

**CHEHALIS CITY COUNCIL AGENDA**  
 CITY HALL  
 350 N MARKET BOULEVARD, CHEHALIS, WA 98532

Dennis L. Dawes, Position at Large Mayor		Anthony E. Ketchum Sr., District 3 Chad E. Taylor, Position at Large Bob Spahr, Position at Large
Terry F. Harris, District 1, Mayor Pro Tem		
Daryl J. Lund, District 2		
Dr. Isaac S. Pope, District 4		

**Regular Meeting of Monday, October 24, 2016**

**5:00 p.m.**

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
1. <u>Call to Order.</u> (Mayor)		
2. <u>Pledge of Allegiance.</u> (Mayor)		

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>CITIZENS BUSINESS</b>		
This is an opportunity for members of the audience to address the council on matters not listed elsewhere on the agenda. Speaker identification forms are available at the door and may be given to the city clerk prior to the beginning of the meeting.		
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ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>PROCLAMATIONS/PRESENTATIONS</b>		
3. <u>Proclamation – Domestic Violence Awareness Month.</u> (Mayor)	---	

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>CONSENT CALENDAR</b>		
4. <u>Minutes of the Regular Meeting of October 10, 2016.</u> (City Clerk)	APPROVE	1
5. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	4

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>ADMINISTRATION AND CITY COUNCIL REPORTS</b>		
6. <u>Administration Reports.</u>		
a. <u>Quarterly and September Financial Reports and Quarterly Sales and Use Tax Report.</u> (Finance Manager)	INFORMATION ONLY	5
b. City Manager update. (City Manager)	INFORMATION ONLY	
7. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>UNFINISHED BUSINESS</b>		
8. <u>Ordinance No. 962-B, Second and Final Reading – Adding a New Chapter to the Chehalis Municipal Code to be Entitled Centralia/Chehalis Tourism Promotion Area.</u> (City Manager)	PASS	13

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>NEW BUSINESS</b>		
9. <u>Resolution No. 18-2016, First and Final Reading – Adopting the 2016 Lewis County Multi-Jurisdictional Hazard Mitigation Plan.</u> (Interim Community Development Director)	ADOPT	21
10. <u>Resolution No. 19-2016, First and Final Reading – Adopting Alternative 1 of the Chehalis Basin Strategy Draft Programmatic State Environmental Policy Act Environmental Impact Statement as the Preferred Alternative.</u> (City Manager, Interim Community Development Director)	ADOPT	23

<b>EXECUTIVE SESSION</b>		
11. <u>Pursuant to RCW 42.30.110(1)(c) – Consider the Minimum Price at Which Real Estate Will Be Offered for Sale or Lease.</u> (City Manager, Airport Manager)	INFORMATION ONLY	

THE CITY COUNCIL MAY ADD AND TAKE ACTION ON  
OTHER ITEMS NOT LISTED ON THIS AGENDA

NEXT REGULAR CITY COUNCIL MEETING WILL BE ON MONDAY, NOVEMBER 14, 2016

October 10, 2016

The Chehalis city council met in regular session on Monday, October 10, 2016, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Bill Hillier, City Attorney; Caryn Foley, City Clerk; Judy Pectol, Finance Manager; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources/Risk Manager; and Don Schmitt, Street/Stormwater Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*; and Susan DeLaire from *Business to Business*.

**1. Special Business – Update on Chamber Way Bridge.** Bart Gernhart, Assistant Regional Administrator for Engineering for the Washington State Department of Transportation, provided an update on the Chamber Way Bridge replacement. WSDOT has looked at several options as requested by local legislators. The estimate to replace the damaged span is about \$4 million, but they do not believe that spending that amount of money to replace one span is a wise investment, especially since the 2015 tax package includes funding to replace the entire interchange in 2023. They believe the best plan is to replace the existing two-lane bridge with a four-lane bridge at a height that meets minimum highway standards (16' 6") and to carry six lanes of traffic underneath it in the future. Plans have been drawn, along with rough costs. The \$4 million in emergency funds approved by the Federal Highway Administration to replace the damaged span will be combined with about \$8 million in additional dollars to replace the entire bridge. The heads of both the Senate and House transportation committees have given initial buy-in, so it is hoped that the Legislature will approve the plan when they get back in session next year. They plan to hire a contractor and design firm next spring and begin construction in the summer in hopes that the project will be completed by the fall of 2018.

Mayor Dawes asked if it would include pedestrian and bicycle lanes. Mr. Gernhart stated it would include sidewalks and wide enough shoulders for bicycles.

Councilor Harris asked if the current bridge would stay open until the new one is completed. Mr. Gernhart stated that for the most part during daylight hours it will be open through construction. The plan is to build a two-lane bridge right next to the existing bridge, shift traffic over to that bridge, tear down the existing bridge and then build another two lanes and connect them together. At night he expects a few closures of both the bridge and the interstate.

Mr. Gernhart stated there will be an open house between now and the holidays to communicate with businesses.

Mayor Dawes stated the city was certainly pleased. There was concern when the bridge was damaged and there was remarkable speed by WSDOT to get the bridge reopened as quickly as possible. He recognized Senator Braun who led the charge, along with Representative Ed Orcutt.

**2. Public Hearing – Proposed Ballot Proposition to Impose a Sales and Use Tax for the Purpose of Funding Certain Transportation Improvements.** City Manager Anderson stated the administration would be providing a presentation to members of the public who may not have been following the issue. The item is related to the need to fund maintenance for streets and roads in Chehalis, specifically to ask the voters to increase the sales and use tax by 0.2 percent.

Mayor Dawes recessed the regular meeting at 5:09 pm and opened the public hearing.

Don Schmitt provided a presentation that included background information and the proposed approach of putting a ballot proposition before the voters to increase the city's sales and use tax by 0.2 percent to help fund transportation improvements for a 10-year term. It is estimated that the additional sales tax received would be approximately \$850,000 annually. The tax would apply to anyone who shops within the city limits, not just city residents. Mr. Schmitt outlined how the funds would be used. The measure would be placed on the February 14, 2017 ballot.

Mayor Dawes asked that copies of the presentation be made available at city hall.

Mayor Dawes clarified that the county review included in the resolution was the county prosecutor's review of the ballot title, and not subject to approval by the county. Mr. Hillier noted the city has already received a preliminary approval from the county.

October 10, 2016

Randy Mueller, Chief Executive Officer of the Port of Chehalis, addressed the council in support of the ballot proposition. Mr. Mueller noted the port sees that for their municipal partners, costs are rising faster than revenues; cities don't have a dedicated road tax, so road maintenance competes with essential services that the city provides; dedicated road maintenance funds are essential to maintain roads at a high quality to attract and retain business, which is a core mission of the port; and the port always supports the opportunity for the residents of Chehalis to invest in themselves.

Mr. Mueller also commented as a citizen, stating he chaired the "Vote Yes on the TBD" committee to fund freeway interchange improvements in Ridgefield, WA, which was completed several years ago.

There being no further public comment, Mayor Dawes closed the public hearing at 5:22 pm and reopened the regular meeting.

3. **Consent Calendar.** Mayor Dawes proposed a correction to the September 26 minutes on page nine of the agenda packet. The third sentence of the ninth paragraph should read, "After speaking with Todd Chaput . . ., not Councilor Taylor."

Councilor Spahr moved to approve consent calendar items comprised of the following:

a. Minutes of the work session of September 19, 2016 and the regular meeting of September 26, 2016, as amended;  
and

b. Claim Vouchers No. 117071 -- 11781 in the amount of \$174,132.59 dated September 30, 2016.

The motion was seconded by Councilor Pope and carried unanimously.

#### 4. **Administration Reports.**

a. **Annual Debt Compliance Update.** Finance Manager Judy Pectol reported the financial information that has to be reported annually to the Municipal Securities Rulemaking Board has been reported in compliance with the conditions set forth when the 2011 limited general obligation bond was issued.

b. **City Manager Update.** City Manager Anderson commented on the work of some of the city's firefighters during an incident on September 15. On that date, four separate calls were received – three for medical aid and one for a structure fire. As a result, one firefighter was by himself trying to contain the fire, while remaining personnel were diverted to the medical calls. Chief Cardinale responded, along with the city's partners, including Riverside Fire Authority and Lewis County Fire District No. 6. City Manager Anderson wanted to recognize and thank the firefighters. Regardless of which agency they are affiliated with, they are working to serve the public and working cooperatively together.

#### 5. **Councilor Reports.**

a. **Update from Mayor Dawes.** Mayor Dawes attended the Centralia College Foundation fundraiser on October 1; budget committee meetings last week and tomorrow; and the county mayors meeting, which included a legislative roundtable with local legislators. He reminded Councilors Spahr and Lund about the Fire Committee meeting tomorrow at 1:00 and the meeting with Fire District No. 6 at 6:00 pm on Wednesday.

6. **Resolution No. 17-2016, First and Final Reading – Providing for a Ballot Proposition to Impose a Sales and Use Tax for the Purpose of Funding Certain Transportation Improvements.** City Manager Anderson stated the resolution was follow-up action to the public hearing that concluded earlier in the meeting. The resolution is before the council to consider whether to place the ballot proposition before the voters.

Councilor Lund stated he has heard from several retired business owners who are in support of the resolution.

Councilor Spahr moved to adopt Resolution No. 17-2016 on first and final reading. The motion was seconded by Councilor Harris and carried 6 to 1. Councilor Taylor voted against the motion.

October 10, 2016

**7. Ordinance No. 962-B, First Reading – Adding a New Chapter to the Chehalis Municipal Code to be Entitled Centralia/Chehalis Tourism Promotion Area.** City Manager Anderson stated this is a follow-up item to action taken at the last city council meeting where the council approved an interlocal agreement with the city of Centralia to create a tourism promotion district for the purpose of creating a Sports Commission to bring more sporting events to the area.

Councilor Harris moved to pass Ordinance No. 962-B on first reading. The motion was seconded by Councilor Lund and carried unanimously.

**8. Approve Candidates and Funding Amounts of the Lodging Tax Advisory Committee (LTAC) for Use of Lodging Tax Funds for 2017; and Reappoint the Memberships of Todd Chaput, Gloria Choi, Jena Sorenson, Alicia Bull, Rick Burchett, and Chip Duncan to the LTAC.** Councilor Harris stated there have been a couple of good years in the hotel-motel industry. The LTAC received nine requests for funding totaling \$237,000. He acknowledged the committee members for their work, stating they are all excellent stewards of the monies.

Councilor Taylor stated he would not be voting on any of the candidates because of the potential conflict of interest with his business.

Councilor Ketchum asked for an explanation of the award amount for Lewis County Community Trails since their request is a lot more than this year's request.

Councilor Harris stated they were expanding their operation and marketing, and possibly changing the ride in response to some suggestions from the LTAC. They are considering reversing the ride so that the festival that was supposed to take place in Pe Ell would happen in Chehalis.

Councilor Ketchum asked if that doesn't happen would they still receive Chehalis lodging tax funds for an event in Pe Ell. Councilor Harris stated that many of the riders are traveling here to take the ride (over 300 riders this year) and are staying the night generally in Chehalis and riding to Pe Ell and then coming back.

Councilor Spahr moved to approve both individually and collectively the candidates and funding amounts of the Lodging Tax Advisory Committee for use of lodging tax funds for 2017, and to reappoint the memberships of Todd Chaput, Gloria Choi, Jena Sorenson, Alicia Bull, Rick Burchett, and Chip Duncan to the Lodging Tax Advisory Committee. The motion was seconded by Councilor Pope and carried unanimously. Councilor Taylor abstained from voting.

Councilor Harris stated there is \$150,000 in reserves to potentially be used for improvements to Recreation Park and possibly Stan Hedwall Park, to expand those facilities to support sporting events. The money can be utilized to repay council-matic bonds and as capital against other grants. The LTAC agreed that the thing that puts most heads-in-beds, other than business, is sporting events.

There being no further business to come before the council the meeting adjourned at 5:41 pm.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

**SUGGESTED MOTION**

I move that the council approve the minutes of the regular city council meeting of October 10, 2016.

**CITY OF CHEHALIS**  
**AGENDA REPORT**

DATE: September 30 , 2016  
TO: The Honorable Mayor and City Council  
FROM: Judy Pectol, Finance Manager *JP*  
PREPARED BY: Michelle White, Accounting Tech II *MW*  
SUBJECT: Payroll Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

Payroll Vouchers No. 39152 through 39225, Direct Deposit Payroll Vouchers No. 7517 through 7613 and Electronic Federal Tax Payment No. 164 dated September 30, 2016 in the amount of \$842,070.84 and the transfer of \$594,479.65 from the General Fund, \$6,832.98 from the Arterial Street Fund, \$88,158.07 from the Wastewater Fund, \$98,032.75 from the Water Fund, \$25,347.38 from the Storm & Surface Water Utility Fund, \$27,509.32 from the Airport Fund and \$1,710.69 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the September 30, 2016 Payroll Vouchers No. 39152 through 39225, Direct Deposit Payroll Vouchers No. 7517 through 7613, and Electronic Federal Tax Payment No. 164 in the amount of \$842,070.84.

SUGGESTED MOTION

I move to approve the September 30, 2016, Payroll Vouchers No. 39152 through 39225, Direct Deposit Payroll Vouchers No. 7517 through 7613, and Electronic Federal Tax Payment No. 164 in the amount of \$842,070.84.

Reviewed by: *Gill Anderson*, City Manager

City of Chehalis  
Third Quarter Financial Statements - All Funds  
September 30, 2016

	General Fund #001		Dedicated Street Fund #003		Arterial Str Fund #102		TBD Fund #103		Tourism Fund #107	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	1,512,139	1,512,139	92,883	92,883	68,357	68,357	0	0	198,720	198,720
Revs. & Transfers In	8,624,812	6,595,258	593,159	118,194	150,000	116,301	0	0	224,895	174,003
Exps. & Transfers Out	(9,112,095)	(6,804,124)	(640,260)	(120,647)	(130,120)	(98,457)	0	0	(218,380)	(92,326)
Ending Fund Balance	1,024,856	1,303,273	45,782	90,430	88,237	86,701	0	0	205,235	280,397
	CDBG Fund #195		HUD BG Fund #197		2011 G.O. Bond #200		Public Fac. Res. #301		Auto/Eq. Reserve #302	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	110	110	57,350	57,350	0	0	0	0	459	459
Revs. & Transfers In	10,136	0	390	113	96,017	15,566	0	0	12,000	1
Exps. & Transfers Out	0	0	0	0	(96,017)	(15,566)	0	0	(12,000)	0
Ending Fund Balance	10,246	110	57,740	57,463	0	0	0	0	459	460
	1st QTR REET Fund #305		2nd QTR REET Fund #306		Garbage Fund #402		Wastewater Fund #404		Water Fund #405	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	155,433	155,433	126,740	126,740	4,554	4,554	3,271,463	3,271,463	5,584,336	5,643,056
Revs. & Transfers In	100,175	82,579	100,150	82,524	6,410	6,559	6,307,612	4,206,305	3,859,383	2,197,845
Exps. & Transfers Out	(40,149)	(6,693)	(31,545)	(4,981)	(4,155)	(5,375)	(6,092,688)	(3,008,138)	(3,883,821)	(2,401,444)
Ending Fund Balance	215,459	231,319	195,345	204,283	6,809	5,738	3,486,387	4,469,630	5,559,898	5,439,457
	Storm/Surface Wtr #406		Airport Fund #407		Firemens Pension #611		City Agency Fund #633		ALL FUNDS TOTALS	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	682,478	682,478	1,899,100	1,901,080	490,266	490,266	8,107	8,000	14,152,495	14,213,088
Revs. & Transfers In	512,355	418,306	2,551,118	1,657,960	151,845	90,926	360,000	204	23,660,457	15,763,144
Exps. & Transfers Out	(487,176)	(246,494)	(2,595,589)	(1,579,176)	(74,333)	(29,245)	(360,000)	0	(23,778,328)	(14,412,666)
Ending Fund Balance	707,657	854,290	1,854,629	1,979,864	567,778	551,947	8,107	8,204	14,034,624	15,563,566

Note: In some instances, ending fund balances include non-cash components, such as prepaid insurance and inventory. Resulting variances are considered immaterial.

To: The Honorable Mayor and Council  
 Via: Tracie J Anderson, City Manager  
 From: Judy Pectol, Finance Manager  
 Prepared by: Betty Brooks, Payroll Accountant  
 Date: October 19, 2016  
 Subject: Monthly Financial Reports for September

City of Chehalis  
 Comparative Financial Reports  
 September 2015 and 2016

GENERAL FUND (#001) REVENUES	A September 2015		B Actual		C=B/A		D September 2016		E Actual		F=E/D		G Expected % Rec'd*		H^ Variance from Expected		I=F-G % Variance	
	Budget	Actual	Budget	Actual	% Rec'd	Budget	Actual	% Rec'd	% Rec'd	% Rec'd	Expected	Actual	% Rec'd	Expected	Actual	% Rec'd	% Variance	
General Property Taxes	\$1,268,579	\$720,195	\$1,276,948	\$706,463	56.8%	\$1,276,948	\$706,463	55.3%	75.0%	75.0%	(251,248)	75.0%	75.0%	(251,248)	75.0%	-19.7%		
EMS Property Taxes	238,157	135,416	304,886	169,164	56.9%	304,886	169,164	55.5%	75.0%	75.0%	(59,501)	75.0%	75.0%	(59,501)	75.0%	-19.5%		
Sales & Use Tax	3,762,844	2,729,870	3,772,472	2,949,199	72.5%	3,772,472	2,949,199	78.2%	75.0%	75.0%	119,845	75.0%	75.0%	119,845	75.0%	3.2%		
Electricity Tax	440,000	373,343	495,100	401,260	84.9%	495,100	401,260	81.0%	75.0%	75.0%	29,935	75.0%	75.0%	29,935	75.0%	6.0%		
Gas/Natural Gas Tax	191,000	124,275	217,725	141,464	65.1%	217,725	141,464	65.0%	75.0%	75.0%	(21,830)	75.0%	75.0%	(21,830)	75.0%	-10.0%		
Criminal Justice Tax	110,000	80,211	105,050	83,250	72.9%	105,050	83,250	79.2%	75.0%	75.0%	4,463	75.0%	75.0%	4,463	75.0%	4.2%		
Water/Sewer Tax	445,000	330,419	452,900	360,806	74.3%	452,900	360,806	79.7%	75.0%	75.0%	21,131	75.0%	75.0%	21,131	75.0%	4.7%		
Garbage Tax	61,000	47,778	81,900	48,253	78.3%	81,900	48,253	58.9%	75.0%	75.0%	(13,172)	75.0%	75.0%	(13,172)	75.0%	-16.1%		
Cable Tax	104,000	77,867	133,485	79,175	74.9%	133,485	79,175	59.3%	75.0%	75.0%	(20,939)	75.0%	75.0%	(20,939)	75.0%	-15.7%		
Telephone Tax	270,500	187,560	275,000	185,114	69.3%	275,000	185,114	67.3%	75.0%	75.0%	(21,136)	75.0%	75.0%	(21,136)	75.0%	-7.7%		
Leasehold Excise Tax	39,500	28,823	41,000	32,092	73.0%	41,000	32,092	78.3%	75.0%	75.0%	1,342	75.0%	75.0%	1,342	75.0%	3.3%		
Timber Excise Tax	40	39	45	43	97.5%	45	43	95.6%	75.0%	75.0%	9	75.0%	75.0%	9	75.0%	20.6%		
<b>Total Tax Revenues</b>	<b>6,930,620</b>	<b>4,835,796</b>	<b>7,156,511</b>	<b>5,156,283</b>	<b>69.8%</b>	<b>7,156,511</b>	<b>5,156,283</b>	<b>72.1%</b>	<b>75.0%</b>	<b>75.0%</b>	<b>(211,100)</b>	<b>75.0%</b>	<b>75.0%</b>	<b>(211,100)</b>	<b>75.0%</b>	<b>-2.9%</b>		
Licenses & Permits	168,116	126,703	157,050	373,812	75.4%	157,050	373,812	238.0%	75.0%	75.0%	256,025	75.0%	75.0%	256,025	75.0%	163.0%		
Intergovt: Grants/Entitlements	471,875	737,436	450,645	220,846	156.3%	450,645	220,846	49.0%	75.0%	75.0%	(117,138)	75.0%	75.0%	(117,138)	75.0%	-26.0%		
Charges for Goods and Svcs.	409,724	304,400	371,196	403,063	74.3%	371,196	403,063	108.6%	75.0%	75.0%	124,666	75.0%	75.0%	124,666	75.0%	33.6%		
Fines and Forfeitures	163,739	105,921	147,420	108,428	64.7%	147,420	108,428	73.6%	75.0%	75.0%	(2,137)	75.0%	75.0%	(2,137)	75.0%	-1.4%		
Interest Earnings	9,990	12,754	11,890	17,249	127.7%	11,890	17,249	145.1%	75.0%	75.0%	8,332	75.0%	75.0%	8,332	75.0%	70.1%		
Rents & Royalties	79,472	56,947	71,280	67,505	71.7%	71,280	67,505	94.8%	75.0%	75.0%	14,145	75.0%	75.0%	14,145	75.0%	19.8%		
Donations/Contributions	0	8,747	87,000	105,725	100.0%	87,000	105,725	121.5%	75.0%	75.0%	40,475	75.0%	75.0%	40,475	75.0%	46.5%		
Misc. Revenue/Insurance	77,997	101,076	29,385	22,025	129.6%	29,385	22,025	75.0%	75.0%	75.0%	(14)	75.0%	75.0%	(14)	75.0%	0.0%		
Non-Revenues	124,435	100,291	124,435	102,222	80.6%	124,435	102,222	82.1%	75.0%	75.0%	8,896	75.0%	75.0%	8,896	75.0%	7.1%		
Proceeds of Long-Term Debt	632,000	631,762	0	0	100.0%	0	0	0.0%	75.0%	75.0%	0	75.0%	75.0%	0	75.0%	0.0%		
Transfers In	296,877	279,466	18,000	18,000	0.0%	18,000	18,000	100.0%	75.0%	75.0%	4,500	75.0%	75.0%	4,500	75.0%	25.0%		
<b>Total Non-Tax Revenues</b>	<b>2,434,225</b>	<b>2,465,503</b>	<b>1,468,301</b>	<b>1,438,975</b>	<b>101.3%</b>	<b>1,468,301</b>	<b>1,438,975</b>	<b>98.0%</b>	<b>75.0%</b>	<b>75.0%</b>	<b>337,749</b>	<b>75.0%</b>	<b>75.0%</b>	<b>337,749</b>	<b>75.0%</b>	<b>23.0%</b>		
<b>TOTALS</b>	<b>\$9,364,845</b>	<b>\$7,301,299</b>	<b>\$8,624,812</b>	<b>\$6,595,258</b>	<b>78.0%</b>	<b>\$8,624,812</b>	<b>\$6,595,258</b>	<b>76.5%</b>	<b>75.0%</b>	<b>75.0%</b>	<b>\$126,649</b>	<b>75.0%</b>	<b>75.0%</b>	<b>\$126,649</b>	<b>75.0%</b>	<b>1.5%</b>		

Key:  
 \* The expected percentage is calculated as follows: since the report is for the 9th month of the year, 9 is divided by 12-the number of months in the year.  
 ^To calculate the dollar variance between expected and actual expenditures, the following formula is used:  
 H=(D\*G) - E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

City of Chehalis  
Comparative Financial Reports  
September 2015 and 2016

GENERAL FUND (#001) EXPENDITURES	A September 2015		C=B/A % Exp'd	D September 2016		E Actual	F=E/D % Exp'd	G Expected % Exp*	H^ Varinc from Expected	I=G-F % Variance
	Budget	Actual		Budget	Actual					
City Council	\$111,811	\$47,758	42.7%	\$98,657	\$62,082		62.9%	75.0%	\$11,911	12.1%
Municipal Court	494,185	347,397	70.3%	522,105	376,423		72.1%	75.0%	15,156	2.9%
City Manager	266,410	196,778	73.9%	308,708	246,618		79.9%	75.0%	(15,087)	-4.9%
Finance	203,500	142,934	70.2%	228,295	136,620		59.8%	75.0%	34,601	15.2%
City Clerk	78,816	43,005	54.6%	78,878	50,135		63.6%	75.0%	9,024	11.4%
Non-Departmental	598,748	380,066	63.5%	542,916	329,204		60.6%	75.0%	77,983	14.4%
Human Resources	85,969	64,022	74.5%	85,553	68,530		80.1%	75.0%	(4,365)	-5.1%
Police	2,717,676	2,055,196	75.6%	2,751,643	2,095,766		76.2%	75.0%	(32,034)	-1.2%
Fire	2,535,764	1,982,548	78.2%	2,048,797	1,548,683		75.6%	75.0%	(12,085)	-0.6%
Public Works - Streets	766,760	504,115	65.8%	758,249	476,791		62.9%	75.0%	91,896	12.1%
Community Development	1,460,242	1,240,427	84.9%	1,688,294	1,413,272		83.7%	75.0%	(147,052)	-8.7%
TOTALS	\$9,318,881	\$7,004,246	75.2%	\$9,112,095	\$6,804,124		74.7%	75.0%	\$29,947	0.3%

Net Budget/Income/Variance: \$45,964      \$297,053

(\$487,283)      (\$208,866)

\$156,596

Key:

\* The expected percentage is calculated as follows: since the report is for the 9th month of the year, 9 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D\*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

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WASTEWATER FUND (#404) REVENUES	A September 2015		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	September 2016 Actual	Actual	% Rec'd	% Rec'd*	Expected	% Exp*	Expected	Var'nc from Expected	% Variance	% Variance
Intergovernmental Loan Revs	\$0	\$0	\$1,400,000	\$0	0.0%	0.0%	\$1,400,000	\$0	\$0	0.0%	75.0%	75.0%	\$1,050,000	75.0%	(\$1,050,000)	0.0%	0.0%	
Wastewater Fees	4,968,202	3,606,343	4,818,053	3,962,421	72.6%	82.2%	4,818,053	3,962,421	3,962,421	82.2%	75.0%	75.0%	348,881	75.0%	348,881	7.2%	7.2%	
Sewer Connection/Misc. Fees	10,000	31,209	30,000	78,477	312.1%	261.6%	30,000	78,477	78,477	261.6%	75.0%	75.0%	55,977	75.0%	55,977	186.6%	186.6%	
Rentals	3,545	3,545	3,545	3,545	100.0%	100.0%	3,545	3,545	3,545	100.0%	75.0%	75.0%	886	75.0%	886	25.0%	25.0%	
Misc. Revenues/Insurance	4,000	23,631	3,000	4,568	590.8%	152.3%	3,000	4,568	4,568	152.3%	75.0%	75.0%	2,318	75.0%	2,318	77.3%	77.3%	
Non-Revenue Tax Receipts	600	518	555	553	86.3%	99.6%	555	553	553	99.6%	75.0%	75.0%	137	75.0%	137	24.6%	24.6%	
Proceeds of Long-Term Debt	0	13,249	0	105,016	100.0%	100.0%	0	105,016	105,016	100.0%	75.0%	75.0%	105,016	75.0%	105,016	100.0%	100.0%	
Fines and Forfeitures	0	0	50,000	44,251	0.0%	88.5%	50,000	44,251	44,251	88.5%	75.0%	75.0%	6,751	75.0%	6,751	100.0%	100.0%	
Interest Earnings	985	1,919	2,459	7,474	194.8%	303.9%	2,459	7,474	7,474	303.9%	75.0%	75.0%	5,630	75.0%	5,630	228.9%	228.9%	
<b>Totals:</b>	<b>\$4,987,332</b>	<b>\$3,680,414</b>	<b>\$6,307,612</b>	<b>\$4,206,305</b>	<b>73.8%</b>	<b>66.7%</b>	<b>\$6,307,612</b>	<b>\$4,206,305</b>	<b>\$4,206,305</b>	<b>66.7%</b>	<b>75.0%</b>	<b>75.0%</b>	<b>(\$524,404)</b>	<b>75.0%</b>	<b>(\$524,404)</b>	<b>-8.3%</b>	<b>-8.3%</b>	

2

WASTEWATER FUND (#404) EXPENSES	A September 2015		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	September 2016 Actual	Actual	% Exp'd	% Exp'd*	Expected	% Exp*	Expected	Var'nc from Expected	% Variance	% Variance
Operating Expenses	\$2,666,892	\$1,761,573	\$2,723,260	\$1,830,107	66.1%	67.2%	\$2,723,260	\$1,830,107	\$1,830,107	67.2%	75.0%	75.0%	\$212,338	75.0%	\$212,338	7.8%	7.8%	
Capital Outlay	253,000	79,428	1,467,900	197,574	31.4%	13.5%	1,467,900	197,574	197,574	13.5%	75.0%	75.0%	903,351	75.0%	903,351	61.5%	61.5%	
Debt Principal	1,832,390	935,663	1,834,840	936,384	51.1%	51.1%	1,834,840	936,384	936,384	51.1%	75.0%	75.0%	439,246	75.0%	439,246	23.9%	23.9%	
Interest Expense	24,524	12,293	34,188	11,073	50.1%	32.4%	34,188	11,073	11,073	32.4%	75.0%	75.0%	14,568	75.0%	14,568	42.6%	42.6%	
Interfund Loan Disbursements	83,784	0	0	0	0.0%	0.0%	0	0	0	0.0%	75.0%	75.0%	0	75.0%	0	0	0	
Transfers Out - Airport	0	0	32,500	32,500	0.0%	100.0%	32,500	32,500	32,500	100.0%	75.0%	75.0%	(8,125)	75.0%	(8,125)	25.0%	25.0%	
<b>Totals:</b>	<b>\$4,860,590</b>	<b>\$2,788,957</b>	<b>\$6,092,688</b>	<b>\$3,008,138</b>	<b>57.4%</b>	<b>49.4%</b>	<b>\$6,092,688</b>	<b>\$3,008,138</b>	<b>\$3,008,138</b>	<b>49.4%</b>	<b>75.0%</b>	<b>75.0%</b>	<b>\$1,569,503</b>	<b>75.0%</b>	<b>\$1,569,503</b>	<b>25.6%</b>	<b>25.6%</b>	

Net Budget/Income/Variance: \$126,742      \$891,457      \$214,924      \$1,198,167      \$1,045,099

Key:  
 \* The expected percentage is calculated as follows: since the report is for the 9th month of the year, 9 is divided by 12-the number of months in the year.  
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 H=(D\*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

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WATER FUND (#405) REVENUES	A September 2015		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	September 2015 Actual	Actual	% Rec'd	% Rec'd*	Expected	Expected	Var'nc from Expected	% Variance		
Water Sales	\$2,566,160	\$2,049,824	\$2,049,824	\$2,049,824	79.9%	79.9%	\$2,351,387	\$2,068,663	\$2,068,663	\$2,068,663	88.0%	75.0%	75.0%	305,123	13.0%			
Water Connection/Misc. Fees	10,000	51,449	51,449	51,449	514.5%	514.5%	10,000	93,268	93,268	932.7%	75.0%	75.0%	85,768	857.7%				
Interfund Principal Repayment	83,332	0	0	0	0.0%	0.0%	0	0	0	0.0%	0.0%	0	0.0%					
Misc. Revenues/Insurance	8,783	15,177	15,177	15,177	172.8%	172.8%	2,121	3,740	3,740	176.3%	75.0%	75.0%	2,149	101.3%				
Non-Revenue Tax Receipts	25,085	152	152	152	0.0%	0.0%	100	365	365	365.0%	75.0%	75.0%	290	290.0%				
Proceeds of Long-Term Debt	0	0	0	0	0.0%	0.0%	1,464,500	0	0	0.0%	75.0%	75.0%	(1,098,375)	100.0%				
Fines and Forfeitures	0	0	0	0	0.0%	0.0%	25,000	22,476	22,476	89.9%	75.0%	75.0%	3,726	100.0%				
Interest Earnings	11,073	4,524	4,524	4,524	40.9%	40.9%	6,275	9,333	9,333	148.7%	75.0%	75.0%	4,627	73.7%				
Totals:	\$2,704,433	\$2,121,126	\$2,121,126	\$2,121,126	78.4%	78.4%	\$3,859,383	\$2,197,845	\$2,197,845	56.9%	75.0%	75.0%	(\$696,692)	-18.1%				

WATER FUND (#405) EXPENSES	A September 2015		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	September 2016 Actual	Actual	% Exp'd	% Exp*	Expected	Expected	Var'nc from Expected	% Variance		
Operating Expenses	\$1,852,581	\$1,488,932	\$1,488,932	\$1,488,932	80.4%	80.4%	\$1,888,309	\$1,464,484	\$1,464,484	\$1,464,484	77.6%	75.0%	75.0%	(\$48,252)	-2.6%			
Capital Outlay	979,400	369,259	369,259	369,259	37.7%	37.7%	1,847,000	788,764	788,764	788,764	42.7%	75.0%	75.0%	596,486	32.3%			
Debt Principal	133,077	133,077	133,077	133,077	100.0%	100.0%	134,077	134,077	134,077	134,077	100.0%	75.0%	75.0%	(33,519)	-25.0%			
Interest Expense	26,185	16,685	16,685	16,685	63.7%	63.7%	14,435	14,119	14,119	14,119	97.8%	75.0%	75.0%	(3,293)	-22.8%			
Transfers Out	420,000	0	0	0	0.0%	0.0%	0	0	0	0	0.0%	75.0%	75.0%	0	0.0%			
Totals:	\$3,411,243	\$2,007,953	\$2,007,953	\$2,007,953	58.9%	58.9%	\$3,883,821	\$2,401,444	\$2,401,444	\$2,401,444	61.8%	75.0%	75.0%	\$511,422	13.2%			

Net Budget/Income Variance: (\$706,810)      \$113,173  
(\$24,438)      (\$203,599)  
-\$185,271

Key:  
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STORM FUND (#406) REVENUES	A September 2015		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd*	Budget	Actual	% Rec'd	% Rec'd*	Expected	% Rec'd	Expected	% Exp*	Expected	Actual	Expected	Variance
Storm & Surface Water Fees	\$506,772	\$376,497	\$501,000	\$410,333	74.3%	75.0%	\$501,000	\$410,333	81.9%	75.0%	\$501,000	75.0%	\$501,000	75.0%	\$501,000	\$410,333	\$34,583	6.9%
Storm Connection/Misc. Fees	1,000	4,401	4,000	2,152	100.0%	75.0%	4,000	2,152	53.8%	75.0%	4,000	75.0%	4,000	75.0%	4,000	2,152	(848)	-21.2%
Misc. Revenues/Insurance	825	1,475	2,000	0	100.0%	75.0%	2,000	0	0.0%	75.0%	2,000	75.0%	2,000	75.0%	2,000	0	(1,500)	-75.0%
Non-Revenue Tax Receipts	275	0	275	0	0.0%	75.0%	275	0	0.0%	75.0%	275	75.0%	275	75.0%	275	0	(206)	-75.0%
Fines and Forfeitures	0	0	4,500	4,251	0.0%	75.0%	4,500	4,251	94.5%	75.0%	4,500	75.0%	4,500	75.0%	4,500	4,251	876	100.0%
Interest Earnings	1,300	447	580	1,570	34.4%	75.0%	580	1,570	270.7%	75.0%	580	75.0%	580	75.0%	580	1,570	1,135	195.7%
Totals:	\$510,172	\$382,820	\$512,355	\$418,306	75.0%	75.0%	\$512,355	\$418,306	81.6%	75.0%	\$512,355	75.0%	\$512,355	75.0%	\$512,355	\$418,306	\$34,040	6.6%

STORM FUND (#406) EXPENSES	A September 2015		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd*	Budget	Actual	% Exp'd	% Exp'd*	Expected	% Exp'd	Expected	% Exp*	Expected	Actual	Expected	Variance
Operating Expenses	\$442,865	\$239,463	\$469,176	\$228,494	54.1%	48.7%	\$469,176	\$228,494	48.7%	48.7%	\$469,176	48.7%	\$469,176	48.7%	\$469,176	\$228,494	\$123,388	26.3%
Transfers Out	18,000	3,045	18,000	18,000	0.0%	100.0%	18,000	18,000	100.0%	100.0%	18,000	100.0%	18,000	100.0%	18,000	18,000	(4,500)	0.0%
Totals:	\$460,865	\$242,508	\$487,176	\$246,494	52.6%	50.6%	\$487,176	\$246,494	50.6%	50.6%	\$487,176	50.6%	\$487,176	50.6%	\$487,176	\$246,494	\$118,888	24.4%

Net Budget/Income/Variance: \$49,307 \$140,312 \$25,179 \$171,812 \$152,928

Key:

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AIRPORT FUND (#407) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	September 2015 Actual	% Rec'd	September 2016 Budget	Actual	% Rec'd	September 2016 Budget	Actual	% Rec'd	Expected % Rec'd*	Var'nc from Expected	% Exp^	Expected % Rec'd*	Var'nc from Expected	%	Variance		
Intergovernmental Revenues	\$821,408	\$100,301	12.2%	\$916,600	\$314,496	34.3%			75.0%	(372,954)	-40.7%							
Charges for Goods and Svcs.	520,000	492,724	94.8%	533,622	393,598	73.8%			75.0%	(6,619)	-1.2%							
Interest Earnings	15,085	7,337	48.6%	14,000	5,630	40.2%			75.0%	(4,870)	-34.8%							
Licenses & Permits	0	3,000	100.0%	0	1,450	100.0%			75.0%	1,450	25.0%							
Rents & Royalties	96,000	58,365	60.8%	80,001	62,080	77.6%			75.0%	2,079	2.6%							
Capital Lease Receipts	879,651	636,106	72.3%	816,422	716,350	87.7%			75.0%	104,034	12.7%							
Misc. Rev/Ins/Donations	2,000	594	29.7%	600	512	85.3%			75.0%	62	10.3%							
Non-Revenue Tax Receipts	165,000	128,567	77.9%	157,373	131,344	83.5%			75.0%	76	8.5%							
Operating Transfers In	420,000	0	0.0%	32,500	32,500	100.0%			75.0%	8,125	25.0%							
Totals:	\$2,919,144	\$1,426,994	48.9%	\$2,551,118	\$1,657,960	65.0%			75.0%	(\$276,818)	-10.0%							

AIRPORT FUND (#407) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	September 2015 Actual	% Exp'd	September 2016 Budget	Actual	% Exp'd	September 2016 Budget	Actual	% Exp'd	Expected % Exp^	Var'nc from Expected	%	Expected % Exp^	Var'nc from Expected	%	Variance		
Operating Expenses	\$1,338,816	\$981,885	73.3%	\$1,338,870	\$1,024,315	76.5%			75.0%	(\$20,163)	-1.5%							
Capital Outlay	1,481,000	518,948	35.0%	904,130	378,970	41.9%			75.0%	299,128	33.1%							
Principal - G.O. Bonds	231,992	114,756	49.5%	278,505	129,672	46.6%			75.0%	79,207	28.4%							
Interest Expense	84,215	43,347	51.5%	74,084	46,219	62.4%			75.0%	9,344	12.6%							
Totals:	\$3,136,023	\$1,658,936	52.9%	\$2,595,589	\$1,579,176	60.8%			75.0%	\$367,516	14.2%							

Net Budget/Income Variance: (\$216,879) - \$231,942 (\$44,471) \$78,784 \$90,698

Key:  
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**RECOMMENDATION/COUNCIL ACTION DESIRED**

This report is for the Council's information only. No action is necessary.

Reviewed by *[Signature]*, City Manager

## City of Chehalis Sales & Use Tax Revenue

	Month-by-Month Comparisons											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Chg.		
January	338,775.84	311,681.25	242,158.24	255,550.11	239,905.57	271,375.98	290,642.45	274,670.17	301,243.31	9.7%		
February	325,708.20	326,987.75	296,867.87	288,322.28	293,448.86	322,000.58	333,263.02	336,038.91	374,625.26	11.5%		
March	352,594.58	247,974.49	269,687.71	209,202.31	201,418.97	221,154.40	238,177.91	258,421.46	266,503.75	3.1%		
April	323,886.70	245,182.86	223,636.27	211,769.41	229,146.29	231,493.06	248,725.24	257,696.99	287,548.74	11.6%		
May	366,700.91	255,481.63	246,998.74	269,316.42	250,189.48	271,850.87	297,383.10	300,832.16	314,636.79	4.6%		
June	340,751.01	266,335.35	228,867.63	253,348.87	253,817.94	265,285.99	277,316.08	311,189.00	337,679.04	8.5%		
July	352,426.34	270,324.94	239,316.92	235,882.93	251,676.19	268,330.22	329,111.43	325,909.63	333,616.90	2.4%		
August	416,021.47	276,851.50	268,052.83	264,592.08	264,996.44	278,101.71	385,924.11	337,037.17	372,203.56	10.4%		
September	327,171.53	250,448.70	246,365.20	320,998.49	276,271.10	291,464.88	300,288.47	328,074.52	361,141.35	10.1%		
October	305,787.51	345,695.15	260,630.19	245,472.95	283,408.61	278,187.79	316,620.23	322,106.93				
November	373,132.35	257,314.61	251,801.70	261,382.66	273,852.79	285,244.13	319,051.89	323,911.63				
December	194,375.82	234,399.17	241,368.04	233,191.67	258,144.76	277,923.31	293,816.98	308,587.05				
<b>Year Totals</b>	<b>4,017,332.26</b>	<b>3,288,677.40</b>	<b>3,015,751.34</b>	<b>3,049,030.18</b>	<b>3,076,277.00</b>	<b>3,262,412.92</b>	<b>3,630,320.91</b>	<b>3,684,475.62</b>	<b>2,949,198.70</b>	<b>n/a</b>		
<b>As of August 31st</b>	<b>2,816,865.05</b>	<b>2,200,819.77</b>	<b>2,015,586.21</b>	<b>1,987,984.41</b>	<b>1,984,599.74</b>	<b>2,129,592.81</b>	<b>2,400,543.34</b>	<b>2,401,795.49</b>	<b>2,588,057.35</b>	<b>7.8%</b>		
<b>1st Quarter</b>	<b>1,017,078.62</b>	<b>886,643.49</b>	<b>808,713.82</b>	<b>753,074.70</b>	<b>734,773.40</b>	<b>814,530.96</b>	<b>862,083.38</b>	<b>869,130.54</b>	<b>942,372.32</b>	<b>8.4%</b>		
<b>2nd Quarter</b>	<b>1,031,338.62</b>	<b>766,999.84</b>	<b>699,502.64</b>	<b>734,434.70</b>	<b>733,153.71</b>	<b>768,629.92</b>	<b>823,424.42</b>	<b>869,718.15</b>	<b>939,864.57</b>	<b>8.1%</b>		
<b>3rd Quarter</b>	<b>1,095,619.34</b>	<b>797,625.14</b>	<b>753,734.95</b>	<b>821,473.50</b>	<b>792,943.73</b>	<b>837,896.81</b>	<b>1,015,324.01</b>	<b>991,021.32</b>	<b>1,066,961.81</b>	<b>7.7%</b>		

CITY OF CHEHALIS  
AGENDA REPORT

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

DATE: October 12, 2016

SUBJECT: Ordinance No. 962-B – Adding a New Chapter to the Chehalis Municipal Code to be Entitled Centralia/Chehalis Tourism Promotion Area

ISSUE

Ordinance No. 962-B would add a new chapter to the Chehalis Municipal Code to establish a special assessment on the operators of lodging businesses with the Centralia/Chehalis Tourism Promotion Area (TPA).

DISCUSSION

Earlier this year, the Lewis County Public Facility District completed a petition of over 60 percent of lodging locations agreeing to participate in a TPA. A \$2.00 fee collected on rented hotel rooms will be used to create a local Sports Commission to facilitate and actively market large scale tournaments to bring to the area.

The city council conducted a public hearing on July 25, with no public comment received. During council's September 26 meeting, an interlocal agreement establishing a TPA and Sports Commission between the cities of Chehalis and Centralia, and the Lewis County Public Facilities District was approved. The council passed Ordinance No. 962-B on first reading on October 10, 2016.

RECOMMENDATION / COUNCIL ACTION DESIRED

It is recommended that the council pass Ordinance No. 962-B on second and final reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 962-B on second and final reading.

**ORDINANCE 962-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, ADDING A NEW CHAPTER TO TITLE 3 ENTITLED REVENUE AND FINANCE OF THE CHEHALIS MUNICIPAL CODE (CMC) TO BE ENTITLED CMC 3.52 CENTRALIA/CHEHALIS TOURISM PROMOTION AREA (TPA) AND ESTABLISHING A SPECIAL ASSESSMENT ON THE OPERATORS OF LODGING BUSINESSES WITHIN THE TPA PURSUANT TO RCW CHAPTER 35.101 AND REPEALING THOSE SECTIONS IN CONFLICT HEREWITH.**

**WHEREAS**, the Washington State Legislature has recognized the importance of tourism in the State of Washington and passed Engrossed Substitute Senate Bill No. 6026 which is codified as the Tourism Promotion Area Act, Chapter RCW 35.101, which authorizes the establishment of a Tourism Promotion Area (TPA) to levy special assessments to fund tourism promotion as defined therein; and

**WHEREAS**, a petition requesting the creation of a TPA bearing the signatures of people who represent at least 60 percent of the hotel rooms that would be subject to a special assessment was presented to the Chehalis City Council on June 27, 2016; and

**WHEREAS**, on July 11, 2016 the Chehalis City Council adopted a Resolution entitled, A Resolution of the City of Chehalis Washington, of Intention to Establish a Tourism Promotion Area and Setting a Date of July 25, 2016 for a Public Hearing; and

**WHEREAS**, Resolution No. 16-2016, adopted July 11, 2016, by the City of Chehalis City Council described the boundaries of the Tourism Promotion Area as the corporate city limits of the City of Chehalis and the corporate city limits of the City of Centralia; and

**WHEREAS**, Resolution 16-2016 established a special assessment on certain lodging businesses to be levied at the rate of \$2.00 per lodging unit rented; and

**WHEREAS**, the Chehalis City Council held a public hearing at 5:05 p.m. on July 25, 2016 regarding the creation of a Tourism Promotion Area and subsequently passed Resolution No. 16-2016 declaring the Council's intention to create a Tourism Promotion Area; and

**WHEREAS**, an Interlocal Agreement, pursuant to RCW 39.34 and RCW 35.101 regarding the creation of a Tourism Promotion Area, was adopted by the City of Chehalis, the City of Centralia and the Lewis County Public Facilities District (LCPFD); and

**WHEREAS**, the Interlocal Agreement for Establishment of a Tourism Promotion Area specifies that the Lewis County Public Facilities District shall be delegated all rights and responsibilities under RCW 35.101 for the use and collection of the TPA special assessment; and

**WHEREAS**, The LCPFD shall use the assessment to form a Sports Commission to promote and sponsor athletic and sports events that promote tourism within the TPA.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHEHALIS AS FOLLOWS:**

**Section 1.** A Tourism Promotion Area is established and a special assessment on operators of lodging businesses within the TPA is levied pursuant to RCW Chapter 35.101.

**Section 2.** The City Council of the City of Chehalis finds that it is in the public interest to form a Tourism Promotion Area, in cooperation with the City of Centralia and the Lewis County Public Facilities District to fund a Sports Commission under the direction of the LCPFD for the promotion and sponsorship of athletic and sports events that promote tourism within the established Tourism Promotion Area.

The City Council further finds that it is in the public interest to establish a special assessment of \$2.00 on the operators of lodging business within the TPA to fund a Sports Commission under the direction of the LCPFD. The assessment is being implemented at the request of the affected lodging businesses who presented the City of Chehalis, as well as the City of Centralia, petitions requesting the establishment of a Tourism Promotion Area to fund a Sports Commission.

**Section 3.** That a new chapter be added to Title 3 – Revenue and Finance of the Chehalis Municipal Code be, and the same hereby is created to read as follows:

**Chapter 3.52  
TOURISM PROMOTION AREA SPECIAL ASSESSMENT**

Sections:

- 3.52.010 Definitions.
- 3.52.020 Tourism promotion area established.
- 3.52.030 Special assessment on lodging businesses within the TPA to be levied
- 3.52.040 Administration and collection of special assessments
- 3.52.050 Use of special assessment revenues for the establishment of a sports commission
- 3.52.060 Administration of the Centralia/Chehalis Tourism Promotion Area
- 3.52.070 Modification or Disestablishment of the Centralia/Chehalis Tourism Promotion Area

**3.52.010 Definitions.**

A. "Agreement" shall mean this Interlocal Cooperation Agreement entered into among Chehalis and Centralia, for the establishment of a Tourism Promotion Area by the Cities as authorized by RCW 35.101.040(2).

B. "Annual Budget" shall mean the Centralia/Chehalis Tourism Promotion Area budget for a fiscal year, as adopted or amended by the Lewis County Public Facility

District, which shall identify all estimated revenue from Special Assessments for the fiscal year, and providing for all proposed uses of Special Assessment revenue for the purpose of providing tourism promotion in Centralia/Chehalis for the ensuing fiscal year.

C. "Lodging Business" means a business which is located within the Centralia/Chehalis Tourism Promotion Area that furnishes lodging taxable by the state under RCW 82.08 that has forty (40) or more lodging units. Lodging facilities with fewer than 40 rooms are not considered "Lodging Businesses" for the purpose of this Agreement and are exempt from any fees imposed under RCW 35.101.

D. "Operator" means the Operator of a Lodging Business, whether in the capacity of owner, general manager, lessee, sub lessee, mortgagee in possession, licensee or any other similar capacity.

E. "Lewis County Public Facility District (LCPFD)" means a duly organized and legally existing Washington public facilities district and municipal corporation, created by Lewis County in accordance with Chapter 36.100 of the Revised Code of Washington pursuant to Resolution No. 07-247 of the County, adopted on August 13, 2007.

F. "Sports Commission" means the Commission which is a Committee of the Lewis County Public Facilities District, organized pursuant to the Bylaws and other authority and procedures as established by the LCPFD.

G. "Centralia/Chehalis Corporate City Limits" means the entire geographic boundary of Centralia/Chehalis.

H. "Centralia/Chehalis Tourism Promotion Area" or "TPA" means the Tourism Promotion Area created by the resolution of the Chehalis and Centralia Councils pursuant to the authority of the Tourism Promotion Areas Act, RCW 35.101, as authorized or as will be authorized by the resolutions of each of the respective City Councils of the Cities adopting the terms of this Agreement.

I. "Room Revenues" means the gross per-night charge (nights of stay) imposed for the rental of a room or combination of rooms for lodging.

J. "Special Assessment" means the levy (charge) imposed by Centralia/Chehalis on the Operators of a Lodging Business within the Centralia/Chehalis Tourism Promotion Area and subsequently passed on to the guests of the Lodging Business, under the authority of RCW 35.101 for the purpose of providing for funding of tourism promotion in Centralia/Chehalis.

K. "Tourism Promotion" means activities and expenditures designed to increase tourism and convention business, including but not limited to, advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists, and operating tourism destination marketing organizations.

L. "Transient Basis" means the rental of a room or rooms for dwelling, lodging, or sleeping purposes by the Operator of a Lodging Business for a period of thirty (30) consecutive calendar days or less, counting a portion of a day as a full calendar day.

**3.52.020 Tourism Promotion Area Established.**

The Centralia/Chehalis Tourism Promotion Area is hereby created to provide revenue to fund tourism promotion that will benefit the operators of lodging businesses in the cities of Chehalis and Centralia. The Tourism Promotion Area shall consist of the corporate city limits of the City of Chehalis and the City of Centralia. A new Chapter 3.52 of the Chehalis Municipal Code is established imposing a special assessment on the operator of lodging businesses, as defined by RCW 35.101.010(3) via an Interlocal Agreement with the City of Centralia and the LCPFD for the Establishment of a Tourism Promotion Area.

**3.52.030 Special Assessment on Lodging Businesses within the TPA to be levied.**

A. The Centralia/Chehalis TPA will impose a Special Assessment on the Operators of Lodging Businesses within the Centralia/Chehalis Tourism Promotion Area in accordance with the Special Assessment as set forth in City of Chehalis Resolution No. 16-2016 and City of Centralia Resolution No. 2646.

B. In accordance with the Interlocal Agreement entered into by the City of Chehalis, the City of Centralia and the LCPFD, the LCPFD shall be required to contract with the State Department of Revenue for the administration and collection of such Special Assessments pursuant to RCW 35.101.090.

C. It is understood and agreed by and between the Cities through their respective resolutions that the Operators of Lodging Businesses within the Centralia/Chehalis Tourism Promotion Area will be subject to a Special Assessment to be levied at the rate of \$2.00 per lodging unit rented.

D. Any change in the Special Assessment rates shall be made only by amendment of the resolution by the Chehalis and Centralia City Councils.

F. It is understood and agreed by the parties, that the Special Assessments imposed under this section are not a tax on the "sale of lodging" for the purposes of RCW 82.14.410 and are not applicable to temporary medical housing exempt under RCW 82.08.997.

G. It is understood and agreed by the parties, that the Special Assessment imposed under this Agreement are in addition to the special assessments that may be levied under RCW 35.87A.

**3.52.040 Administration and Collection of Special Assessments.**

A. It is understood and agreed that in accordance with RCW 35.101.090, the Washington State Department of Revenue shall administer the Special Assessments authorized under this Agreement and shall deposit the Special Assessments collected into the local tourism promotion account created in the custody of the state treasurer under RCW 35.101.100.

B. It is understood and agreed that in accordance with RCW 35.101.100, the state treasurer has the authority to distribute the money from the tourism promotion account to the LCPFD on a monthly basis.

**3.52.050 Use of Special Assessment Revenues for the Establishment of a Sports Commission.**

A. It is understood and agreed that all of the revenues derived from Special Assessments shall be allocated by the LCPFD for the establishment of a Sports Commission. The LCPFD shall have the ultimate authority to set and approve all Annual Budgets.

B. The revenues derived from the Special Assessments shall be used only for the following:

1. Establishment of a Sports Commission to promote and sponsor athletic and sports events that promote tourism within the TPA.

2. Marketing and recruitment of sporting events by the Sports Commission to promote local tourism that benefit the Lodging Businesses and tourism industry within the Centralia/Chehalis Tourism Promotion Area.

**3.52.060 Administration of the Centralia/Chehalis Tourism Promotion Area.**

A. The Lewis County Public Facilities District agreed to administer the Tourism Promotion Area via an Interlocal Agreement between the cities of Chehalis and Centralia and the LCPFD. This Agreement requires LCPFD to administer the TPA to comply with all applicable City and State laws, ordinances, and regulations. The LCPFD shall be required to comply with all applicable provisions of law, including RCW 35.101 et seq. and with all city of Chehalis and Centralia resolutions and ordinances as well as all regulations lawfully imposed by the State Auditor or other state agencies.

B. The LCPFD shall be responsible for establishing a Sports Commission and administering the activities and programs of the Centralia/Chehalis Tourism Promotion Area and to prepare an Annual Budget. The Sports Commission Board shall be represented by:

Public Facilities District representative  
The Centralia School District Athletic Director  
The Chehalis School District Athletic Director  
Centralia College Athletic Director

Centralia Parks and Recreation representative  
Chehalis Parks and Recreation representative  
Pacific Athletic Club representative  
Centralia hotelier's representative  
Chehalis hotelier's representative  
Four at large members selected by a majority of the Sports Commission.

C. The Annual Budget for the Centralia/Chehalis Tourism Promotion Area shall consist of:

1. A list of the Lodging Businesses subject to Special Assessments and an estimate of the revenue to be received from all such Lodging Businesses; and,
2. A statement of the proposed budget for all Sports Commission activities and programs to be funded from Special Assessments during the ensuing fiscal year.

D. All Special Assessments imposed within the TPA and received from the Washington State Treasurer and any interest therein shall be deposited by the LCPFD in a special account. Provided, however, no Special Assessment shall be dispersed in any fiscal year until after the adoption of that fiscal year's Annual Budget. Provided further that the LCPFD shall not expend in any fiscal year Special Assessments in excess of the approved fiscal year's Annual Budget.

E. The parties hereto acknowledge and agree that funds derived from the TPA Special Assessment are intended only to develop a "Sports Commission" for the promotion and recruitment of sporting events.

### **3.52.070 Modification or Disestablishment of the Centralia/Chehalis Tourism Promotion Area**

A. The Chehalis and Centralia City Councils, by appropriate action, may modify the provisions of the ordinance establishing the TPA after adopting a resolution of intention to such effect. Such resolution of intention shall describe the change or changes proposed, and shall state the time and place of a public hearing to be held by the Chehalis and Centralia Councils to consider the proposed action.

B. Upon receipt of a petition indicating a desire to disestablish the TPA, with the signatures of the persons who operate lodging businesses in the TPA who pay forty percent (40%) or more of the total special assessments, the Chehalis and/or the Centralia Council shall adopt a resolution of intention to disestablish the TPA, and shall state the time and place of a public hearing to be held by the Chehalis and/or the Centralia Council to consider the proposed action, provided the public hearing will be at least fifteen (15) days prior to consideration of the proposed action. If at said hearing a petition objecting to the disestablishment is presented, with the signatures of the persons who operate lodging businesses in the TPA who pay fifty-one percent (51%) or more of the total special assessments, the TPA shall not be disestablished. If such

petition objecting to the disestablishment is not presented at said hearing, either City Council shall disestablish the TPA.

**Section 4.** That the provisions of this ordinance are declared to be severable and in the event a court of competent jurisdiction declares any portion of this ordinance invalid, the remaining provisions shall be unaffected thereby.

**Section 5.** That any previously enacted ordinance, or part thereof in conflict herewith be and the same hereby is repealed to the extent of such conflict.

**Section 6.** This ordinance shall become effective five days after its passage and publication as required by law.

**PASSED** by the City Council of the city of Chehalis, Washington and **APPROVED** by its Mayor at a regularly scheduled open public meeting thereof this \_\_\_\_\_ day of October, 2016.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form and content:

\_\_\_\_\_  
City Attorney

**CITY OF CHEHALIS**

**AGENDA REPORT**

**DATE:** October 18, 2016  
**TO:** The Honorable Mayor and City Council  
**FROM:** Trent J. Lougheed, P.E., Interim Community Development Director  
**SUBJECT:** Ordinance No. 18-2016 – Adopting the 2016 Lewis County Multi-Jurisdictional Hazard Mitigation Plan

**ISSUE**

Based on the FEMA requirements, the 2016 Lewis County Multi-Jurisdictional Hazard Mitigation Plan must be formally adopted by each participant through approval of a resolution. Once adopted, participants are responsible to implement and update the plan every five years. In addition, the plan will need to be reviewed and updated as appropriate when a hazard event occurs that significantly affects the area.

**DISCUSSION**

The purpose of the 2016 Lewis County Multi-Jurisdictional Hazard Mitigation Plan is to identify hazards, assess the potential for loss associated with the hazards, assess the vulnerability of each planning participant to different hazards, and develop sound mitigation strategies to reduce these vulnerabilities. The potential for substantial damage as a result of a disaster presents a large potential for impacts to the health, safety, and welfare of all citizens residing within the City of Chehalis.

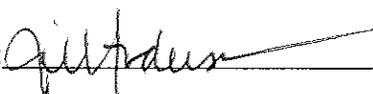
The City Administration has determined that the City of Chehalis would benefit by adopting the 2016 Lewis County Multi-Jurisdictional Hazard Mitigation Plan as it will satisfy FEMA requirements and aid in the City's CRS rating, which results in flood insurance reductions for properties within the City.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The administration recommends the council pass Resolution No. 18-2016.

**SUGGESTED MOTION**

I move that the council pass Resolution No. 18-2016.

Reviewed by:  \_\_\_\_\_, City Manager

**RESOLUTION NO. 18-2016**

**A RESOLUTION OF THE CITY OF CHEHALIS,  
WASHINGTON, ADOPTING THE 2016 LEWIS  
COUNTY MULTI-JURISDICTIONAL HAZARD  
MITIGATION PLAN, AND PROVIDING FOR AN  
EFFECTIVE DATE HEREOF.**

**WHEREAS**, Chehalis has until January 25, 2017, to adopt the County's Multi-Jurisdictional Hazard Mitigation Plan; and

**WHEREAS**, the city staff has reviewed the Plan provided by the County and has concluded that the Plan is in the citizen's best interest; and

**WHEREAS**, the City feels the Plan meets the statutory requirements for approval;

**NOW, THEREFORE, BE IT RESOLVED** that the City of Chehalis hereby adopts the 2016 Lewis County Multi-Jurisdictional Hazard Mitigation Plan as prepared by Lewis County.

**ADOPTED** by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form and content:

\_\_\_\_\_  
City Attorney

**CITY OF CHEHALIS**  
**AGENDA REPORT**

**DATE:** October 20, 2016

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**BY:** Trent Lougheed, Interim Community Development Director

**SUBJECT:** Resolution No. 19-2016 – City Support of Alternative 1 of the Chehalis Basin Strategy Programmatic Environmental Impact Statement

**ISSUE**

The Chehalis Basin suffers from both severe flooding and degradation of aquatic species. In order to develop ways to reduce the associated damages caused by both, a Programmatic Environmental Impact Statement (EIS) for a Chehalis Basin Strategy, was prepared by the WA Department of Ecology. The document includes an analysis of four alternatives, as well as what could happen if no action is taken. When developing the EIS, potential effects (positive and negative) of the components of each alternative were studied. The draft document was released for public comment on September 29, 2016. This item has been scheduled so that the City Council can take an official position on the document.

**DISCUSSION**

The Programmatic DIS is an enormous document with multiple attachments (which are almost as equally as large). The following information is intended to provide a summary of the information provided by the Strategy.

The objective of the Chehalis Basin Strategy is to reduce the following conditions caused by a major flood:

- Threats to human health and safety, including access to critical medical facilities
- Flood damage to commercial properties, residential properties, agricultural properties, livestock, and crops
- Disruption in transportation systems, including closures of Interstate 5 and local and regional transportation systems
- Disruption to industry, businesses, and public service

Additional objects of the Strategy are to protect and restore aquatic species habitat function to:

- Improve resiliency of natural floodplain processes and ecosystems from the effects of climate change, including warming stream temperatures, low flows and other effects
- Increase abundance of native aquatic species, including increased populations of healthy and harvestable salmon and steelhead
- Reduce the potential for future Endangered Species Act listings
- Enhance tribal and non-tribal fisheries

### **Overview of the Alternatives Studied**

Four alternatives (five if you include “no action”) are being considered to address these issues and objectives. The following are a summary of the alternatives identified:

#### ***Alternative 1: 2014 Governor’s Work Group Recommendation; includes the following components:***

- Dam and associated reservoir
  - a. Reservoir designed for flood protection only or a larger, permanent reservoir are identified as possibilities in Alternative 1
  - b. Decision on which reservoir would be made if this is determined to be the preferred alternative
- Airport Levee Improvements
- Aberdeen/Hoquiam North Shore Levee
- Local-Scale Flood Damage Reduction Actions
- Multiple Aquatic Species Habitat Actions

#### ***Alternative 2: Structural Flood Protection without Flood Retention Facility; includes the following components:***

- Interstate 5 projects (no dam)
- Airport Levee Improvements
- Aberdeen/Hoquiam North Shore Levee
- Local-Scale Flood Damage Reduction Actions
- Multiple Aquatic Species Habitat Actions
- Actions in this alternative would reduce flood damage in some areas; however, other areas could experience greater damage

***Alternative 3: Nonstructural Flood Protection; includes the following components:***

- Local-Scale Flood Damage Reduction Actions
- Multiple Aquatic Species Habitat Actions
- Does not provide large scale flood protection

***Alternative 4: Restorative Flood Protection; includes the following components:***

- Recreating natural flood storage capacity of the Chehalis Basin by relocating 16,000 acres of current land uses, including farmlands and homes, upstream of the Newaukum River.
- Reduces flood damage to a limited degree in the Chehalis-Centralia area; however, it increases the extent and depth of flooding above the Chehalis River confluence with the Newaukum River.
- Local-Scale Flood Damage Reduction Actions
- Multiple Aquatic Species Habitat Actions, which would substantially increase the abundance of the native aquatic species.

This would be a very costly and lengthy process, if determined to be legally viable. The Lewis County Prosecuting Attorney indicated that components of the plan are in conflict with existing State law and local zoning. There are also questions related to the data used to determine the valuation of the land that would need to be purchased to relocate the people, businesses, and public facilities to assemble the land needed to create the restorative flood capacity.

***No Action Alternative:***

If no action is taken, people and property within the floodplain would continue to be at risk and incur substantial damages during major floods. The EIS indicates that the financial and psychological impacts of flood relief and recovery could hinder the economic growth of the Chehalis Basin. The economic impacts associated with interruptions to the regional and local transportation system, including more closures of I-5, as well as the interruption of public services and utilities would continue to negatively impact the region. The risks to the public safety and the private and public financial impacts associated with the interruptions would continue to have a detrimental impact to the community.

No action would also lead to the further degradation of the aquatic species habitat, which creates concerns about preservation of multiple fish species in particular.

## **Alternative One is the Recommended Alternative**

After review of the pertinent information provided by the Strategy, it is recommended that the City Council support Alternative 1 as the preferred strategy. In summary, this alternative:

- Provides an upstream reservoir during large rain events intended to provide flood relief for downstream properties
- Improves habitat for aquatic species (also improving wildlife habitat)
- Provides funding for large-scale levee projects
- Maintains funding of local-scale flood damage reduction projects
- This is the “doable” alternative that will provide the largest benefit to the basin

Alternative 1 is the only alternative that provides large scale reduction of flood damage in the Chehalis Basin, significant investment in the restoration of the aquatic species habitat, and could potentially be implemented in the next few years, barring unforeseen circumstances.

## **Public Process**

The first of two public hearings was held on Tuesday, October 18, in Chehalis. More than 200 people attended and approximately 40 people spoke, almost unanimously in favor of Alternative 1. In addition, there were significant concerns expressed about the legality and practicality of Alternative 4, which would require the relocation of hundreds of residents, thousands of acres of farmland, as well as schools and churches.

A second public hearing is scheduled for Thursday, October 27 at Montesano City Hall, starting with an open house at 6 p.m.

## **RECOMMENDATION**

It is recommended that the City Council adopt Resolution No. 19-2016 on first and final reading.

## **SUGGESTED MOTION**

I move that the council adopt Resolution No. 19-2016 on first and final reading.

**RESOLUTION NO. 19-2016**

**A RESOLUTION OF THE CITY OF CHEHALIS, WASHINGTON, SUPPORTING ALTERNATIVE 1 OF THE CHEHALIS BASIN STRATEGY DRAFT PROGRAMMATIC STATE ENVIRONMENTAL POLICY ACT ENVIRONMENTAL IMPACT STATEMENT AS THE PREFERRED ALTERNATIVE.**

**WHEREAS**, the City of Chehalis is a significantly impacted by the decision making process of the Chehalis Basin Strategy; and

**WHEREAS**, the Chehalis Basin Strategy has developed four alternatives for flood protection and aquatic species habitat enhancement within the Chehalis River Basin; and

**WHEREAS**, the city staff has reviewed the Programmatic Environmental Impact Statement (PEIS) prepared by the Chehalis Basin Strategy and the Washington State Department of Ecology; and

**WHEREAS**, the City feels that Alternative 1 (as identified in the PEIS) provides the most benefit to the Chehalis River Basin with the least adverse impacts to the communities within;

**NOW, THEREFORE, BE IT RESOLVED** that the City of Chehalis hereby recommends and supports the implementation of Alternative 1 as identified in the PEIS.

**ADOPTED** by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form and content:

\_\_\_\_\_  
City Attorney