

CHEHALIS CITY COUNCIL AGENDA
 CITY HALL
 350 N MARKET BLVD | CHEHALIS, WA 98532

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

Regular Meeting of Monday, November 27, 2017
5:00 p.m.

- | |
|---|
| <ol style="list-style-type: none"> 1. <u>Call to Order.</u> (Mayor) 2. <u>Pledge of Allegiance.</u> (Mayor) |
|---|

PROCLAMATIONS / PRESENTATIONS
3. <u>Proclamation – Celebrating 22 Years of “The Nutcracker” by the Southwest Washington Dance Center.</u> (Mayor)

CITIZENS BUSINESS
<p>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.</p>

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
PUBLIC HEARING		
4. <u>2018 Proposed Budget and Revenue Sources, Taxes, and Levies.</u> (City Manager, Interim Finance Manager)	CONDUCT PUBLIC HEARING	1

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
CONSENT CALENDAR		
5. <u>Minutes of the Regular Meeting of November 13, 2017.</u> (City Clerk)	APPROVE	3
6. <u>Vouchers and Transfers.</u> (City Manager, Interim Finance Manager)	APPROVE	9
7. <u>Addendum to City Manager Employment Agreement.</u> (City Manager, HR/Risk Manager)	APPROVE	10

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UNFINISHED BUSINESS		
8. <u>Ordinance No. 983-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2018.</u> (City Manager, Interim Finance Manager)	PASS	14
9. <u>Ordinance No. 984-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2018.</u> (City Manager, Interim Finance Manager)	PASS	14
10. <u>Ordinance No. 985-B, Second and Final Reading – Adopting the Proposed 2018 Budget.</u> (City Manager, Interim Finance Manager)	PASS	18

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
NEW BUSINESS		
11. <u>Ordinance No. 986-B, First Reading – Amending the 2017 Annual Budget.</u> (City Manager, Interim Finance Manager)	PASS	22

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
ADMINISTRATION AND CITY COUNCIL REPORTS		
12. <u>Administration Reports.</u>	INFORMATION ONLY	- - -
a. Finance report. (City Manager, Interim Finance Manager)		28
b. City Manager update. (City Manager)		
13. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	- - -

EXECUTIVE SESSION		
14. Pursuant to RCW:		
a. 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, DECEMBER 11, 2017.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Tim McGuire, Interim Finance Manager
Betty Brooks, Payroll Accountant

MEETING OF: November 27, 2017

SUBJECT: Public Hearing on the Proposed 2018 City Budget, Revenue Sources, Taxes,
and Levies

ISSUE

The 2018 Proposed Budget has been prepared for consideration by the City Council. Ordinances 983-B and 984-B have been prepared in connection with levying property taxes for collection in 2018.

DISCUSSION

The Proposed 2018 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 at www.ci.chehalis.wa.us.

Ordinance No. 983-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 984-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 (19.25%).

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 after the public hearing.

November 13, 2017

The Chehalis city council met in regular session on Monday, November 13, 2017, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilors Tony Ketchum and Daryl Lund were absent (excused). Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Andrew Hunziker, Property Maintenance Technician; Trent Loughheed, Community Development Director; Dale McBeth, Municipal Court Judge; Tim McGuire, Interim Finance Manager; Brandon Rakes, Airport Office Manager; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources Administrator; Don Schmitt, Street/Storm Superintendent; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Graham Perednia from *The Chronicle*.

1. Washington State 911 Update. Lewis County Commissioner Bobby Jackson stated he sits on the state Enhanced 911 Advisory Committee. He stated Adam Wasserman, Coordinator of Washington State 911 would provide an update on ESnet, which is the next generation for 911 communications, which will come to Lewis County beginning in June.

Mr. Wasserman stated each county is individually responsible for 911 operations and the state is responsible for making sure there is statewide dialing. They also help support some smaller counties with operations and larger counties with training. Currently underway is the replacement of the ESnet to provide improved technology and the ability to send texts, pictures, video, and other types of media to 911. It will also have improved geo-spatial routing for calls, which will help improve the location accuracy of callers, make sure calls are directed to the correct 911 center, and transfer information that call-takers take if they transfer a call to another location. The transition portion of the new network is very costly because two parallel networks will have to be run for a period of time to make sure there is no loss of 911 services. The process should be totally completed by October 2019.

Mayor Dawes asked if the 911 tax that is collected on cell phones stays with respective counties. Mr. Wasserman stated that 70 cents goes to the county and 25 cents goes to the state.

Mayor Dawes asked if the State Patrol (WSP) was part of the program. Ms. Wasserman stated they were, noting four receive calls directly from the public, while the other four are secondary, which Lewis County is. Calls for WSP come to Lewis County and are transferred to WSP.

Mayor Dawes stated he was under the impression that location information was available on cells phone already. Mr. Wasserman stated using a cell phone is just like using a landline. He stated they are working to get the FCC to require all telephone manufacturers and carriers in the US to automatically require that location data be used for 911 services.

2. Public Hearing – 2018 Proposed Budget and Revenue Sources, Taxes, and Levies. Mayor Dawes recessed the regular meeting and opened the public hearing at 5:08 pm. He stated the council budget committee comprised of Councilors Harris, Spahr, and himself, spent a considerable amount of the time in several meetings going over each department in the budget. He stated the proposed budget was a little more "progressive, but not aggressive" to address some items on a one-time basis that have not been able to be addressed for a number of years.

City Manager Anderson highlighted the process to develop the 2018 budget. She noted a few minor changes were made to various funds since distribution of the budget on November 1. The projected beginning fund balance for the General Fund is just under \$1.3 million, with a projected ending fund of just over \$1 million due to some one-time expenditures. She noted this reflects an 11% ending balance, which is slightly above the council's policy of keeping 10% as a reserve. The estimated beginning fund balance for all funds is \$14,627,773 with an estimated ending balance of just over \$15 million.

Mayor Dawes noted certain funds are enterprise funds that have restricted uses that cannot be used for General Fund purposes. City Manager Anderson stated that was correct, noting about 90% of the city's funds are restricted by either law or city policy. She also noted that about 54% of General Fund monies go to police and fire.

Ms. Anderson stated the General Fund is used for most municipal operations – the basic core responsibilities, including police, fire, recreation, planning and development, etc. There are not a lot of restrictions on those funds, but there are huge demands on the funds. She stated the revenue picture is generally stable with small increases in sales tax, property tax,

November 13, 2017

and leasehold excise tax. Revenue reductions from 2017 are largely due to one-time grant revenues in 2017. Ms. Anderson noted the purchase of some new General Fund items in 2018:

- Tools for Planning and Building
 - Electronic cash register
 - Tablet for building inspector
 - New file cabinets
- 3 new vehicles (1 each in Police, Fire, and Community Development)
- Multiple one-time items to maintain facilities
 - Concrete floors for maintenance facilities
 - Landscaping at City Hall
 - Lease for new mowers
 - New commercial grade pool vacuum
 - Pool slide maintenance
 - Cleaning of library roof and window maintenance
 - Additional tree trimming
- Police radios
- Tazers
- Radio frequency for fire
- Salary increases for the non-uniformed employee group as agreed to in the collective bargaining process earlier this year.
- Outstanding salary issues related to other groups, including unrepresented employees
- Reclassification of the salary for Recreation Manager
- Reclassification of Finance Manager to Director
- Use of REET funds for building and pool maintenance and
 - Pool boiler
 - Pool liner (LTAC and REET funds)
 - Completion of Recreation Park design
 - Fire station repairs – completion of maintenance work started in 2017
- Public works roof and paint project includes a general fund allocation from multiple funds, including the General Fund

Ms. Anderson stated several items were not included in the 2018 budget:

- No new full-time staff positions
- No reductions in staff
- No raises for the City Council
- No reserve fund for future employee retirements
- No additional allocation building replacement fund
- No allocations for technology or vehicle replacement funds
- No funds for construction of Recreation Park improvements, including Penny Playground
- No funds for a new fire station
- No funds for new major general fund projects

Mayor Dawes stated that one of the things talked about by the budget committee was creating reserves for such things as retiring employee payouts if the projected ending fund balance comes in significantly higher than anticipated.

Councilor Harris commented that he would also like to see the reestablishment of a vehicle and equipment reserve fund.

Councilor Pope recalled that staff was looking at temporary arrangements for the fire department. City Manager Anderson stated that was correct. After reviewing a variety of options, including a temporary location, and additional testing of the building, a decision was made, in cooperation with the firefighters, that the city would put money into the building for the short term and focus efforts and resources to a long-term solution.

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City Manager Anderson stated the budget includes regional partnerships with the Lewis EDC, ongoing flood work, and a B&O Tax contribution to the Renaissance Main Street Program. It includes strategic planning and provides a consistent level of service. She concluded that the budget represents professionalism, partnership, and responsibility.

Councilor Spahr reiterated that the city was not imposing any tax increases with the 2018 budget.

Councilor Harris stated the city's budget is sales tax driven. With the last recession, the city lost 30% of its sales tax revenue, plus continues to be impacted by the streamlined sales tax issue. He stated the city has not used any of its banked capacity for years, but when the city was "bleeding" and if we would have had some of that money we could have at least put a tourniquet on an arm rather than dying completely. He understood that when times are bad you can't go after the people who are hurting the most. However, he thought a conversation was needed about taking it occasionally when truly needed. He thought it was poor planning to expect one half of the city's revenue sources to continually pay the bills, but be so easily and readily destructed.

Councilor Pope noted that the city manager spoke about various partnerships, some of which the city makes a contribution to. He asked that those be reviewed to determine the cost-benefit to ensure the city is receiving some benefit and that the city discontinue contributions to organizations that do not benefit the city.

Mayor Dawes called for any public comment on the budget. There being no comments from the public, Mayor Dawes closed the public hearing at 5:43 pm and reopened the regular meeting.

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

a. Minutes of the regular meeting of October 23, 2017; and

b. October 31, 2017, Claim Vouchers No. 120678-120801 and Electronic Funds Transfer No. 102017 in the amount of \$499,817.80; and October 31, 2017, Payroll Vouchers No. 39934-39980, Direct Deposit Payroll Vouchers No. 8809-8909, and Electronic Federal Tax Payment No. 177 in the amount of \$732,321.32.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Ordinance No. 981-B, Second and Final Reading – Amending the 2017 Annual Budget**. City Manager Anderson stated the proposed ordinance was amended since first reading. Revenue projections have been increased slightly, while projected expenditures have also gone up, primarily due to public facility costs and union contract negotiations. The projected ending fund balance has been increased by \$266,168 since the original adopted budget. The ending fund reserve for 2017 is estimated to be \$1,292,910, which is 12.6% of projected revenues. She noted cautious optimism about the sustainability of the revenues, particularly sales tax. Specific changes included:

- Additional project expenses incurred by Parks & Facilities Fund on deferred maintenance
- \$25,000 for additional negotiation expenses
- \$11,000 for Riverside Fire Authority for Fire Marshall Services
- \$3,000 to replenish imprest (petty cash) funds
- \$14,802 for pedestrian bridge
- Transfer out of \$100,000 from 1st Quarter REET Fund to Public Facilities Reserve Fund
- Public Facilities Reserve Fund expenditure of \$100,000 for the Library Roof Repair
- Revenues/Appropriations for Wastewater Fund's SRF Loan – I & I Project
- \$376,416 in the Water Fund to correct recording of contra expenses
- Airport Fund for Development Master Plan expenses, (will be reimbursed through a .09 Fund Grant)
- Airport Fund for Tract 5A Loan

Mayor Dawes stated that when the council subcommittee was reviewing the 2018 budget the subject of REET funds came up. They talked about not spending down the funds for emergency purposes.

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Councilor Spahr stated the library roof is leaking and needs costly repairs. He asked if there would be a staff report to explain what was going on. He thought there could be questions from the public since the building is fairly new. City Manager Anderson stated there was no formal report planned, but she explained that there has been leaking for several years, potentially from a design flaw relating to the use of roof materials.

City Manager Anderson stated the total 2017 expenditures for all of the city's 20 funds have increased \$3,420,178. Total revenues have increased \$3,732,012, with a projected ending fund balance \$13,736,421, which is \$1,604,145 higher. The General Fund Ending Fund Balance is projected to be 12.6%. She stated the totals include the General Fund and legally restricted enterprise funds, which make up approximately 90% of the total fund reserve. She concluded by noting the city is fiscally sound, with reasonable and appropriate reserves.

Councilor Spahr moved to pass Ordinance No. 981-B on second and final reading. The motion was seconded by Councilor Pope and carried unanimously.

5. Ordinance No. 983-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2018.

6. Ordinance No. 984-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2018. Councilor Taylor moved to pass Ordinances No. 983-B and 984-B on first readings. The motion was seconded by Councilor Harris and carried unanimously.

7. Ordinance No. 985-B, First Reading – Adopting the Proposed 2018 Budget. Councilor Spahr moved to pass Ordinance No. 985-B on first reading. The motion was seconded by Councilor Harris and carried unanimously. Councilor Harris thanked everyone involved in putting the budget together.

8. Resolution No. 9-2017, First Reading – Declaring an Emergency Relating to the Repair of the Prindle Street Sewer Force Main. Rick Sahlin stated the Prindle Street sewer force main sprung a leak on October 31. Staff was able to get the main shut down in about 30 minutes of receiving the call. It was bypassed to a 10-inch force main, which is being used currently. Sterling Breen was hired to make the repair.

Patrick Wiltzius stated it was a very complicated repair. The 18-inch force main goes under I-5 from the Prindle Street pump station to the Shoreline/Louisiana area. It has a 36-inch casing with multiple materials and is 20 feet down. One repair was made, but there is another leak that is trying to be identified. It has to be on-line tomorrow because of the expected rainfall, but will require a long-term repair next year. He noted there were minimal environmental issues at this point. He estimated the emergency repair to be around \$200,000.

Councilor Taylor moved to adopt Resolution No. 9-1027 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

9. Contribution to the Community-Wide Homeless Severe Weather Shelter. City Manager Anderson stated there has been a community-wide effort to create a severe weather shelter for the homeless. Through a community partnership led by Bethel Church and the city of Centralia there has been the opening of a shelter at the fairgrounds when the temperature drops below 38°. A number of people and organizations have stepped up to participate. The city of Chehalis has been asked to participate with a \$3,000 contribution for the cost of the rental units for the months of January, February, and March.

Mayor Dawes asked if there would be a review of how the event goes – if it worked well, etc. City Manager Anderson stated it is being looked at as a pilot program to see if it works and then plan accordingly for future years.

Councilor Pope asked if children were included. City Manager Anderson stated it was her understanding that families are usually put up in hotels for safety reasons.

Councilor Harris stated he likes the idea of not comingling males and females. He heard that the facilities are nice and clean, and people can have their clothes washed and are able to shower.

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Councilor Spahr asked how they could prevent individuals coming from other areas and expanding the program into something that can't be maintained. City Manager Anderson stated that was a challenging question and many cities are dealing with this issue. She reiterated it is a pilot program to hopefully answer this and other questions.

Councilor Spahr asked how individuals would get from wherever they are to the fairgrounds. Mayor Dawes stated Twin Transit would be providing transportation.

Councilor Pope thought homeless issues should be dealt with by faith organizations, but on the basis of emergency, he thought the city should participate.

Councilor Taylor wondered if the homeless problem was really increasing or was there just more exposure of a problem that has always been there.

Mayor Dawes thought it was a good public-community partnership for the city to participate in.

Councilor Spahr moved to approve a contribution of \$3,000 to offset the costs of providing portable buildings for the community-wide severe weather shelter for the homeless. The motion was seconded by Councilor Pope and carried unanimously.

10. Administration Reports.

a. **City Manager Update.** City Manager Anderson stated the Port of Chehalis approached the city about purchasing the rail line used by the steam train. The Port has also approached the steam train group and they have indicated a desire to purchase it. City Manager Anderson asked if the council had any interest in the rail line. The council had several questions that needed to be answered before making any decisions. City Manager Anderson thought the Port was in the process of getting an appraisal and noted this is all very preliminary. She stated what she heard the council saying was to add this to the list of things to research.

City Manager Anderson stated a strategic planning had been scheduled for November 20, but the facilitator is very ill and not able to make the event. The facilitator plans to be back in operation in January and the session will be rescheduled at that time.

11. Councilor Reports/Committee Updates.

a. Councilor Harris is beginning to install Christmas decorations throughout the city.

b. Councilor Pope attended the Chehalis Renaissance meeting. He stated they are doing a lot of work and the networking going on in the group is fantastic. He expects to see a lot accomplished next year and is happy that the city is supporting the group through the Main Street B&O tax program.

c. Councilor Spahr attended an EDC board meeting. There is a lot going on and there is a need for commercial and industrial buildings in this area. He also participated in the Pope's Kids Place bowling tournament this past weekend.

d. Councilor Taylor thanked the budget committee for all their work. Councilor Taylor is the city's representative on the Twin Transit Board and they will be interviewing for a new manager this month. Eighteen applications were received.

e. Mayor Dawes visited the first grade class at St. Joseph School on October 27, which is really enjoyed. The class made him a book with thank you notes and drawings, and photos their teacher had taken. He stated he met one of Vivian Roewe's (former Chehalis mayor and council member) great granddaughters. He also attended the November 3 mayors' meeting and the November 11 Veterans Day parade.

12 Executive Session. At 6:34 pm, Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(c) – Sale/Lease of Real Estate; RCW 42.30.110(l) – Litigation/Potential Litigation; RCW 42.30.110(g) – Review Performance of a Public Employee; and RCW 42.30.140(4)(a) – Collective Bargaining

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not to exceed 8:00 pm and there would be no decisions following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:37 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 8:00 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:
Initials: _____

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Tim McGuire, Interim Finance Manager
Michelle White, Accounting Tech II

MEETING OF: November 27, 2017

SUBJECT: Vouchers and Transfers

ISSUE

City Council approval is requested for Vouchers and Transfers dated November 15, 2017.

DISCUSSION

The November 15, 2017 claim vouchers have been reviewed by a committee of three councilors prior to the release of payments. The administration is requesting City Council approval for Claim Vouchers No. 120802-120972 and Electronic Funds Transfer Nos. 1020171 and 112017 in the amount of \$390,422.19 dated November 15, 2017, which includes the payment of:

- \$129,881.40 from the General Fund
- \$31,042.03 from the Dedicated Street Fund – 4% Sales Tax
- \$84,328.13 from the 2011 G. O. Bond Fund
- \$586.64 from the Garbage Fund
- \$41,166.00 from the Wastewater Fund
- \$67,340.09 from the Water Fund
- \$2,898.45 from the Storm & Surface Water Utility Fund
- \$33,179.45 from the Airport Fund

RECOMMENDATION

It is recommended that the City Council approve the November 15, 2017 Claim Vouchers No. 120802-120972 and Electronic Funds Transfer Nos. 1020171 and 112017 in the amount of \$390,422.19.

SUGGESTED MOTION

I move that the City Council approve the November 15, 2017 Claim Vouchers No. 120802-120972 and Electronic Funds Transfer Nos. 1020171 and 112017 in the amount of \$390,422.19.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Judy Schave, HR/Risk Manager

MEETING OF: November 27, 2017

SUBJECT: Addendum to City Manager Employment Agreement

ISSUE

The employment agreement between the City and City Manager Jill Anderson provides for an annual adjustment of salary upon completion of an annual performance review conducted by the City Council.

DISCUSSION

On November 13, the City Council met with City Manager Anderson for her annual review, which was very positive. The City Council provided direction to prepare an amendment to the employment contract to reflect a cost of living increase of 2.8% increase effective with the pay period beginning October 25, 2017. This is based on the August 2017 Consumer Price Index All Washington (CPI/W), as outlined in the current employment agreement.

At the time City Manager Anderson was hired she received a starting balance of 5 days of vacation time. In consideration of City Manager Anderson's recent performance evaluation, the City Council recommended that an additional 15 days be added to City Manager Anderson's current vacation balance. The City Council also agreed that the annual vacation accrual be increased from 10 hours a month to 14 hours a month, for an accrual of an additional 6 days a year beginning in the January 2018 pay period, which starts on December 25, 2017. The additional leave is recommended in part to recognize that the current employment contract with Ms. Anderson does not include executive leave, which is often a part of a city manager contract, as well as her career tenure.

FISCAL IMPACT

The cost of the proposed salary adjustment is included in the 2018 proposed budget.

RECOMMENDATION

It is recommended that the City Council amend the contract with City Manager Jill Anderson to reflect the following:

- 2.8% cost of living increase effective October 25, 2017;
- Add additional 15 days to the City Manager's current vacation balance; and
- Increase annual vacation accrual from 10 hours a month to 14 hours a month, effective December 25, 2017.

SUGGESTED MOTION

I move that the City Council approve the proposed addendum to the City Manager Employment Agreement.

ADDENDUM TO CITY MANAGER EMPLOYMENT AGREEMENT

THIS ADDENDUM is made and entered into this _____ day of November, 2017, by and between the CITY OF CHEHALIS, WASHINGTON, a municipal corporation, hereinafter referred to as "City", and TRACIE JILL ANDERSON, hereinafter referred to as "Manager".

WITNESSETH:

WHEREAS, City has had an agreement with Manager since 2016 for employment services, which agreement City is desirous of amending; and

WHEREAS, the parties have agreed to certain changes to the 2016 City Manager Employment Agreement, which changes should be reduced to writing; 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. Paragraph 5.a. of the 2016 City Manager Employment Agreement shall be, and the same hereby is, amended to read as follows:

a. **Base Salary.** For services rendered by Manager, City shall pay a base annual salary of One Hundred Forty-Three Thousand Nine Hundred Twenty and no/100 Dollars (\$143,920), payable in equal monthly installments on the last working date of each month of the year effective October 25, 2017. Said pay is subject to normal deductions and withholding as customarily occurs with City employees.

2. Paragraph 6.a. of the 2016 City Manager Employment Agreement shall be, and the same hereby is, amended to read as follows:

a. **Vacation.** Manager shall be entitled to vacation accrual at the rate of twenty-one (21) days (168 hours) per year, effective with the January, 2018, pay period. An additional fifteen (15) days shall be added to the Manager's current vacation balance.

In all other respects, that certain 2016 City Manager Employment Agreement shall remain in full force and effect.

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

CITY OF CHEHALIS, WASHINGTON

By _____
Its _____

CITY

Tracie Jill Anderson

MANAGER

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Tim McGuire, Interim Finance Manager
Betty Brooks, Payroll Accountant

MEETING OF: November 27, 2017

SUBJECT: Ordinances No. 983-B and 984-B, Second Readings – Adoption of Tax Levies

ISSUE

Ordinances No. 983-B and 984-B have been prepared in connection with levying property taxes for collection in 2018. The ordinances are required to have Lewis County collect property taxes on behalf of the city.

DISCUSSION

Ordinance No. 983-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 No. 984-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%) increased by statute, nor will the city use any of its banked capacity (19.25%).

RECOMMENDATION

It is recommended that the City Council pass Ordinances No. 983-B and 984-B on second and final readings.

SUGGESTED MOTION

I move that the City Council pass Ordinances No. 983-B and 984-B on second and final readings.

ORDINANCE NO. 983-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 2018 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 2018 for general city operations shall be, and the same hereby is, determined and fixed in the sum of One Million Four Hundred Sixty-Two Thousand Two Hundred Twenty-Four dollars (1,462,224).

Section 2. The amount of revenue to be raised by ad valorem taxes during 2018 for emergency medical services shall be, and the same hereby is, determined and fixed in the sum of Three Hundred Fifteen Thousand Two Hundred Sixty-Seven (\$315,267).

Section 3. The effective date of this ordinance shall be the _____ day of _____, 2017.

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 _____, 2017.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

ORDINANCE NO. 984-B

**AN ORDINANCE OF THE CITY OF CHEHALIS,
WASHINGTON, STATING THE AMOUNTS AND
PERCENTAGES OF CHANGE IN PROPERTY TAX LEVY
IN CALENDAR YEAR 2018.**

WHEREAS, the city of Chehalis, Washington, properly gave notice of a public hearing held the 13th day of November, 2017, to consider the city budget for 2018, 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 2017 were \$1,462,224.23 and \$315,266.85 respectively; and

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

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

Section 1. The 2017 general operations property tax levy for collection in 2018 is One Million Four Hundred Sixty-Two Thousand Two Hundred Twenty-Four dollars (1,462,224), which is an increase of Zero Dollars (\$0) and Zero Percent (0 %) over the amount levied in 2016 for collection in 2017. 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 2017 EMS property tax levy for collection in 2018 is Three Hundred Fifteen Thousand Two Hundred Sixty-Seven (\$315,267), which is an increase of Zero Dollars (\$0) and Zero Percent (0%) over the amount levied in 2016 for collection in 2017. 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 this ordinance shall be the _____ day of _____, 2017.

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 _____, 2017.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Tim McGuire, Interim Finance Manager
Betty Brooks, Payroll Accountant

MEETING OF: November 27, 2017

SUBJECT: Ordinance No. 985-B, Second and Final Reading – Adopting the 2018 Annual Budget

ISSUE

Ordinance No. 985-B has been prepared for the purpose of adopting the 2018 Budget and was introduced for first reading on November 13 with the two levy ordinances reflected in the proposed 2018 budget. These items are being presented for second and final reading at this meeting of the City Council.

DISCUSSION

During the past two months, the Budget Committee Members attended several meetings during which budget presentations were made, discussed, and reviewed. Mayor Dawes, Mayor Pro Tem Harris and Councilor Spahr, reviewed and discussed the budget for every one of the city's 20 funds.

Ordinance No. 985-B reflects the draft budget distributed to the City Council for first reading on November 13, 2017, with some minor corrections found upon further review of the budget.

The only change of significance from the draft budget presented for first reading is in the Wastewater Fund. Emergency repairs had to be done at the Prindle Street sewer force main, which will need to be paid for from the 2017 Budget. Therefore, the beginning balance will be reduced by the \$750,000 being budgeted for the repair; however, that is an extremely high estimate, so the 2018 budget will likely be amended in the first quarter of 2018 to reflect actual expenditures.

The draft proposed 2018 budget document can be found on the city's website. For the convenience of the reader, the Budget Message provides an overview of each fund. Staff will also be available at the City Council meeting to address any questions from the City Council and the public regarding the proposed 2018 Budget.

RECOMMENDATION

It is recommended that the City Council pass Ordinance No. 985-B on second and final reading.

SUGGESTED MOTION

I move that the City Council pass Ordinance No. 985-B on second and final reading.

ORDINANCE NO. 985-B

**AN ORDINANCE OF THE CITY OF CHEHALIS,
WASHINGTON, ADOPTING THE BUDGET OF THE CITY
OF CHEHALIS FOR THE YEAR 2018 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 2018, and by this reference said Exhibit "A," showing a total estimated ending fund balance of \$13,396,711 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 the ____ day of _____, 2017.

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 _____, 2017.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

**ORDINANCE 985-B
Exhibit "A"**

**CITY OF CHEHALIS BUDGET
2018 Proposed Budget Summary
All Funds**

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expenditures	Operating Transfers Out	Est. End. Fund Balance
General Fund	1,292,910	9,426,997	-	9,434,955	220,191	1,064,761
Dedicated Street Fund - 4% Sales Tax	20,533	500	184,625	164,900	-	40,758
Building Abatement Fund	90,200	200	9,596	-	-	99,996
Arterial Street Fund	109,938	148,500	-	160,060	-	98,378
Transportation Benefit District	217,880	850,600	-	500,000	-	568,480
Tourism Fund	261,082	233,800	-	217,435	100,000	177,447
Community Dev. Block Grant Fund	111	10,000	-	75	-	10,036
HUD Block Grant Fund	70,706	100	-	-	-	70,806
2011 G.O. Bond Fund	-	-	102,510	102,510	-	-
Public Facilities Reserve Fund	-	-	420,000	420,000	-	-
Automotive/Equip. Res. Fund	461	-	-	-	-	461
1st Quarter REET Fund	186,857	90,700	-	-	162,865	114,692
2nd Quarter REET Fund	275,504	90,650	-	-	233,675	132,479
Garbage Fund	6,868	6,445	-	6,005	-	7,308
Wastewater Fund	4,125,346	5,518,992	-	4,947,395	-	4,696,943
Water Fund	4,515,851	2,830,884	-	2,923,461	-	4,423,274
Storm & Surface Water Fund	866,832	573,130	-	696,351	-	743,611
Airport Fund	237,974	2,090,259	-	1,957,269	-	370,964
Firemen's Pension Fund	696,307	148,950	-	78,500	-	766,757
City Agency Fund	9,560	360,000	-	360,000	-	9,560
TOTALS	12,984,920	22,380,707	716,731	21,968,916	716,731	13,396,711

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Tim McGuire, Interim Finance Manager
Betty Brooks, Payroll Accountant

MEETING DATE: November 27, 2017

SUBJECT: Ordinance No. 986-B First Reading – 3rd Amendment to the 2017 Budget

ISSUE

Ordinance No. 986-B amending the 2017 Budget, is hereby submitted to reflect the changes in estimates and actual activity of the city. This ordinance is necessary to ensure compliance with state appropriation requirements and to document adjustments to the 2017 Budget.

DISCUSSION

In July of this year, Ordinance No. 973-B was adopted to amend the 2017 budget, which was the first budget amendment of the year. In November of this year, Ordinance No. 981-B was adopted by the City Council as the second budget amendment of the year.

The proposed ordinance is the third amendment to the 2017 Budget. The attached spreadsheet provides information on a line-by-line basis, as well as the summary information of the proposed budget amendment. The net city-wide decrease in fund balances associated with the third budget amendment totals \$951,500 which includes the following:

- **Fund 404 – Wastewater Fund:** \$750,000 for the Prindle Street Sewer Main Force Line
- **Fund 305 – 1st Quarter REET Reserve Fund:** \$200,000 transfer to Fund 301 (Public Facility Reserve Fund) for accounting purposes
- **Fund 402 – Garbage Fund:** An increase in costs associated with the organic waste disposal site operated by the City for the convenience of residents.

The third proposed budget amendment does not include any changes to the city's general fund.

Exhibit A to Ordinance No. 986-B summarizes the revenues and expenditures of all of the city's funds and reflects the changes associated with the first and second budget amendments, as well as the proposed budget amendment.

RECOMMENDATION

It is recommended that the City Council pass Ordinance No. 986-B on first reading.

SUGGESTED MOTION

I move that the City Council pass Ordinance No. 986-B on first reading.

City of Chehalis
 2017 Budget Amendment No. 3 - Ordinance No. 986-B
 11/27/2017

Fund No. and Name	Acct. Name	Reason for Amendment	Revenue		Appropriation/Transfers		
			Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)	
Fund 305- 1st Qtr Percent REET Reserve Fund							
305.44.597.000.05.31	Operating Transfer Out	Transfer out to Public Fac Reserve 301 fund				200,000	
Total General Fund			-			200,000	
Fund 402 - Garbage Fund							
402.12.537.070.47.01	Utility Services - Yard Waste	Expenditures More Than Expected				1,500	
Total Garbage Fund			-			1,500	
Fund 404 - Wastewater Fund							
404.17.535.050.48.00	Repairs & Maintenance	Emergency Repair to Prindle Force Main				750,000	
Total Wastewater Fund			-			750,000	
Total of All Funds			-			951,500	

ORDINANCE NO. 986-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING THE ANNUAL BUDGET OF THE CITY FOR THE CALENDAR YEAR 2017, BY INCREASING APPROPRIATIONS OF THE 1ST QUARTER REET FUND, THE GARBAGE FUND, AND THE WASTEWATER FUND BY A COMBINED TOTAL OF NINE HUNDRED FIFTY-ONE THOUSAND FIVE HUNDRED (\$951,500) AND DIRECTING THE INTERIM FINANCE MANAGER TO EFFECT THE BUDGET AMENDMENTS HEREIN PROVIDED.

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

Section 1. The annual budget of the city for the calendar year 2017 shall be, and the same hereby is, amended so as to increase the 1st Quarter Percent REET Reserve Fund's appropriations by \$200,000.

Section 2. The annual budget of the city for the calendar year 2017 shall be, and the same hereby is, amended so as to increase the Garbage Fund's appropriations by \$1,500.

Section 3. The annual budget of the city for the calendar year 2017 shall be, and the same hereby is, amended so as to increase the Wastewater Fund's appropriations by \$750,000.

Section 4. Attached hereto and identified as Exhibit A, in summary form, are the total of estimated revenues, transfers in, expenditures, and transfers out for each separate fund and the aggregate totals for all such funds combined for the city for the amended 2017 budget which shows a total estimated ending fund balance of \$12,984,920.

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 _____, 2017.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

EXHIBIT A
CITY OF CHEHALIS AMENDED 2017 BUDGET
2017 Budget Summary Revised with Ordinance No. 986-B
DECEMBER 2017

FUND NAME	Beg. Fund Balance	Revenue	Operating Transfers In	Expenditures	Operating Transfers Out	Est. End. Fund Balance
General Fund	1,137,916	10,182,225	-	9,740,726	286,505	1,292,910
Dedicated Street Fund - 4% Sales Tax	12,382	264,247	177,204	433,300		20,533
Building Abatement Fund	-	200	100,000	10,000		90,200
Arterial Street Fund	104,266	155,516	-	149,844	-	109,938
Transportation Benefit Fund	-	392,880	-	175,000	-	217,880
Tourism Fund	264,582	233,500	-	237,000	-	261,082
Community Dev. Block Grant Fund	111	-	-	-	-	111
HUD Block Grant Fund	57,506	13,200	-	-	-	70,706
Federal and State Grant Fund	-	-	-	-	-	-
2011 G.O. Bond Fund	-	-	98,966	98,966	-	-
Public Facilities Reserve Fund			100,000	100,000		-
Automotive/Equip. Res. Fund	461	-	-	-	-	461
1st Quarter REET Fund	217,398	111,025	-	-	141,566	186,857
2nd Quarter REET Fund	197,213	110,950	-	-	32,659	275,504
Garbage Fund	7,673	6,435	-	7,240	-	6,868
Wastewater Fund	4,312,826	6,348,672	-	6,536,152	-	4,125,346
Water Fund	4,844,780	3,728,871	-	4,057,800	-	4,515,851
Storm & Surface Water Fund	834,820	556,910	-	524,898	-	866,832
Airport Fund	1,817,718	3,298,534	-	4,878,278	-	237,974
Firemen's Pension Fund	602,022	172,785	-	78,500	-	696,307
City Agency Fund	9,560	360,000	-	360,000	-	9,560
TOTALS	14,421,234	25,935,950	476,170	27,387,704	460,730	12,984,920

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Timothy McGuire, Interim Finance Manager
Betty Brooks, Payroll Accountant

MEETING OF: November 27, 2017

SUBJECT: Finance Report for the Year to Date Ending October 31, 2017

ISSUE

The monthly financial report is scheduled for consideration by the City Council and reflects operations for the year to date ending October 31, 2017.

DISCUSSION

After ten months of operation, the results are generally as expected and moving in a positive direction. The monthly financial report presented includes the second budget amendment approved by the City Council on November 13, 2017.

Some items of note include:

- General fund revenues do not include the receipt of the 2nd installment of property tax revenue, which is generally received in November.
- The allocation of general fund overhead costs to the proprietary (enterprise) funds which lowers the expenses for the City Council, City Manager, City Clerk, Human Resources, and Finance Departments and increases the expenses in the Water, Wastewater, Storm, and Airport Funds have not been done for September and October.

This meeting's agenda includes a third budget amendment; however, it does not include any proposed changes to the general fund. If approved, the third budget amendment will increase the estimated citywide appropriations by \$951,500 with increases related to:

- **Fund 404 – Wastewater Fund:** \$750,000 for the Prindle Street Sewer Main Force Line
- **Fund 305 – 1st Quarter REET Reserve Fund:** \$200,000 transfer to Fund 301 (Public Facility Reserve Fund) for accounting purposes
- **Fund 402 – Garbage Fund:** An increase in costs associated with the organic waste disposal site operated by the City for the convenience of residents.

FISCAL IMPACT

As shown.

RECOMMENDATION

It is recommended that the City Council review this information and let staff know if there are any questions.

SUGGESTED MOTION

N/A

To: The Honorable Mayor and Council
 Via: Tracie J Anderson, City Manager
 From: Timothy McGuire, Interim Finance Manager
 Prepared by: Betty Brooks, Payroll Accountant
 Date: November 20, 2017
 Subject: Monthly Financial Reports for October

City of Chehalis
Comparative Financial Reports
October 2016 and 2017

GENERAL FUND (#001) REVENUES	A October 2016		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	October 2017 Actual	% Rec'd	% Rec'd	% Rec'd	% Rec'd	Expected % Rec'd*	Variance Expected	% Variance		
General Property Taxes	\$1,276,948	\$725,437	\$1,464,432	\$761,293	56.8%	52.0%	\$1,464,432	\$761,293	\$761,293	52.0%	83.3%	52.0%	83.3%	83.3%	(\$458,579)	-31.3%		
EMS Property Taxes	304,886	173,715	328,028	181,613	57.0%	55.4%	328,028	181,613	181,613	55.4%	83.3%	55.4%	83.3%	83.3%	(91,634)	-27.9%		
Sales & Use Tax	3,772,472	3,341,777	4,430,090	3,786,691	88.6%	85.5%	4,430,090	3,786,691	3,786,691	85.5%	83.3%	85.5%	83.3%	83.3%	96,426	2.2%		
Electricity Tax	495,100	401,260	505,002	469,090	81.0%	92.9%	505,002	469,090	469,090	92.9%	83.3%	92.9%	83.3%	83.3%	48,423	9.6%		
Gas/Natural Gas Tax	217,725	144,816	240,202	161,425	66.5%	67.2%	240,202	161,425	161,425	67.2%	83.3%	67.2%	83.3%	83.3%	(38,663)	-16.1%		
Criminal Justice Tax	105,050	93,983	106,101	104,019	89.5%	98.0%	106,101	104,019	104,019	98.0%	83.3%	98.0%	83.3%	83.3%	15,637	14.7%		
Main Street B & O Credit	0	0	41,250	41,250	0.0%	100.0%	41,250	41,250	41,250	100.0%	83.3%	100.0%	83.3%	83.3%	6,889	16.7%		
Water/Sewer B & O Tax	452,900	405,784	513,827	433,653	89.6%	84.4%	513,827	433,653	433,653	84.4%	83.3%	84.4%	83.3%	83.3%	5,635	1.1%		
Garbage Tax	81,900	64,918	81,900	69,053	79.3%	84.3%	81,900	69,053	69,053	84.3%	83.3%	84.3%	83.3%	83.3%	830	1.0%		
Cable Tax	133,485	79,175	135,500	106,274	59.3%	78.4%	135,500	106,274	106,274	78.4%	83.3%	78.4%	83.3%	83.3%	(6,598)	-4.9%		
Telephone Tax	275,000	238,124	260,000	197,330	86.6%	75.9%	260,000	197,330	197,330	75.9%	83.3%	75.9%	83.3%	83.3%	(19,250)	-7.4%		
Leasehold Excise Tax	41,000	32,092	57,050	38,006	78.3%	66.6%	57,050	38,006	38,006	66.6%	83.3%	66.6%	83.3%	83.3%	(9,517)	-16.7%		
Timber Excise Tax	45	43	44	44	95.6%	97.4%	44	44	44	97.4%	83.3%	97.4%	83.3%	83.3%	6	14.1%		
Total Tax Revenues	7,156,511	5,701,124	8,163,427	6,349,741	79.7%	77.8%	8,163,427	6,349,741	6,349,741	77.8%	83.3%	77.8%	83.3%	83.3%	(450,394)	-5.5%		
Licenses & Permits	157,050	400,462	190,550	155,531	255.0%	81.6%	190,550	155,531	155,531	81.6%	83.3%	81.6%	83.3%	83.3%	(3,197)	-1.7%		
Intergovt: Grants/Entitlements	450,645	232,565	1,029,912	1,043,218	51.6%	101.3%	1,029,912	1,043,218	1,043,218	101.3%	83.3%	101.3%	83.3%	83.3%	185,301	18.0%		
Charges for Goods and Svcs.	371,196	436,977	365,025	340,118	117.7%	93.2%	365,025	340,118	340,118	93.2%	83.3%	93.2%	83.3%	83.3%	36,052	9.9%		
Fines and Forfeitures	147,420	118,319	130,145	93,094	80.3%	71.5%	130,145	93,094	93,094	71.5%	83.3%	71.5%	83.3%	83.3%	(15,317)	-11.8%		
Interest Earnings	11,890	20,105	16,950	20,775	169.1%	122.6%	16,950	20,775	20,775	122.6%	83.3%	122.6%	83.3%	83.3%	6,656	39.3%		
Rents & Royalties	71,280	76,348	82,100	72,646	107.1%	88.5%	82,100	72,646	72,646	88.5%	83.3%	88.5%	83.3%	83.3%	4,257	5.2%		
Donations/Contributions	87,000	106,657	53,518	53,511	100.0%	100.0%	53,518	53,511	53,511	100.0%	83.3%	100.0%	83.3%	83.3%	8,931	0.0%		
Misc. Revenue/Insurance	29,385	26,472	14,747	35,193	90.1%	238.6%	14,747	35,193	35,193	238.6%	83.3%	238.6%	83.3%	83.3%	22,909	155.3%		
Non-Revenues/Transfers	142,435	129,865	135,851	86,314	91.2%	63.5%	135,851	86,314	86,314	63.5%	83.3%	63.5%	83.3%	83.3%	(26,850)	-19.8%		
Total Non-Tax Revenues	1,468,301	1,547,770	2,018,798	1,900,400	105.4%	94.1%	2,018,798	1,900,400	1,900,400	94.1%	83.3%	94.1%	83.3%	83.3%	218,741	10.8%		
	\$8,624,812	\$7,248,894	\$10,182,225	\$8,250,141	84.0%	81.0%	\$10,182,225	\$8,250,141	\$8,250,141	81.0%	83.3%	81.0%	83.3%	83.3%	(\$231,653)	-2.3%		

Key:
 * The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 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
October 2016 and 2017

GENERAL FUND (#001) EXPENDITURES	A October 2016		B October 2016		C=B/A		D October 2017		E Actual		F=E/D		G Expected		H [^] Variance		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	Budget	Actual	% Exp'd	% Exp'd	Actual	% Exp'd	% Exp'd	% Exp'd	Expected	% Exp'd	Expected	% Exp'd	Variance
City Council	\$98,657	\$67,638	\$92,351	\$57,704	68.6%	\$92,351	\$57,704	62.5%	\$57,704	62.5%	83.3%	83.3%	\$19,224	20.8%	\$19,224	20.8%		
Municipal Court	522,105	412,296	480,523	362,857	79.0%	480,523	362,857	75.5%	362,857	75.5%	83.3%	83.3%	37,419	7.8%	37,419	7.8%		
City Manager	308,708	275,582	358,831	174,147	89.3%	358,831	174,147	48.5%	174,147	48.5%	83.3%	83.3%	124,759	34.8%	124,759	34.8%		
Finance	228,295	149,190	227,780	192,927	65.3%	227,780	192,927	84.7%	192,927	84.7%	83.3%	83.3%	(3,186)	-1.4%	(3,186)	-1.4%		
City Clerk	78,878	55,901	79,915	51,448	70.9%	79,915	51,448	64.4%	51,448	64.4%	83.3%	83.3%	15,121	18.9%	15,121	18.9%		
Facilities and Parks	0	0	968,410	775,877	0.0%	968,410	775,877	80.1%	775,877	80.1%	83.3%	83.3%	30,809	3.2%	30,809	3.2%		
Non-Departmental	542,916	405,343	912,916	481,660	74.7%	912,916	481,660	52.8%	481,660	52.8%	83.3%	83.3%	278,799	30.5%	278,799	30.5%		
Human Resources	85,553	65,666	81,284	75,220	76.8%	81,284	75,220	92.5%	75,220	92.5%	83.3%	83.3%	(7,510)	-9.2%	(7,510)	-9.2%		
Police	2,751,643	2,357,026	2,950,305	2,516,133	85.7%	2,950,305	2,516,133	85.3%	2,516,133	85.3%	83.3%	83.3%	(58,529)	-2.0%	(58,529)	-2.0%		
Fire	2,048,797	1,707,203	2,287,120	1,860,492	83.3%	2,287,120	1,860,492	81.3%	1,860,492	81.3%	83.3%	83.3%	44,679	2.0%	44,679	2.0%		
Public Works - Streets	758,249	688,563	608,044	458,917	90.8%	608,044	458,917	75.5%	458,917	75.5%	83.3%	83.3%	47,584	7.8%	47,584	7.8%		
Planning & Building	0	0	482,332	332,226	0.0%	482,332	332,226	68.9%	332,226	68.9%	83.3%	83.3%	69,557	14.4%	69,557	14.4%		
Recreation	0	0	497,420	425,221	0.0%	497,420	425,221	85.5%	425,221	85.5%	83.3%	83.3%	(10,870)	-2.2%	(10,870)	-2.2%		
Community Development	1,688,294	1,527,489	0	0	90.5%	0	0	0.0%	0	0.0%	83.3%	83.3%	0	0.0%	0	0.0%		
	\$9,112,095	\$7,711,897	\$10,027,231	\$7,764,829	84.6%	\$10,027,231	\$7,764,829	77.4%	\$7,764,829	77.4%	83.3%	83.3%	\$587,854	5.9%	\$587,854	5.9%		

Net Budget/Income/Variance: (\$487,283) (\$463,003)

\$154,994 \$485,312

\$356,202

Key:

* The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 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
October 2016 and 2017

WASTEWATER FUND (#404) REVENUES	A October 2016		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Exp'd	Budget	Actual	Budget	Actual	% Rec'd	% Exp'd	Expected % Rec'd*	Expected % Exp*	Var'nc from Expected	Var'nc from Expected	% Variance	
Non-Revenue - Loans	\$1,400,000	\$0	\$0	\$0	0.0%	0.0%	\$0	\$0	5,289,972	4,254,365	0.0%	0.0%	83.3%	83.3%	\$0	\$0	0.0%	
Wastewater Fees	4,818,053	4,367,534	4,367,534	4,367,534	90.6%	90.6%	5,289,972	4,254,365	60,000	170,892	284.8%	80.4%	83.3%	83.3%	(152,182)	(152,182)	-2.9%	
Sewer Connection/Misc. Fees	30,000	90,597	90,597	90,597	302.0%	302.0%	60,000	170,892	3,545	3,545	100.0%	100.0%	83.3%	83.3%	120,912	201,592	201.5%	
Rentals	3,545	3,545	3,545	3,545	100.0%	100.0%	3,000	3,545	3,000	1,334	44.5%	100.0%	83.3%	83.3%	592	592	16.7%	
Misc. Revenues/Insurance	3,000	4,640	4,640	4,640	154.7%	154.7%	3,000	4,640	555	563	101.4%	101.4%	83.3%	83.3%	(1,165)	(1,165)	-38.8%	
Non-Revenue Tax Receipts	555	558	558	558	100.5%	100.5%	13,500	13,412	925,100	590,943	63.9%	99.3%	83.3%	83.3%	2,167	2,167	16.0%	
Intergovernmental Receipts	0	0	0	0	0.0%	0.0%	50,000	41,576	50,000	22,914	763.8%	83.2%	83.3%	83.3%	(74)	(74)	-0.1%	
Proceeds of Long-Term Debt	50,000	48,896	48,896	48,896	97.8%	97.8%	3,000	22,914	\$6,348,672	\$5,099,544	80.3%	80.3%	83.3%	83.3%	20,415	20,415	680.5%	
Fines and Forfeitures	2,459	10,361	10,361	10,361	421.4%	421.4%												
Interest Earnings																		
Tot	\$6,307,612	\$4,631,147	\$4,631,147	\$4,631,147	73.4%	73.4%	\$6,348,672	\$5,099,544			80.3%	80.3%	83.3%	83.3%	(\$188,900)	(\$188,900)	-3.0%	

WASTEWATER FUND (#404) EXPENSES	A October 2016		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Expected % Exp*	Expected % Exp*	Var'nc from Expected	Var'nc from Expected	% Variance	
Operating Expenses	\$2,723,260	\$2,035,391	\$2,035,391	\$2,035,391	74.7%	74.7%	\$2,804,925	\$2,125,069	1,113,100	949,105	85.3%	75.8%	83.3%	83.3%	\$211,434	(21,893)	7.5%	
Capital Outlay	1,467,900	215,009	215,009	215,009	14.6%	14.6%	1,113,100	949,105	1,845,625	1,013,098	54.9%	54.9%	83.3%	83.3%	524,308	524,308	28.4%	
Debt Principal	1,834,840	1,010,744	1,010,744	1,010,744	55.1%	55.1%	22,502	18,242	0	0	0.0%	0.0%	83.3%	83.3%	502	502	2.2%	
Interest Expense	34,188	20,484	20,484	20,484	59.9%	59.9%												
Transfers Out	32,500	32,500	32,500	32,500	100.0%	100.0%	\$5,786,152	\$4,105,514			71.0%	71.0%	83.3%	83.3%	\$714,351	0	83.3%	
Tot	\$6,092,688	\$3,314,128	\$3,314,128	\$3,314,128	54.4%	54.4%	\$5,786,152	\$4,105,514	\$562,520	\$994,030					\$525,451	\$525,451	12.3%	
Net Budget/Income/Variance:	\$214,924	\$1,317,019	\$1,317,019	\$1,317,019			\$562,520	\$994,030										

Key:

* The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 is divided by 12-the number of months in the year.

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City of Chehalis
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October 2016 and 2017

WATER FUND (#405) REVENUES	A October 2016		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	% Rec'd*	% Rec'd	% Exp'd	Var'nc from Expected	% Exp'd	% Variance		
Intergovernmental Revenues	\$0	\$0	\$0	\$0	100.0%	100.0%	\$0	\$0	0.0%	0.0%	83.3%	0.0%	\$0	83.3%	100.0%			
Water Sales	\$2,351,387	\$2,409,735	\$2,613,600	\$2,396,815	102.5%	91.7%	\$2,613,600	\$2,396,815	91.7%	91.7%	83.3%	91.7%	219,686	83.3%	8.4%			
Water Connection/Misc. Fees	10,000	107,423	75,000	165,127	1074.2%	220.2%	75,000	165,127	220.2%	220.2%	83.3%	220.2%	102,652	83.3%	136.9%			
Misc. Revenues/Insurance	2,121	3,740	2,121	2,433	176.3%	114.7%	2,121	2,433	114.7%	114.7%	83.3%	114.7%	666	83.3%	31.4%			
Non-Revenue Tax Receipts	100	365	150	66	0.0%	44.0%	150	66	44.0%	44.0%	83.3%	44.0%	(59)	83.3%	-39.3%			
Proceeds of Long-Term Debt	1,464,500	0	1,000,000	2,050,000	0.0%	205.0%	1,000,000	2,050,000	205.0%	205.0%	83.3%	205.0%	1,217,000	83.3%	121.7%			
Fines and Forfeitures	25,000	24,859	28,000	26,077	0.0%	93.1%	28,000	26,077	93.1%	93.1%	83.3%	93.1%	2,753	83.3%	9.8%			
Interest Earnings	6,275	12,361	10,000	19,545	197.0%	195.5%	10,000	19,545	195.5%	195.5%	83.3%	195.5%	11,215	83.3%	112.2%			
Total	\$3,859,383	\$2,558,483	\$3,728,871	\$4,660,063	66.3%	125.0%	\$3,728,871	\$4,660,063	125.0%	125.0%	83.3%	125.0%	\$1,553,913	83.3%	41.7%			

WATER FUND (#405) EXPENSES	A October 2016		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	% Exp'd*	% Exp'd	Var'nc from Expected	% Exp'd	% Variance			
Operating Expenses	\$1,888,309	\$1,626,113	\$2,306,993	\$1,861,960	86.1%	80.7%	\$2,306,993	\$1,861,960	80.7%	80.7%	83.3%	80.7%	\$59,765	83.3%	2.6%			
Capital Outlay	1,847,000	1,251,040	1,603,000	745,821	67.7%	46.5%	1,603,000	745,821	46.5%	46.5%	83.3%	46.5%	589,478	83.3%	36.8%			
Debt Principal	134,077	134,077	135,077	135,077	100.0%	100.0%	135,077	135,077	100.0%	100.0%	83.3%	100.0%	(22,558)	83.3%	-16.7%			
Interest Expense	14,435	14,119	12,730	11,610	97.8%	91.2%	12,730	11,610	91.2%	91.2%	83.3%	91.2%	(1,006)	83.3%	-7.9%			
Total	\$3,883,821	\$3,025,349	\$4,057,800	\$2,754,468	77.9%	67.9%	\$4,057,800	\$2,754,468	67.9%	67.9%	83.3%	67.9%	\$625,679	83.3%	15.4%			

Net Budget/Income/Variance: (\$24,438) -\$466,866 (\$328,929) \$1,906,595 \$2,179,593

Key:

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STORM FUND (#406) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G		
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Expected % Rec'd*	Expected % Rec'd*	Var'nc from Expected	Var'nc from Expected	% Variance	% Variance	
Storm & Surface Water Fees	\$501,000	\$455,716	\$540,910	\$503,813	91.0%	93.1%	\$540,910	\$503,813	10,000	75,949	100.0%	93.1%	83.3%	83.3%	\$53,235	67,619	9.8%	676.2%	
Storm Connection/Misc. Fees	4,000	5,086	10,000	75,949	127.2%	759.5%	0	0	0	0	0.0%	0.0%	83.3%	83.3%	0	0	-83.3%	16.7%	
Misc. Revenues/Insurance	2,000	0	0	0	0.0%	0.0%	0	0	0	0	0.0%	0.0%	83.3%	83.3%	25	25	16.7%	18.0%	
Non-Revenue Tax Receipts	275	0	0	0	0.0%	0.0%	5,000	5,067	5,000	5,067	101.3%	101.3%	83.3%	83.3%	902	902	18.0%	18.0%	
Fines and Forfeitures	4,500	4,826	5,000	5,067	107.2%	101.3%	1,000	4,145	1,000	4,145	414.5%	414.5%	83.3%	83.3%	3,312	3,312	331.2%	331.2%	
Interest Earnings	580	1,771	1,000	4,145	305.3%	414.5%													
Totals	\$512,355	\$467,399	\$556,910	\$588,999	91.2%	105.8%	\$556,910	\$588,999			105.8%	105.8%	83.3%	83.3%	\$125,093	\$125,093	22.5%	22.5%	

STORM FUND (#406) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Expected % Exp*	Expected % Exp*	Var'nc from Expected	Var'nc from Expected	% Variance	% Variance
Operating Expenses	\$469,176	\$302,460	\$524,898	\$304,130	64.5%	57.9%	\$524,898	\$304,130	0	0	0.0%	57.9%	83.3%	83.3%	\$133,110	\$133,110	25.4%	25.4%
Transfers Out	18,000	18,000	0	0	0.0%	0.0%	0	0	0	0	0.0%	0.0%	83.3%	83.3%	0	0	83.3%	83.3%
Totals	\$487,176	\$320,460	\$524,898	\$304,130	65.8%	57.9%	\$524,898	\$304,130			57.9%	57.9%	83.3%	83.3%	\$133,110	\$133,110	25.4%	25.4%

Net Budget/Income/Variance: \$25,179 \$146,939 \$32,012 \$284,869 \$258,203

Key:
 * The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 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.)

