective way.

September 12, 2005

He noted trying to get someone to salvage things may not be the most cost effective way and sometimes you just had to pay to get things done. He asked if Mr. Campbell could have the gentleman who made the proposal to grind the buildings come to the next council meeting to discuss it in more detail. Councilor Spahr thought that would be a good idea. Mr. Campbell stated he would contact the gentleman, and council could contemplate what their options and thoughts were between now and then.

d. **Capital Facilities Committee.** Mayor Rider reported that staff and the chair of the capital facilities committee met to discuss membership. He noted there was a request to have John Panesko appointed to the committee. Councilor Spahr felt that would be a good idea. Mayor Rider had a couple more names given to him for consideration and would bring those back to council at a later date for their consideration.

e. **Officer Assistance.** Mayor Rider stated he received a letter of thanks from Don Nichols of Shelton, WA who was stopped by Officer Nikander for going the wrong way on a one-way street. Mr. Nichols reported Officer Nikander gave him a map of the city and sent him on his way. Mr. Nichols thought Officer Nikander was very courteous in handling the situation and wanted to make the city aware of the class of our officer.

f. **Lewis County Boundary Review Board Update.** Mayor Rider reported he received a letter from Lewis County regarding the five appointments of board members to the Boundary Review Board (BRB): two appointed by the Governor; one by the commissioners; one by the mayors of the cities in Lewis County; and one appointed by the review board. The city's nominee to the governor's office was Larry McGee, Lewis County's nominee was Steve Ward, and the board itself submitted its own nominee. All the names were sent to the Governor's office on July 29. The BRB was still waiting to hear from the Governor's office on their appointments.

g. **Meth Watch Training Session.** Mayor Rider reported the Lewis County Social Services would be having a "Meth Watch Train the Trainer" class on Saturday September 17, 2005 from 10:00 a.m. to 2:00 p.m.

h. **Council-Staff Teambuilding Session Date.** Council set the date of October 12 from 9:00 a.m. to 4:00 p.m. for the council-staff teambuilding session with Dr. Michael Pendleton. He asked that staff and council get back to Caryn Foley to let her know if they would be able to attend.

i. **Resignation From Lewis County Convention and Visitors Bureau.** Mayor Rider reported that Mary Kay Nelson, Executive Director of the Lewis County Convention and Visitors Bureau (CVB), resigned from her position due to changes in board policy and direction. Mayor Rider stated the city received a great product from the hotel/motel tax dollars invested in the CVB. He thanked Ms. Nelson for her hard work and dedication to tourism, not only in the city of Chehalis, but in the county as a whole.

j. **Planned Growth Committee Meeting.** Councilor Spahr reported the committee went over some final language on the county-wide planning policy. They also discussed some UGA additions/requests by different municipalities. He noted the city of Napavine had a large one coming up that might cause some controversy with Chehalis. A GMA meeting would be set sometime soon to talk about the issue.

k. **Sexual Predator Ordinance.** Councilor Spahr reported he read in *The Times* an article on sexual predator ordinances throughout the country. He noted they were locating sexual predators, of a certain class, further away from schools. He asked that staff take a look at the Issaquah ordinance, which required a predator to be at least 1000 feet away from schools, and see if it would fit in Chehalis. He noted he had some people asking him about it and thought they might form a committee to work on it if they needed assistance. Councilor Taylor stated he would be willing to serve on the committee if one was formed.

l. **Wastewater Treatment Plant Employees.** Councilor Pope wanted to clarify with Patrick Wiltzius the number of new employees the city would need to hire once the new wastewater treatment plant was built. He was confronted by a citizen who was told by Representative Richard DeBolt the new plant would require an increase double the staff currently required by Centralia. Mr. Wiltzius reported he currently had 7.5 FTEs running the treatment plant and was expecting it to remain at that level, unless some conditions beyond the city's control such as Department of Ecology requiring another shift or something like that came up. He reported he had not been approached by that or was it in our current permit, which was good for five years. He noted in planning for the facility he was aware of what was going on there and believed the same amount of staff could handle the new facility.

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k. **Fire Department Response To Emergency Situation.** Mayor Rider thanked the fire department for the great job they did in responding to a situation at the airport involving an incoming plane with mechanical problems. He received comments from several citizens that everyone was there and prepared to handle the situation.

6. **Executive Session.** Mayor Rider announced the council would convene into executive session at 7:12 p.m. after a five minute break pursuant to RCW 42.30.110(1)(c) – sale of real estate and RCW 42.30.140(4) – collective bargaining. Mayor Rider noted there would be no decision made after the executive session. Following the conclusion of the executive session, the regular meeting was reopened at 8:20 p.m.

There being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

September 15, 2005

The Chehalis city council met in special session on Thursday, September 15, 2005, at the community services activity building. Mayor Fred Rider called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilors Lund and Ketchum were excused. Staff present included: Dave Campbell, City Manager; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Joanne Schwartz, Community Services Director; Bill Nacht, Acct. Fire Chief; Bob Nacht, Community Development Manager; Patrick Wiltzius, Wastewater Superintendent; Mansoor Ghorbani, City Engineer; Lilly Wall, Recreation Manager; Andy Sennes, Property Manager; Dave Vasilauskas, Water Superintendent; Judi Smith, Public Works Office Manager; and Tracy Paddock, Community Services Office Manager.

1. **Purpose of the Capital Facilities Committee.** Mayor Rider introduced Ann Garrett, chairman of the capital facilities committee. Mr. Campbell reported in talking with the mayor, Ms. Garrett, and the two staff members of the committee, developed a proposed purpose statement/mission statement, which was to conduct a comprehensive city building/facilities study covering the next 20 years, and to make recommendations regarding the needs, priorities, locations, and means of financing for new or remodeled space, including the library and the newly acquired county public services building. He noted it was a bit broader than the one a committee worked on a little over two years ago where they focused on the needs of a police, fire, and municipal court building. The new study would include community services, public works, and the rest of city hall.

Councilor Pope asked if they would be prioritizing facilities according to needs. He hoped they would be able to divide those needs into immediate and long-term. Mayor Rider explained that was his goal and he thought it was Ms. Garrett's, as well.

Jim Hill applauded the mayor and the council for addressing the city's facilities needs again. He hoped they would make the committee a high priority and follow through to make some real facility changes. He noted the purposed statement was a good start, but felt it was incomplete. While the general statement of purpose outlined a 20-year needs assessment, possible locations, prioritization of sites and financing options, it lacked specific direction and limitations, such as a specific timeline for completion; appraisal guidelines; reporting guidelines; public input during the committee finding process; the budget for the work of the committee; and inclusion of architectural/engineering support. He noted there was no clear understanding of who the committee would report to. He noted this was a chance for council to show some leadership and some direction. Councilor Harris thought one of the reasons why generality existed was because they wanted to be less restrictive about the boundaries as to what they were looking for and how they were looking at them. He hoped the committee, in conjunction with the city manager and the mayor and council, would determine their focus as they proceeded forward. He indicated there was some incorrect assessment by some, thinking the council already had a plan, but that was not correct. The council had several ideas and that's why they were setting general parameters. He hoped the committee would determine where the focus should go.

Mr. Hill thought the statement of purpose was good for a purpose statement, but they needed some bullets underneath to give some direction to the committee. Councilor Harris stated rather than dictating to the committee they figured they would let the committee come up with those bullets.

Mr. Campbell stated as the committee begins meeting and addressing questions he was sure they would seek more guidance from the council to get their authority, thoughts and feedback. As far as reporting Mr. Campbell felt it was clear the committee would be reporting back to the council. Councilor Pope stated the city had a prior committee that looked at city facilities and wanted the new committee to look at what was not looked at before. Mr. Hill felt the previous committee did an excellent job and he agreed with their recommendations. He hoped the new committee would have more public input meetings from the onset, rather than after the fact. He also thought it was important to give the committee a budget so they could do the job they were being asked to do. Mr. Hill felt the city needed some new, different facilities as soon as possible. Mayor Rider noted he expected the committee to give him a specific timeline for completion at their earliest convenience. He wanted the issues addressed, prioritized, and dealt with as soon as possible. If there was a need for dollars they would be there, and if they needed something special, the committee could come to council. Mayor Rider stated the committee would report to council and there would be no city staff or council votes on the committee. He indicated the purpose statement was only a guideline for the committee, and the formalization of some of the other issues needed to come from the committee.

Ann Garrett reported she had met with Joanne Schwartz, Dale Miller and Mr. Campbell and what they were doing was having the various departments fill out an extensive survey as to what the needs, wants, and problems were. As soon as they gathered that information they would be calling a meeting of the committee to review the surveys. They would then tour all the facilities. She reported Andy Sennes would be touring with the group to give them an idea of how much it cost to maintain each facility and what the problems were with each building, in order to prioritize. After that time they would then set a timeline.

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Ms. Garrett stated it looked like the group would be meeting twice a month and expected the surveys to be returned within the next two weeks. Mr. Hill noted he trusted Mr. Sennes' input and looked forward to working with the committee.

Councilor Harris moved that the council adopt the purpose statement for the capital facilities committee as read by Mr. Campbell earlier. The motion was seconded by Councilor Taylor and carried unanimously.

2. National Interagency Management Training. Captain Rob Gebhart reported on the National Interagency Management System (NIMS) and the reason for the training. In order to receive and apply for future grant funding the city had to adopt the NIMS. Captain Gebhart explained that we as a city, county, and state had already implemented most of the NIMS procedures, unlike a lot of the rest of the nation. He reported back on September 11 was really when, at a federal level, they determined they needed to take a look at emergency response and come up with a plan so that everyone would work together in a more efficient manner. Captain Gebhart presented the information to council and staff who were then tested as part of the requirement of the NIMS.

3. TIB Application for Louisiana Avenue to Airport Road. Bob Nacht reported he would be talking exclusively about the TIB component of the whole development project. He gave a brief overview of how the city had gotten to the point of where they were on the project and then had Mansoor Ghorbani come forward and explain where the city intended on going and how they would get there. He noted the city had an opportunity to piggy-back with the county on a TIB grant application for the extension of Louisiana Avenue. He reported the county was applying for a TIB grant for the elevation and reconstruction of Airport Road from the dike to the Mellen Street interchange in Centralia. Mr. Nacht reported he spoke to Mark Cook at the county and indicated to him what advantages and drawbacks might occur if Chehalis was to propose to put the Louisiana Avenue portion of their project on the table, along with their TIB grant application. Mr. Cook stated the city brought a lot of points to the table and that it was a good idea to go in on the grant together. The county drafted the grant application and reported because of the nature of how the grant request was put together: multi-agency; private partners; local in-kind dollars; and dollars contributed to project, the actual grant amount was less, percentage-wise, than most other projects. Mr. Nacht felt the grant would be successful, however, nothing was ever guaranteed.

Mr. Ghorbani noted the project would be from Arkansas Way to Mellen Street, at an estimate of \$9.5 million. If the city was successful with the grant we should receive about \$1.2 million for the project. The city's portion was estimated to be \$4.4 million. The project would be done in four phases: Phase I would be to fill the Airport Road Extension from the dike to Arkansas Way for the future arterial roadway section at a cost of \$815,000; Phase II would be to construct a 3,700-foot, two-lane roadway from Arkansas Way, to and over the dike plus full frontage improvements in front of Home Depot by CCA Retail at a cost of \$971,000; Phase III would be to construct 2,100 feet of remaining full frontage improvements fronting Uhlmann including roadway widening, curb, gutter, sidewalk, and street lights at a cost of \$692,000; Phase IV, if the TIB grant is successful, would involve construction of the remaining full frontage improvements on both sides of Arkansas Way to the dike at a cost of \$1,922,000. If the grant was unsuccessful, construction of the phase IV project could potentially be funded by future developers. Mr. Campbell asked at what point any TIB construction could begin. Mr. Ghorbani indicated they should be able to get preauthorization to start spending the money in 2006 for both design and construction.

4. Chehalis Foundation Projects. Councilor Pope reported the Foundation was created for the purpose of providing the city a vehicle by which to develop or restore projects the city would like to see done, but are unable to do because of funding issues. He asked that staff and council come up with a list of projects they felt to be top priority. Ms. Schwartz indicated one project staff felt was a top priority was the kiddy pool at Recreation Park. She noted staff had talked about the Scout Lodge for a number of years, but there were other issues attached to taking that particular project on. Councilor Pope noted, in a survey the Foundation sent out, people were interested in seeing more work done for the swimming pool. Now that the Foundation had been made aware that the kiddy pool was not functioning, they would most likely take that project on before doing any improvements to the swimming pool. Mayor Rider originally wanted to recommend the Scout Lodge, but after discussing the issue with Ms. Schwartz he felt the top priority would be the kiddy pool. He asked that council give any other ideas they might have in mind to Ms. Schwartz and to have her make the recommendation that the kiddy pool be the project the Foundation move forward on. Councilor Pope stated that would be fine.

5. Quarterly Report on 2005-06 Council Goals. Mayor Rider stated he had read over the information provided in the agenda packet and didn't have any questions regarding the council goals. He asked Mr. Campbell if he had anything specific he wanted to talk about. Mr. Campbell stated he didn't, but if there were any other questions from the rest of the council they could ask them now or take them up at a later date.

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6. **Sweeper Update.** Andy Sennes updated council on the sweeper situation stating the original green machine they looked at didn't meet the city's needs. He reported staff had done some extensive searching and met with a contractor who had a machine that met the need they had envisioned. He reported the machine that staff was currently looking at didn't create the amount of dust the original green machine did. He noted the new machine was in the neighborhood of \$30,000, which included the costs of a new trailer to transport the sweeper. He asked if council still wanted staff to continue down the path of purchasing the equipment, indicating it was getting to the point where they needed to put it out to bid. Both Mayor Rider and Councilor Spahr indicated they were still in favor of moving in that direction and both thought it was vital to keep the downtown area clean. Mayor Rider asked that Mr. Sennes proceed forward with the purchase of the new sweeper.

7. **Swimming Pool Update.** Lilly Wall updated council with the numbers on the 2005 pool participation. She reported the city had 17,923 people come through the doors this year. That included all open swim hours, the high school program use, the end of the season programs for the schools, swim lessons, and private rentals. Ms. Wall reported they had six Saturday night open swims which brought in 118 youth and adults. The cost of adding those days totaled \$598, and the revenue received was \$412. She noted there was an opportunity for those numbers to go up once they start publicizing it more, but it really depended on the weather. Ms. Schwartz noted the city had an exceptional program and that Ms. Wall ran a very tight ship with her staff, and was very proud of the job done at the pool, including the maintenance done by Mr. Sennes and his staff.

There being no further business to come before the council, the meeting was adjourned at 7:14 p.m.

Mayor

Attest:

City Clerk

September 26, 2005

The Chehalis city council met in regular session on Monday, September 26, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Tony Ketchum was excused. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Public Hearing – Vacation of a Portion of an Alley Off of SW Riverside Drive.** At 6:00 p.m. Mayor Rider closed the regular meeting and called the public hearing to order. Bob Nacht reported the city had a sufficient petition to hold a public hearing and to address the issue of whether or not the alley should be vacated. He stated the city's development review committee had looked at the issue and had no objections. Mr. Nacht noted the next step would be to draft an ordinance for council's consideration and to get an appraised value of the property so they could proceed with the standard vacation process. Councilor Spahr questioned the number of alley's being vacated. Mr. Nacht reported, just one. Councilor Spahr had some concerns with the properties at the end of the alley, asking if they would have street access. Mr. Nacht reported they would have street access on Sylvenus Street, and noted the city would not allow a property to be landlocked. Mayor Rider asked if and when the city vacated the alley would the property owners at the end of the alley have any rights to that property. Mr. Nacht stated under the law they could claim some sort of a right to a portion of it. Mr. Nacht stated in order to provide logical boundaries to the properties, the city would not include them as conveying a triangle or portion of the alley. If property owners had any other ideas he would expect them to be presented in either the hearing or in the petition. He noted in the absence of that the city would draw a center line and bring everyone to that center line and the two end properties would not receive a portion of the alley at that point. He would expect to make that clear in the ordinance, and in the decision making that would follow. Mayor Rider closed the public hearing at 6:09 p.m. and reopened the regular meeting.

Councilor Spahr asked if all of the lots involved were addressed by signatures. Mr. Nacht believed lot B1, Joseph Kerr, was not involved in the process, but the rest of the lots were. Mr. Nacht noted they could identify in their presentation that 4826 and 4831, should they be under single ownership, be combined into a single tax parcel as a condition of the vacation.

Councilor Spahr moved that the council approve the subject vacation petition(s), and direct staff to proceed with the documents necessary to complete the vacation process. The motion was seconded by Councilor Pope and carried unanimously.

2. **Proclamations.**

a. **Fire Prevention Week – October 9-15, 2005.** Mayor Rider presented Chehalis Firefighter Larry Allen with a proclamation declaring October 9-15, 2005 as Fire Prevention Week.

b. **Crop Walk Day – October 2, 2005.** Mayor Rider presented Crop Walk co-chairperson Dorothy Smith with a proclamation declaring October 2, 2005 as Crop Walk Day.

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

a. Minutes of the regular city council meeting on September 12, 2005, and the special city council meeting of September 15, 2005;

b. Claim vouchers No. 79717-79886 in the amount of \$890,459.09 dated September 15, 2005; and

c. Appointment of Merrilee Kenyon to the Historic Preservation Commission to complete the term of Brenda O'Connor expiring at the end of December 2007.

The motion was seconded by Councilor Taylor and carried unanimously.

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4. Unfinished Business.

a. **Resolution No. 15, 2005 – Demolition and Removal of Barnes Property Structures.** Mr. Campbell reported the resolution followed up on discussion from the regular council meeting on the 12th of September. He asked that council adopt the resolution, which declared the structures on the Barnes property be surplussed. Mr. Campbell stated he had talked with Tim Grochowski about how they would dispose of the buildings. He noted there were at least two or three other interested parties who had contacted the city about possibly going in and taking out some of the items of value before the city destroyed the structures. Mr. Campbell noted one idea staff came up with was, on a controlled basis, allow people who would sign a hold harmless agreement with the city, to have access to the property, perhaps one or two days. After that point the city would have the grinders come in and clear the property at a fee of \$23,000. Mr. Campbell wasn't sure of the final costs, after allowing interested people to remove items from the property. Councilor Spahr thought they might want to have an antique dealer come in and get rid of the property for the city, and make money in the process. Mr. Grochowski came forward to say they were going to have to come up with a hold harmless agreement to say the city wouldn't be responsible for any injuries. He wasn't sure how that would work and stated there really was no fair way to do it. Mr. Grochowski indicated he would prefer to just have the grinders come in and take care of all of it. Mayor Rider stated the last time he visited the property there really weren't a lot of easily accessible items left, anything of value had been pretty well picked over. Mr. Grochowski noted the only salvageable things left might be the windows and barn boards. Mayor Rider suggested council surplus the structures and allow staff to figure out how to get it done.

Councilor Spahr moved that the council suspend its rules requiring two readings of a resolution. The motion was seconded by Councilor Harris and carried unanimously. Councilor Spahr moved that the council adopt Resolution No. 15-2005 on first and final reading. The motion was seconded by Councilor Harris and carried unanimously.

5. New Business.

a. **Resolution No. 14-2005 – Adopting the National Incident Management System (NIMS).** Joanne Schwartz reported once staff had the training and adopted the incident command system, which the city had been doing for years, each jurisdiction was required to pass a resolution by September 30. She noted the city would re-adopt NIMS again with the county, once the county comprehensive emergency management plan was updated. Ms. Schwartz indicated the city was just adhering to federal guidelines.

Councilor Taylor moved that the council suspend its rules requiring two readings of a resolution. The motion was seconded by Councilor Lund and carried unanimously. Councilor Taylor moved that the council adopt Resolution 14-2005 on first and final reading. The motion was seconded by Councilor Lund. Mayor Rider noted, under the minimum requirements, it indicated the adoption of the NIMS principles and policies was a requirement. He asked what would happen if the city didn't follow their principles and policies to the letter. Ms. Schwartz stated she couldn't give the mayor an answer as to the detail of it, but the city would be working with the county to establish that information. The motion carried unanimously.

b. **Revised Countywide Planning Policies.** Mr. Campbell reported the revised countywide planning policies came to them from the Lewis County planned growth committee. He noted the countywide planning policies were the framework not only for the city's comprehensive plan, but also the county's itself and other cities within the county. Bob Nacht reported the Growth Management Act of 1990 provided that all counties and cities planning under the act may review and revise their comprehensive plans annually and must do it at least once every five years. He noted the revised countywide planning policies had been ratified by the planned growth committee and had been distributed to the local jurisdictions for adoption of the proposed revisions. At this point and time the county was requesting that Chehalis take a look and determine if there were any other comments or changes on them and if not, ratify the revised planning policies.

Mayor Rider questioned item 5.10 - "outside UGAs commercial and industrial development should be encouraged along major transportation corridors consistent with the comprehensive plan." He thought the city couldn't do that. Mr. Nacht reported the concept was that outside of the UGAs commercial and industrial development should be encouraged along the I-5 corridor, consistent with the comprehensive plan. He noted that was in opposition to allowing it to occur elsewhere outside the UGAs. Mr. Nacht reported it had to do with the county's ability to designate fully contained communities in UGAs, other than just cities. He noted it eluded to direct the county to create those planned communities outside of the UGAs along the I-5 corridor. Mayor Rider noted commercial and industrial development didn't constitute a planned community and that you would need residential, and 5.10 didn't provide for residential. Mr. Nacht stated industrial and commercial development could be created under the RCW, but the county had the ability to create an industrial, job-based UGA. Mayor Rider asked if that was similar to

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the Cardinal Glass scenario. Mr. Nacht stated that was correct. Councilor Harris believed there was some confusion between 5.9, 5.10, and 5.10.1 in how they were numbered, and noted the issue with planned communities was addressed in 5.8. Mr. Nacht stated should the Board of County Commissioners adopt the countywide planning policies, the code reviser would renumber them appropriately.

Councilor Spahr moved that the council endorse the recommendations of the Lewis County planning growth committee regarding the revised countywide planning policies. The motion was seconded by Councilor Pope. Councilor Spahr noted the memorandum regarding the expansion of the growth boundaries was not part of the discussion. Mr. Nacht noted the memorandum was for information only. He stated council went through the process and addressed the issues last July. He reported the information had been presented to the Lewis County planning commission and they will address the issues beginning in October. The motion carried unanimously.

c. **Boundary Review Board (BRB) Appointments.** Councilor Harris asked what the status was on the BRB. Mr. Campbell reported the Governor made her appointments and they were announced in the local media the previous week. Mayor Rider noted the appointments were John Penberth, former Pe Ell mayor, and union organizer Charles Lascrain.

d. **Bids for Louisiana Avenue–Airport Road Connection Filling Project.** Bob Nacht reported the city was committed to a June 1, 2006 deadline to have a road in place. He indicated the city really didn't have any other alternative project or proposal that was a viable alternative to what they were looking at now. He stated the recommendation was to award the bid to the lowest responsible bidder, Dulin Construction, Inc. in the amount of \$1,430,478. Mr. Nacht noted council had considered previously approximately \$1 million for the project. Mr. Nacht suggested council consider increasing the interim loan the city currently had for the project to cover the bid price with the expectation that the loan would be paid off with the proceeds of the sale of the property at the end of the year. Councilor Spahr stated in all his years he had never seen a bid be so far off from the engineers estimate and wondered how that might have happened. Mr. Nacht reported one of the issues they were looking at initially was an expectation that at least two of the local bidders would have some less expensive common borrow that would have been presented in the bidding process. In looking through the bid tabulations it became apparent it was not presented. He noted the lower end of the bids were reasonably close together. He stated the bids reflected the market price of the project, and they were all good bids for market price. He noted the engineers estimate was based on expectations that didn't come to fruition. Councilor Spahr wanted it noted that the work being done was not the work of Home Depot. The project was required by the city in order to improve city property and this was just development costs, which would make the rest of the property a lot more valuable. Mayor Rider stated Home Depot was only required to put the street in at grade, and the fill was part of the development the city was putting in, to raise the level up to where it needed to be and to make it accessible for up to five lanes. Mr. Nacht noted the primary issue the city started out with was the elevation of the street was not unique to Home Depot, meaning their traffic wouldn't cause the impact that would require them to mitigate it. He noted the city was dealing with flood plain and topography, that by city standards needed to be raised enough to work for all future development in the area. Mayor Rider noted the \$1.4 million was going towards an improvement to service not only the piece of property that was sold, but also to service the additional 60-plus acres remaining. Mr. Nacht noted it also allowed for the connection for a minor arterial that would bypass the freeway between Chamber Way and Mellen Street.

Councilor Spahr moved that the council award the Airport Road extension fill project contract to Dulin Construction for \$1,430,478, authorize the finance director to increase the existing loan amount for this project to cover the contract price and the special construction inspection, and authorize staff to hire a local engineering firm to assist the engineering division with special construction inspection for this project. The motion was seconded by Councilor Taylor and carried 5 to 1. Councilor Harris voted against the motion.

6. **Staff and Council Reports.**

a. **Employee Service Awards.** Mr. Campbell reported that two employees would be receiving recognition for their years of service. Andy Sennes, Property Manager – 20 years, and Monte Marine, Engineering Technician II – 25 years.

b. **Lewis County Needs Assessment.** Joanne Schwartz reported in the past year there was a project that involved United Way of Lewis County Board of Directors and Leadership Lewis County to do a countywide needs assessment. Ms. Schwartz reported the city provided \$2,500 for the project to help offset costs. She stated there were no surprises that came out of the assessment, noting everyone recognized what the issues are within the county. Ms. Schwartz reported the number one issue was good paying jobs, and the second was the issue of drugs in our community. She stated not only were they aware of the issues, they had been working on them for a very long time. She noted one of the immediate benefits from the

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assessment was that the city would be able to use the information for grant applications requiring statistical information, and long-term the city could use the information for goal setting purposes.

c. **Annual Recertification of the Community Rating System (CRS)**. Mr. Campbell reported the annual recertification of the community rating system would qualify the city to receive a 20% discount for the purchasers of flood insurance, including the city itself. Ms. Schwartz reported she was very proud of where they were with the CRS and the staff who worked on the project.

d. **2006 Budget Work Sessions**. Mr. Campbell asked council to set a meeting date on the third or fourth Tuesday of October to start going over the recommended budget. Mr. Campbell stated they should plan on three separate work sessions starting at the end of October. He stated he would let everyone know the exact dates, times and location as soon as he had them set up, but to expect them to take place on Tuesday evenings at the end of October and first of November.

e. **Confirmation of Mayor Rider as the City's Primary Member on the Lewis County Convention & Visitors Bureau**. Councilor Spahr moved that Mayor Rider be confirmed as the city's primary member on the Lewis County Convention & Visitors Bureau. Councilor Harris seconded the motion and it carried unanimously. Mayor Rider stated the council should think about who they want as an alternate for that position.

f. **Foundation Project**. Councilor Pope asked if Ms. Schwartz had received any response to her request to have council submit their ideas of what projects the city might want the foundation to look at. Ms. Schwartz stated she had talked with Councilor Lund who did talk about the two projects already discussed, the Scout Lodge and the kiddy pool. Councilor Pope reported one of the projects the foundation talked about was the kiddy pool, and while it needed some work done to it, the foundation considered going ahead with a project to enhance it. He asked if council would agree with that idea as their first city project. Bill Hillier stated the foundation solicited for projects with the intent of focusing on something within the city that showed a current need. He stated early returns showed that the kiddy pool would be the project selected by the foundation. Consensus of council was to allow the foundation to add the kiddy pool to their list of projects to consider.

g. **Special Thanks to City Employee and Waste Connections**. Mayor Rider reported he had received a letter of thanks from a utility customer who stated Dick Bartel from the water department had been very nice and helpful when responding to his broken water pipe. He also received a letter passing along a complement about the city's garbage company.

h. **Chehalis River Basin Partnership**. Councilor Spahr stated the partnership met, and were still working towards phase four. He reported they were working on a volunteer monitoring of the river for water quality. They looked at some water levels and reported the river was holding very well to the required statutory flows. He noted Patrick Wiltzius had a DVD from when they dove down to the outflow to examine it for repairs. He noted the interesting thing about it was all of the fish that were congregating around the outflow, especially since they were not supposed to be able to live in the area around the outflow.

i. **Sexual Offenders Ordinance**. Councilor Spahr noted he received the ordinance from Issaquah and hoped that staff would be able to look it over before the next meeting and discuss it at that time.

j. **Airport Pump Station Nearing Capacity**. Councilor Lund had a question regarding a letter written to Rick Peterson regarding the pump station situation at Kmart and asked how aggressive the city intended on being. He didn't want crews going out at Christmas time telling businesses they couldn't open up because they wouldn't have sewer services. Bob Nacht responded by saying the city had identified the Kmart pump station as nearing capacity, but it hadn't failed yet. One of the issues staff was working on with the Twin City Town Center development was the city wants to make sure the developer gets the situation taken care of before they get to a point of failure, or to a point where the city couldn't handle it.

Mr. Nacht reported currently the city had two proposals for additional buildings in the area near the Appleby's site. City staff is currently reviewing whether or not we need to condition those building permits on the fact that he obtain the analysis and do the upgrades before the city will issue tenant permits for those buildings, so the city doesn't run into that situation. The city engineering staff and wastewater treatment staff were all looking at it and were trying to coordinate an effort to determine how much capacity the pump station has left. He noted Mr. Peterson had been advised from day one that this was going to happen and the letter was to advise Mr. Peterson that it was nearing, and he needed to look at it right now. Mayor Rider stated from his perception, Mr. Peterson was notorious for not getting things done until the last minute, and had also heard Mr. Peterson had failed to pay some of his contractors. He asked if the city was getting too far into Mr. Peterson where he could walk away and cause the city to not be able to move forward. Mr. Nacht stated in his opinion, the city was not because all the permitting was

September 26, 2005

on record, and Mr. Peterson had a number of conditions he had to comply with. Mr. Nacht stated should Mr. Peterson fail to perform, there were a number of abatement actions, or possibly even damage actions that could be filed, but he didn't see that happening because Mr. Peterson had so much invested there. Mayor Rider stated the city shouldn't be issuing temporary occupancy permits until the issues are taken care of. Mr. Nacht asked the Mayor and council to recollect that they negotiated a development agreement with Mr. Peterson that provided him with certain temporary certificates of occupancy in the agreement. Mayor Rider stated he understood that, but didn't want Mr. Peterson to keep building buildings and go down the road. Mr. Nacht stated there was communication going on with the development for some of the issues not happening at this time. He also noted Mr. Peterson had not proposed any structures beyond what the agreement said he could have except the two that were under review at this time, that the city had not made a decision on yet. He noted his expectation on the matter would be that if they issued the shell permits there would be conditions that the tenant improvements permits would not be issued until the analysis and upgrade of the Kmart pump station was accomplished.

Mr. Wiltzius came forward and explained the city had two pump stations in the area, The one on the corner by Wal-Mart, currently designed with the developments in line that pumped down the road to what they refer to as the airport pump station. He noted the airport pump station was a very old pump station that was real close to nearing capacity. He reported the pumps were old and once a week they had to be pulled out. Mr. Wiltzius recognized the pump station as a weak link in the system, so he ordered another pump for the winter, just in case one goes down. He stated the city was at the point of needing an analysis to determine where they were, what they had coming in, and make a decision on whether they just need to upsize the pumps and use the existing structure with some new electronics.

7. **Executive Session**. Councilor Spahr stated he had another matter for executive session that had to do with pending litigation. Mayor Rider announced the council would convene into executive session at 7:34 p.m. after a five minute break pursuant to RCW 42.110.(1)(c) - sale of real estate, and RCW 42.110.(1)(i) litigation, and indicated there could be a decision following the conclusion of the executive session.

Following the conclusion of the executive session, the regular meeting was reopened at 8:05 p.m. Mr. Campbell stated he would prepare a news release and contact the news media to let them know there would be a public hearing on October 10 to consider declaring the property known as "Duffy Park" as surplus.

There being no further business to come before the council, the meeting was adjourned at 8:05 p.m.

Mayor

Attest:

City Clerk

October 10, 2005

The Chehalis city council met in regular session on Monday, October 10, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Harris was excused. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Public Hearing – Potential Surplussing of “Duffy Park”.** At 6:01 p.m. Mayor Rider closed the regular meeting and called the public hearing to order. Dave Campbell stated the public hearing was to decide whether or not the city should declare surplus and dispose of 4.5 acres of land referred to as “Duffy Park.” He reported the land was hillside, located between the Crestview and Valley View subdivisions, between SE Crestview Drive and Prospect Street, listed as 0 Sterling Heights Road in the county assessor records. Mr. Campbell reported state law mandated the city to hold a hearing before property that was estimated to have a value of \$50,000 or more, was disposed of. Currently the assessor records value the bare land at a little over \$76,000, while a recent appraisal done for a private party valued the property at \$120,000. He noted if it was considered a park the city had no current plans for developing it, or using it as a park in the near future. He reported the property at the time was referred to as “Duffy Park” was logged and the proceeds helped pay for the development of Penny Playground, and some other parks and recreation facilities. At that time there was some idea the property would become a learning forest, after it was replanted. He stated that never occurred, at least not extensively.

Councilor Spahr stated council needed to make the decision of whether they wanted staff to prepare a resolution to declare the property surplus or not. He had concerns that the appraisal was low, but was sure the city would have another appraisal done. He also stated once they had a resolution, council would make a decision on how they would market the property. Mayor Rider noted they could conceivably make that part of the resolution. Councilor Spahr wondered if they might be able to put some restrictions on the property, that it be developed in so many months or years. Mr. Campbell believed council could probably put restrictions or covenants on the property, but noted if council wanted to get the best return on the property, the fewer restrictions on the property the better. Councilor Spahr indicated he wasn't talking about putting restrictions on what they do with it, but when to have it developed by. He stated if they weren't going to have it developed to become part of the tax base, the council may as well leave it in the city's inventory, as the value of the land would only go up.

Rene Remund, representative for the Mr. and Mrs. Klumper, the party interested in the property, came before council to discuss the interest of the Klumpers. He stated perhaps in the end the value of the lot was a matter of negotiation between the city and the interested parties for whatever use it may have. He indicated the development of a home on a piece of property wouldn't necessarily result in a greater benefit, noting homes and children would only be an expense to the city

Kathleen Hylkema (390 SE Hillsdale Lane) reported she received a letter in the mail stating there was park property that was going to be sold off. Ms. Hylkema lived at the end of Hillsdale and indicated they currently had drainage problems in that area from water coming down off the hill. She noted there was normally sitting water on the property behind her lot, and she was afraid if they took the trees out it would cause more problems downhill. She also understood the property to be an educational forest, and if the purpose was given as a park in 1902, it should stay a park. Mayor Rider stated it was his understanding it wasn't actually a park, but located in the Duffy Park addition, and owned by the city since 1902. She stated she would like to see the park stay as a green space.

Lyn Simmons (382 SE Valley View Way) stated she just bought the property behind Ms. Hylkema and part of the appeal of their property was the park. It was also her understanding it was zoned for use as a park and there was talk of developing trails in that area. She also had concerns about the drainage in the area if the trees were taken out. She felt it had great potential for being a park and was not in favor of surplussing the property. She was fully in favor of developing the property for use as a learning area for the local schools. She felt the city should keep what open areas it had in the city since there was so very little left. She encouraged council to consider the drainage issue since it was a hillside, which could potentially be a nightmare for the existing property owners.

Susan Shepherd (500 SE Prospect) asked, with property in the city limits of Chehalis at a premium, why the city would consider selling something that wouldn't be regained in the future, and in who's best interest was it in to sell the property. She asked if there had been any communication by the city to offer the area to local educators, or to let them know it was available. She felt it was a great opportunity for teachers to be able to take kids on-site without spending a lot of money for transportation.

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She and others in the area felt there were problems with the sewer in that area, as well. Ms. Shepherd thought it was in the city's and citizens best interest to keep it available for the use of the citizens.

Connie Van Egdon (520 SE Prospect) thought it was important to keep the natural areas the city had. She also had a problem with the way property was being developed in that area, stating the city was not looking into the concerns of water and sewer problems. She noted there had already been several complaints about the sewer odor, and thought the city should look at the problems it would cause if more property was developed in that area.

Mayor Rider closed the public hearing at 6:21 p.m. and reopened the regular meeting. Councilor Spahr stated he was unaware of any sewer problems in the area and asked what was being done to address the issue. Tim Grochowski believed Patrick Wiltzius was working on it and that the odor was caused by the slope of the sewer lines going downhill. Councilor Spahr stated he would like to hold off making any decision until staff had an opportunity to look at city services to see what was going on. Councilor Ketchum agreed stating they needed to look and see if there was in fact a drainage problem and find a solution to fix it. Mayor Rider stated if there was also a problem with the sewer system they needed to address that, as well.

Mayor Rider reported the property was currently zoned R1, which would allow up to 16 homes to be developed on it. Councilor Lund asked if the city shouldn't check into the stability of the hill. Mayor Rider stated it wouldn't be a bad idea, but before anything was decided they needed to look into the concerns of the citizens. He thought the proper thing would be to table the matter so staff could bring back information on it. Councilor Spahr stated the subdivision on Crestview was put in before it was annexed into the city, and the standards at that time were not as they are today.

Councilor Ketchum asked how they could find out if there might be interest in using the property as an educational forest. Andy Sennes addressed the question stating they dealt with the natural resources instructor at the school, the Boy Scouts, and Centralia College. He stated it was tight times and hard to get buses up the hill, along with a variety of other issues as to why the schools hadn't followed through as a partner with that program. Mr. Sennes noted it was a great concept while going through it, but it was just hard for them to tie it all together. Councilor Ketchum asked if it shouldn't be investigated again. Mr. Sennes stated he had not talked with the Chehalis schools about it because there was no interest in it, but said it was definitely worth making contact to see if there might be any interest at this time.

Mr. Remund reported the comments stated had principally been concerns about the development of the property, to make it something with 16 units. He stated there was the opportunity to avoid that problem, and it was possible his clients might be willing to enter into an agreement that would stabilize the area similar to what it was today, which in effect would allow the city to have its cake and eat it too. He stated the question was, at the end of the day, did the city have any use for the property, and it appeared that it did not and in that case it did fit the definition of surplus.

Councilor Taylor asked that the public works department bring back a report on the 24th stating what they were doing to address the problems up on the hill. Mr. Campbell stated they would plan to have a staff report in two weeks regarding calls for service or inquiry about issues up there, and address them from a planning standpoint to see whether the hillside fell under the critical areas ordinance. Councilor Taylor asked if they shouldn't have a separate meeting to discuss the one issue so they could talk about developing a plan to fix it. Mayor Rider stated it sounded like there were two issues: one to address the concerns of the citizens living up there; and, two the issue at hand of whether they move forward with surplussing the property, or tabling of the matter. His thought was to table the issue until they resolved the other issue. Councilor Spahr moved to table the discussion until the next meeting. The motion was seconded by Councilor Taylor and carried unanimously.

2. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following items:
 - a. Minutes of the regular city council meeting of September 26, 2005;
 - b. Accept the Fairview waterline project as complete and release retainage in the amount of \$8,588.91 to Pape and Sons Construction, Inc.; and
 - c. Accept the FY 2005 STOP Grant of \$30,134 with a match of \$11,048 to be shared equally with the city of Centralia for the purpose of combating domestic violence and sexual assault.

The motion was seconded by Councilor Lund and carried unanimously.

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3. **New Business.**

a. **Extension and Widening of Louisiana Avenue and Arkansas Way – Quit Claim Deed and Notice of Dedication.** Mr. Campbell explained both of the actions in the agenda report related to the conversion of real property into dedicated right-of-way for purposes of future development, and/or information as to what the status of the property was. Bob Nacht stated there were two separate issues: the first issue was the portion of Louisiana Avenue that lay within the property owned by the Chehalis-Centralia Airport. The second issue was a section of Louisiana Avenue that lay on the Barnes property, owned by the city of Chehalis. In reviewing how to get the dedicated right-of-way up through the development so the city could mitigate the traffic, as originally intended to do two years ago, they found that city standards required a 104-foot right-of-way dedication. The portion of NW Louisiana Avenue that currently existed on the airport property was about 90 feet wide. The portion of the project that dealt with the airport property would increase the dedicated right-of-way from 90 feet to 104 feet wide. The portion of the dedication that occurred on the Barnes property was there was no existing right-of-way, would be 104 feet wide to start with. The easiest way for dedication to occur was for the city to quit claim to itself a dedicated right-of-way on the portion of Louisiana Avenue extension upon the airport right-of-way because of the joint ownership with Lewis County. Mr. Nacht reported it had all been discussed with the city attorney's office. He stated the portion of the Barnes property could be done with a notice of dedication. The concept was to allow the city to proceed by authorizing staff to execute the documents, have the city manager sign them, and have the city attorney process them to effectively create a 104-foot right-of-way from NW Chamber of Commerce Way to Airport Road.

Councilor Ketchum moved that the council approve the two subject dedications of rights-of-way for the NW Louisiana Avenue extension from Chamber Way to Airport Road, and direct the city manager to sign and record the necessary documents. The motion was seconded by Councilor Lund and carried unanimously.

b. **Newaukum Village Waterline Final Assessments.** Mr. Campbell stated the topic followed up on the construction of a waterline in the Newaukum Village subdivision. He reported the city, with the help of the neighborhood association, was initially able to get a grant through the State Department of Health to help finance the waterline project. That grant paid for some of the costs, but not all the them. He reported some of the costs had already been paid by property owners in the subdivision, but there remained some costs that needed to be recovered that the grant didn't pay for. Jim Larson stated from the beginning it was understood that the city would not pay any out of pocket expenses for the project. Mr. Larson stated they took the total costs and subtracted the revenues already collected, which included the grant and the \$3,300 per lot that was collected from the property owners, leaving the outstanding balance. That amount was divided equally among the property owners and came out to \$517.40 per lot. He stated the total benefit to each lot because of the grant, was more than \$5,000.

Mr. Larson noted there was informal discussion in the past that the city might be willing to offer financing for the remaining assessment to the property owners. He indicated if the council authorized staff to finance the outstanding balances, the city would be required to charge a finance charge, to pass along the expense of offering the service. Mr. Larson thought it was reasonable to finance the amount over a 20-month period (ten billing cycles). For those who were current water customers, the city would attach the monthly amount onto their water bill, and for those who were not, the city would have to work out another way to collect those funds.

Councilor Spahr moved that the council authorize staff to offer Newaukum Village property owners the opportunity to finance the final project assessment of \$517.40 over 20 months at an annual interest rate of four percent. Councilor Pope seconded the motion. Councilor Ketchum asked if the property owners were aware of the additional costs that were going to be billed to them. Mr. Larson explained he hadn't made formal notice to them, but met with the leaders of the homeowners association about it, and thought they would make the property owners aware that it would be coming. Before he sent any final notice he wanted to have the offer of financing so it would be part of the package.

Councilor Lund stated the city needed to be looking out for the citizens of Chehalis and made a motion to amend the original motion and charge nine percent instead of four percent. The amended motion died for a lack of a second.

Mr. Larson stated if they wanted to have a higher interest rate it might be worth surveying some banks to see what they would loan it at. Mayor Rider stated he didn't disagree with Councilor Lund's analogy, but didn't believe the city should be making a profit from it. He stated those property owners were in the city's UGA, and they were paying their way. The original motion carried unanimously.

October 10, 2005

4. Staff Reports.

a. **2006 Budget Work Session Dates, Times, and Locations.** Mr. Campbell reported the first budget work session would be on Tuesday, October 25, and two subsequent Tuesdays after that date. The work sessions would start at 5:00 p.m. at the community services activity building.

b. **5:00 p.m. Work Session Before the Regular Meeting on October 24.** Mr. Campbell reported he would like to have a 5:00 p.m. work session with the council and parties interested in having the city potentially supply water to an area being developed near Napavine, referred to as the Napavine industrial park. The meeting would take place before the regular meeting.

c. **Speed Bump Survey Results.** Tim Grochowski reported public works sent out 182 surveys to residents on Chehalis Avenue, William Avenue, Washington Avenue, Adams Avenue, and 21st Street, and received 99 back (54%). The residents were asked what they liked and didn't like about speed bumps. He noted some of their responses: 57% said there was no less traffic in the area of speed bumps; 64% said it did lower the speed; 67% liked them; 75% said not to remove them; and 75% said not to install anymore on their street. He stated their message seemed to be don't add any more and leave the current speed bumps alone. Councilor Ketchum asked if there was a way to break down the percentages by area. Mr. Grochowski stated they could, and he would get that information back to council. Councilor Spahr asked if staff could lower the speed bump on 21st Street. Mr. Grochowski indicated that was in the works.

d. **Neighborhood Meeting Results.** Mr. Grochowski reported last Tuesday they had a speed bump meeting with the residents on SE Adams Avenue between 6th and 9th Streets after receiving a petition requesting speed bumps be put in that area. Mr. Grochowski reported 27 people attended the meeting, along with Chief Boes and Sgt. McNamara. Mr. Grochowski reported the police department had only received three calls to dispatch from 2003 to 2005 to complain about speeding in the area of SE Adams. At the neighborhood meeting Chief Boes reported that emergency vehicles needed to slow down for speed bumps and if there was a series of them, response time would be even longer. Mr. Grochowski reported the residents living on Adams Avenue between 6th and 8th didn't want the bumps put in, because of delay in emergency response and the removal of several trees to accommodate street signs. It was decided that no bumps would go in that area. However, the residents between 8th and 9th wanted a speed bump installed in their area. Mr. Grochowski reported staff would be putting in one bump, with street signs later in the week, and would also be working on 21st Street to repair that speed bump at the same time.

Mr. Grochowski reported there was also a request to put in stop signs on 8th Street and Adams Avenue, but staff felt it didn't warrant any. Chief Miller talked about increasing enforcement in that area.

e. **Postponement of SW Chehalis Avenue Overlay Project.** Mr. Grochowski reported staff had made repairs and the railroad had improved the railroad crossing on SW Chehalis Avenue. The city put in 300 feet of 24-inch storm pipe, which would help storm drainage in the area. Mr. Grochowski met with a consultant last June who said he could put a contract together with bid documents for about \$10,000 to \$12,000. Mr. Grochowski and Mr. Campbell felt the city engineering department could do it in-house for less money. Mr. Grochowski met with the city engineer and the building department and they decided the project would be done in-house. Because it took a little longer to make repairs to the street, and the weather conditions were changing, Mr. Grochowski recommended waiting until next year to do the overlay. Councilor Ketchum stated he appreciated staff filling in some of the major potholes. Mr. Grochowski added they would be ready to go out to bid next April.

f. **Report on the Inspection of the Water System by the Department of Health, Office of Drinking Water (ODW).** Dave Vasilauskas reported the Washington State Department of Health recently conducted a sanitary survey of the city's water system facilities, which was required every three years. John Blacklaw, ODW Regional Engineer, conducted the survey and reported the system was in very good order, with only a few recommendations. Staff had since made the necessary changes.

5. Council Reports.

a. **City Newsletter.** Councilor Lund asked what had happened to the city newsletter. Ms. Schwartz reported staff was behind schedule and she had been working with Frank DeVaul on it.

b. **News Release -Chief Boes Resigns.** Mayor Rider stated he had received a news release indicating Chief Boes was "going fishing." He and Mr. Campbell reported the city would miss Chief Boes and appreciated the four-month notice, but were wishing for four years instead. Mayor Rider wished Chief Boes well. Chief Boes stated he appreciated the comments made to the media. His last day would be January 31, 2006.

October 10, 2005

c. **Chamber Way Roundabout Public Information and Outreach Funding.** Councilor Pope asked if the city had a contract with the chamber for public relations on the roundabouts. Mr. Campbell stated the contract was actually through Lewis County, since they were administering the funding for the design and public information. Councilor Pope asked if the city would be funding any of that part of the project. Mr. Campbell reported the funding from the county paid for all of the public information and outreach except for the "celebration", or the final acknowledgement and completion of the project at the end, but the city itself was not paying for it out of city resources. He noted it was coming from funding the county had available to it from years ago that originated with the federal government for interchange improvements throughout Lewis County.

d. **Resignation of City Manager Dave Campbell.** Mayor Rider read a letter addressed to council from Mr. Campbell. It stated that Mr. Campbell would be resigning effective November 15, 2005 to join the city of Longview as their assistant city manager. Mr. Campbell wanted to thank council and their predecessors for the opportunity to grow professionally and lead an organization that served the community well. Mr. Campbell said that to miss it was an enormous understatement, but in leaving he was also heartened by his belief that the future was bright. Once again, Mr. Campbell thanked council for allowing him to be part of the community and its city government, writing he would never, ever forget them or the other wonderful people of Chehalis.

6. **Executive Session.** Mayor Rider announced the council would convene into executive session at 7:09 p.m. pursuant to RCW 42.30.110.(1)(g) public employees. The regular meeting was called back to order at 7:18 p.m. Councilor Ketchum, with great reluctance, moved that the council sadly accept the resignation of Dave Campbell. The motion was seconded by Councilor Lund and carried unanimously.

Mayor Rider noted the council now had to make a decision on how to best fill the vacancy. Councilor Spahr suggested the city contact Waldron and Associates to see if they might have some candidates the city might be interested in. Mayor Rider stated the city would be very lucky to find a permanent replacement in the amount of time left and may need to look at an interim, whether it is internally or through an organization who supplied interim executive directors. Councilor Lund felt the city had a very dedicated staff that worked hard and were qualified to fill in. He felt the city didn't need an interim city manager, but should make someone like Jim Larson, acting city manager. Councilor Spahr stated they could make that decision in two weeks, once they get some information back. Mayor Rider stated it was a good suggestion, but didn't want to make any decisions without any thought. Mayor Rider set the meeting for the following Monday, October 17 at 5:00 p.m. to discuss the matter.

There being no further business to come before the council, the meeting was adjourned at 7:24 p.m.

Mayor

Attest:

City Clerk

October 17, 2005

The Chehalis city council met in special session on Monday, October 17, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle*.

1. **Pending Vacancy in City Manager's Position.** Mayor Rider announced the goal of the meeting was to determine a motion on how to proceed with the replacement of the city manager.

Mr. Campbell presented a report to council about the options available. The first choice seemed to be whether council would want to fill the position on an interim basis or with a "permanent" appointment. Mr. Campbell recommended that the current council act on the interim appointment and wait for the new council to begin to take up the idea of a permanent appointment. Staff identified three options: (1) internally within the city from among the department heads; (2) externally within the local community by someone who had managerial experience; or (3) externally within the region by someone who had managerial experience, probably in local government.

It was the consensus of the council to prioritize the list to first look internally for the interim, secondly to look in the local community, and thirdly to look externally, through a company, within the region. Councilor Spahr felt they should put some interest out in the community that the city may be going in that direction, so people could be thinking about it. He felt the media would be the best way to get the information out there. He stated if council was unable to find an interim internally, they needed a process that would work quickly. Mayor Rider suggested sending out an internal memo to all the department heads to see if any of them were interested, and request that they put in a letter of interest by the following Monday. Mayor Rider reported that Mr. Hillier indicated that would constitute an application and council could go into executive session at the next meeting to discuss the qualifications of any applicants. Mayor Rider stated if they wanted to do the first and second steps simultaneously they could ask Ms. Stanton of *The Chronicle* to put something in an article, or they could do a news release, or an ad to request anyone in the community with interest to respond. Councilor Harris asked if they could develop some sort of a general timeline to go into step two. He noted if they spent too much time looking locally, and weren't successful, they would be cutting themselves short for the interview process from the external search.

Mayor Rider noted the interim person needed to be on board by November 15. Councilor Ketchum felt they should put it out to the public before the following Monday so they could discuss it at the following meeting. Mr. Campbell stated Monday, October 31 was available if they wanted to schedule a special meeting on that day. Mr. Hillier stated a legal notice would require a 14-day notice, which would put them at the 31st. He stated if there were interested people in the regional area, it wouldn't take long for them to get a letter of interest back to the city within the 14 days.

Councilor Lund stated he felt there was someone internally who could do the job and asked why they needed to put ads out and get people's hopes up. Councilor Ketchum felt they needed to have some options. Mayor Rider thought they might have a couple of staff members who might be interested in filling the interim position and probably didn't need to go outside, but if for some reason that didn't happen they shouldn't waste any time getting the interest out in the community.

Mr. Hillier reminded council they couldn't move forward without an applicant. He stated all they needed to do was put out a notice seeking internal candidates and the council would make a decision by the following Monday. If there were none or none that were sufficient, then on the 31st they would have another meeting to see if there was any interest from the local community. That would give 14 days, from the day of the notice, for people in the community to get their letter of interest in, and if council made a decision by the following Monday, then there would be no need for anyone to submit a letter.

Mayor Rider asked if they should contact a professional firm ahead of time and let them know they may be coming to them for their service, so they could start gathering names. Councilor Pope noted they were looking for a permanent position anyway, and if they were going to select a professional group to do that, then they should go ahead and contact them to let them know we would be looking for a permanent replacement, and tell them we may also be looking for an interim. Mayor Rider indicated they didn't want the interim and the replacement to be the same person. Mayor Rider asked if staff had any recommendation on any of the companies that were mentioned in the agenda packet. Mr. Campbell noted council might want to meet with representatives from each company, and in effect interview them. That way council could get a feel for the process they normally go through, and what kinds of information they would want from council, and what the price ranges would be.

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Mayor Rider asked if they should set up a committee or have the whole council be in on the interviews. It was the consensus of the council to have everyone involved. Mr. Campbell reported they could send out a request for proposals (RFP) for firms that were available, and council could review them from that point. Mayor Rider requested staff to put out an RFP regarding permanent placement and possibly an interim placement, sometime after October 31.

Councilor Ketchum asked how fast they would want those responses back. Mayor Rider stated for the interim, they needed to be ready to have something by October 31. For the permanent hire, Mayor Rider stated it was his recommendation that they have all of the leg work done and be up and ready so when the new council was seated they could make that decision.

Mr. Hillier noted if a decision wasn't made by the following Monday, they would need to set a special meeting for October 31. Councilor Ketchum indicated he would not be available on the 31st. Councilor Taylor asked if they would be setting up a meeting to go over the city manager job description. Mr. Campbell stated that was something a search firm would want to do with council. He stated they would want to sit and talk about a process for putting together a profile for the position, the organization, and the community so when advertising takes place, they can put that information out to the right places and the right people. Mayor Rider asked if council could get copies of the present job description so they could look at it, to have some idea on what and if there were any changes they might want to add or subtract from it. Councilor Taylor asked who they could get wage comparisons from for a city manager position. Mr. Campbell stated they could get that information from the search firm, who might have some thoughts or recommendations.

2. Staff Reports.

a. **GMA Committee Recommendations.** Bob Nacht reported the county was currently working on its annual review of the revision process for the county comprehensive plan. Part of that review included the urban growth area (UGA) for all of the nine cities. Mr. Nacht reported this year there were four cities requesting UGA changes. One of those proposals was a request from a property owner, who had a parcel of property located in the Chehalis UGA, adjacent to the city of Napavine city limits. That property owner submitted a request to the city of Napavine to be included in their UGA. The county would ultimately be charged with making final decisions on UGAs, so the issue was ultimately going to be brought before the county commissioners later in the year.

Mr. Nacht reported there was a GMA committee meeting last week to present the issue in an attempt to identify the position of the city of Chehalis. He noted the issue was important enough that they needed to have a decision whether the city would be willing to sit down with Napavine and entertain some sort of an interlocal agreement to present to the county, or whether the issue was cut and dry the way it was, and the county would need to make a decision on the UGA at the county level, as opposed to the two cities bringing a joint proposal to them. He asked if there was sufficient interest from the council to sit down with Napavine and negotiate relinquishing any portion of the Chehalis UGA to Napavine.

Councilor Harris asked if Mr. Nacht was referring to the property mentioned at the last planned growth committee meeting, were it was stated that Napavine's agreement was they wouldn't come further north. Councilor Spahr said it was, but technically it was west, not north. Mayor Rider reported 200 feet of road frontage of that specific piece of property was in our UGA. Mr. Nacht stated back in 1998-99 when interim UGAs were initially being established by the county, some of the areas simply had lines drawn at 200 feet from the roadway edge, 200 feet from a waterway, and those types of things, in order to create a specific area. Along Hamilton Road, the Chehalis UGA was designated as the 200-foot strip between the edge of Hamilton Road and into the property irrespective of where the property lines may occur. The particular piece of property was about 110 acres that extended from Hamilton Road all the way south to the Newaukum River, with a portion of it actually on the other side of the river. He explained in dealing with UGAs they try to keep logical boundaries, which were essentially property lines, and not segregate or transect properties. The issue was whether or not Chehalis would want to relinquish its 200-foot strip of the property to Napavine and allow the entire 110 acres to go into Napavine's UGA, or whether Chehalis's position would be that we had 200 feet of the property in our UGA and maybe the rest of the property should be in Chehalis's UGA.

Councilor Harris stated at the planned growth committee meeting Napavine had some pretty aggressive numbers, as far as their growth numbers, and because they were partners of ours he felt they should be mindful in that the city's not going to let everything else grow around us and hurt our own growth processes. He noted during the meeting the representative from Napavine stated he was going to have to get with the city of Chehalis and find out if those issues were going to be okay. Mr. Nacht explained the growth management committee and representative from the city of Napavine did meet about three weeks earlier and a number of options and issues were discussed at that table. The result of that meeting was there was no clear cut consensus, or decision on what should be done. Staff came up with a number of alternative proposals and took those to the

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growth management committee, but it was his impression that none of the alternative proposals were viable, or a direction the council wanted to go. Those included revenue sharing, swapping of properties, and a number of different issues. Mr. Nacht stated he really didn't have anything to take back to the city of Napavine to say we want to entertain something else.

Councilor Spahr asked if Mr. Nacht wanted council to set a direction for him to take. Mr. Nacht reported the Lewis County planning commission was going to have a public hearing the following Tuesday regarding UGAs. Chehalis had requested seven alterations to its UGA, which the council had already reviewed and approved last June. The issue of the property at Napavine was not on the table at that time. During the planned growth committee meetings, Napavine had received the petition to put that property into the Napavine UGA, and had an obligation to respond to the petition.

Councilor Pope thought that since the city already had 200 feet in the Chehalis UGA the remainder should go into the Chehalis UGA. Mr. Nacht stated that was what he brought from the growth management committee meeting and he understood three of the councilors felt that way, but needed a fourth before they could go anywhere else with it. Mayor Rider noted they couldn't make a decision on it, because it wasn't on the agenda and that the presentation was just for information only so council could think about it and get back to Mr. Campbell or Mr. Nacht on what they wanted to see happen. Mr. Campbell stated they wanted to have a decision at the next council meeting about the issue because they county planning commission would be meeting the following day.

There being no further business to come before the council, the meeting was adjourned at 5:37 p.m.

Mayor

Attest:

City Clerk

October 24, 2005

The Chehalis city council met in a special session on Monday, October 24, 2005, in the Chehalis city hall. Mayor Fred Rider called the work session to order at 5:03 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; Mansoor Ghorbani, City Engineer; Lilly Wall, Recreation Manager; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. Provision of Water to the Napavine Industrial Park. Dave Campbell introduced Tom McDonald of Perkins-Coie, Dr. Jerry Smedes, consultant for Sovran Development Group, Steve Ashley, Public Works Director from the city of Napavine, and Tom Frare, the Chehalis water plan consultant. Tim Grochowski handed out some information regarding the Chehalis water plan, and asked if one of the representatives from Sovran would give a brief explanation of who Sovran and Kirkbride were and what it was that they do.

Mr. Smedes came forward and explained he had been involved with the planning, engineering design, and the environmental review for the Napavine master plan of the industrial park. He gave a brief overview so everyone could start off with a general understanding of exactly what the proposal was. He provided council with a map showing areas of Chehalis and the proposed industrial park in Napavine. He explained that Sovran was a development company, headquartered in Lacey Washington. Sovran was involved with a number of development projects primarily in Southwestern Washington, but also in Oregon and Eastern Washington. He stated Sovran currently had a proposal to develop a master planned industrial park, under section 367 of the growth management act, which talked about master plan development. The proposal dealt with a 925 acre parcel two miles west of exit 68. Mr. Smedes reported that industrial developments help grow entire economies of regions and that the proposed industrial park would have significant economic benefits not just for the Napavine area, but throughout the county.

Mr. Smedes explained the availability of water was crucial to the feasibility of any industrial proposal. He stated they made some estimates of the water needs required for full development of the industrial facility. He passed out a drawing showing the potential water needs of the city, which included the Chehalis Industrial Commission, the Port of Chehalis, Lewis County wide industrial needs, and the proposed Napavine industrial park, for the next 20 years.

Mr. McDonald came forward to report that Napavine was in a situation much like other small towns, in that a lot of growth was occurring right now and water rights were just trying to catch up with them. He explained they had met with the city of Napavine last week to talk to them about the opportunity of them purveying water to the industrial park. He noted he was very familiar with the city of Napavine's water rights and was working with them to try to obtain additional water rights for their growth. He explained Napavine was experiencing a higher than expected level of growth and was seeking water to address the growth, as well as serve the industrial park. One option was to look at working with the city of Chehalis to assist with the Napavine industrial park. Other options included applying for new water rights, purchasing and transferring of existing water rights, or request wholesale water supply from the city of Chehalis with Napavine as the purveyor.

Mr. McDonald believe that because the industrial park would be in located in Napavine's UGA under the Department of Health and Ecology's rules and policies Napavine should be the purveyor. He noted they were not talking about a direct connection from the treated water system into the Napavine system, but taking one of the city's water rights, preferably one from the upper Newaukum, with the city maintaining ownership of that water right. The procedure would involve going through an application process with the Department of Ecology (DOE) to add a point of withdrawal on that water right. He noted Chehalis' water right would need to be amended with a right to withdraw from groundwater. That water would be placed in a well constructed and owned by Napavine. Napavine would pay a wholesale/intertie rate to the extent water is used. Napavine would purvey water to customers pursuant to its Water System Plan. Both Chehalis and Napavine would have to amend their Water System Plans to show one of Napavine's sources was now being supplied from the city of Chehalis. He indicated the Department of Health was very happy with those types of solutions and amendments.

Mr. McDonald reported the city had an excess capacity of 6,178 acre feet of water not being used under its existing water right. He reported that amount was limited by the city's pumping capacity, through the pipe system, to 4,502 acre feet. He noted for future uses the proposed amount needed by the Lewis County wide industrial needs would be 642 acre feet per year, and of that amount the proposed Napavine Industrial Park would use 230 acre feet per year. He stated a resource of water

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would provide Napavine with the ability to purvey water to people within their community right now, and it would provide Chehalis the ability to purvey and sell water they were not using at this time.

Mr. McDonald stated the city already had the right to impact the Newaukum regardless of what the instrument flows were. He noted it predated instrument flow, meaning the city could take out its entire quantity of water right on the Newaukum River even if the instrument flows are not being met on the river, and that was why they were looking at that location.

Mr. McDonald proposed to either take the unused water and move it south to Napavine to a well, or ask to take some of the water Chehalis was already using. He noted the city could not change a surface water right for water that hadn't been used yet, but it could for ground water. The only exception was the code now allowed entities to add a point of diversion downstream of its unused water. Mr. McDonald noted the change application they would be making, for the city's unused water, would be to move water from the Newaukum to a well just downstream to a new point of diversion. The city would then have to deduct from its water right the amount of water Napavine takes from that well. Mr. McDonald stated the idea of moving used water was an easier water right transfer according to DOE. He noted they hadn't talked with DOE specifically about the proposal, but felt they would be excited about putting together some type of a comprehensive basin.

Mr. McDonald reported when moving surface water to ground water it was becoming very important to DOE that they were taking water out of the ground that was really impacted directly by the river. He noted it was the same water as river water and if the industrial park wished to follow through with the proposal, in coordination with Napavine, they would need to make sure that DOE agreed that it would be taking the same water that would otherwise flow down to the Newaukum. Another idea talked about, that also allowed Napavine to be the purveyor, would be to have direct lines from the city's treated or untreated water going straight to the industrial park, bypassing Napavine's water system. Mr. McDonald felt that would require a lot of construction and infrastructure, and not be necessarily economical for the industrial park.

Councilor Spahr noted the area Mr. McDonald was talking about was in both the Cowlitz WRIA and the Upper Chehalis WRIA. He asked Mr. McDonald which WRIA Cardinal Glass was in. He noted it was in the Cowlitz and that Cardinal Glass was working on getting their water from Winlock, with sewer already onsite. Councilor Spahr asked how Sovran would take care of the problem of providing water in the two different WRIs, from the source of the Newaukum. Mr. McDonald stated any water rights in the Cowlitz WRIA had to stay in the Cowlitz and any in the upper Chehalis had to stay in the upper Chehalis. He noted as long as Chehalis stayed in the withdrawals of the same basin once it was obtained it could be moved by pipe to another WRIA. Mayor Rider asked if it would have to be put back. Mr. McDonald stated no. Councilor Spahr asked if the city decided to do something like that would Napavine need to drill a new well, or did they have the current pumping capacity. Mr. McDonald stated they would probably need to drill a new well in the Napavine area. Councilor Spahr asked if it would be possible for the proposed industrial park to use treated wastewater effluent (class A). Mr. Smedes stated there was that potential, but they would have to look at the water quality. Mr. McDonald stated it might work for some of the industries there, but didn't know exactly what those industries would be. Councilor Harris stated the city was already having discussions with DOE about how much water and low flow times there were in the river, and what the city could and couldn't put back into the river. He wasn't clear yet as to when they would be removing too much water from the Newaukum to create a low-flow situation down south that couldn't be mitigated through wastewater. He had some concerns about saying yes to Sovran's proposal noting DOE could come back and say the city doesn't have enough water below its wastewater treatment plant and we're not putting enough back in. He felt the city was okay up at the headwaters of the Newaukum, but when cutting down to the Chehalis River he believed they were in a different parameter there. Mr. McDonald stated he fully understood Councilor Harris's concern, but noted if they could work something out he would be glad to work with DOE on that same issue to the extent that they would be causing additional impact. He understood that at the discharge point at the treatment plant during certain times of the year DOE was going to want the city out of the river. He noted it would have to be mitigated based upon discharge, not what the city would be diverting upstream.

Councilor Pope stated he needed a better understanding of the term "purveyor." He asked what the rights were of the "purveyor?" He also asked if the city was going to purvey the use of the water to go directly to the Industrial park, could Napavine, as a purveyor, use that water for anything else. Mr. McDonald explained that could all be done by an agreement between Napavine and Chehalis. Councilor Pope was concerned with growth management boundaries and was sure if Napavine had more water Chehalis would have more problems establishing those boundaries. Councilor Pope asked what the direct benefit was to Chehalis, and the citizens of Chehalis by entering into any kind of agreement. Mr. McDonald explained in the terms of water rights there was the benefit of an unused asset. He stated without any cost to the city, they could get monetary compensation for that water. It was also his understanding based upon the studies being done, with growth in the area of the new industrial park the city would also see an economic benefit from people moving into the area who would most likely be shopping in Chehalis.

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Tim Grochowski stated at the meeting he attended in Napavine he heard that Napavine wouldn't be interested if Chehalis piped water directly to the industrial park without allowing them hooking up to it. Steve Ashley thought Mr. Grochowski was close in his statement, but didn't believe Napavine was looking to use the city's water for general use. Mr. Ashley reported they needed to figure out a way to purvey water to the industrial park through a means of another source, and what they were looking for was a large amount of "acre feet" water.

Mayor Rider asked Mr. Ashley if Napavine would have a problem if the city put lines in directly to the industrial park, and never interconnected the water with Napavine. Mr. Ashley stated as long as Napavine could be the purveyor of the water with the city still owning the water right. Mayor Rider asked why Napavine would even care, and wasn't the whole idea behind it to put water to the industrial park for the development of the industrial park. Mr. Ashley stated the reason why they cared was because at some given point that area would all be a part of Napavine. Mayor Rider noted eventually Napavine would move south and the industrial park would be annexed into their UGA.

Jerry Smedes reported that Sovran was the proponent for the proposed land use action. They owned some property, but relatively little. He noted that Lewis County needed to make the designation of the area as a master planned industrial park. He felt Sovran was leading the way, but didn't see them in a position to make the kind of commitments the city needed in order to move forward on something like that. Sovran was just trying to facilitate a program that would benefit their properties as well as others in that area.

Mr. McDonald stated the city would be wholesaling water to an already existing water system and they would purvey it under their own water system plan, consistent with their growth management plan. Mayor Rider stated if that was the case the city should be talking with Napavine who would have the hookup and would be buying the water. Mr. McDonald stated that was totally correct. Sovran went to Napavine a week earlier with the proposal and Napavine agreed to let Sovran present the proposal to the city of Chehalis to see if there was an opportunity there, and if so, Napavine would be willing to look at the possibility. Mr. McDonald noted with Napavine being the purveyor, the city's business would be with Napavine, but terms would need to be worked out.

Tim Grochowski reported the last two summers the city had experienced hot and dry weather. The city had been close to putting water shortage conservation notices out. The city found a couple of leaks, but weren't major enough to cause a water shortage. He also had concerns because the city continued to have problems with the Yates reservoir. The city actually had to restrict water going out to Chehalis Power plant during the past summers. Mr. Grochowski felt the city needed to talk with its own industrial park and the Port about the concept before looking into it.

Tom Frare came forward to say, based on his own research he believed the water rights were capped at 4,500. He put the 6,100 in the report because there was some grey area, but it was the opinion of DOE that the city's maximum excess water rights was the 4,502, based on the capacity of the waterline from the Newaukum into town. Mayor Rider asked how much total capacity of water rights the city had. Tim Grochowski stated it was 18.96 million gallons per day off the Newaukum and Chehalis rivers. Mr. Frare noted the other issue was the uncertainty of whether the city of Centralia had in fact abandoned their water right on the Newaukum River. He noted when the pump station was put in, to increase the capacity of the gravity line coming in, Chehalis and Centralia got into an issue on the amount of withdrawal, and that was why the Henderson Pump Station was curtailed. He noted when Centralia opted to take their source elsewhere during their negotiations with DOE they gave up their rights on the Newaukum River.

Mr. Frare felt council should take into consideration that the Newaukum River was a stable source with stable water quality, while the Chehalis River water quality was vulnerable and susceptible to accidents along the roadway. Mr. Frare reported as far as he could tell Chehalis was using the maximum amount possible, out of the Newaukum River.

Mayor Rider stated after council had some time to absorb some of the information they could meet again to talk about the issue. At 6:07 p.m. Mayor Rider adjourned the work session and called the regular meeting to order.

2. Public Hearing.

a. Vacation of a portion of an Alley off of SW Riverside Drive. Mr. Campbell noted this was the second time of going through the public hearing because of the apparent lack of notice. The city also received additional comments from residents of the proposed vacation area. Bob Nacht stated the city received two letters of objection that had been filed with the city. The first one came from Thaddeus and Leslie Dancer (1240 SW Sylvanus Street) owners of the property abutting the end

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of the alley. The Dancer's filed a formal objection to the vacation of the alley indicating that the upper parcel would become landlocked. Mr. Nacht noted it was most likely unlawfully created in the first place because it was created as a landlocked parcel of property when the remainder of the alley was vacated some years ago.

The city received a second letter of objection from Joseph Kerr (452 Riverside Drive). Mr. Kerr indicated in his objection that he was not in favor of the alley being vacated. Mayor Rider asked with parcel Nos. 4831 and 4826 being contiguous to the same owner, if it truly landlocked that piece of property. Mr. Nacht stated technically it did. He noted there was no provision in the statute providing that contiguous parcels be considered as single ownership for the purpose of development. He noted back in the 80's there were some provisions, but they created issues with property rights, so the city discontinued the use of them years ago. He noted the issue with parcel 4826 had to do with the method of how it got created. Mr. Nacht stated the alley used to go all the way through up until about three years ago. He reported when it was vacated it should not have been allowed to be created in that fashion, noting there was no provision in the ordinance to allow it to be that way.

Councilor Spahr asked if they didn't vacate the alley, could Mr. Dancer use the alley as a street to get to his house. Mr. Nacht stated technically no. One of the problems was the city ordinance stated a building permit would not be issued unless a parcel of property had frontage on a public street or approved private road, and an alley was not considered frontage on a street. He noted there could be an opportunity, under the circumstance, to apply for variance in order to accomplish something, but it would not be permitted outright.

Mayor Rider closed the regular meeting at 6:13 p.m. and opened the public hearing. Joseph Kerr Jr. came before council to oppose the vacation of the alley. He stated he would need access for the purpose of getting to his garage. Joseph Kerr Sr. (1339 Connor Street, Centralia) also came before council in opposition of the vacation stating there would be no access to the property stating that was just wrong. Thaddeus Dancer reported he delivered a letter to the city contesting the petition to vacate the alley because he would like to be able to use the alley to access his back parcel (4826). He asked what the rules were if there was a group who wanted to vacate an alley and one person objected. Mayor Rider stated the council could do what they pleased whether there was a majority or not, but noted public input was important for council to make their decision along with staff recommendations.

Mayor Rider closed the public hearing at 6:24 p.m. and reopened the regular meeting. Councilor Pope asked if the alley could be turned into a street. Mr. Nacht stated he didn't feel there was a need to turn it into a street because it was the backside to most of the properties. He also wanted it noted that six of the properties, currently owned by Thorp, were originally owned by Durell the original petitioner. During the review process Durell sold his interest in those properties to Thorp, who was not actually a petitioner.

Mr. Nacht stated with two objections filed against the vacation that should be a significant consideration for council. Mr. Nacht recommended the current petition action be denied and that Ordinance No. 794-B not be acted upon. He noted if and when the residents come together with another petition and re-filed it in some fashion where everyone is in agreement, staff would deal with it at that point and time.

3. **Ordinance No. 794-B, First Reading – Vacating a portion of an Alley off of SW Riverside.** Councilor Spahr moved that the council pass Ordinance No. 794-B on first reading. The motion was seconded by councilor Harris. The motion was defeated unanimously.

4. **Proclamations / Presentations.**

a. **Adult Literacy Week.** Mayor Rider presented Keith Blackwell, Director of the Lewis County Literacy Council a proclamation declaring October 30 – November 5, 2005 as Adult Literacy Week.

b. **Community Spirit Award.** Mayor Rider presented Judi DeVaul, Chair person of the Chehalis Foundation with the Community Spirit Award for their vision and leadership in the restoration and renovation of the Robert E. Lintott/Alexander Park.

c. **Naming the Shooting Range Building the G.A. Hodges Range Building.** Mayor Rider and Chief Miller presented Gary Hodges with two plaques, the first one (to be hung at the shooting range) commending Mr. Hodges for his untiring work and dedication to the city of Chehalis from 1970 to 1998. A second plaque was given to Mr. Hodges in appreciation for his dedication.

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d. **Lewis County Six-Year TIP.** Bill Frare, Assistant County Engineer, gave a power-point presentation of the county's six-year transportation improvement program.

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

a. Minutes of the regular city council meeting of October 10, 2005, and the special council meeting of October 17, 2005;

b. Claim Vouchers No. 79887-80032 in the amount of \$1,911,905.45 dated September 30, 2005; Payroll Vouchers No. 25179-25368 in the amount of \$589,610.05 dated September 30, 2005; and

c. Acceptance of the amendment increasing the FY2005 Centennial Clean Water Fund grant by \$2,033,033 for a total of \$5,000,000 in assistance for the wastewater treatment plant.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Citizen Business.** Anna Szlagy (189 Wallace Road) who recently move to the area thought Chehalis was very quant, but was apprehensive about it because of all the debris in front yards. She felt it took away from what the city had to offer. She asked if there was any ordinance to prevent people from leaving junk in their yards. Mayor Rider explained the city had abatement regulations and code enforcement and asked Mr. Nacht to explain the process. Mr. Nacht gave a brief explanation of the process and what would need to be done in order to start the process of an investigation.

7. **Unfinished Business.**

a. **Ordinance No. 793-B, First Reading – Amending the Parking Ordinance to Incorporate the Use of a “Boot.”**

Mr. Campbell reminded council the report and ordinance followed up on discussion from a work session earlier in the year. Chief Miller reported the idea of using a “Boot” was proposed for the use of chronic parking violators. He noted it was a group effort by the city attorney's office, the municipal court staff, and the police department in putting the proposal and ordinance changes together.

Councilor Ketchum moved that the council approve the proposed parking ordinance changes to address repeat offenders violating parking rules by use of a boot. The motion was seconded by councilor Lund. Councilor Spahr asked if it was just an amendment to the current ordinance, and did they need two readings. Bill Hillier stated it was being presented as an amendment because they were just adding a new section, and it didn't necessarily need two readings. The motion carried unanimously.

b. **Potential Surplussing of “Duffy Park.”** Mr. Campbell reported the discussion followed up on a public hearing held two weeks earlier. Tim Grochowski presented a map showing the different areas in and around the Duffy Park addition. He gave a brief description of the different areas and talked about some of the concerns from the public hearing. One of the concerns was the odors from the wastewater sewer system. He believed the steepness of the hill could be one cause of the odor. A second explanation could be the irrigation from National Frozen Foods canary, north of Chehalis on Airport Road. Another possibility was it could be coming from the discharge of septic tanks in the Alderwood Heights area, which used a “Step” type sewer system. Mr. Grochowski reported since 1999 they had only received eight calls from the area with concern about the odor. He encouraged anyone with an odor complaint to call so staff could respond to see if they could determine where the odor was coming from. He reported staff had placed deodorizer blocks in some of the manholes, and bladders had been placed in manholes as well. Staff was currently investigating the purchase of activated charcoal to treat odor, which ran about \$700 per manhole.

Mr. Grochowski reported the water system in the area of Prospect Drive and Valley View was capable of supplying up to the 70 - 75 houses currently located there, but with the six to eight inch water mains the fire flow was less than the city's current standards. He noted the 2004 water plan reported the city needed to look into installing additional storage. Within the last ten years the city installed another water tank next to the existing tank, but needed to take the opportunity to look at the property known as “Duffy Park” as an area to put a future reservoir, a water storage tank, or another tower.

Mr. Grochowski reported on another area known as the Newgard/Crestview addition stating it was annexed in the early 1980's. He noted the lines in that area were 4” asbestos pipe, with some being even smaller. He reported the area didn't have

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any real water volume or pressure for fire hydrants and there were no current plans in the CIP to upgrade any of the systems in that area. Mr. Grochowski noted the issue of forming an LID to do the upgrades themselves was brought up before, but never pursued by the residents.

Mr. Grochowski reported if the land was sold and developed by current standards someone would have to improve the water storage and waterlines. He stated the city didn't have any knowledge of any old or current land movement in that area, but the re-forestation of the trees that were replanted should help with the stabilization of the land. He also noted there were earthquake fault lines in the area. The city has maintained the open/existing ditch lines and culverts in the area since the area was annexed. He reported some of the culverts installed, prior to annexation, were currently being used by utility companies as conduit. Some ditch armoring had been done by the city, but most of the residents in the area had done the armoring themselves. Mr. Grochowski stated if the "Duffy Park" land was proposed for development the city would require the entire parcel meet the city's current fill and grade specifications, and a land stability study be done.

Mr. Grochowski reported that Andy Sennes met with the Chehalis teachers regarding any educational opportunities, and noted the current staff had no idea the city had property available for that purpose. Some of the teachers talked about funding and partnering with the city on a possible project.

Mr. Grochowski stated after having some time to reconsider the possible surplus of the "Duffy Park" land, he believed it would be in the best interest of the city to hold onto the property, with the possibility of using it for water storage capabilities, and also for forestry education. He thought as long as the city owned the land the city should consider holding off selling it and use it for putting in a reservoir or for water storage. Mayor Rider asked if the city owned the land that the current water towers were located on, and if there was room for another tower in that particular area. Mr. Grochowski stated the city did own the land, but wasn't sure if there was room, or a need to install another storage tower currently, but in the future there may be.

Mayor Rider stated he didn't believe the odor on the hill was from any irrigation of the food processing wastewater, and didn't believe it was from the discharge of the septic tanks. He believed it was from the steepness of the hill and appreciated staff looking into how to address the issue. He noted the number of complaint calls didn't appear to show there was great concern about the odors, and may not be as big of a problem as presented at the last meeting. Mayor Rider stated if there was a question about the water and the availability of it he felt it would be the responsibility of the developer to do the upgrades to the property to provide water to any new development on that property. Mr. Grochowski stated it would be the property owner's responsibility in the "Duffy Park" area, but didn't know if that would include the Newgard/Crestview area. Mayor Rider asked again if the city would be able to build an additional water tower on the property were the city currently had towers. David Vasilauskas stated it would depend on how large the tower would need to be, noting if the city were to build larger tanks, probably not, but if they built a tank in similar size, as what was already up there, they could probably build it at the same location. Mayor Rider asked if that would address some of the problems in the Newgard Addition and any new development. Mr. Vasilauskas stated he couldn't answer that question without further study. Mr. Campbell reported the water system plan talked about doing further analysis in that area to see if there would be adequate space to install another tower where the two existing reservoirs were located. Mayor Rider explained he would like to know that before they make any kind of decision regarding development.

Mayor Rider didn't foresee any runoff problems in the future, or issues with the earthquake fault. He had some concerns about using the property for educational purposes because after touring the location, he didn't feel it was adequate for school buses to get in and out of the area, and there were no restroom facilities available.

Mayor Rider stated the point of the meeting was to find out if staff had any use for the property on the horizon and indicated he didn't feel staff provided any great necessity for it. He didn't believe Mr. Nacht would allow 16 homes to be built on the property without the proper development plan in place for drainage runoff, wastewater, and water. The only thing he felt might be of interest would be the possibility of the educational opportunity. Councilor Spahr noted over the years they had always talked about high level reservoirs and the "Duffy Park" property was one of the highest pieces of property the city owned, and felt that might be a good reason to hang onto the property.

Councilor Pope stated there was only one question, were they going to surplus or not. Mayor Rider agreed, but felt they needed some answers before they could make that decision. Councilor Taylor indicated he wasn't ready to make a decision yet and wanted to hear what the schools had in mind. Michael Holst (Chehalis High School) stated he was there to ask that council not make a decision right away about surplussing the property, but to wait so they could have a chance to apply for a grant, and approach the school board. Lynn Buttrey (Chehalis High School) had no idea the property was available for their use.

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She had concerns about parking and restroom facilities, noting those items would need to be addressed before council made a decision. She stated there was a lot of interest from the school noting they could currently use the area as a nature path. She didn't believe Lewis County had any other area like it, available for students to go and look at native plants. Her vision would be a pathway highlighting specific species, plants, and animals. She would also want to hear feedback from the neighbors to see how they would feel about it, and hear what they would want to see that area be. Ms. Buttrey stated there were a lot of unknowns, but wanted to let council know the school did have an interest in it. She asked council for some time to allow them to be able to investigate the issue. She knew of a couple of grants that weren't due until the end of January that the school could apply for, and would like to see it as a joint community/school district endeavor. Mayor Rider asked what kind of a time limit would be needed. Mr. Holst stated they could approach the school at the next month's meeting to discuss it. Ms. Buttrey stated she knew there were grants out there they just needed a little time. Mr. Holst asked council to wait on their decision as long as they could.

Rene Remund, representative for the party interested in purchasing the property was in agreement that some time was reasonable in order to make an informed decision. He noted his clients were sensitive to the idea of development of the area, and were happy to work with the city if limitations were desired by the city and the neighbors. He noted the park idea would certainly have interest to the school, but would be complex to the city. He stated the city couldn't set the idea of the benefits of having a teaching forest without the city considering the other events that may occur in that forest. He stated from a reservoir standpoint it may be a reason to keep the property, but may not be a very good one. The main concern was to make sure it didn't have negative effects upon other property in the area. He reminded council his clients would be willing to work with the city, stating the city would obtain money for the land and at the same time satisfy the surrounding land owners. It was his and his clients' suggestion the city wait at least a couple of weeks and come back on November 14, and during that time they would like the opportunity to speak with the heads of the departments to see what might be done and to see if there was a consensus.

Davis Hylkema (390 SE Hillsdale Avenue) stated he was a neighbor to the property being considered surplus. His concern was if the property was sold to private hands their intentions could change quickly, to include development. He didn't believe the area could handle 50+ housing developments, if they were to include the area below the city's property, noting it would require some significant utility developments in the area. One of his primary concerns was the roads in the area. He felt they were already too narrow and didn't allow for safe pedestrian travel. He felt keeping the property in the city's possession was the best route to protect it.

Mary Graham (310 SE Valley View Way) stated she lived at the intersection of Prospect Drive and Valley View Way. Ms. Graham stated she had concerns about traffic in the area. She reported there were at least 30 cars a day that failed to stop at the intersection. She noted Prospect Drive was a very heavily traveled road. She reported it currently had a sinkhole in it just below Jim Day's house, and didn't know if additional traffic would cause the road to drop off, or not. She thought it would be an excellent area for school kids to come and look, but if they had people coming up continuously they would need to make improvements to the roadway. She would like to see the area retained in its present state, whether it's sold to a private person, or if the city decided to keep it as a park.

Ms. Szlagy asked who was responsible for providing insurance on the property if it were to become a park. Mayor Rider stated presently it was the city's responsibility. The city would possibly look at an Interlocal agreement that would put the responsibility on the school if they were to use it.

Ethel Funt asked if the county gave the property to the city, why in 85 years was there a rush to sell it now. Mayor Rider stated the city received a request from someone to purchase it.

Mayor Rider stated there were still some questions to be answered and didn't see the significance of letting the property just sit there and entertained a motion to table the matter for another two weeks.

Councilor Lund made a motion to table the matter until the following meeting. The motion was seconded by Councilor Pope and carried unanimously.

c. **Millett Field Playground Enhancement.** Mr. Campbell reported the item was a proposal from the community service staff to work with a private business along Chehalis Avenue to develop a small playground for kids. Joanne Schwartz noted several months ago they were approached by Thorbecke's FitLife Center and Day Care Center to partner with the city to install a preschool play area at Millett field. Ms. Schwartz felt it was an extremely viable project. She reported the equipment would become the property of the city and would be open to the general public at all times. The city's participation would be to

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install a timber boarder around the play area and wood chip the surface of the play area at a cost of about \$1,500. The city would also put in a couple of picnic tables and a garbage can, which the city already had. Because the city routinely maintained the area there would be minimal change in the current maintenance procedure.

Councilor Spahr moved that the council approve the partnering of the city and Thorbecke's FitLife Center and Day Care Center to provide a preschool play area at Millett Field. The motion was seconded by Councilor Lund.

Mayor Rider asked if Millett field was a fenced-in area. Ms. Schwartz reported it was not. Mayor Rider had some concerns about young children playing that close to a street and asked if there was any possibility of fencing it in. Andy Sennes introduced Thorbecke's owner Dale Pullin, and Kari Kiser, the daycare coordinator. Mr. Sennes pointed out the area on the map the play area would be placed. He reported he talked with Ms. Kiser about fencing in the area, but because of the placement and the size of the playground they didn't feel there was a real concern for putting fencing up. Councilor Pope asked if there was a chance a child might wander out into the street. Mr. Sennes replied there was always that chance. Councilor Ketchum noted the area would be accessible to anyone after hours and he had concerns about that. Ms. Schwartz stated it would be no different than the Penny Playground. Mr. Sennes noted he had received a lot of positive comments about the improvements they've been doing in the area of the basketball court, and about the fun that kids had been having. Councilor Ketchum still felt it was too close to the road not to fence it in. Mayor Rider had the same concerns. Councilor Harris noted its proximity to Chehalis Avenue, around the curve, which caused him to have concerns, as well. Mr. Sennes asked if the area was fenced in, would it make a difference, or would council like to have it moved to a different location altogether. Council seemed to think fencing it in would take care of the situation. Mr. Pullin stated if it came down to safety, they would participate with the city in any way to make it safer. Mayor Rider stated 90% of the time the area would be used by the preschool with adult supervision, but with the apartment complex across the street there could conceivably be kids in the area without supervision. Mr. Pullin stated Mayor Riders point was well taken. He stated if it came to adding more fencing, Thorbecke's would support that in any way.

Council was in favor of moving forward with the project and to let staff work out the details with Thorbecke's. The motion carried unanimously.

8. Staff Report and Council Reports.

a. **Employee Service Award.** Mr. Campbell recognized Dave Vasilauskas for his 15th year of service with the city.

b. **Upcoming Budget Work Sessions.** Mr. Campbell reminded council about the upcoming work sessions to review the 2006 budget. The meetings were scheduled to begin at 5:00 p.m. at the activity building in Henderson Park. Scheduled dates were October 25, November 1, and November 8.

c. **Televising Council Meetings.** Councilor Taylor reported they met and talked about the issue of televising council meetings. They received and talked about the costs involved and went over some ideas on how do go about implementing it. The committee made a recommendation to hold off until after the first of the year, or perhaps until after the facilities committee was done making their recommendations.

d. **Lewis County Hearing Regarding Changes to Urban Growth Areas (UGA).** Bob Nacht reported a Lewis County planning commission meeting would be held on October 25. He would be presenting seven proposals from the city of Chehalis to change it UGAs. He stated there would be one issue on the table regarding the petition that Napavine had received from a

property owner (partly located within the Chehalis UGA), requesting to be put into Napavine's UGA. The question was whether the area should be put into Chehalis's UGA, or Napavine's. The GMA Committee recommended that Option 'D' be used by staff as the presentation to the county planning commission. He asked council to endorse one of the options to take to the county.

Councilor Spahr moved that option 'D' be endorsed as the city's preference regarding UGA boundaries along Hamilton Road. The motion was seconded by Councilor Pope and carried unanimously.

e. **AWC Roundtable Discussion.** Councilor Spahr reported he attended the roundtable discussion about services and what was being provided. He noted there was lot of talk about utility rates increasing in Kalama, Kelso, Longview, and Vader due to the construction of multimillion dollar wastewater treatment plants.

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f. **Twin Transit Meeting Representative.** Mayor Rider reported because of scheduling conflicts, Councilor Lund would like to be replaced on the Twin Transit board. Mayor Rider asked Councilor Lund to wait until after the first of the year, when appointments to boards would be made.

9. **Executive Session.** Mayor Rider announced the council would convene into executive session at 8:14 p.m. pursuant to RCW 4.230.110(140)(4) – collective bargaining and RCW 42.30.110(1)(g) – qualifications of applicant for public employment following a five minute recess. The meeting was called back to order at 8:40 p.m.

Councilor Spahr moved that the council approve collective bargaining agreement between the city and Union Local No. 252 representing police uniformed personnel for the years 2005-2007. The motion was seconded by Councilor Taylor and carried unanimously.

Councilor Spahr move that the council offer Jerry Boes the position of interim city manager subject to the proper documents being drawn, and a pay schedule to be agreed upon between the two parties. The motion was seconded by Councilor Lund and carried unanimously.

Mr. Boes thanked council for their vote of confidence that he could do the job. He stated he would give it his best.

There being no further business to come before the council, the meeting was adjourned at 8:44 p.m.

Mayor

Attest:

City Clerk

October 25, 2005

The Chehalis city council met in special session on Tuesday, October 25, 2005, in the Community Services activity building. Mayor Fred Rider called the meeting to order at 5:00 p.m. with the following council members present: Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Harris was excused. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Lilly Wall, Recreation Manager; Andy Sennes, Property Manager Tracy Paddock, Community Services Office Manager; and Judi Smith, Public Works Office Manager.

1. **2005 Third Quarter Budget Status Report.** Jim Larson reported the city had started off with a better beginning fund balance than originally anticipated on the revenue side of the general fund. He noted sales tax was also coming in strong with the last three months being the highest ever received. He stated a good part of that was due to construction, which would be replaced by the ongoing operations of the retail establishments that were built. Mr. Larson reported the electricity and telephone utility taxes were up, while natural gas was down slightly, but had anticipated it to be lower. Overall the 2005 revenues looked good compared to the budget and where the city should be.

Mr. Larson reported the expenditures were slightly below last years at this same time, but a union contract settlement would likely change that, with back wages being paid out.

Mr. Larson reported the water and sewer funds were both looking good. He indicated he was looking for some very large checks to be coming in from the state to reimburse us for our expenses for various projects that were currently underway. He noted that the water and wastewater charges were up slightly due to increases in rates that went into effect in the middle of the first quarter. Councilor Ketchum asked where the city was with regard to the brokered natural gas issue with WestFarm Foods. Mr. Larson explained the last he knew they were still in litigation and didn't know how long that would be.

2. **Review of the 2006 Recommended Budget.** Mr. Campbell provided a brief overview of the 2006 recommended budget document, and discussed some of the capital equipment items and construction included in all funds of the budget. Mr. Campbell stated the total recommended budget for 2006 was a little over \$43 million dollars, which was a reduction of \$9 million from 2005, most of that change being represented in the wastewater fund. He noted the wastewater fund would continue to have some large numbers in it, with almost \$17 million in continued construction of the new wastewater treatment plant. Mr. Campbell reported the general fund was about \$8.6 million, a 12 percent increase from 2005.

Mr. Campbell stated the property tax rate for 2006 would change very little, if at all. The city property tax for 2005 was about \$3.00 per \$1,000 assessed value (\$2.51 for general operations and .047 cents for the voter-approved emergency medical services levy). The city would be in compliance with initiative 747, passed by voters four years ago, preventing many jurisdictions from increasing their property tax levies for reasons other than the value of new construction by more than one percent. However, some jurisdictions, including Chehalis, had "banked capacity", which represented taxes not levied by city councils in prior years when greater increases were allowed. He estimated the banked capacity to be about \$250,000 for the general operations and about \$10,000 for EMS purposes. Councilor Pope asked Mr. Campbell to explain why the city had "banked capacity". Mr. Campbell stated in years past, when the limit in the increase of the property tax levy was six percent, the city council did not levy that full six percent increase, and in some cases nothing at all. Also, in the last few years when the increase to the levy amount was limited to one percent there were times when that increase in the levy was not enacted by the council.

Mr. Campbell reported in the 2006 budget there was a 2.5% cost of living salary increase for non-union employees. He indicated the city still had three union contracts under negotiation for 2006 compensation and those negotiations would determine how much their salaries would be adjusted for 2006.

Mr. Campbell reported one important policy change for 2006 compared to prior years was how to deal with new "first time" revenue from the most recent development of the airport. He guessed the new "first time" sales tax receipts would be about \$300,000 in 2006. He proposed council take that money and put it into three different capital reserve funds to include: a general public facilities reserve fund of \$100,000 to be used for streets, buildings, and other general capital projects; and an automotive-equipment reserve fund of \$200,000 to be split between replacement of automobiles and equipment, and an account to be used for technology. Mr. Campbell noted in talking with staff there was a need, in the future, for new hardware and software to improve productivity. Councilor Taylor asked if Mr. Campbell was recommending increasing property taxes in 2006 by one percent. Mr. Campbell stated yes, that it was something discussed by council earlier in the year. Councilor Taylor noted

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he was against raising property taxes.

Mr. Campbell reported overall Chehalis was in healthy shape compared to most other cities, noting it was something the council should be proud of.

Tim Grochowski then presented the public works department budget, including water, wastewater, stormwater, street, arterial street, public facilities reserve, and the automotive equipment reserve funds.

There being no further business to come before the council, the meeting was adjourned at 7:02 p.m.

Mayor

Attest:

City Clerk

November 1, 2005

The Chehalis city council met in special session on Tuesday, November 1, 2005, in the Community Services activity building. Mayor Fred Rider called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Marilyn Riebe, Grants Administrator; Mansoor Ghorbani, City Engineer; Lilly Wall, Recreation Manager; Andy Sennes, Property Manager; Tracy Paddock, Community Services Office Manager; and Judi Smith Public Works Office Manager.

1. **Continued Review of 2006 Recommended Budget.** Several Department budgets were presented to the council including community services, city council, city manager, city attorney, human resources, city clerk, finance and non-departmental. During the work session, the council, by consensus made the following changes to the recommended budget:

- appropriated the prior city commitment of \$100,000 for a library remodeling project (for enhancing access by persons with disabilities), and increasing the funding for a downtown building façade improvement program from \$50,000 to \$100,000 (1982-93 community development block grant fund);
- created and appropriated funding for a new property maintenance laborer position to focus on downtown property maintenance (general fund); and
- appropriated funding for the purchase of laptop or notebook computers for city councilors to use for conducting city business and communications (general fund).

With no other funding sources identified for the above changes, it was assumed that the money would come from the applicable funds' ending balances.

2. **Executive Session.** Mayor Rider announced the council would convene into executive session pursuant to RCW 42.30.140(1)(c) – lease or sale of real estate. The special meeting was called back to order at 8:02 p.m. Councilor Ketchum moved that the council authorize the mayor and city clerk to sign the second addendum to the purchase and sale agreement for the Uhlmann portion of the Barnes property dated June 29, 2005. The motion was seconded by Councilor Pope and carried unanimously.

Councilor Ketchum moved that the council authorize the city manager and city attorney to execute a quit claim deed relinquishing the city's interest in Tract 'B' as depicted on the attached map, and authorize the mayor to sign a letter of commitment to support future regional transportation improvement projects, particularly the 'West Connector'. The motion was seconded by Councilor Pope and carried unanimously.

There being no further business to come before the council, the meeting was adjourned at 8:02 p.m.

Mayor

Attest:

City Clerk

November 10, 2005

The Chehalis city council met in special session on Tuesday, November 10, 2005, in the Community Services activity building. Mayor Fred Rider called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Tony Ketchum, and Bob Spahr. Councilor Pope arrived at 5:50 p.m., Councilor Taylor was excused, and Councilor Lund was absent. Staff present included: Dave Campbell, City Manager; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; Andy Sennes, Property Manager; Barb Lovelady, Fire Department Administrative Assistant; and Judi Smith Public Works Office Manager.

1. **Continued Review of 2006 Recommended Budget.** Several department budgets were presented to the council including municipal court, police department, and fire department. During the work session, the council, by consensus asked Jim Larson to look at the realignment of the parking fund to the general fund, and what the impacts would be by raising parking fees to \$20 and \$10. Mr. Larson suggested realigning other funds, as well, to include cleaning up the way the city currently accounted for its real estate excise tax. Mr. Larson noted there were two kinds of real estate excise tax that had two separate requirements. He stated it was difficult to determine if the city was meeting all of its requirements with the money being in the same account. Mr. Larson reported the account also received other unrestricted funds, which made it even more difficult to track. Councilor Harris asked Mr. Larson to create a letter for council's review on the real estate excise tax issue. Councilor Pope asked Mr. Larson to present to council what he thought the changes should be to the parking and general funds. Mayor Rider asked Mr. Larson to take a look at the recommendations on the increases for parking and include some kind of an automatic increase each year, then report back to council on November 28.

Mr. Campbell reported the annual public hearing for the budget would be held on November 14.

2. **Fire Union Collective Bargaining Agreement for 2005-07.** Councilor Ketchum moved that the council approve the collective bargaining agreement between the city and the IAFF Local 2510 for the years 2005-2007. The motion was seconded by Councilor Harris. Mr. Campbell noted the contract should be in conformance with what they had discussed at a previous meeting in executive session, and had been reviewed by Caryn Foley, Jerry Boes, the Meglemre's, and the union. The motion carried unanimously.

There being no further business to come before the council, the meeting was adjourned at 6:42 p.m.

Mayor

Attest:

City Clerk

November 14, 2005

The Chehalis city council met in regular session on Monday, November 14, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Dave Campbell, City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Jerry Boes, Fire Chief; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle* and Paul Walker of KITI Radio.

1. **Public Hearing.**

a. **2006 Budget and Potential Revenue Sources.** Mayor Rider closed the regular meeting at 6:00 p.m. and called the public hearing to order. Mr. Campbell reported council had three work sessions regarding the recommended 2006 budget. He reported the city was not projecting a property tax rate increase based on what staff had heard about property values in Chehalis. He noted the rates should stay about the same as 2005 for 2006. He reported there was a projected increase in the property tax revenue included in the recommended budget, most attributed to what was a better estimate of what the actual collections would be of the city's property tax levy. That included a 1% increase in the amount of the levy for 2006, plus the increase for new valuation within the past year. Information on the city's banked levy capacity was also included in the agenda report. Mr. Campbell reported the city had banked capacity in terms of property taxes accrued from prior years when previous city councils did not levy the full increase allowed. As a result of that, in 2006, staff estimated the city's banked capacity to be about \$250,000 for general operations and about \$10,000 for EMS purposes.

There being no comments from the public, Mayor Rider closed the public hearing at 6:08 p.m. and called the regular meeting back to order.

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

- a. Minutes of the regular meeting of October 24, 2005, and the special council meeting of October 25, 2005;
- b. Claim Vouchers No. 80033-80169 in the amount of \$1,126,824.82 dated October 17, 2005; Claim Vouchers No. 80170-80347 in the amount of \$382,913.26 dated October 31, 2005; and Payroll Vouchers No. 25369-25529 in the amount of \$547,249.01 dated October 31, 2005;
- c. Confirm the re-appointment of Steve Buzzard as municipal court judge to a new four-year term through 2009; and
- d. Approve the memorandum of understanding pertaining to the appointment of Jerry Boes as interim city manager.

The motion was seconded by Councilor Taylor and carried unanimously.

3. **Citizen Business.** Rod Hudson (204 Haskins Road, Chehalis) addressed council regarding the property known as the 60 acre CCA Two, LLC Development. He noted the first phase of the development had already been constructed or was currently being constructed, which included Wal-Mart, Home Depot, various retail shops in a strip mall, and a restaurant. Mr. Hudson had concerns regarding the efficient movement of emergency equipment, the public, and commerce at the Chamber Way corridor. He also had concerns about the communication between the city, other local governments, and the public. He stated he had no desire to curb development for the economic viability of the community, but believed the recent actions of the city had seriously degraded the movement of traffic at the Chamber Way corridor, and that the city had not communicated with the public and other local governments regarding the impacts that the development would have on the public, the city of Centralia, or Lewis County. Mr. Hudson went on to talk about SEPA and how the development of that area should have undergone that process. He felt the city had "piecemealed" the project by not requiring SEPA for the entire project. He asked the city council to require SEPA for the development, as prescribed by law, prior to the issuance of any additional permits.

Councilor Pope asked what Mr. Hudson meant by his statement of 'self-serving'. Mr. Hudson stated if the city had required SEPA and an environmental impact statement (EIS) required, the developer would have had to complete certain tasks before starting the project. He felt a developer might have bailed out before incurring such costs. He noted if the city wanted the development to occur without the EIS, they would do it by individual "piecemeal." Councilor Pope asked if Mark Cook, Lewis County Engineer, had explained to him that the county came to the city and asked the city to join with them to present a grant to

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connect to Airport Road. Mr. Hudson stated Mr. Cook said it was something that was done after the fact.

Mayor Rider stated he wasn't too sure that the city didn't follow all the rules and regulations, but he had a lot of confidence in Bob Nacht. He thought the best thing would be to allow time for staff to respond to Mr. Hudson's letter and to make a statement back to council. Mr. Hudson asked if it would be appropriate for staff to determine why the Home Depot was allowed to occupy the building without completing all of the required conditions. Councilor Harris asked Mr. Hudson which WAC code the city had violated. Mr. Hudson's response was he had emailed that information to Mr. Nacht about a year ago, but didn't readily have that information available. Mayor Rider noted in the early stages of development, pre-signing with Home Depot, he sat in on meetings with Mr. Cook who guaranteed the city we would be able to put Louisiana Avenue through and cross connect it to Airport Road.

Bill Hillier stated there were some legal conclusions reached in Mr. Hudson's statements that he would like the opportunity to speak with Mr. Nacht about before responding.

Mr. Nacht stated on or about July 2, 2004, a legal notice was published in *The Chronicle*. It was also sent to the city of Centralia, Lewis County, Washington State Department of Transportation (DOT) - Chehalis and Vancouver, Department of Ecology (DOE), Twin Transit, Lewis County PUD, FAA Air Force Division, Clark and Associates, west side neighborhood association, and Qwest advising them the city had received a SEPA checklist for the 130 square foot retail store, 590 parking stalls, and 350,000 yards of fill for Home Depot USA, Inc. He noted there was a lot of notice sent out directly to all the agencies and persons listed above. He reported the threshold determination of non-significance, based on the information the city had, indicated as long as all of the development standards were met and all of the issues contained in the transportation impact analysis were implemented, the city would not have a significant adverse environmental impact. He noted the history of the project was so complex and convoluted that chronology was an important factor to take into consideration. From the notice sent out the city received a letter back from DOE, standard water quality, wetlands, and federal permit coordination issues. They, along with everyone else the notice was sent to, expressed no concerns at that point and time. He noted the city had been working with the county long before the SEPA ever got underway, as to how they would do the road project. Subsequent to the comment period, the city issued a final determination of non-significance with conditions on it. Mr. Nacht also pointed out that he would have further comments on the merit of the issue, citing from city municipal code 17.15.260, any conditions shall be based on adopted standards and/or regulations and be made a matter of record at a development review committee (DRC) meeting, and from 17.15.270 B, there should be no method of appeal of any SEPA determination to the legislative body or the city council, meaning he could not discuss the merits of the issue with council. He also noted the city would not entertain separate appeals for permit and SEPA decisions if both such decisions had been made on any proposal. The issue was essentially an appeal, and by law he was precluded from arguing that appeal before council, and indicated it had to go to the hearings examiner.

Mayor Rider believed the next step would be to have Mr. Nacht and Mr. Hillier prepare a report back to council. He thought they should wait until after the hearings examiner scenario takes place. Mr. Nacht stated it had not been filed as a formal appeal and as far as he was concerned there was nothing left to do. He noted if an appeal was filed, staff would deal with it at that time. Mr. Nacht stated he could certainly provide council with a report as to what happened in the process, but as far as the decisions that were made and how they got there, he would ask for some direction from council on that. Councilor Harris asked Mr. Nacht to go through each statement made by Mr. Hudson and clarify each issue in order to help council get a better understanding of what he was saying. Mr. Nacht stated he would set up a meeting with Mr. Hillier and respond to council in some fashion.

Councilor Spahr noted if Mr. Hudson wanted to do something about the issue, he would need to make an appeal. Mr. Hudson stated he couldn't because there was nothing to appeal. All he was asking was that the city does SEPA on the entire project. Mayor Rider noted council would address the issue at the next council meeting and invited Mr. Hudson to come back at that time.

4. Presentations.

a. **2004 Audit Report.** Jim Larson introduced Kelly Collins, Assistant Audit Manager from the state auditor's office. He reported Chehalis had received its 25th consecutive "clean" audit. Ms. Collins presented the city with a letter of recognition from the State Auditor congratulating the city on its accomplishment. The letter noted the exceptional accomplishment clearly demonstrated the city's commitment to sound financial operations and fiscal integrity.

November 14, 2005

5. Unfinished Business.

a. **Potential Surplussing of "Duffy Park."** Mr. Campbell noted staff included an agenda on the status of "Duffy Park" as it potentially impacted the city's water system. He stated there was some information in the city's water system plan that potentially indicated that piece of property could provide some benefit to the city in terms of water storage for fire flow purposes. Mr. Campbell reported staff had met with Mr. Klumper last week, since he was the individual that initially inquired about the property, to talk about the water system plan and the need from the city's perspective to do an engineering analysis to answer the question of whether or not that property would be suited for helping to solve the fire flow issues in that area.

Councilor Spahr asked if the need of a high level reservoir was just for fire flow for the Crestview subdivision, or was it water supply for the city itself. Tim Grochowski stated it would address the fire flow issues and would feed into the Newgard and Crestview addition. Mr. Grochowski reported they needed to have an engineer look at it because there was the possibility of blowing out all the pipes in the ground if they were to put a reservoir in without first upgrading the lines in the area.

Mr. Grochowski noted when they met with Mr. Klumper, they discussed different scenarios such as property exchanges and other possible locations of putting a reservoir. Mayor Rider asked if the problem could be solved by putting a reservoir up where the other towers were located. Mr. Grochowski stated they could put a tank up there, but they would have to cross the "Duffy Park" property to get to the lower area to solve fire flow and water distribution issues. Mayor Rider asked if there was room up at the site of the existing towers, to put a reservoir. Mr. Grochowski stated no. Mr. Grochowski indicated staff would like a chance to have an engineer look at it and give the city their opinion. Councilor Pope felt what staff was asking was reasonable. That would also allow them to study the property before any decision was made. Councilor Lund asked how long it would be before the city would have the money to do what would be needed if the city did the study. Mr. Grochowski stated the city didn't budget the \$40,000 in 2006, but that was still an option. Councilor Lund asked if they did the study now, would they have to do another one in 10 or 15 years from now. Mr. Grochowski stated if they did the study now they could plan to do improvements at a later date without doing another study. Councilor Spahr felt the property should remain in the city's bank of property because once it was gone from the city's hands, they would no longer have the opportunity to put in a high level reservoir. Councilor Taylor asked if the only use the city currently had for the property was to use it for a high level reservoir. Mr. Grochowski reported the city still had trees on the property, as well. Councilor Taylor noted having the property in the city's hands meant it wasn't on the tax rolls.

Councilor Pope noted the initial statement was if the property was acquired there was going to be no development on it. He asked if there was going to be no development on it, then why should the city give it up. Mayor Rider stated the only thing he could think of was it would be put back on the city's tax rolls. Councilor Pope asked how much the tax would be on the property, indicating he would donate the tax dollars in order to keep it. Councilor Pope stated until they did a study the city should keep it under the control of the city.

Mr. Campbell noted the city found no deed restrictions on the property. He stated it could be that some other site or piece of property, other than the Duffy Park 4.5 acres, would be the best property for the city to use or to locate a storage facility. He noted even if an engineering analysis indicated that some portion of that property would be a good site for additional water storage, he didn't believe it would be all the property affected by that potential use in the future, other than perhaps some easements that might be necessary for crossing it with water delivery lines.

Councilor Lund thought the city should look at selling the Duffy Park area, and use the money to fix up McFadden Park.

Attorney Scott Blinks, representing Mr. Klumper, came forward to say it was a misnomer that the area known as "Duffy Park" was a park. He noted it was one parcel of 12 located in the "Duffy's Park" addition. He noted Mr. Klumper's 11 acre parcel was also part of the Duffy Park addition. Mr. Blinks reported the property in question didn't have any title restriction, as the city manager noted earlier. He stated one benefit to the city would be the profits from the sale of the property. Mr. Blinks indicated that money could help to pay for the required DOH study that would have to be done for the area to be properly serviced, and it would also provide resources for other city budget or park issues.

Mr. Blinks reported that Mr. Klumper had reached an agreement with a neighboring land owner, Mr. Breen, regarding how the property would be eventually owned or purchased. He noted Mr. Klumper had made contact and specifically addressed the concerns of most of the neighbors in the area. Mr. Blinks reported neither Mr. Breen nor Mr. Klumper or his family had at that time or any realistic future time, any significant goal in materially developing the property. Mr. Klumper believed he could satisfy

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any and all of the needs of the city, the concerns of staff, and the concerns of the council. Mr. Blinks noted it was a win-win situation. It was also a guarantee that Mr. Breen and Klumper would not have someone trying to develop the property in front of them.

Councilor Harris noted there had been no interest to develop or sell the property until Mr. Klumper made the offer. It seemed strange to Councilor Harris, with the list of what the property could be used for, that anyone would want to purchase the property. Mr. Blinks stated it was in order to preserve the investment in the home Mr. Klumper already owned, noting he was essentially acquiring an additional buffer-zone of property that was problematic for development. There was also some long-term benefit for tax although minimal, and Mr. Klumper would be able to preserve his view.

Councilor Pope noted he had asked some other real estate people, both in and outside the city, about the value of the property. He stated with property selling at a premium right now, they thought the offer by Mr. Klumper was low, and the city should be able to get more for it. He thought if the city was looking to sell the property in order to make a profit, why shouldn't the city put it on the market. Mr. Blinks stated if the city had other people willing to pay a reasonable price, the city probably should put it on the market, but he didn't see a lot of other people standing up with cash ready to purchase, for any price, other than Mr. Klumper. Mr. Blinks stated he didn't believe Mr. Klumper would be opposed to obtaining an additional appraisal if the city felt the one he retained was compromised in some manner.

Councilor Ketchum noted he didn't want to sell the property just for a small profit and felt it wouldn't really benefit the city in any way. He noted he wouldn't want to sell the property for development purposes and didn't feel it was a good use for the school either. He thought they should investigate to see if there really was a city need. Councilor Lund wondered why the city didn't put the property by the freeway up for sale by a realtor, noting the city had kind of set a precedent.

Mayor Rider stated he didn't feel the city should be in the real estate business and didn't see a need to hold the property for future use. He felt it was important to address the need of fire flow and water in the Crestview addition area. He noted they could do that by putting another reservoir where the city currently had property, or if there was need to expand that property somehow, look at a possible trade of some land, or put a reservoir on part of the "Duffy Park" property. Mayor Rider asked, if the city were to put a reservoir in the southwest corner of Duffy Park would the city need to re-pipe the entire neighborhood. Mr. Grochowski indicated if they were going to tie that reservoir into that system for potable water and fire protection, yes they would. Mayor Rider asked if they could put it up where the other reservoir was and pipe it down to be used to improve the Prospect area water and fire flow. Mr. Grochowski reported if they did they would have to put a pressure reducer on it.

Mayor Rider noted there were still a number of questions to be answered, but if Mr. Klumper was willing to let the city use that property for placing the reservoir on and/or work with the city to develop the Yank's reservoir for better use that was something that could possibly be negotiated between Mr. Hillier and Mr. Blinks. He noted if the property were to be sold as a buffer zone, he would want to make sure the city had every right for easements and/or right-of-ways necessary for the water, and the maintenance of that system.

Councilor Lund made a motion that the city make the property surplus, to include restrictions on development for a certain amount of time, and that the city be allowed to install a water tower on the property, in the future if needed. Councilor Taylor stated he would like the motion more defined. Mayor Rider stated Councilor Lund was giving direction to staff to do some negotiations with Mr. Klumper for surplussing the property with the intent of selling it, as long as there were easements and right-of-ways in place for possible use of the land. The motion was seconded by Councilor Taylor. Councilor Ketchum stated he wouldn't vote for the motion unless it was changed to include no development, period.

Lyn Simmons (382 SE Valley View Way, Chehalis) wanted to know why the property wasn't being opened up to other people to bid on it. She noted she had adjacent property and might also like the opportunity to bid on it. Mayor Rider stated once it was surplussed it would be opened up for anyone to bid on, and there was no guarantee the city was selling it to Mr. Klumper.

Mr. Hillier noted if the city went to a resolution declaring the property surplus and it was passed by the council at that point, the council would direct staff to market the property, in the highest and best way.

Connie Van Egdom (520 SE Prospect St., Chehalis) didn't see how the city could push the matter through if they were talking about putting in another water tower. She wanted to know if the city or the property owners would be paying for it. She

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had heard the property owners could possibly have an LID put on their property up around Prospect to help pay for improvements to the lines. She thought the city should do a feasibility study before they made a decision to sell the property.

Michael Holst, representing the school district, came forward to report the school had no interest in using the property. As a resident of the area, he asked if the city would want to first check out the tower issue before they made a motion to surplus the property, as well as discuss with the neighbors what the costs might be to them if they were going to have to replace the pipes in the area. He indicated he was in favor of putting in another tower.

Tim Grochowski noted he lived in the county and owned a small piece of property, which he put in forestation and it lowered his property tax significantly. He wondered if people within the city limits could do that, as well. Mr. Blinks noted that property wouldn't qualify for either program because it was less than five acres. The minimal for forestation was five acres.

Councilor Lund noted the area of the Newgard addition probably shouldn't have been let into the city because at that time the pipes for fire flow were not up to city standards. He didn't feel the city should do a study if it wasn't going to be acted on. Mayor Rider stated the study would be done to see what the projects might be. He felt, as councilor Lund did, the tower scenario should be addressed and council should look at how to fix the fire flow problems in both the Prospect and Crestview additions. He noted the recommendation from staff was to build a reservoir in the area, but the financial ability to do that for the entire Crestview hillside area would require a windfall of some kind or for an LID to be put in place. One issue was to address the issue of water and fire flow. The other was the surplussing of the property.

Councilor Spahr noted he would be voting against the motion because it wasn't really clear as to what it meant. He agreed with Ms. Van Egdorn that there were a lot of questions that needed to be answered and that's what staffs recommended motion was, that they do the analysis and find out exactly which direction to go, which would dictate how to best use the property. He felt the analysis would help determine were to put a high level reservoir.

Mr. Klumper stated that if in the future the city decided to use that property he would agree to let them use it for storage. He noted the property probably wasn't the best place to put a tower, but he was still willing to allow the city to use the property if the analysis determined it to be the best location. He noted if the city wanted to put the property out to bid at a higher price for someone else to buy, he encouraged that. He noted if the property was going to have the same restrictions, why not let someone else buy it.

Mayor Rider called for the vote. The motion failed.

Councilor Spahr moved that the Valley View reservoir and pump station system pre-design analysis be undertaken, and that funding be provided in the 2006 budget as necessary, prior to making a decision on whether or not to declare "Duffy Park" surplus. The motion was seconded by Councilor Harris. Councilor Spahr noted that wouldn't take the surplus issue off the table. Until then they could look at the analysis to see exactly what they needed to do up there in order to provide ample fire protection for the city in the future, and then they could declare the property surplus with the conditions the city needed.

Mayor Rider noted the motion combined both issues into one statement and he didn't believe they should do that. He thought the study should be done, and the property should be sold. Councilor Spahr noted the problem with his analysis was they wouldn't get the best price for the city if there was no future knowledge of where a tower might be located, or where the lines were going to be, or how the property was going to be used.

Councilor Lund asked why they were worrying over a \$120,000 piece of property when the city had a \$2 million piece of property and the issue of getting the best price never came up. Councilor Spahr noted the city couldn't use that particular property for a high level reservoir. Councilor Lund noted it was a valuable piece of property owned by the city. Councilor Harris noted the city had an independent appraiser appraise the property. Councilor Lund suggested the city get an independent appraisal on the "Duffy Park" property. Councilor Pope called for the question. The motion failed 3 to 4.

Councilor Ketchum felt they definitely needed to do the study to see what they could put up there, and also agreed they needed to stipulate in the contract that whoever buys the property would allow easements for the placement of a tower on the property, and that there be no development of the property. Councilor Ketchum moved that the council approve the study. The motion was seconded by Councilor Taylor. Mayor Rider repeated the motion that the Valley View reservoir and pump station system pre-design analysis be undertaken and that funding be provided in the 2006 budget as necessary. Councilor Ketchum stated the motion was correct. Several council members noted that was what they just voted down. Councilor Harris noted the

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only difference was they left out the words "prior to making a decision on whether or not to declare "Duffy Park" surplus. Mayor Rider stated perhaps Councilor Ketchum was about to make a second motion that it be surplussed. The motion was again seconded by Councilor Taylor. Councilor Spahr asked if the surplus issue was totally off the table. Councilor Ketchum noted that would be a separate motion. Mayor Rider noted the motion only included doing the study to fix the water problem in that area for fire and water flow. The motion carried unanimously.

Councilor Ketchum moved to make the "Duffy Park" property surplus with stipulations that the city have all the easements and right-of-ways, if necessary, to put in a high level reservoir after the study finds it feasible, and that no future development be put on the property. The motion was seconded by Councilor Taylor. After further discussion Councilor Ketchum withdrew his motion and Councilor Taylor withdrew his second to the motion.

Councilor Spahr moved to table the surplus issue until after the pre-design analysis was complete. The motion was seconded by Councilor Lund and carried 6 to 1. Mayor Rider voted against the motion.

b. **Ordinance No. 793-B, Second Reading – Amending the Parking Ordinance to Incorporate the Use of a "Boot."** Chief Miller reported the city currently had the boot and was waiting for the second reading for the law to become official. Councilor Ketchum moved that the council pass Ordinance No. 793-B on second and final reading. The motion was seconded by Councilor Pope and carried unanimously.

6. **New Business.**

a. **Resolution No. 16-2005, First Reading – Approving the 2006 Budget for the Airport.** Mr. Campbell noted the resolution came before council as it did every year. He noted the resolution required two readings for approval by the city council and by the county commissioners. Dennis Dawes chair of the airport board, talked about the 2006 budget line items, including revenues, and operating and capital expenditures. He reminded council that the county was financing the loan with set standards that they keep a certain amount of money on hand in an investment pool with the state. He reported they could rest assured there would be more than enough money coming in for any projects occurring at the airport. He noted the past and current board members worked very hard to make a product out there, which the city owned half of, to make it a very viable and attractive part of the community. Council talked with Mr. Dawes about fuel costs and the loan funding on the project.

Councilor Ketchum moved that the council approve the 2006 airport budget by adopting Resolution No. 16-2005 on first reading. The motion was seconded by Councilor Pope. Mayor Rider asked if it was last year or the year before that the board approved \$35,000 for improvements to the Toledo airport. Fritz Guenther, Airport Manager, stated the board authorized and paid that amount out to help Toledo send two firefighters over to Big Bend College in Spokane to get aircraft, rescue and firefighting (ARF) training. He noted the two firefighters, one from Chehalis and one from the Toledo area would get ARF training and come back and train personnel in their own departments. The motion carried unanimously.

Dennis Dawes reported it was a privilege to serve on the airport board for almost 14 years, 13 of those years representing the city of Chehalis. He stated his term would be ending at the end of the year with the airport board and he appreciated the opportunity to represent the citizens of Chehalis, noting it was a very knowledge gaining experience for him.

b. **Resolution 17-2005, First Reading – Surplus Property.** Mr. Campbell reported the city had six wooden bleachers that were no longer needed. Mayor Rider asked if there was a preordained destination for the bleachers, or were they just going to be destroyed. Andy Sennes reported the city had been approached by a non-profit organization out of Mossyrock, asking if the city might surplus the bleachers so they could have access to them. Mr. Sennes noted the bleachers didn't meet any of the city's building needs, and were about to be destroyed when he received the request. He noted the group would be taking them as is, where is.

Councilor Ketchum moved that the council suspend its rules requiring two readings of a resolution and adopt Resolution 17-2005 on first and final reading. The motion was seconded by Councilor Taylor and carried unanimously. Councilor Ketchum moved that the council adopt Resolution No. 17-2005 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

c. **Ordinance No. 795-B, First Reading, Senior/Disabled Customer Utility Discounts.** Mr. Campbell reported the ordinance proposed a fairly minor, but important way of providing staff flexibility to deal with how they currently administered or managed applications for senior and disabled customer discounts. Jim Larson explained the city currently offered a discount on

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water and sewer utility rates for "low-income senior citizen customers and low-income totally disabled customers." He reported the city had about 100 customers currently taking advantage of the discount. He noted the current process had a hard and fast deadline for applying for the discount with no flexibility for staff to consider applications that came in after the deadline. Mr. Larson noted he would like to add language to both the water and sewer ordinances to read "The finance director is authorized to consider applications furnished outside of this period."

Councilor Spahr asked if a senior or disabled person moved into the community outside the window of opportunity would they be ineligible for the discount. Mr. Larson reported the current ordinances required "that applications for discounts be furnished on or before the 30th of June of each year, or within 30 days of the date of account opening, or unexpected change of income status." He explained those issues were currently covered, but staff was dealing with elderly citizens, and for whatever reason they may be delayed. Applying the changes to the ordinances would allow him to take those issues into consideration.

Councilor Lund asked why the finance director should be involved, and why they couldn't open up the application period year round. Mr. Larson reported staff made a major effort once a year to make sure everyone was aware of the discount. He felt it would be a major effort on staff to keep it open year round. Councilor Lund stated it was the citizens he was concerned about and felt the language needed to be taken and to allow anyone, at anytime who qualified, to receive the discount. Mr. Larson stated he was just looking for flexibility over and above what the ordinance allowed. Mr. Larson reported they could allow applications to come in at any time, but could still have a targeted time to encourage citizens to apply by, which wouldn't be too much additional work on the staff.

Councilor Spahr wondered if they just changed the wording to read "The finance director is directed to accept applications furnished outside of this period." Bill Hillier suggested they change it to read "the city is directed to consider all applications." That way there was no discretion as Councilor Lund was concerned about and the city would be mandated to accept them and consider them if they met the requirements of the ordinance. Councilor Ketchum proposed that the language be amended to read "The city is directed to consider all applications furnished outside of this period". Councilor Harris asked if staff supplied new customers with the information to let them know they could be eligible for the discounts. Mr. Larson didn't recall staff mentioning that except for when people ask, but it was something they could implement. Councilor Harris stated it would be nice to have a little flyer with information about it to hand out to people when they sign up for utility services. Councilor Spahr asked if there were times Mr. Larson might deny an application. Mr. Larson stated if someone were qualified he couldn't imagine denying their application. Mayor Rider noted citizens would have the same option they would with any other ordinance, they could bring it to the council for consideration if the finance director turned them down. Councilor Ketchum moved that the council pass Ordinance No. 795-B as proposed on first reading. The motion was seconded by Councilor Taylor and carried unanimously.

d. **Lodging Tax Advisory Committee 2006 Funding Recommendations.** Councilor Ketchum, chair of the Lodging Tax Advisory Committee, reported the committee did meet to listen to presentations from the Veterans Memorial Museum, Lewis County Historical Museum, Chehalis-Centralia Railroad Association, Chehalis Community Marketing Committee (CCMC), and the Lewis County Convention and Visitors Bureau (LCCVB). Councilor Ketchum noted after lengthy discussions the committee recommended that the Veterans Museum, the Lewis County Historical Museum, and the Chehalis-Centralia Railroad Association be funded at their requested amounts. Councilor Ketchum stated, at this time, the committee was not recommending any funding to the LCCVB for the following reasons: 1) there was currently no executive director; 2) there was no focus as to where the LCCVB was going; and 3) they were asking for 86% of the city's tourism funding. According to their presentation Centralia, Chehalis, and Lewis County were all being asked to pay the same amounts. Councilor Ketchum was concerned with 86% of the city's budget going to the LCCVB. He noted it would make Chehalis "a majority stock holder" in the LCCVB, and as the "majority stock holder", he felt the city's interests were not being looked at. He noted the city currently had one board member, Mayor Rider, and no representation on the marketing committee. Councilor Ketchum noted at some other point in time, the committee might consider funding the LCCVB.

Councilor Ketchum reported that the Chehalis Community Marketing Committee asked for \$8,000, and the committee voted to appropriate \$18,000. If approved, the extra \$10,000 would be used for advertising if an opportunity came up during the year. That way they wouldn't have to come back to the council to request additional funds.

Natalie Ketchum of Best Western Parkplace Inn & Suites reported right now there was no one in place to represent them at the CVB and they were informed that they wouldn't have another executive director until after the first of the year. Ms. Ketchum noted one vote in 17 didn't make the city a "majority stock holder" as Councilor Ketchum reported earlier. He reported LCCVB was claiming their budget for 2005 was \$151,500, which she didn't believe to be true. She explained \$75,000 of that

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amount was earmarked specifically for the hospitality marketing specialist. Therefore, the budget for the entire LCCVB was \$168,500. Ms. Ketchum reported the LCCVB reported that Chehalis contributed 17 percent of the funding, the county 18 percent and Centralia 65 percent, noting that was not accurate. She reported Chehalis actually contributed 25 percent, the county 26 percent, and the city of Centralia 45 percent. When she asked the LCCVB why they were requesting so much of the city's projected revenues for 2006, their response was it was the previous executive director's plan. Ms. Ketchum noted she contacted the previous director who quoted "that while she agreed that asking for equal amounts was an option, it was not one she did not now, or ever, consider to be fair or wise." Ms. Ketchum noted if the city made the full contribution requested by the LCCVB the city would not be able to fund the steam train, the veteran's museum, or the historical museum. Ms. Ketchum felt Centralia's focus was "meeting and, which was not the direction Chehalis was heading.

Mayor Rider didn't understand Ms. Ketchum's statement that Chehalis only had one vote on the board. He noted Centralia and the county only had one vote, as well. Ms. Ketchum stated most of the people on the board were from the downtown Centralia area. He agreed with Ms. Ketchum that it was lopsided, but wasn't sure what that argument had to do with funding the organization. He noted prior to Mary Kay Nelson being terminated, the city was happy with what they were doing, and the direction they were going with the same people sitting on the board. Ms. Ketchum noted they knew Ms. Nelson would represent Centralia, Chehalis, and the county, but now she didn't feel the city was getting any representation. Mayor Rider stated just because the LCCVB didn't have an executive director they shouldn't be condemned for not representing all three entities. Ms. Ketchum stated Ms. Nelson had connections and those connections brought people into the county to put heads in beds.

Mayor Rider stated the bottom line was the CVB was still there, the rules and regulations that established it, the board of directors, and the direction were all still there. Mayor Rider noted they hadn't hired a new director yet because they didn't know if they were going to have enough money to hire one, and indicated it would be kind of difficult to hire an executive director until you had a budget.

Mike McDonald, chair of the LCCVB, came forward to report that a personnel committee was meeting in the morning to put together a qualification list, and finalizing it with the intention of going public with it by the end of the week. He noted they heard about the ultimate funding request being \$58,000 for 2006 from each of the three contributing funding agencies, but what wasn't mentioned during the presentation was that although they did ask for \$58,000 in an attempt to even the playing field for contributions, it was demonstrated during the presentation that it did present a lopsided percentage of annual income. He noted at the presentation, the advisory committee neglected to mention that the proposal was for \$58,000 or at least the funding level for 2005. He noted the county would more than likely take them up on their 2005 funding level. He noted the CVB was alive and well and doing everything they could to move forward.

Councilor Spahr stated the city had a committee of people who provided the beds that the heads go in, and came to council with their recommendation. He felt that committee was there for a reason and they should follow their recommendations. He noted they could take another look at it in the future and decide if they want to fund the LCCVB. Mayor Rider didn't understand what reason Councilor Spahr was using not to fund the organization based on the fact they wouldn't deliver the product they had done in the past.

Rick Burchett, president of the Chehalis-Centralia Railroad Association, came forward to say it was his recollection that each entity gave a percentage of what they took in. Mayor Rider stated that was not true, it was based on a dollar decision. Mr. Burchett noted it seemed to him that everyone should give a portion of what they take in since they were trying to promote the entire area. His other concern was if they were to look at the marketing committee they would see that every one of them was a downtown Centralia business person.

Rowen Guenther (551 N Market Boulevard, Chehalis) stated there was a group of businesses and individuals who were willing to market Chehalis. They didn't feel secure that the CVB would market Chehalis in the same way they would. She noted if the city gave \$58,000 to the CVB there wouldn't be anything left if they needed money in which to market Chehalis.

Councilor Taylor noted when the CVB was first organized the city was told it was an organization that would bring in money for all three entities. He stated seeing an organization just all the sudden go away didn't seem like a good thing to him. He suggested if the city didn't have representation on the marketing committee maybe they should get some. If they weren't well represented on the board maybe they needed to get there. He stated the organization took a long time to build and could go away just because of a difference of opinion.

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Councilor Spahr moved that the council approve the recommendations of the lodging tax advisory committee for use of lodging tax funds for 2006. The motion was seconded by Councilor Pope. Mayor Rider asked for a better explanation on the recommendation that \$10,000 would go to the community marketing committee. Joanne Schwartz stated the lodging tax advisory committee's thoughts were that if a marketing opportunity came up to do an ad and they needed money to leverage with other funds, they could use that money without having to go back to the lodging tax advisory committee and then back to council. Mayor Rider stated he supported the CCMC and thought it was a good organization that had done some good things. He noted there was also another group of Chehalis business people that were out there doing things over and above because they disagreed with the CCMC. Councilor Spahr noted if anyone on the council wanted to amend the motion to add funds for the LCCVB they could do that, but currently they had a motion on the floor to accept what was being recommended. Mayor Rider noted he would like to see the \$10,000 removed from the CCMC appropriation and have the committee come back to council for that money. Councilor Harris stated in his opinion he would like to see the money stay and possibly be used to help promote events such as "ChehalisFest". If done properly they could incorporate all the business districts and the entire city. He noted the \$10,000 would help keep the vendors downtown from having to take money from their own pockets to put people on the sidewalks. Mayor Rider noted he didn't think they could do that with those dollars. Ms. Schwartz stated ChehalisFest was previously put on by the Chamber, noting the city doesn't do events. Ms. Schwartz noted before the formation of the LCCVB the CCMC did receive a lot of money to be used for marketing, and whenever a marketing opportunity came up they worked with the chamber to use those funds. She noted it was the pleasure of the lodging tax advisory committee to put the \$10,000 into the CCMC fund so if a marketing opportunity came up it would be available.

Mr. McDonald came forward to say they were there to ask the city to leverage at least the funding from 2005 (\$43,000). He noted if the city wanted to set aside an additional \$10,000 for specific Chehalis issues the city could do that.

Councilor Taylor offered an amendment to the motion to include the LCCVB at the funding level of 2005. The motion was seconded by Councilor Harris. Wayne Galvin wanted to point out that the \$50,000 level they were asking from each agency would give each agency equal footing. As the city reduced the amount, they were no longer equal with the county and Centralia. Councilor Taylor asked how much the full amount was. Mayor Rider stated \$58,000. The motion failed 3 to 4, Councilors Pope, Spahr, Ketchum and Lund voted against the motion. The main motion to approve the recommendations of the Lodging Tax Advisory Committee for use of lodging tax funds for 2006 carried 5 to 2. Councilors Taylor and Rider voted against the motion.

Councilor Spahr moved that the council appoint Jesse Clark McAbee to the lodging tax advisory committee as a representative of an activity that is authorized to be funded by the tax, and reconfirm the appointments of Wayne Galvin, Rick Burchett, and Natalie Ketchum. The motion was seconded by Councilor Ketchum. Councilor Lund stated he would be voting against the motion, not against the people, but against the concept. He believed the committee should be appointed after the first of the year for the new council members to decide on. The motion carried unanimously.

7. Staff Reports.

- a. **Employee Service Award.** Mr. Campbell recognized City Clerk Judy Schave for 20 years of service with the city.
- b. **Capital Facilities Committee Report.** Chief Miller reported the committee would be meeting on Thursday at 7:00 p.m. at the community services activity building to start prioritizing. Mayor Rider added from his understanding the committee expected to be done by the end of the year.
- c. **Reminders of Reception and Special Council Meeting.** Mayor Rider reminded everyone about the reception for Mr. Campbell at the Hotel Washington from 4:30 to 6:30 p.m. on Tuesday, November 15, and a special council meeting on November 21, 2005 at 5:00 p.m. at the community services activity building to talk about the status of the annexation project, and the next steps to follow.

8. Council Reports.

- a. **Chehalis River Basin Partnership.** Councilor Spahr reported the next meeting would be on Friday at the Lucky Eagle Casino. He stated it was a very important committee and they were getting ready to go into phase 4.
- b. **Rating Bureau.** Mayor Rider announced he had a copy of a letter that was being sent to the rating bureau indicating the city would be moving forward. Chief Boes reported the reason the city was sending a letter back to the bureau was because they were in the office the prior week and indicated they needed some more information.

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c. **Chamber Way Education and Informational Outreach Meeting with the Chamber and DOT.** Mayor Rider reported there would be a meeting on November 17 from 1:30 – 2:30 p.m. in the Department of Transportation conference room (out by the Rib Eye).

d. **Tacoma Rail Update.** Mayor Rider reported he attended a meeting regarding Tacoma Rail. He stated there had been some challenges and Tacoma Rail had hired a consultant to give the cities some options. He noted the price went from \$7 million up to \$13 - \$22 million. He noted the options that pertained to the city of Chehalis were positive because they would make their cross over at Chamber Way, which eliminated the use of the tracks in the downtown area.

e. **Message to Mr. Campbell.** Councilor Spahr read a letter from former council member Bud Hatfield. The letter read, "As a former member for 16 years to the Chehalis city council, and city resident for 25 years, he would like to express his best wishes to the departing city manager Dave Campbell. He noted during his tenure Mr. Campbell expressed an attitude of dedicated professionalism. In all of his endeavors, be they private or public, he carried out his duties in an exemplary manner and with the epitome of professionalism. The city's loss was Longview's gain. Mr. Campbell's unfailing community support and involvement was truly appreciated and would be sorely missed."

9. **Moment of Personal Privilege.** Mr. Campbell stated he didn't know where to begin. He reported that cleaning out his office was like a trip down memory lane. He came across a few files with items dating back to August 1988. Among other things found was a map of Chehalis, notes from interviews he conducted with the council in 1988, notes from conversations he had with various community leaders, and a letter from the former chair of the Board of County Commissioners, Joanne Schwartz. Mr. Campbell reported he found another letter dated August 16, 1988 welcoming Mr. Campbell to the area. That letter came from the city manager of the city of Longview. One of the first things he did back in 1988 was to meet with the council to talk about visioning, looking ahead to the year 2000 and what Chehalis would look like at that time. Some of the predictions included:

- The city would have a population of between 8,000 and 8,500
- The city limits would extend southward, along Coal Creek Road, and west across the valley and up the hill
- There would be industrial redevelopment of the American Crossarms site (after a fire that would occur in 1992)
- There would be light industry that would develop on the west side of the airport
- New commercial or retail development along Market Boulevard, National Avenue, and around the airport.
- In 1993 the Chehalis dome would open (performing arts facility)
- The coal supply would dwindle at WIDCO
- In 1991 a train derailment would occur and would lead to the relocation of the police and fire departments.
- The image of the city would be that it was a growing city in a convenient location with a good educational system and friendly people

Mr. Campbell then presented interim city manager Jerry Boes with a gift primarily for his retirement from his position of fire chief.

There being no further business to come before the council, the meeting was adjourned at 9:18 p.m.

Mayor

Attest:

City Clerk

November 21, 2005

The Chehalis city council met in special session on Monday, November 21, 2005, in the Community Services activity building. Mayor Fred Rider called the meeting to order at 5:05 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Tony Ketchum, Daryl Lund, Bob Spahr, and Chad Taylor. Staff present included: Jerry Boes, Interim City Manager; Mark Scheibmeir, Asst. City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; and Andy Sennes, Property Manager.

1. **Executive Session.** Mayor Rider announced staff and council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation, and no decision would be announced following the conclusion of the executive session. Mayor Rider called the special meeting back to order at 6:19 p.m.

2. **Next Step of the Proposed Annexation of the Industrial Park Area.** Jerry Boes reported that Jim Larson had put together an analysis regarding the reduction in assessed evaluation of some property in the proposed annexation area. Jim Larson discussed where the city was in the process and what the next steps would be. He noted the city had about 64 percent of the signatures needed for the value of the proposed annexation area and was confident the city would continue to have more than the 60 percent needed in order to proceed forward. He reported the next step was to submit the petitions to the county assessor for a “determination of sufficiency”. He noted once the Assessor had the petitions there was no definite timeline for them to make their determination, although it should be done promptly. Once the Assessor determines the signatures on the petitions to be sufficient, the city would then hold a public hearing on the annexation. After the public hearing council would then entertain a motion or resolution of intent to annex. Mr. Larson believed that event would then trigger the opportunity for someone to ask for a review by the Boundary Review Board (BRB). Mr. Scheibmeir stated that was correct and at that time the city would give notice to the BRB that the processes was started, which would also start the clock for seeking a review to the BRB by any affected agency. Councilor Harris asked if there was any way the city could request an estimate of time from the assessor’s office. Mr. Scheibmier felt the city would hear back from the county within two or three days.

Mr. Larson went on to discuss the financial analysis noting the assumptions were pretty much the same as they were when they looked at them earlier in the year. He noted staff would be reviewing the numbers on Chehalis Power to make sure they were using the correct assessed value. He noted there was opportunity for additional growth in the annexation area which could make the numbers look better. He reported if there was no growth the city would be ahead until 2015. He noted the city would need an average growth rate of a little less than one percent in order to cover all the costs over the entire period from 2007 to 2016.

Mr. Larson reported if Chehalis Power were to prevail in their appeal, the average growth over the ten year period would need to increase to 4.5 percent. He felt it could be attainable, but not very logical. Councilor Pope noted the figures did not take into account any new development in the Industrial Park. Mr. Larson stated that was correct, noting he still needed to look at the most current data from the Assessor to determine if they included any new construction currently taking place in the Industrial Park area.

Mr. Scheibmier stated he would appreciate some direction from council regarding likely reductions in service if there were to be a reduction in property taxes, and at that time they would make clear what the expected level of service would be. Councilor Lund felt current staff could provide some of the services without hiring additional staff. Mr. Scheibmier wanted to be careful in saying there would be anticipated hiring, but some of it could be affected by the reduction of Chehalis Power’s assessment. Mayor Rider noted they still intended on moving forward with annexation even in light of the issues, under the same rules, guidelines, levels of service, and expectations of manpower. He stated once they had the new data back, they could reassess where they were and determine what levels of service would be needed. It was the consensus of the rest of the council that they would move forward with annexation. Bob Nacht reminded council that the level of service standards were established in the adopted comprehensive plan, and typically tied to the employees per 1,000 populations.

Dennis Dawes asked if there was any thought given to the growth of assessed valuation and plugging that figure into the analysis. He felt that was an important figure to put in the analysis to give it a fair picture of the overall revenue. Mr. Larson reported that the city would not get any more revenue off of property already in place, or part of the city even if their assessed value grew. He noted the city was limited to one percent property tax revenue growth regardless of how much the properties appreciated. Mr. Dawes noted he understood that, but stated if they set a dollar per 1,000 rate, the assessed valuation of a home would go up, increasing the property tax amount, therefore increasing the city’s revenues. Mr. Larson noted if the assessed value of a home goes up more than the one percent of the maximum the city can levy, in addition each year, the city’s

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rates automatically go down.

Councilor Harris asked, in looking ahead at the BRB, should the city look at what it would do to annexation if the BRB required the city to take everything in our UGA. Mr. Scheibmier stated if the city approved annexation as petitioned in the boundaries that were identified in the petitions, conducts the hearings, and approved annexation, the action document would say the city conditionally approved annexation of the area subject to reconsideration following action, if any, by the BRB. If no one seeks review by the BRB, then that would be what the city would agree to. If someone did seek review by the BRB, and should the BRB change it, the city reserved the right to reconsider what was done. If the BRB conditioned annexation upon an enlargement of the area, then it would come back to the city and we would make further determination then as to whether we would accept annexation. He stated the city could reject annexation at that point, saying they were asking too much, and turn the invitation down. In answering Councilor Harris's question he noted they could do some groundwork, but it might not be time well spent. Mr. Larson thought there was some limitation on how much a BRB could increase the size of an annexed area. Mr. Scheibmier stated it was clear that they couldn't expand past our current UGA.

There being no further business to come before the council, the meeting was adjourned at 6:42 p.m.

Mayor

Attest:

City Clerk

November 28, 2005

The Chehalis city council met in regular session on Monday, November 28, 2005, in the Chehalis city hall. Mayor Fred Rider called the meeting to order at 6:04 p.m. with the following council members present: Terry Harris, Daryl Lund, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jerry Boes, Interim City Manager; Bill Hillier, City Attorney; Caryn Foley, Human Resources Director; Judy Schave, City Clerk; Jim Larson, Finance Director; Joanne Schwartz, Community Services Director; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Tim Grochowski, Public Works Director; Bob Nacht, Community Development Manager; Dave Vasilauskas, Marilyn Riebe, Grants Administrator; Water Superintendent; Patrick Wiltzius, Wastewater Superintendent; and Andy Sennes, Property Manager. Members of the news media in attendance included Paul Walker of KITI Radio.

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

a. Minutes of the special meetings of November 1 and 10, 2005, and the regular council meeting of November 14, 2005; and

b. Claim Vouchers No. 80348-80506 in the amount of \$1,554,076.01 dated November 15, 2005;

The motion was seconded by Councilor Taylor and carried unanimously.

2. **Citizen Business.** Lewis County Convention and Visitors Bureau (LCCVB) Chairman Mike McDonald came back before council to provide an update regarding their organization and the distribution of hotel/motel lodging tax dollars for 2006. He stated as a result from the council meeting on November 14, and subsequent meetings of their board, some changes were being proposed at the LCCVB. He noted last fall a motion was before their board to disband the existing board and turn over the leadership to the mayors of Centralia, Chehalis, and one of the County Commissioners, creating a board of three members. He noted that motion failed, but the board came back to review what the bylaws called for, which currently called for thirteen (13) board members. It was decided to reduce the number of board member to nine (9) to consist of three (3) appointed members from each of the funding partners: three (3) from Chehalis; three (3) from Centralia; and three (3) from Lewis County. Mr. McDonald stated a majority of the LCCVB Board members met on November 22 to write the bylaw change and a meeting to vote on the bylaw change was scheduled for December 7. He was confident that the bylaw change would pass, as consensus had already been reached among the majority of the board members. Mr. McDonald reported without funding from all three of the originators of the organization, the LCCVB could not fully fulfill the objectives set down in their Comprehensive Tourism Plan. He requested that the city reconsider funding the LCCVB in 2006.

Councilor Spahr asked to have the letter from the LCCVB referred back to the tourism committee for review. Councilor Ketchum asked Joanne Schwartz if there would be time to meet before the next meeting. Ms. Schwartz stated she could make it happen. Mayor Rider noted one of their concerns was there was not an executive director in place. Mr. McDonald stated they had published an announcement of the vacancy and had received five (5) submissions for the position. They hoped to make the selection of the new director after the first of the year. He noted the move to their new location had been facilitated and they were moving forward. Mr. McDonald asked council if they would like to see reports from the LCCVB quarterly or monthly in an attempt to keep the city up to speed as to what the CVB was doing. Council agreed quarterly reports would be good to see.

3. **Unfinished Business.**

a. **Resolution No. 16-2005, Second Reading – Approving the 2006 Budget for the Airport.** Jerry Boes reported on the resolution and stated Dennis Dawes was available to answer any questions. Councilor Spahr inquired about the employees at the airport. Mr. Dawes reported they had one full-time Board Clerk, Fritz Guenther was classified as a part-time employee, they had one maintenance person, and a few summer-help employees. Councilor Spahr asked if they had any employees responsible for the actual maintenance of the planes. Mr. Dawes reported that was all done by lessee Walter Jordan.

Councilor Ketchum moved that the council approve the 2006 airport budget by adopting Resolution No.16-2005 on second and final reading. The motion was seconded by Councilor Pope and carried unanimously.

b. **Ordinance No. 795-B, Second Reading – Senior/Disabled Customer Utility Discounts.** Mr. Boes reported the ordinance and been presented at the last meeting on first reading by Jim Larson. He noted the ordinance would allow staff to consider applications that were furnished outside the period the city normally accepts applications, and added the requested language changes had been made to the ordinance.

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Councilor Taylor moved that the council pass Ordinance 795-B on second and final reading. The motion was seconded by Councilor Harris and carried unanimously.

4. **New Business.**

a. **Ordinance No. 796-B, First Reading – Revision of Sewer Rates for Lewis County Sewer District #1 (LCSD#1) and Napavine.** Patrick Wiltzius reported on the annual adjustment to the rates for the treatment of sewage for Napavine and LCSD#1. He noted the city had used the same formula for calculating the rates since it was developed in 2002. He reported the 2005 rates went up substantially for both entities, based on flows in 2004 and actual budget expenditures. As a result of a reduction in flows and expenditures in 2005, the 2006 rates would be slightly lower for LCSD#1 with a decrease of \$207, and the a bit higher for Napavine with an increase of \$68. Mayor Rider asked if Napavine and LCSD#1 owned a percentage of the wastewater treatment plant. Mr. Wiltzius reported they currently owned a percentage, based on the sewer interceptor agreement. He thought LCSD#1 owned around 2.1 percent, while Napavine owned 4 percent. Mr. Wiltzius reported he came to council last year with a proposed method of sharing the cost allowing them purchase capacity in the new plant. At that time they were looking at Lewis County purchasing approximately 4 percent and Napavine 8 percent. He reported once the city started paying the debt service back on the new plant LCSD#1 and Napavine would start paying their share, as well, and they would have until that time to determine how much growth they want to pay for. Mr. Wiltzius stated if they wanted to purchase it at a later time they would have to pay for it with interest and inflation. Mr. Wiltzius reported the revisions noted in the ordinance only pertained to the treatment costs.

Councilor Ketchum moved that the council pass Ordinance 796-B for the city of Napavine and Lewis County Sewer District #1 on first reading. The motion was seconded by Councilor Taylor and carried unanimously.

b. **Ordinance No. 797-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2006.** Mr. Larson reported on Ordinances Nos. 797-B, 798-B, and 799-B. He noted the city was required to tell the assessor how much property tax the city intended on collecting in 2006. He reported that Ordinance 798-B was an ordinance required by referendum 47 that specified in dollar amounts and percentages how much the property tax would increase over the previous year. He stated Ordinance Nos. 797-B and 798-B assumed a one percent increase, and Ordinance No. 799-B would adopt the 2006 budget. Mr. Larson reported over the last several weeks they had three workshops and one public hearing on the recommended 2006 budget. During that time the council made the following additions:

- A new property maintenance laborer position for community services
- Funding in the amount of \$10,150 for lap top computers for council members
- Funding to aid library building improvements or replacement in the amount of \$100,000, carried forward from the 2005 budget
- Funding for a downtown façade improvement program was increased from \$50,000 to \$100,000
- Funding in the amount of \$40,000 was added to the water budget for a high level reservoir study
- The parking fund had been rolled into the General Fund (the fund will be dissolved in 2006)
- Two new funds were included: fund 305 - First Quarter Percent Real Estate Excise Tax (REET) Fund, and fund 306 - Second Quarter Percent Real Estate Tax Fund (The two funds are necessary to ensure compliance with restriction on REET)

Councilor Taylor asked if the high level reservoir study was for the entire area or just the “Duffy Park” property. Tim Grochowski reported it would be for the whole area, including the Prospect, Crestview, and Newgard areas.

Councilor Spahr asked if the property tax revenue of \$1,095,000,000 reported in Ordinance No. 797-B included the one percent increase. Mr. Larson stated it did. Councilor Spahr asked how he determined the amount of increase the city would receive from new construction. Mr. Larson reported the assessor gave the city the number for new construction based on new construction in 2005. He reported they calculated the one percent growth on the existing properties, then took the new construction and applied last years levy rate and added it in to come up with the final number.

Councilor Spahr noted the recommended budget included a two cent increase on the general property tax, and the EMS levy would remain the same. Mr. Larson reported that was the effect on the rate, but the city would actually adopt a dollar amount and the rate would fall out. Councilor Spahr noted a two cent increase on a \$100,000 home would be a \$2 increase.

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Councilor Ketchum moved that the council pass Ordinance Nos. 797-B, 798-B, and 799-B on first reading. The motion was seconded by Councilor Harris. Councilor Taylor made a motion to direct staff to amend all three ordinances to reflect the removal of the one percent property tax increase. Councilor Taylor noted the city had a sizable reserve for 2006 and didn't believe council should raise property taxes just because they could. Councilor Lund seconded the motion. Councilor Pope asked Mr. Larson what that affect would be to the city's income if they took out the 1 percent increase. Mr. Larson reported it would reduce the General Fund property tax levy by \$10,500, noting the impact would not be on any programs, but would reduce the ending fund balance. Councilor Pope asked how many years had it been since the city had not raised taxes. Mr. Larson didn't know the exact answer, but knew it had been a great many years since the city had not raised taxes. Mr. Larson reported when taxes were not raised by the legal limit that amount goes into the city's banked capacity, and in future years the city can draw on it. He reported over the years, largely because the city did not take the full six percent, the city had accumulated a banked capacity of \$282,513. Councilor Pope asked, in a case where the city might need money, could they use the banked capacity. Mr. Larson stated yes, but only during the budget process. Councilor Pope asked if the city went to the banked capacity and wanted to make up the \$10,000 plus some additional dollars, would that mean they would have to raise the percentage of the tax being requested more than the one percent. Mr. Larson stated that was correct. He explained, in future years if council decided to use the banked capacity, the city would have to raise the percentage amount. Councilor Pope noted the hardship on the community would be more difficult if they had to raise the amount to four or five percent in the future, rather than one percent now. He suggested the city take the one percent and maintain it, since they had such a large banking capacity.

Councilor Spahr stated he was one who liked to keep the taxes as low as possible. He noted when council budgeted in previous years they kept the taxes down so if they had a problem they could raise it two or three percent and stay within the limits of the law. Councilor Spahr noted the city had a lawsuit pending with the power plant out in the industrial park that would make a tremendous amount of difference in their property taxes. He noted a \$75 million plant would amount to about \$2,000 in property tax revenue, adding that could make or break the annexation.

Councilor Harris reported two weeks ago there was a notice sent out regarding streamlined sales tax. He stated unfortunately it looked like there had been some form of "forced agreement" and next year the legislature was going to bring forth the streamlined sales tax. He reported, according to the state budget office, it could impact the city by as much as \$400,000 a year. Councilor Harris asked who they were going to start sending home first, if the city didn't start preparing for those types of losses.

Mayor Rider didn't believe the city needed to raise property taxes for the sake of raising taxes when they had it banked. To his knowledge there was no movement to take away the city's ability to bank that money.

Councilor Ketchum hoped with the development over at the airport, and if Home Depot does what it's suppose to do that they would be able to wipe out the \$10,000 loss in one month from sales tax revenue.

Councilor Harris stated one thing to remember was if they could hang onto their sales and property tax, the city would be able to pay for the wastewater treatment plant without having to raise sewer rates. He repeated that they needed to start preparing. Councilor Pope wanted to make it clear that previous councils were very conservative when it came to raising taxes. Mayor Rider stated he knew that and that was why they had 25 percent banked, adding it wasn't needed then and it wasn't needed right now.

Councilor Spahr asked if anyone had ever been challenged on trying to get their banked capacity. Mr. Hillier stated no, that people take it all the time at varying levels and had never be challenged for taking it.

The motion to include the amendment to Ordinance Nos. 798-B, 799-B, and 800-B passed 4 to 3. Councilor's Harris, Pope and Spahr voted against the motion.

The motion to pass Ordinance No. 797-B on first reading, as amended, carried unanimously.

c. **Ordinance No. 798-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2006.** The motion to pass Ordinance No. 798-B on first reading, as amended, carried unanimously.

d. **Ordinance No. 799-B, First Reading – Adopting the 2006 Budget.** The motion to pass Ordinance No. 799-B on first reading, as amended, carried unanimously.

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e. **Ordinance No. 800-B, First Reading – Amending the 2005 Budget.** Mr. Boes noted twice a year staff came before council with items that were not passed in the approved budget, but were allocated to spend money on. Jim Larson reported the General Fund would be increased by \$124,839.98. Councilor Ketchum asked why the budget was so far off on the LEOFF 1 cost's. Mr. Larson reported that LEOFF 1 costs were difficult to anticipate, especially as the retirees get older. He noted by statute the city was required to cover 100% of medical care costs for LEOFF 1 retirees. Councilor Spahr asked about the \$2,000 donation for improvements to city facilities. Andy Sennes reported the city had received a donation from the Twin Cities Slow Pitch and Softball Association after they disbanded. Councilor Spahr asked if that money could be used by the foundation. Mr. Larson stated the public facilities reserve fund was going to change from how it functioned in the past. He reported the change would occur with the two new funds being created for the real estate excise tax, noting it would be easier to track what money would be for what project.

Councilor Ketchum moved that the council pass Ordinance No. 800-B on first reading. The motion was seconded by Councilor Spahr and carried unanimously.

f. **Ordinance No. 801-B, First Reading – Establishing Two (2) New Funds for Real Estate Excise Tax Revenues.** Mr. Boes stated it was procedural to make a request by ordinance when establishing new funds in a budget. He was advised by Mr. Hillier that the rules could be suspended and the ordinance could be passed on first and final reading. Mr. Larson reported the issue had to do with the two kinds of real estate excise tax, noting each of them had their own requirement and restrictions. Mr. Larson reported by separating them the city could demonstrate they were following the rules when spending the funds. He stated the first quarter percent of real estate excise tax could be used to purchase park land if it was on the capital improvement plan (CIP). Those monies were levied of the sale of real estate in the city. Mr. Larson reported that the second quarter percent of real estate excise tax could not be used for that purpose, but could be used to maintain park property. The second quarter percent tax was also levied on the sale of real estate within the city. Councilor Harris asked who ultimately made decisions on how the money was spent. Mr. Larson stated it was a budgetary issue in which council would decide. Councilor Lund asked if they could use the money of reopening some of the closed parks. Mr. Larson reported they could use the second quarter percent for that purpose, or part of the first quarter percent if it was something on the CIP.

Councilor Spahr moved that the council suspend the rules requiring a second reading. The motion was seconded by councilor Taylor and carried unanimously. Councilor Spahr moved that the council pass Ordinance No. 801-B on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

5. **Staff Reports.**

a. **TIB Grant Update.** Tim Grochowski and Mansoor Ghorbani came forward to talk about the TIB grant, which was awarded back in November. The city received \$3 million to put towards a \$9 million dollar project. Staff, along with Lewis County and the Department of Transportation (DOT), put together the airport road extension project, which would raise Airport Road by five or six feet from the dike all the way to Mellen Street. A handout was passed around showing the breakdown of dollars by each entity. Mr. Ghorbani reported that currently the city had spent approximately \$1.4 million, which was part of the city's \$2.6 million. The city also received an in-kind credit of \$437,200 for the right-of-way near the Barnes property. Mr. Ghorbani reported there were six funding partners including: TIB Grant - \$3,000,000; DOT - 2,479,846; Airport Board - \$332,800; Lewis County - \$500,000; CCA Retail - \$971,892; and Chehalis - 2,617,200. Mr. Ghorbani reported the city would receive an in-kind match credit for any improvements north of Arkansas Way. He reported the airport dollars were in-kind as well, for the right-of-way dedication that they did within the airport property for widening. Mr. Grochowski reported DOT would be paying for a seawall from the Dike to Mellen Street. He reported DOT would also be raising the existing dike around the airport by two-feet in the area where the city would be crossing over. Councilor Harris noted he didn't see any funding from the city of Centralia in the pie chart. Mr. Grochowski reported Centralia would be putting in some TIB grant funding. Mayor Rider asked if once the utilities were put in if they would be eligible for in-kind. Mr. Grochowski stated they would not be, and explained if the utilities were already there, and the city had to move them, then they would be eligible. Mr. Ghorbani stated they were ineligible because water and sewer utilities are not considered public transportation related projects. Mayor Rider asked if the fees for the utilities would be latecomer's fee assessable in order to recover those dollars. Mr. Ghorbani stated one of the strategies was to put a charge on the line to re-coop some of the costs, noting the city could not put a late comer's fee on it.

Mr. Ghorbani reported that construction should begin in May 2006, noting the city had a contractual agreement with Uhlmann Motors that the city do some of the improvements by June 2006. He stated the TIB grant was for the fiscal year 2007, but the city would be asking for preauthorization and hoped to be successful in that. Councilor Ketchum asked if the city had to wait until the Mellen Street interchange was finished. Mr. Grochowski stated no, that they could stop short of it right now. Mr.

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Ghorbani believed the Mellen Street portion of the project would be done in 2007.

b. **Roundabout Meetings.** Mr. Grochowski reported the Chamber of Commerce would be having meetings on construction starting November 29, 2005 at 12:00 p.m. at the chamber, and on November 30, 5:30 p.m., and December 1, 8:00 p.m. The meetings would be for the businesses in the area and everyone had been invited to attend at certain times and dates to talk about the 10 day closure. Mr. Grochowski reported the meetings for the general public would be later on, but all of the meetings would be open to the public. Mr. Grochowski added the bid would go out in January, awarded in March, construction should begin the first of April, and be completed by the end June.

6. **Council Reports.**

a. **Chamber Espresso Building.** Councilor Pope asked if there was a way to get information on the income from the chamber espresso building. Mr. Larson reported the city received \$200 per month. Councilor Pope asked what the receipts were from the stand itself. Mr. Larson stated he would have to look at the lease to see if the city had a legal right to obtain that information. He stated he could make a request, whether it was in the lease or not for them to tell the city. Councilor Pope asked who received the rest of the money that they pay. Mayor Rider stated the city received all the rent and that we gave 50 percent of it back to the chamber for maintenance of the grounds, and our 50 percent went towards holiday decorations. Mayor Rider added because the city owned the property and leased it to the Chamber, the city would receive the rent money from the espresso building, and agreed to give a portion of it back the pay for maintenance costs.

b. **Update on Status of Firm Search.** Mr. Boes reported earlier in the month staff was asked staff to seek proposals from employment firms to find the next city manager. He reported that Caryn Foley had contacted five different firms and had received proposals from three of them. He noted one firm withdrew their proposal after reconsideration, stating they didn't feel they would have the time to do the search for the city. Mr. Boes would like to allow a little more time to allow the other two firms to make proposals to the city. He reported that he asked Ms. Foley to set up some dates in early January for a workshop with the council to have the different firms come and do presentations, and allow council to select which firm they want to proceed with.

c. **Napavine UGA Land Issue.** Bob Nacht reported the property owner had sent a letter to Lewis County requesting that their property not be included in the UGA. It was his understanding and belief that the county commissioners would not provide for that property to be within any UGA. He reported Napavine had not officially withdrawn their request for the property, but the property owner had intervened with the letter, and he felt the county commissioners would simply not award that property into a UGA.

d. **Issaquah Sexual Offender Ordinance.** Councilor Spahr wanted to thank staff and Mr. Hillier for looking into the Issaquah ordinance on sexual offenders. He agreed they should wait until they find out if it's tested positively.

e. **Holiday Decorations.** Councilor Lund thanked Ms. Schwartz and her staff for looking into putting up decorations on Chehalis Avenue.

f. **Christmas Parade Parking.** Councilor Lund reported he had been approached by citizens regarding closing off parking in the downtown area during the parade. He reported as a businessman he was never approached about it. Mr. Grochowski reported it was brought up at the CCMC meeting about the chamber closing the downtown area to parking. He reported there was a lot of support from the newer businesses in town and they agreed to give it a try. Councilor Lund had concerns about no parking on Chehalis Avenue, stating it would hurt the businesses in the area. Ms. Schwartz reported it was a chamber driven issue and not staff driven. She stated their hope was that if they closed the street off to parking it might encourage people to walk and stop in some of the businesses along the way, versus jumping back into their cars and leaving. She agreed with Mr. Grochowski that there was a lot of support from local businesses in the downtown area. Councilor Spahr agreed in a way because it got people moving through the downtown area on their feet instead of sitting in their vehicles.

g. **University of Washington Talks with Centralia College About Collaboration.** Councilor Pope reported faculty from the University of Washington met today the faculty at Centralia College to figure out a way to institute a technical operation with the college. He noted the University of Washington was already doing collaboration with several organizations in the community, one being Lewis County Health Partnership. He reported as a result of that collaboration, Valley View Medical Center came to be. They were now working with the school districts to screen all the adolescents in the districts for dental problems. They hoped to be able to set up programs at the college where students would be able to earn a Bachelors degree.

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He noted there were a lot of meetings to take place in the future, but felt it was a good thing that the University was looking to collaborate with the college.

There being no further business to come before the council, the meeting was adjourned at 7:37 p.m.

Mayor

Attest:

City Clerk

December 12, 2005

The Chehalis city council met in regular session on Monday, December 12, 2005, in the Chehalis city hall. Mayor Fred Rider called the regular meeting to order at 5:03 p.m. and went directly into executive session with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, Tony Ketchum, Bob Spahr and Chad Taylor. Staff present included: Jerry Boes, Interim City Manager; Mark Scheibmeir, Asst. City Attorney; Judy Schave, City Clerk; Jim Larson, Finance Director; Tim Grochowski, Public Works Director; and Patrick Wiltzius, Wastewater Superintendent.

1. **Executive Session.** Mayor Rider announced staff and council would be in executive session for until 6:00 p.m. pursuant to RCW 42.30.110(1)(i) – potential litigation, and there would be no decision following the conclusion of the executive session.

Mayor Rider closed the executive session at 6:01 p.m. and announced council would reconvene into regular session after a five minute recess. Additional staff present for the regular meeting included: Bill Hillier, City Attorney; Joanne Schwartz, Community Services Director; Bill Nacht, Asst. Fire Chief; Dale Miller, Police Chief; Becky Fox, Court Administrator; Mansoor Ghorbani, City Engineer; Bob Nacht, Community Development Manager; Marilyn Riebe, Grants Administrator; and Andy Sennes, Property Manager. Members of the news media in attendance included Carrina Stanton of *The Chronicle*.

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

a. Minutes of the special city council meeting of November 21, 2005; and minutes of the regular council meeting of November 28, 2005;

b. Claim Vouchers No. 80507-80624 in the amount of \$523,758.12 dated November 30, 2005; and Payroll Vouchers No. 25530-25688 in the amount of \$654,034.72 dated November 30, 2005;

c. Award bid for water-cooled gasoline powered rider sweeper to Tennant Sales and Service Company in the amount of \$28,108.58;

d. Reappoint Pete Bezy to a new four-year term on the Planning Commission expiring December 31, 2005;

e. Reappoint Barbara Laughton and Dr. Henry Kirk to new three-year terms on the Historic Preservation Commission expiring December 31, 2005;

f. Approve the revised Chehalis-Centralia Airport operating agreement; and

g. Authorize interim city manager to sign local agency agreement and project prospectus between the city and the Washington State Department of Transportation for the Chamber Way roundabout project.

The motion was seconded by Councilor Ketchum and carried unanimously.

3. **Unfinished Business.**

a. **Lodging Tax Advisory Committee Report.** Jerry Boes reported council had asked the Lodging Tax Advisory Committee to reconsider their decision in regards to the 2006 appropriation to the Lewis County Convention and Visitors Bureau (LCCVB). Councilor Ketchum, Chair to the Lodging Tax Advisory Committee, reported they met again and after lengthy discussion came back with the same recommendation, not to fund the LCCVB in 2006. Reasons being:

- The board still did not know who the three people to be elected to the new board would be
- The board still did not know who the new director would be, or what their focus would be
- It was their understanding the CVB would be providing the same services as in 2005 with a decreased budget

Natalie Ketchum, Manager of the Best Western Hotel (201 SW Interstate Avenue) came forward to talk more about the advertising budget of the LCCVB. She stated Chehalis, Centralia, and Lewis County all had different markets and she had concerns about how the funds would be spent to promote and advertise. She reported both the county and Centralia collected a majority of the revenue and would benefit the most. She noted if the county and Centralia were to put in \$58,000 out of their revenues they would still have an additional \$100,000 to use for their own marketing, adding Chehalis didn't have that luxury because Chehalis didn't have that much lodging tax dollars coming back to us. Ms. Ketchum reported if the city funded \$58,000

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for 2006 they wouldn't be able to fund anything in 2007, because there wouldn't be anything left. She felt the LCCVB was all about Centralia now and that it would be a waste to give any money to the CVB. She stated it was council's job to look out for the city and not the CVB. Ms. Ketchum reported that the CVB was intended to be an industry driven organization, but had become a political nightmare. Ms. Ketchum stated they would like to form a committee of their own to come up with a plan to decide what to do with those dollars.

Mayor Rider stated in previous years the ads were written generically for all three entities, which included information on the steam train, the veteran's museum, and other things within the community and the county. Ms. Ketchum noted they had \$50,000 more to do it with, which they didn't have now and felt with less money the CVB would need a new plan. Ms. Ketchum and Mayor Rider went on to talk about the funding and the expenditures of the CVB. Mayor Rider added that he didn't perceive it to be the Centralia CVB. He stated he was on that board and he wasn't there just to promote Centralia, but to represent the city of Chehalis and the community. He noted the representatives on the board making the decisions had vested interests in their own areas, but felt they were not there just to benefit the city of Centralia.

Councilor Pope asked Councilor Ketchum if what was being presented was the committee's recommendation. Councilor Ketchum stated it was. Councilor Spahr stated they had asked the committee to make a recommendation and they had done that. He asked Councilor Ketchum if it would be possible to amend the budget at a later date, if in fact the LCCVB got organized and addressed the concerns of the committee. Councilor Ketchum responded by saying the recommendation at that time was to hold the money, but not close the door. He noted if they were still functioning, the money could be available. Mayor Rider stated if they didn't fund the CVB they wouldn't be able to hire an executive director. He noted they wouldn't know what to pay the executive director until they know what their funding would be. Mayor Rider reported up until recently everything the CVB did the city was perfectly happy with. He noted the whole scheme, and selling point to the original creation of the board was to pool the money to get a bigger bang for the buck, with the idea of spending those dollars to put heads-in-beds.

Councilor Spahr stated they had a recommendation from the committee and if someone wanted to make a motion to go against that recommendation it should be made. Councilor Ketchum stated that it didn't matter who the director was then and who the new director would be, noting all he did was listen to the concerns of the committee and was reporting back on those concerns with the committee's recommendation.

Councilor Taylor stated he still supported the LCCVB and thought it was good for the entire community. He noted if they decided to support it he would like to see an outline of their goals and objectives for 2006. He felt it would be a shame to see all the hard work it took to get the committee and LCCVB up and running, just go away.

Councilor Taylor made a motion to fund the LCCVB in the amount of \$40,000 for 2006. Councilor Lund seconded the motion.

Councilor Pope stated again, they asked the committee to go back and look at it again and the committee came back with the same recommendation. He noted, out of due respect for the committee, they should seriously look at their recommendation. Mayor Rider noted the committee was formed by statute to distribute the funding, and three out of the four years he's been on council they hadn't gone with the committee's full recommendation.

Councilor Spahr wanted clarification on the motion to fund the LCCVB for \$40,000 and asked Bill Hillier if they had to be a little more-clear on where the money was going to come from, and what was going to be cut. Mr. Hillier stated in the nature of the discussions over the last two council meetings it was fairly clear where the funds were coming from. Councilor Ketchum stated he didn't believe anything would need to be cut in 2006, but would be in 2007.

Councilor Harris noted back when the LCCVB was first formed there was a lot of excitement behind it, and about being able to pool our money to work together with the county and Centralia. He understood it may not be constructed as well as the city would like to see it, but in his regard he agreed that the city could give them some money to at least to get started and continue along the line of realigning the program. He noted if they weren't happy with the results, they could pull the plug on it. The motion carried 4 to 3. Councilors Pope, Ketchum and Spahr voted against the motion.

b. Ordinance No. 796-B, Second Reading – Revision of Sewer Rates for Lewis County Sewer District #1 and Napavine. Councilor Spahr moved that the council pass Ordinance 796-B amending sewer rates for the city of Napavine and Lewis County Sewer District #1 on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

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c. **Ordinance No. 797-B, Second Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2006.** Councilor Spahr moved that the council pass Ordinance No. 797-B on second and final reading. The motion was seconded by Councilor Ketchum and carried unanimously.

d. **Ordinance No. 798-B, Second Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2006.** Councilor Spahr moved that the council pass Ordinance No. 798-B on second and final reading. The motion was seconded by Councilor Ketchum and carried unanimously.

e. **Ordinance No. 799-B, Second Reading – Adopting the 2006 Budget.** Mayor Rider asked if the motion should include the amendment of the \$40,000 to the LCCVB. Mr. Hillier noted that with the motion made on agenda item No. 10, that would be included, but didn't know if it was provided for. He advised council to pass the budget as presented and during the normal budget amendment time they could amend the budget to pick up the \$40,000 and pay that amount out on a quarterly basis. Councilor Spahr moved that the council pass Ordinance No. 799-B on second and final reading. The motion was seconded by Councilor Taylor and carried unanimously.

f. **Ordinance No. 800-B, Second Reading – Amending the 2005 Budget.** Councilor Spahr moved that the council pass Ordinance No. 800-B on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

4. **New Business.**

a. **Resolution No. 19-2005, First Reading – Amending the 2006-2011 Six-Year Transportation Improvement Plan (STIP).** Mr. Boes reported the city had received a federal grant in the amount of \$42,775 to do a route analysis for a community pathway through Chehalis. In order to process that grant the STIP would need to be amended. Tim Grochowski reported the grant was submitted by the previous public works director Jim Nichols, which would allow the city to look at a pathway that would connect the Port of Chehalis, the Chehalis Industrial Park, Stan Hedwall Park, and a site near the Veterans Memorial Museum off of Newaukum Avenue. He noted it would also connect the Rails-to-Trails route from Chehalis to Adna. He stated it was a funded project and would become the number three priority on the STIP.

Councilor Ketchum moved that the council suspend the rules requiring a second reading of a resolution. The motion was seconded by Councilor Harris and carried unanimously.

Councilor Ketchum moved that the council approve Resolution No. 19-2005 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

b. **Resolution No. 20-2005, First Reading – Amending Issuance of Debt for the Airport.** Mr. Boes reported the airport board was requesting that their debt limit be increased for capital improvements at the airport. He noted that Mr. Hillier advised him that the rules could also be suspended requiring two readings and passed on first and final reading. Councilor Ketchum asked if the resolution would hold the city liable or cost the city any money. Mayor Rider reported the liability issue could conceivably do that, however the assets of the airport, by far, exceeded the liability. Mr. Hillier noted it wouldn't affect the city's general fund or our credit rating.

Councilor Ketchum moved that the council suspend the rules requiring a second reading of a resolution. The motion was seconded by Councilor Pope and carried unanimously.

Councilor Ketchum moved that the council pass Resolution No. 20-2005 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

5. **Staff Reports.**

a. **Employee Service Awards.** Mr. Boes reported that Rich Trotter, Property Maintenance Worker II would receive an award for 20 years of service, and Barbara Lovelady, Fire Department Administrative Assistant would receive an award for 25 years of service.

b. **SEPA Determination – CCA Two, LLC Development.** Bob Nacht stated he couldn't change history, and the information presented in the agenda packet related to the chronology of the subject process. He reported at such time as any quantifiable proposal was presented for any of the remaining 60 acres or the Barnes property, which would trigger SEPA, the city

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would take a look at whatever those proposals might be. Mr. Nacht stated the master plan was developed during the review process for the Home Depot and Appleby proposals, and was presented to the city within the Traffic Impact Analysis. Mayor Rider stated after reviewing Mr. Nacht's report the city was comfortable with what was being done and noted he relied on Mr. Nacht's opinion. Mayor Rider asked Rod Hudson if he received a copy of the report. Mr. Hudson stated he did not. Mayor Rider stated the city would share that information with him, which explained where the city stood and how it made its decisions. He told Mr. Hudson that council was very supportive of staff and believed the city had done and would continue to do what was proper. He stated if Mr. Hudson felt differently he could contact the city attorney's office.

c. **Update on Firm Search For New City Manager Position.** Mr. Boes reported the city had received three proposals to date. The city requested proposals from five companies, and asked for some dates that they could come and make presentations to council. A workshop was set for January 10 at 5:00 p.m. in the council chamber at city hall.

6. **Council Reports.**

a. **Railroad Update.** Mayor Rider reported they met with the Department of Transportation and the consultants and talked about some of the options. He stated there were five proposals presented, one of which would satisfy Chehalis, Centralia, the Ports, and PC&C. He stated the process was being put down on paper and being developed. They hoped to get the railroads involved with what seemed to be a win-win situation for everyone involved. He noted the meetings would be aired on Channel 3 if anyone was interested in watching the discussion.

b. **Nativity Scene.** Mary Sams of Toledo wrote to say she appreciated the annual display of the nativity. Councilor Harris noted they needed to thank Kiwanis for putting up the display during the Christmas season each year.

c. **Meeting Cancellation.** Councilor Spahr moved that the council cancel the December 27 council meeting. The motion was seconded by Councilor Taylor and carried unanimously.

d. **Small City Roundup.** Councilor Harris reported that AWC had sent out some information on the small city roundup. He reported he would be attending the January 4th meeting in Woodland and asked if there was anything staff or council wanted him to bring up at that meeting. Councilor Ketchum thought he should express their concern about the streamline sales tax issue. Mayor Rider reported coming up on January 25 and 26, in Olympia, was the city legislative action conference if anyone was interested. He thought the city should have representation there to talk about the streamline sales tax issue, as well. Councilor Harris suggested the two new council members also attend that conference.

e. **Presentation to Bob Spahr.** Mayor Rider asked Councilor Spahr and his wife Jackie to come forward for the presentation. Mayor Rider presented flowers to Mrs. Spahr to thank her for her support. He then presented Councilor Spahr a plaque in recognition of 20 years of outstanding leadership and devoted service. Councilor Spahr first thanked the people of Chehalis for allowing him the time to work on their behalf. He stated Chehalis was an incredible town with incredible people, with can-do attitudes. He noted they had accomplished a lot over the last 20 years. Councilor Spahr then talked about the staff, stating Chehalis was very fortunate to have the staff they did. He noted they did a tremendous job, which helped council to do their job. Councilor Spahr went on to talk about past councils and some of the tough decisions they had made over the years. He noted they had no less than six major mandated projects costing of over \$1 million, and they did it all without a large impact to the rate payers. He stated everything was in place for the city to move forward and expand its tax base to make it even better for the citizens. Lastly, he thanked his family who stood behind him and beside him. He noted some of the stuff they've had to read over the last couple of years just wasn't fair, but it was what it was.

Councilor Spahr left Councilor Taylor an editorial *The Chronicle* wrote a week earlier complementing the city for not raising its taxes and banking it for when they really needed it, and a second editorial from 2000 when they raised taxes when they needed it, and were totally chastised for taking it. Councilor Spahr then presented Patrick Wiltzius with the three jars of liquid that Mr. Wiltzius presented to council back when they were going through the TMDL process. The jars contained: treated wastewater out of the treatment plant; Chehalis drinking water; and Chehalis River water. Councilor Spahr noted the bottles were last filled around 2001.

Councilor Spahr thanked everyone, stating, "they say when you're having fun time passes very quickly, and in a blink of an eye it's done."

There being no further business to come before council, the meeting adjourned at 7:05 p.m.

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Mayor

Attest:

City Clerk