

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

Dennis L. Dawes, Position at Large Mayor	Terry F. Harris, District 1, Mayor Pro Tem Daryl J. Lund, District 2 Dr. Isaac S. Pope, District 4	Anthony E. Ketchum Sr., District 3 Chad E. Taylor, Position at Large Bob Spahr, Position at Large
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**Regular Meeting of Monday, November 14, 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>PUBLIC HEARING</b>		
3. <u>2017 Proposed Budget and Revenue Sources, Taxes, and Levies.</u> (City Manager)	CONDUCT PUBLIC HEARING	1

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>CONSENT CALENDAR</b>		
4. <u>Minutes of the Regular Meeting of October 24, 2016.</u> (City Clerk)	APPROVE	2
5. <u>Vouchers and Transfers.</u> (City Manager, Finance Manager)	APPROVE	5
6. <u>Resolution No. 20-2016 – First and Final Reading – Surplus of City Property.</u> (City Manager, City Clerk)	ADOPT	8

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>ADMINISTRATION AND CITY COUNCIL REPORTS</b>		
7. <u>Administration Reports.</u>		
a. City Manager update. (City Manager)	INFORMATION ONLY	---
8. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	---

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>NEW BUSINESS</b>		
9. <u>Ordinance No. 963-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2017.</u> (City Manager, Finance Manager)	APPROVE	13
10. <u>Ordinance No. 964-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2017.</u> (City Manager, Finance Manager)	APPROVE	13
11. <u>Ordinance No. 965-B, First Reading – Adopting the Proposed 2017 Budget.</u> (City Manager, Finance Manager)	APPROVE	17
12. <u>Citywide Phone System.</u> (City Manager, City IT Committee)	APPROVE PURCHASE OF NEW CITYWIDE PHONE SYSTEM.	20

<b>EXECUTIVE SESSION</b>		
13. Pursuant to RCW:		
a. 42.30.110(1)(c) – Consider Minimum Price at Which Real Estate Will Be Offered for Sale or Lease	---	
b. 42.30.110(1)(g) – Evaluate Qualifications of an Applicant for Public Employment	---	
c. 42.30.110(1)(i) – Potential Litigation	---	
d. 42.30.140(4)(a) – Collective Bargaining	---	

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

NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, NOVEMBER 28, 2016.

**CITY OF CHEHALIS  
CITY COUNCIL MEETING AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Judy Pectol, Finance Manager

**DATE:** November 8, 2016

**SUBJECT:** Public Hearing on the Proposed 2017 City Budget, Revenue Sources, Taxes, and Levies

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**ISSUE**

The 2017 Proposed Budget has been prepared for consideration by the City Council. Ordinances 963-B and 964-B have been prepared in connection with levying property taxes for collection in 2017.

**DISCUSSION**

The Proposed 2017 Operating Budget, which includes a summary of anticipated revenues and expenditures, is available for public review at City Hall, the Finance Department and on the City's website: [www.ci.chehalis.wa.us](http://www.ci.chehalis.wa.us).

Ordinance No. 963-B establishes the city's levies of ad valorem taxes (i.e., property taxes) for general operations, the Firefighters' Pension Fund and Emergency Medical Services (EMS).

Ordinance 964-B is required under the provisions of Referendum 47. It identifies the changes, in both dollar amounts and percentage terms, in the city's general operations property tax levy, the Firefighters' Pension Levy, and the EMS levy for next year compared to this year.

The property tax levy will increase due to increases in new construction, property improvements, the value of state assessed property, property tax administrative refunds, and annexations. However, the city will not use the one percent (1%) increase by statute nor will the city use any of its banked capacity (20.7%).

**RECOMMENDATION**

It is recommended that the City Council open the public hearing, accept public comment, close the public hearing and consider this information when taking action on these items, which are scheduled on this meeting agenda under "New Business."

**SUGGESTED MOTION**

There is no motion needed following the public hearing.

October 24, 2016

The Chehalis city council met in regular session on Monday, October 24, 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; David Fleckenstein, Airport Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Loughed, Community Development Director; Judy Pectol, Finance Manager; Rick Sahlin, Public Works Director; and Glenn Schaffer, Police Chief. Members of the media included Justyna Tomtas from *The Chronicle*.

1. **Proclamation – Domestic Violence Awareness Month.** Mayor Dawes read a proclamation designating October 2016 as Domestic Violence Awareness Month.

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

- a. Minutes of the regular meeting of October 10, 2016; and
- b. September 30, 2016 Payroll Vouchers No. 39152 -- 39225; Direct Deposit Payroll Vouchers No. 7517 – 7613; and Electronic Federal Tax Payment No. 164 in the amount of \$842,070.84.

The motion was seconded by Councilor Taylor and carried unanimously.

3. **Administration Reports.**

a. **Quarterly and September Financial Reports and Quarterly Sales and Use Tax Report.** Finance Manager Judy Pectol reported the city is doing well. All funds should end close to or right on track, except perhaps the Airport Fund, which may require a short-term loan because of construction projects that are paid up front and then reimbursed. In the General Fund, property taxes are coming in slowly, but the second biannual payments are due by the end of October, so those should pick up before year-end. With regard to sales tax, the city saw the highest monthly receipts for September going back to at least 2001, and year-to-date, sales taxes are about 10% over last year at this time. Building permit revenues are up 389% over budget estimates due mostly to school district construction permit fees.

Councilor Harris asked if Parks & Facilities was being moved from Community Development to Public Works. Ms. Pectol indicated it would be its own department under Public Works.

Councilor Harris stated he still has questions about the streamlined sales tax issue and why the city is not seeing a greater increase, especially with the increase in on-line sales. Ms. Pectol stated she has reached out to the Department of Revenue, but has yet to receive a response.

b. **City Manager Update.** City Manager Anderson stated that during her first month with the city, everyone has been so welcoming. A lot is going on, including attending the public meetings relating to the Chehalis Basin Strategy, five chamber events, and Industrial Commission, CCRT, Friends of the CCRT, and Port of Chehalis meetings.

4. **Councilor Reports.**

a. **Update from Councilor Lund.** Councilor Lund attended the monthly meeting with Fire District No. 6, and the Chehalis Basin Strategy public meeting at the Veterans Museum.

b. **Update from Councilor Pope.** Councilor Pope reported on the presentation made to the Chehalis Foundation concerning Recreation Park improvements. The Foundation made the decision to support the project, but there are some procedures that need to take place before a letter is sent to the city.

c. **Update from Councilor Harris.** Councilor Harris also attended the Chehalis Basin Strategy public meeting. He thought there was overwhelming support for Alternative 1. There was discussion about potential harm that could be created by holding water back, which would impact some road beds and leave them flooded for a longer period of time. There was question whether or not FEMA would have concerns about doing something that would make a problem worse in an area and then expect

them to help pay for repairs. He thought it was a very positive meeting and he was impressed with how everyone conducted themselves.

d. **Update from Mayor Dawes.** Mayor Dawes reported the budget committee process was completed. There were issues brought to the committee's attention that need to be carried through on, one being needed repairs to the fire station that need to be completed this year. The 2017 draft budget will be completed soon. Mayor Dawes attended a meeting where J. Vander Stoep spoke about flooding. With regard to the last meeting with the Fire District, it was unanimous between the council committee and the fire commission to run some numbers on the prospect of annexing the city into the fire district. While nothing is cast in stone, the initial report presented to the committee seems to be a logical step to explore.

**5. 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.** City Manager Anderson stated this is the final step in creating a Tourism Promotion Area formed for the specific purpose of creating a Sports Commission.

Councilor Spahr moved to pass Ordinance No. 962-B on second and final reading. The motion was seconded by Councilor Pope.

Councilor Taylor stated he would abstain from voting since he is a member of the board of the Sports Commission.

Councilor Spahr stated this was a tax on hotels/motels that hoteliers brought forward. The motion carried unanimously. Councilor Taylor abstained from voting.

**6. Resolution No. 18-2016, First and Final Reading – Adopting the Lewis County Multi-Jurisdictional Hazard Mitigation Plan.** City Manager Anderson stated additional information was made available to the council and can also be found on the city's website.

Mayor Dawes asked if the city was provided with a copy of the plan on disc. Trent Lougheed stated a draft version was provided, but the final version is currently a link on the city's website.

Mr. Lougheed stated the plan is an update to the Multi-Jurisdictional Hazard Mitigation Plan, which is a requirement of FEMA. He is meeting tomorrow with a specialist from the Community Rating System, and this is one of the big items they are looking at for the city to maintain its current rating for a 25% discount on flood insurance for properties within the jurisdiction.

Councilor Taylor moved to adopt Resolution No. 18-2016 on first and final reading. The motion was seconded by Councilor Spahr and carried unanimously.

**7. 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.** Prior to today's meeting, Mayor Dawes requested an additional paragraph into the resolution, a copy of which is in front of each council member. It includes, "... the City of Chehalis has been a longstanding leader in promoting a basin-wide strategy to improve flood protection and adopted a resolution on February 22, 2010 to support, along with the Governor's Office, the coordinated study of retention and levees; which became the Chehalis Basin Strategy."

Trent Lougheed provided a one page summary of the alternatives that was provided as part of the public notification process. Mr. Lougheed provided a summary of each alternative studied:

**Alternative 1: 2014 Governor's Work Group Recommendation:**

- 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:**

- 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:**

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

**Alternative 4: Restorative Flood Protection:**

- 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.

**Alternative 5: Take No Action**

Councilor Harris stated that during the public meeting, Glenn Carter made wonderful points for support of Alternative 1 and the lack of support for Alternative 4, and the complicating issues it creates.

Mayor Dawes stated the public comment period on the proposed alternatives has been extended to mid-November.

Councilor Spahr moved to adopt Resolution No. 19-2016 on first and final reading. The motion seconded by Councilor Pope and carried unanimously.

8. Executive Session Pursuant to RCW 42.30.110(1)(c) – Consider the Minimum Price at Which Real Estate Will be Offered for Sales or Lease. Mayor Dawes announced the Council would be in executive session pursuant to RCW 42.30.110(1)(c) for approximately 15 minutes and no action would be taken following the executive session.

The regular meeting was reopened, and there being no further business to come before the council, the meeting was immediately adjourned at 6:02 pm.

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Mayor

Attest:

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City Clerk

**CITY OF CHEHALIS  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager *JA*

**BY:** Judy Pectol, Finance Manager  
Michelle White, Accounting Tech II

**DATE:** October 14, 2016

**SUBJECT:** Vouchers and Transfers

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**ISSUE**

Council approval is requested for the Vouchers and Transfers in discussion.

**DISCUSSION**

The following claim vouchers have been reviewed by a committee of three councilors prior to the release of payments. Requesting council approval for Claim Vouchers No. 117182 through 117340 in the amount of \$1,080,426.47 dated October 14, 2016 and the transfer of \$393,612.22 from the General Fund, \$9,923.63 from the Dedicated Street Fund – 4% Sales Tax Fund, \$1,500.00 from the Tourism Fund, \$563.81 from the Garbage Fund, \$68,934.81 from the Wastewater Fund, \$496,934.36 from the Water Fund, \$42,691.73 from the Storm & Surface Water Utility Fund and \$66,265.91 from the Airport Fund.

**RECOMMENDATION**

It is recommended that the council approve the October 14, 2016 Claim Vouchers No. 117182 through 117340 in the amount of \$1,080,426.47.

**SUGGESTED MOTION**

I move that the council approve the October 14, 2016 Claim Vouchers No. 117182 through 117340 in the amount of \$1,080,426.47.

**CITY OF CHEHALIS  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager *JA*

**BY:** Judy Pectol, Finance Manager  
Michelle White, Accounting Tech II

**DATE:** October 31, 2016

**SUBJECT:** Payroll Vouchers and Transfers

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**ISSUE**

Council approval is requested for the Payroll Vouchers and Transfers in discussion.

**DISCUSSION**

Requesting council approval for Payroll Vouchers No. 39226 through 39267, Direct Deposit Payroll Vouchers No. 7614 through 7708 and Electronic Federal Tax Payment No. 165 dated October 31, 2016 in the amount of \$690,267.17 and the transfer of \$471,540.19 from the General Fund, \$5,032.82 from the Arterial Street Fund, \$75,664.34 from the Wastewater Fund, \$87,022.25 from the Water Fund, \$22,901.71 from the Storm & Surface Water Utility Fund, \$26,395.17 from the Airport Fund and \$1,710.69 from the Firemen's Pension Fund.

**RECOMMENDATION**

It is recommended that the council approve the October 31, 2016 Payroll Vouchers No. 39226 through 39267, Direct Deposit Payroll Vouchers No. 7614 through 7708, and Electronic Federal Tax Payment No. 165 in the amount of \$690,267.17.

**SUGGESTED MOTION**

I move that the council approve the October 31, 2016, Payroll Vouchers No. 39226 through 39267, Direct Deposit Payroll Vouchers No. 7614 through 7708, and Electronic Federal Tax Payment No. 165 in the amount of \$690,267.17.

**CITY OF CHEHALIS  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager *JA*

**BY:** Judy Pectol, Finance Manager  
Michelle White, Accounting Tech II

**DATE:** October 31, 2016

**SUBJECT:** Vouchers and Transfers

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**ISSUE**

Council approval is requested for the Vouchers and Transfers in discussion.

**DISCUSSION**

The following claim vouchers have been reviewed by a committee of three councilors prior to the release of payments. Requesting council approval for Claim Vouchers No. 117341 through 117447 and Electronic Funds Transfer No. 102016 in the amount of \$199,157.87 dated October 31, 2016 and the transfer of \$36,157.31 from the General Fund, \$13,606.00 from the Tourism Fund, \$118,880.68 from the Wastewater Fund, \$9,657.97 from the Water Fund, \$4,992.43 from the Storm & Surface Water Utility Fund, \$14,892.02 from the Airport Fund and \$971.46 from the Firemen's Pension Fund.

**RECOMMENDATION**

It is recommended that the council approve the October 31, 2016 Claim Vouchers No. 117341 through 117447 and Electronic Funds Transfer No. 102016 in the amount of \$199,157.87.

**SUGGESTED MOTION**

I move that the council approve the October 31, 2016 Claim Vouchers No. 117341 through 117447 and Electronic Funds Transfer No. 102016 in the amount of \$199,157.87.

**CITY OF CHEHALIS  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council  
**FROM:** Jill Anderson, City Manager   
**BY:** Caryn Foley, City Clerk  
**DATE:** November 8, 2016  
**SUBJECT:** Resolution No. 20-2016 – Surplus Property

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**ISSUE**

The Police Department and Human Resources/Risk Management Department have property that is no longer used or needed. State law requires that property must first be declared surplus by the city council before being sold, transferred, or disposed of.

**DISCUSSION**

The police department has two Midland mobile radios that they wish to declare surplus. The administration has entered into an interlocal agreement with the city of Morton to transfer the equipment to them for their use and possession. Attached is a copy of the interlocal agreement with the city of Morton.

Human Resources/Risk Management has a non-working typewriter that will be disposed of.

**RECOMMENDATION**

It is recommended that the council adopt Resolution No. 20-2016 on first and final reading.

**SUGGESTED MOTION**

I move that the council adopt Resolution No. 20-2016 on first and final reading.

**INTERLOCAL AGREEMENT**  
**FOR TRANSFER OF TWO (2) MIDLAND MOBILE RADIOS**  
**BETWEEN**  
**THE CITY OF CHEHALIS, WASHINGTON AND THE CITY OF MORTON,**  
**WASHINGTON**

THIS AGREEMENT is made and entered into this 19 day of OCT, 2016, by and between the **CITY OF CHEHALIS, WASHINGTON**, a municipal corporation, hereinafter referred to as "Chehalis", and **CITY OF MORTON, WASHINGTON**, a municipal corporation, hereinafter referred to as "Morton".

**WITNESSETH:**

**WHEREAS**, Chehalis is declaring surplus two (2) Midland mobile radios, Model 70-13418, Serial #080100002 and Serial #080100874, which are no longer needed by Chehalis; and

**WHEREAS**, Morton is desirous of acquiring the use and possession of said equipment being declared as surplus by Chehalis for Morton use; and

**WHEREAS**, it is the desire of Chehalis and Morton to reduce to written agreement the transfer of such equipment pursuant to Chapter 39.34, Revised Code of Washington, which provides for interlocal agreements for public benefit; now, therefore,

**IN CONSIDERATION** of the above-referenced recitals and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Purpose. The purpose of the Agreement is to provide for a definitive agreement regarding the transfer of surplus mobile radios between Chehalis and Morton.
2. Implementation. It is the intent of the parties to this Agreement for Chehalis to transfer such surplus equipment to the Morton upon execution of this Agreement.
3. Effective Date. This Agreement shall be effective and enforceable upon its execution.

4. Interagency Cooperation. Chehalis and Morton agree that each entity shall act together for the purpose of cooperating in the implementation, facilitation, and other needs necessary to provide for the completion of this Agreement.

5. Obligation of Chehalis. Chehalis shall surplus the mobile radios, and transfer the same to Morton.

6. Obligation of Morton. Morton agrees to receive the equipment being surplus as referred to herein.

7. Compliance With Applicable Laws. The parties hereto agree that all applicable laws, ordinances, and resolutions of the state of Washington and each entity shall be followed in the application of this Agreement.

8. Hold Harmless. Each party to this Agreement agrees to hold the other harmless from any and all claims arising out of the transfer, use, and possession of the surplus equipment referred to herein. Chehalis does not warrant the condition of the property, which is being transferred to Morton "as is, where is". All responsibility for the maintenance and certification of such equipment falls on Morton.

9. Severability. If any portion of this Agreement is changed, or any portion is held invalid, the remainder of this Agreement shall remain in full force and effect.

10. Filing With County Auditor. A copy of this Agreement shall be filed with the Lewis County Auditor pursuant to RCW 32.34.040.

11. Authority to Bind. Each of the parties to this Agreement certifies that the person signing this Agreement has the authority to bind the respective governing body to all of the terms and conditions of this Agreement.

**EXECUTED IN DUPLICATE** on the date and year first above written.

CITY OF CHEHALIS, WASHINGTON MORTON POLICE DEPARTMENT

By *D. Schaffer*

Name: *Glean Schaffer*

Title: *Chief*

By *R. Morningstar*

Name: *Roger Morningstar*

Title: *Chief*

**RESOLUTION NO. 20-2016**

**A RESOLUTION OF THE CITY OF CHEHALIS,  
WASHINGTON, DECLARING PERSONAL PROPERTY OF  
THE CITY OF CHEHALIS TO BE SURPLUS AND OF NO  
FURTHER USE TO THE CITY, AND DIRECTING THE  
TRANSFER AND DISPOSITION THEREOF.**

**THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO  
RESOLVE AS FOLLOWS:**

**Section 1.** The following described personal property of the city of Chehalis, Washington, a municipal corporation, shall be, and the same hereby is, declared to be surplus and no longer of necessary use.

1. Two (2) Midland mobile radios, Model 70-13418, Serial #080100002 and Serial #080100874
2. One (1) IBM typewriter, Model 6781, City Tag #10008

**Section 2.** The personal property described herein shall be disposed of by the City Manager.

**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  
CITY COUNCIL MEETING AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Judy Pectol, Finance Manager

**DATE:** November 8, 2016

**SUBJECT:** Ordinances 963-B and 964-B – Adoption of Tax Levies

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**ISSUE**

Ordinances 963-B and 964-B have been prepared in connection with levying property taxes for collection in 2017. The ordinances are required in order to have Lewis County collect property taxes on behalf of the City.

**DISCUSSION**

Ordinance No. 963-B establishes the city's levies of ad valorem taxes (i.e., property taxes) for general operations, the Firefighters' Pension Fund and Emergency Medical Services (EMS).

Ordinance 964-B is required under the provisions of Referendum 47. It identifies the changes, in both dollar amounts and percentage terms, in the city's general operations property tax levy, the Firefighters' Pension Levy, and the EMS levy for next year compared to this year.

The property tax levy will increase due to increases in new construction, property improvements, the value of state assessed property, property tax administrative refunds, and annexations. However, the city will not use the one percent (1%) increase by statute nor will the city use any of its banked capacity (20.7%).

**RECOMMENDATION**

It is recommended that the City Council approve Ordinances 963-B and 964-B on first readings.

**SUGGESTED MOTION**

I move that the City Council approve Ordinances 963-B and 964-B on first readings.

**ORDINANCE NO. 963-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, DETERMINING AND FIXING THE AMOUNT OF REVENUE TO BE RAISED BY AD VALOREM TAXES DURING THE CALENDAR YEAR 2017 AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.**

**THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO ORDAIN AS FOLLOWS:**

**Section 1.** The amount of revenue to be raised by ad valorem taxes during 2017 for general city operations shall be, and the same hereby is, determined and fixed in the sum of One Million Five Hundred Eighty-Eight Thousand Six Hundred Sixty-Seven dollars (\$1,588,667).

**Section 2.** The amount of revenue to be raised by ad valorem taxes during 2017 for emergency medical services shall be, and the same hereby is, determined and fixed in the sum of Three Hundred Twenty-One Thousand Five Hundred Twenty-Eight dollars (\$321,528).

**Section 3.** The effective date of the ordinance shall be the 14<sup>th</sup> day of December 2016.

**PASSED** by the City Council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this \_\_\_\_\_ day of November, 2016.

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form and content:

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

**ORDINANCE NO. 964-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,  
STATING THE AMOUNTS AND PERCENTAGES OF CHANGE IN  
PROPERTY TAX LEVY IN CALENDAR YEAR 2017.**

**WHEREAS**, the City of Chehalis, Washington, properly gave notice of a public hearing held the 14<sup>th</sup> day of November 2016 to consider the city budget for 2017, including possible property tax increases and other revenue, pursuant to RCW 84.55.120; and,

**WHEREAS**, city's actual levy amounts for general operations, and Emergency Medical Services (EMS) levies for 2016 were \$1,377,114.57 and \$299,667.74 respectively; and

**WHEREAS**, the population of the city is less than 10,000; now, therefore,

**THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO ORDAIN AS  
FOLLOWS;**

**Section 1.** The 2016 general operations property tax levy for collection in 2017 is One Million Five Hundred Eighty-Eight Thousand Six Hundred Sixty-Seven dollars (\$1,588,667) which is an increase of Zero Dollars (\$0) and Zero Percent (0%) over the amount levied in 2015 for collection in 2016. Increases for the amounts allowed for new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities and any increase in the value of state assessed property, and any annexations that have occurred and refunds made are only reflected in the total levy amount.

**Section 2.** The 2016 EMS property tax levy for collection in 2017 is Three Hundred Twenty-One Thousand Five Hundred Twenty-Eight dollars (\$321,528) which is an increase of Zero Dollars (\$0) and Zero Percent (0%) over the amount levied in 2015 for collection in 2016. Increases for the amounts allowed for new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities and any increase in the value of state assessed property, and any annexations that have occurred and refunds made are only reflected in the total levy amount.

**Section 3.** The effective date of the ordinance shall be the 14<sup>th</sup> day of December 2016.

**PASSED** by the City Council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this \_\_\_\_ day of November, 2016

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form and content:

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City Attorney

**CITY OF CHEHALIS  
CITY COUNCIL MEETING AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Judy Pectol, Finance Manager

**DATE:** November 8, 2016

**SUBJECT:** Ordinance 965-B – 2017 Budget Adoption, First Reading

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**ISSUE**

Ordinance 965-B has been prepared for the purpose of adopting the 2017 Budget. The two levy ordinances reflected in this budget are being presented to the City Council concurrently.

**DISCUSSION**

During the past two months the budget committee members attended several meetings during which budget presentations were made, discussed, and reviewed. Ordinance 965-B reflects the revised budget presented to the committee. Additional changes may be made to the ordinance prior to its second reading.

**RECOMMENDATION**

It is recommended that the council approve Ordinance 965-B on first reading.

**SUGGESTED MOTION**

I move that the City Council approve Ordinance 965-B on first reading.

**ORDINANCE NO. 965-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,  
ADOPTING THE BUDGET OF THE CITY OF CHEHALIS FOR THE  
YEAR 2017 AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.**

**THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DO ORDAIN AS  
FOLLOWS:**

**Section 1.** Attached hereto and identified as Exhibit "A", in summary form, are the total of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined for the budget of the city for 2017, and by this reference said Exhibit "A," showing a total estimated ending fund balance of \$12,132,276 is incorporated herein as if set forth in full and the same is hereby adopted in full.

**Section 2.** This ordinance is a legislative act delegated by statute to the City Council of the City of Chehalis, is not subject to referendum and shall take effect December 12, 2016.

**PASSED** by the City Council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this \_\_\_\_\_ day of November, 2016.

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form and content:

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

**ORDINANCE 965-B  
Exhibit "A"**

**CITY OF CHEHALIS BUDGET  
2017 Proposed Budget Summary  
All Funds**

<b>FUND NAME</b>	<b>Est. Beg. Fund Balance</b>	<b>Revenue</b>	<b>Operating Transfers In</b>	<b>Expenditures</b>	<b>Operating Transfers Out</b>	<b>Est. End. Fund Balance</b>
General Fund	1,462,273	8,814,149	-	8,963,175	286,505	1,026,742
Dedicated Street Fund - 4% Sales Tax	30,000	185	161,764	154,436	-	37,513
Building Abatement Fund	-	200	100,000	-	-	100,200
Arterial Street Fund	88,237	155,516	-	149,844	-	93,909
Transportation Benefit District	-	-	-	-	-	-
Tourism Fund	245,840	233,500	-	237,000	-	242,340
Community Dev. Block Grant Fund	110	-	-	-	-	110
HUD Block Grant Fund	57,350	100	-	-	-	57,450
Federal and State Grant Fund	-	-	-	-	-	-
2011 G.O. Bond Fund	-	-	98,966	98,966	-	-
Automotive/Equip. Res. Fund	459	-	-	-	-	459
1st Quarter REET Fund	228,876	111,025	-	-	41,566	298,335
2nd Quarter REET Fund	212,941	110,950	-	-	32,659	291,232
Garbage Fund	4,500	6,435	-	5,740	-	5,195
Wastewater Fund	3,500,000	5,685,072	-	5,168,043	-	4,017,029
Water Fund	4,600,000	3,728,621	-	3,681,134	-	4,647,487
Storm & Surface Water Fund	600,000	548,910	-	524,898	-	624,012
Airport Fund	1,605,778	2,636,490	-	4,154,290	-	87,978
Firemen's Pension Fund	500,000	172,785	-	78,500	-	594,285
City Agency Fund	8,000	-	-	-	-	8,000
<b>TOTALS</b>	<b>13,144,364</b>	<b>22,203,938</b>	<b>360,730</b>	<b>23,216,026</b>	<b>360,730</b>	<b>12,132,276</b>

**CITY OF CHEHALIS  
CITY COUNCIL MEETING AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Andrew Hunziker  
Ed Schonack, City IT Committee

**DATE:** November 9, 2016

**SUBJECT:** Replacement of the City's 20- year old Phone System

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**ISSUE**

The City's phone system, purchased in 1996, is failing and causing interruptions in the ability to contact City offices by phone.

**DISCUSSION**

Over the last several months the City has had several issues with the phone system at City Hall. Recent staffing changes required moving offices and phone lines, which proved to be more difficult than expected due to the age of the phone system. The electrician making the needed changes indicated the system is very old and needs to be replaced.

Some examples of the system's deficiencies include:

- One phone in the Police Department Evidence Room does not work at all.
- Two phones at the front desk of the Police Department are not functioning correctly, creating additional steps in connecting internal and external customers by phone.
- The phone system in the Administration offices at City Hall were not working properly for more than a week due the age of the system and difficulties in learning the system in the absence of the one representative at Travers Electric, who typically works on the phone system.

In addition to the operational interruptions, there are increasing costs associated with the service calls needed to keep the system working.

The City's Informational Technology (IT) Committee has been researching and testing different Voice Over IP (VOIP) systems and have narrowed down the system and options that will work for the City. The advantage of a VOIP system is that it will allow the City to keep up with current technology at a cost comparable to a traditional wired system, and we can perform changes to the system without requiring an outside technician. Wastewater and the Airport

would not be included in this initial proposal since they both currently have upgraded phone systems and have network limitations.

There are network infrastructure upgrades that would be needed to support the new phone system, most notably new switches to connect equipment to the network. The current switches are approximately 15 years old, which is ancient in IT years. In addition, the City will need to increase its network bandwidth capacity, which would likely be needed in the coming year even without the new phone system. Both expenses are an investment, which also have benefits for the citywide network, not just the phone system.

The Proposed 2017 Budget includes a \$25,000 appropriation for a new phone system; however, the recent problems with the phones in the Police Department suggest that the system may fail sooner rather than later. If an appropriation is approved at this time, the appropriate budget adjustment will be presented to the City Council prior to the end of the year, along with other revisions that are needed.

### **FISCAL IMPACT**

The estimated cost of a new phone system is \$28,000, which is based on the most recent information provided by vendors contacted. Pricing is largely driven by the number of users. The network switches would be approximately \$11, 800. The additional network bandwidth will be approximately \$1,200 annually.

The annual cost associated with supporting the new system is approximately \$32,000. This will be offset by a reduction in costs in the current phone bills, making the operation of the new phone system approximately the same as the current one. There is a good possibility that the overall costs will go down slightly; however, that amount cannot be projected at this time.

### **RECOMMENDATION**

It is recommended that the City Council approve the expenditure of \$28,000 for the equipment and installation of a new phone system and \$11, 800 for new network switches. The annual operational maintenance and support costs will be incorporated into the City's 2017 Budget, if the City Council authorizes moving forward with the purchase of a new phone system.

### **SUGGESTED MOTION**

I move that the City Council approve the expenditure of \$28,000 to replace the City's phone system and \$11,800 for the purchase of new network switches, as well as the related budget adjustments.