

CLE ELUM SPECIAL MEETING
MINUTES
JANUARY 28, 2025
5:00 PM
 119 W FIRST STREET
 CLE ELUM, WA 98922

1. Call to Order, Pledge of Allegiance, and Roll Call

Cassidy Buechle - Curtis - Councilmember present
 Ken Ratliff - Councilmember present
 Beth Williams - Councilmember present
 Steven Harper - Councilmember present
 Jerred Weis - Councilmember present
 Steven Cook - Councilmember present
 Audrey Malek - Councilmember present

Matthew Lundh - Mayor
 Rob Omans - City Administrator
 Debbie Lee - Clerk
 Mike Heit - HLA
 Mathew Bailey - Public Works Director
 Rich Albo - Police Chief

- a. January 28, 2025 Sign In Sheet

2. Executive Session

- a. Executive Session under the authority of RCW 42.30.110(i) to discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence for the agency.

The Council went into Executive Session at 5:03 p.m. for 20 minutes.

Mayor Lundh returned at 5:23 p.m. and stated they are extending the Executive Session another 10 minutes.

The Council returned at 5:34 p.m. with no decisions being made.

3. Public Comment - Limited To 5 Minutes

- a. Rosa Peterson Public Comment Submitted via Email

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Laura Osiadacz the chair of the Board of the County Commissioners stated that the Council has a tough decision to make, and the Commissioners want to be good partners and will act as needed when appropriate.

Karl Ohelmann stated he likes the comments and appreciates the passion. He has a couple suggestions possibly having a Town Hall setting or possibly putting the bankruptcy issue on the ballot form. He also thinks that the Bullfrog Flats Public Hearing should be delayed due to all of the current issues are dominating people's time.

Brian Tate stated that he sees parallels with the Grant Street Alley vacate and City Heights. He says lack of communication from the City is causing him to still have issues.

Kathy Wyborski stated she expects that tonight's meeting will provide more insight in the City Heights settlement. She appreciates the City website. She believes future development agreements should include a climate change component as it may have impacts on future projects.

Carissa Grzetic felt as though last week the City was on a path to a resolution. She has done some research on municipal bankruptcy and would like to have a Town Hall to discuss bankruptcy.

Jamie Dewispelare stated he is the CFO of Trailside Group and works with corporate restructuring and strategic planning. He has studied the judgement and reviewed the city's budget. He doesn't understand how the City of Cle Elum does not see the potential increase in revenue that this project will bring.

Gary Meyers doesn't understand the urgency of this decision and the impact of their decision. He stated that City Heights is assertive and communicates and implores Mayor Lundh to do the same.

Jim Day is a bankruptcy lawyer in Seattle, and he represents City Heights. He believes that bankruptcy is the last option when everything else has been exhausted. It is expensive and non-essential expenses will be scrutinized.

Sean Northrup stated that there has been no substantial movement, and he see that there are conflicting resolutions on the agenda. He would like to mediate so the City could avoid bankruptcy and it is a horrible experience and should be avoided.

Mary Ann Adams stated she has a vested interest in the City and stated that change is inevitable. Mary Ann is the Chaplain for the Cle Elum Police Department. She asked to talk to God and asked for wellbeing of the people of the region and future and also asking for a resolution that will bring peace.

Patricia Garris believes there is a place for mediation from an outside source. She stated both sides need to give and possibly Cle Elum a little more than City Heights.

Christine Hiembigner - Simpson has a fear of bankruptcy and what it will do to the city,

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water and sewer system, and employees.

4. Adjourn

- a. Adjourn, if necessary, or the meeting will automatically continue into the Regular Meeting at 6:00 p.m.

5. Call to Order, Pledge of Allegiance, and Roll Call

6. Announcements, Appointments, Awards & Recognition

Mayor Lundh reported the 2025 appointment of the Council Committees. See attached list. Mayor Lundh would like the committees to all agree on a day and time to meet monthly and coordinate that with the City Administrator.

Mayor Lundh would like to create a position for a Council Liaison representative for the Planning Commission who would then report back to the Council.

MOTION: Councilmember Harper made a motion to create the position of Council Liaison Representative to the Planning Commission; seconded by Councilmember Cook.

MOTION CARRIED: 7 yes 0 no.

MOTION: Councilmember Harper made a motion to ratify the entire 2025 City Council Committee and Regional Committee Lists; seconded by Councilmember Cook.

MOTION CARRIED: 7 yes 0 no.

7. Approval of Meeting Agenda

MOTION: Councilmember Harper made a motion to amend the agenda to include adding a 15-minute public appearance by Sean Northrup to present a financial proposal aimed at avoiding bankruptcy and allowing the City 60 days to arrange mediation, as the next order of business with allowance for a discussion period for questions to and from the Council and then to consider Resolutions 2025-005 and 2025-006 immediately thereafter as Item #8 all New Business would move to Item #9; seconded by Councilmember Weis.

POLL VOTE:

Councilmember Buechle- Curtis- no

Councilmember Ratliff - no

Councilmember Williams - no

Councilmember Harper - yes

Councilmember Weis - yes

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Councilmember Cook - no
Councilmember Malek - no
MOTION FAILED: 2 yes 5 no.

Councilmember Ratliff questioned if this was in regard to the email that was received at 4:51 p.m. today and now going to be a major talking point. He is opposed to this and feels it is not appropriate.

Councilmember Harper is looking for clarity. His idea is to have direct discussion.

Discussion was had about what would be discussed during this time and there was not proper preparation for the Council. Questions included would only Sean Northrup speak, etc. Some Council felt that there has been enough time.

Alexandra Kenyon City attorney stated this is highly unusual to do a back and forth while there is active litigation.

MOTION: Councilmember Harper made a motion to amend the agenda by moving New Business to Item #8; seconded by Councilmember Weis.
MOTION CARRIED: 7 yes 0 no.

- a. Sean Northrup Email to Steven Harper - Follow up on our Discussion

8. New Business

- a. Resolution 2025-006 of the City Council of the City of Cle Elum, Washington, Approving the Filing of a Chapter 9 Bankruptcy Petition and Employing Steel Rives LLP as Bankruptcy Counsel

Discussion was had about considering all available options and the two resolutions that are on the agenda. The Council needs to make a clear statement. Both Resolution could be passed but do counter each other.

Council would like a poll vote and consider the Resolutions separately.

Councilmember Harper read aloud Resolution 2025-005 that he drafted regarding financial stability. Councilmember Harper would like someone that is in support of Resolution 2025-006 to recite the Resolution.

MOTION: Councilmember Harper made a motion to renumber his Resolution to 2025-005 and the bankruptcy Resolution to 2025-006; seconded by Councilmember Cook.
MOTION CARRIED: 7 yes 1 no. (Councilmember Ratliff)

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Discussion was had regarding the "Whereas #6" that there is a misunderstanding of the words "mediate", and "negotiations" and it should be stricken from the Resolution. Councilmember Ratliff and Councilmember Cook read thier statements aloud. Councilmember Harper maintains that it is premature to consider bankruptcy. The Resolution does not declare bankruptcy just that Mayor Lundh is allowed to file.

Councilmember Williams read aloud Resolution 2025-006.

MOTION: Councilmember Ratliff made a motion to approve Resolution 2025-006; seconded by Councilmember Williams.

MOTION CARRIED: 5 yes 2 no.

POLL VOTE:

Councilmember Buechle-Curtis - yes

Councilmember Ratliff - yes

Councilmember Williams - yes

Councilmember Harper - no

Councilmember Weis- no

Councilmember Cook - yes

Councilmember Malek - yes

Ken Ratliff Statement City Heights

Steven Cook Statement City Heights

- b. Resolution 2025-005 Regarding the Financial Stability of the City of Cle Elum - Councilmember Harper

Councilmember Harper would like to ask for consideration of his Resolution 2025-005. Councilmember Harper presented this Resolution as a stop gap and that bankruptcy is the last option.

MOTION: Councilmember Harper made a motion to approve Resolution 2025-005; seconded by Councilmember Weis.

MOTION FAILED: 2 yes 5 no.

POLL VOTE:

Councilmember Buechle-Curtis - no

Councilmember Ratliff - no

Councilmember Williams - no

Councilmember Harper - yes

Councilmember Weis - yes

Councilmember Cook - no

Councilmember Malek - no

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c. Stretto Services Agreement

Councilmember Harper is not in support of bankruptcy but to not stymie the majority of the Council he will vote to approve the signing of the agreement.

MOTION: Councilmember Cook made a motion to approve; seconded by Councilmember Malek.

MOTION CARRIED: 7 yes 0 no.

9. **Consent Agenda**

MOTION: Councilmember Harper made a motion to approve the consent agenda; seconded by Councilmember Williams.

MOTION CARRIED: 7 yes 0 no.

- a. Approve the City of Cle Elum Special Meeting Minutes Dated January 14, 2025
- b. Approve the City of Cle Elum Council Meeting Minutes Dated January 14, 2025
- c. Approve the Payables Dated December 30, 2024 \$254,169.76
- d. Approve the Payables Dated January 28, 2025 \$302,703.03
- e. Progress Estimate No. 10 First Street Improvements Downtown Revitalization Active Const. \$66,022.50

10. **Department Head Reports**

a. City Administrator - Rob Omans

Over the last four years the City has worked hard on the First Street Revitalization project and now the City has secured funding to re-pave First Street. Omans is so proud of Cle Elum, the employees and the Council for standing up for the Community and citizens at heart.

See attached report.

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b. **Public Works Director - Matthew Bailey**

The City will now have a meter base read station which will make it easier to read meters and track usage.

See attached report.

c. **Police Chief - Rich Albo**

Chief Albo would like to thank Council and the Public for their support over the last year the Department has done some great things flock cameras, new patrol cars, etc.

11. Public Appearances – 15-Minute Limit

a. **Cle Elum Downtown Association - Jordan Peterson**

Tessa, Kaylee and Jordan all spoke.

See attached reports.

12. Business Requiring Public Hearings

a. **Public Hearing to Amend the Six-Year Transportation Improve Program - Mike Heit - HLA**

Mike Heit from HLA stated that the City was able to secure some STBG funding for a project. In order to initiate the grant funds the City will need to amend its 6-year STIP.

The Public Hearing was opened at 7:37 p.m. and closed at 7:38 p.m. with no public comment.

Discussion was had about the recent Federal freeze that the president imposed today. It is unknown on how this will affect the Federal funding.

MOTION: Councilmember Ratliff made a motion to approve the amended 6-year STIP; seconded by Councilmember Williams.

MOTION CARRIED: 7 yes 0 no.

Phil Hess Public Comment Submitted via Email

13. Unfinished Business

Mayor Lundh reported that there is a new Chair for COG Brian Elliott the County Auditor. COG

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helps dedicate the -09 funds; COG will look at big projects but possibly have a separate pot that will work through smaller projects. COG did approve funding for the Chamber of Commerce to bring on a consultant group that will help the economic task force.

14. **Report of Committees**

15. **Councilmember Comments - Limited to 5 Minutes**

Councilmember Buechle-Curtis stated it is important to remember at the end of the day the amount of passion and heart people put into their community, and that Cle Elum is resilient.

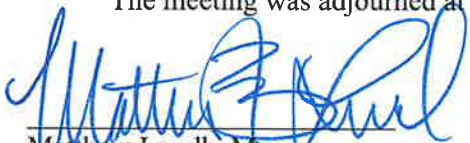
Councilmember Malek sees all sides of the City Heights issue and that she believes it's important to pass on love and the legacy of Cle Elum.

16. **Mayor's Report**

Mayor Lundh thanked the Council for the hard decision that they had to make tonight. Mayor Lundh recited the Man in the Arena speech.

17. **Adjournment by Motion**

The meeting was adjourned at 7:52 p.m.


Matthew Lundh, Mayor
Debbie Lee, Clerk