

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

Terry F. Harris, District 1 Daryl J. Lund, District 2 Dr. Isaac S. Pope, District 4	Anthony E. Ketchum Sr., District 3 Mayor	Dennis Dawes, Position at Large, Mayor Pro Tem Chad E. Taylor, Position at Large Bob Spahr, Position at Large
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Regular Meeting of November 22, 2010

6:00 p.m.

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

CITIZENS BUSINESS
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.

PRESENTATIONS		
3. <u>Employee Service Award – Dave Vasilauskas, Water Superintendent - 20 years.</u> (Mayor)	---	
4. <u>Presentation of Sister City Gifts.</u> (Mayor)	---	

PUBLIC HEARING		
5. <u>2011 Proposed Budget and Revenue Sources.</u> (City Manager, Finance Manager)	CONDUCT PUBLIC HEARING	

CONSENT CALENDAR		
6. <u>Minutes of the Regular Meeting of November 8, 2010.</u> (City Clerk)	APPROVE	1
7. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	9

STAFF AND CITY COUNCIL REPORTS		
8. <u>Staff Reports.</u>		
a. November financial report. (Finance Manager)	INFORMATION ONLY	10
b. Update on Chehalis Avenue Transportation Improvement Board award. (Public Works Director)	INFORMATION ONLY	
9. <u>Council Reports.</u>		
a. Councilor reports. (City Council)	INFORMATION ONLY	
b. Council committee reports. (City Council)	INFORMATION ONLY	

NEW BUSINESS		
10. <u>Ordinance No. 860-B, First Reading – Revision of Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2011.</u> (Public Works Director, Wastewater Superintendent)	PASS	15
11. <u>Ordinance No. 861-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2011.</u> (Finance Manager)	PASS	23
12. <u>Ordinance No. 862-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2011.</u> (Finance Manager)	PASS	23
13. <u>Ordinance No. 863-B, First Reading – Adopting the 2011 Budget.</u> (Finance Manager)	PASS	26
14. <u>Ordinance No. 864-B, First Reading – Amending the 2010 Budget.</u> (Finance Manager) (agenda report and ordinance will be provided at the meeting on Monday, November 22)	PASS	

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

NEXT REGULAR CITY COUNCIL MEETING WILL BE ON MONDAY, DECEMBER 13, 2010

November 8, 2010

The Chehalis city council met in regular session on Monday, November 8, 2010, in the Chehalis city hall. Mayor Pro-tem Dawes called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Chad Taylor. Mayor Ketchum was absent (excused). Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; and Peggy Hammer, Human Resources Administrator. Members of the news media included Rachel Thomson from *The Chronicle* and Paul Walker from KITI.

1. **Celebrating Women's Right to Vote in Washington State.** Mayor Pro-tem Dawes presented a proclamation to Lewis County Historical Museum Director Debbie Knapp, in celebration of the 100-year anniversary of women's right to vote in Washington State.

2. **Employee Service Award.** Mayor Pro-tem Dawes presented City Clerk Judy Schave a certificate of appreciation for 25 years of service to the city.

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

a. Minutes of the regular meeting of October 25, 2010; and

b. Claim Vouchers No. 98319-98427 in the amount of \$171,379.31 dated October 29, 2010; and Payroll Vouchers No. 34148-34227 and 1830-1900 in the amount of \$704,074.26 dated October 29, 2010.

The motion was seconded by Councilor Taylor and carried unanimously.

4. **Staff Reports.**

a. **Resignation Letter Received from Public Works Director.** City Manager MacReynold reported he received a letter of resignation from Public Works Director Tim Grochowski with an effective date of January 24, 2011. He noted Mr. Grochowski's contributions to the city were very significant.

Mayor Pro-tem Dawes asked if they planned to start the replacement process before Mr. Grochowski retires. City Manager MacReynold indicated they did.

5. **Council Reports.**

a. **Update from Councilor Harris.** Councilor Harris announced the arrival of his new granddaughter born Friday, November 5, 2010. He added everyone was doing well.

Councilor Harris congratulated both the W.F. West girls' soccer team for winning their division, and the Centralia girls' soccer team who were headed to the playoffs. He extended his apologies to one of the forwards on the Centralia team who tore her ACL during one of the games he refereed.

b. **Update from Councilor Spahr.** Councilor Spahr talked briefly about "The Chehalis Story" project, which he had been working on for about three years. He noted it was a movie filmed in 1952 that gave a little snapshot of what life was like in Chehalis at that time.

Councilor Spahr stated he believed it was filmed by a gentleman who was traveling through town, and did it as a Chamber of Commerce project. He noted his dad received the film about 40 years ago and he always thought it was something that should be in the hands of the people of Chehalis. Councilor Spahr reported they were able to digitalize the film and put it onto DVD. He noted all the proceeds from the sale of the DVDs would go to the Chehalis Foundation for projects in Chehalis.

Councilor Spahr stated he was pleasantly surprised at how people were taking to the DVD, adding they had already sold about 200. He reported there were several locations around town where people could pick it up for a donation of \$20.

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c. **Update from Councilor Taylor.** Councilor Taylor asked if City Manager MacReynold could give an update on the releasing of the Federal Emergency Management Administration (FEMA) maps.

City Manager MacReynold stated the city was informed, unofficially, that the FEMA maps would be released on November 11 or 12. He noted they would be meeting with FEMA tomorrow to see about pulling areas out of the floodway, adding there was still a question as to whether FEMA would be willing to do that.

Councilor Taylor asked if the release was earlier than what they intended. City Manager MacReynold reported they were going to release the maps in March, and then it got moved to July, then to September, and so on. He noted the city started requesting information about five months ago and, as of last week, FEMA claimed they had given it all to us; however, Engineer Bob Montgomery informed the city he still didn't have everything. City Manager MacReynold stated they weren't sure why FEMA couldn't get us the information, when, in fact, they had it to do the modeling to develop the floodway and floodplain. He reported he spoke with Mr. Montgomery about an hour ago, and he believed he may now have all the information we were requesting.

Mayor Pro-tem Dawes reported the city received a long letter from FEMA stating they would make sure we got everything we needed prior to Election Day; however, that didn't happen and two days after the election the city received notice that they were going to release the maps.

d. **Update from Mayor Pro-tem Dawes.** Mayor Pro-tem Dawes reported he attended the Association of Washington Cities (AWC) regional meeting in Kelso, Washington, on October 26. He noted AWC's legislative priorities for this year included:

- Delay the rule-making on state mandates that come down with no funding, with the expectation for cities to pay for it
- Flexibility with the real estate excise tax as to what it can be used for
- New tools to help cities thrive and recover
- Suspend personnel costs
- Maintain a beachhead in the state-shared revenues

Mayor Pro-tem Dawes reported just hours before the regional meeting an executive order was signed to simplify state sales tax. He asked AWC what it meant, but they didn't know, adding it was suggested it might mean a uniform tax countywide.

Mayor Pro-tem Dawes stated they also brought up the issue of streamlined sales tax, adding a committee/group (JLARK) was doing a study on what affect streamlined sales tax has had.

Mayor Pro-tem Dawes reported on October 27, he and Mayor Ketchum, Councilor Spahr and City Manager MacReynold attended a planning committee meeting with Fire District 6. He added the next step in the process was to appoint a member of the council to represent the city on the Regional Fire Planning Committee.

Mayor Pro-tem Dawes reported he showed up at Via Mercato, Inc., for a ribbon cutting ceremony, but apparently they thought it was going to rain, so they cancelled it. He stated he was disappointed that he didn't receive any kind of memo, or something stating it had been cancelled.

6. **Lodging Tax Advisory Committee (LTAC) Recommendations for 2011 Tourism Funds.** Councilor Harris, chair of the LTAC, briefly explained what the lodging tax was and what it could be used for. He reported there were regulations that determined its use and guidelines as to how to build a committee to make recommendations for its use.

Councilor Harris stated they had a wonderful committee comprised of: Natalie Ketchum, Best Western Park Place Inn & Suites; Satpal "Paul" Sohal, Chehalis Inn; Rick Burchett, Chehalis-Centralia Railroad and Museum; and Lee Grimes, Veterans Memorial Museum. He noted they were a hardworking committee and didn't have any difficulties asking the tough questions. Councilor Harris thanked City Manager MacReynold for attending their last meeting, and Caryn Foley for putting together the packets and the minutes from the meeting.

Councilor Harris thanked all 13 applicants that showed up to give presentations.

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Mayor Pro-tem Dawes asked the council if they wanted to continue to receive the full packet of information on the requests made to the committee. He noted he was able to find the information he needed by reading the minutes from the meeting, and was satisfied with what the committee was doing. The majority of the council didn't feel it was necessary, but that packets should still be made available to those who would like to continue to receive it, such as Councilor Lund.

Councilor Harris talked briefly about a few of the requests in general. He reported they received a request from Jim Thomas asking for funding to host the proposed regional tournament in 2013. Councilor Harris noted Mr. Thomas had to show the regional headquarters of Babe Ruth Baseball by April 2011 that he had the financial resources to hold the tournaments. He indicated \$10,000 would be held in reserves in 2011 and \$10,000 in 2012, for use in 2013. Councilor Harris stated the committee was very supportive, adding they felt the tournament would generate at least that much funding, and possibly some additional funding that could be kicked back to the local Babe Ruth organizations.

Councilor Harris reported they received a request from the Centralia-Chehalis Chamber of Commerce and Dale Pullin, Sports Capital NW, who put together a 'scouting' program for higher level youth athletes in a five-state, two Canadian province area, to be brought to our area for scouts to view. He noted the program was not unanimously supported by the committee, adding it seemed it was more like a pass-through situation to supplement funding for a full-time marketing person to promote the Lewis County Sports Complex and Event Center. Councilor Harris indicated Mr. Pullin was not a 501(c)(3) and was contracting with the Chamber who was asking the city for the funding.

Councilor Harris talked about another funding request by the Chamber, which was to support the production of a "mobile" application for phones that would list information about Chehalis, such as: food, dining, shopping, etc. He noted the committee unanimously supported the request.

Councilor Taylor inquired about ARTrails, asking if they provided any kind of information to show how many people they brought in, or what they did to put money back into the fund. Councilor Harris stated it was difficult for the individual artists to track, but the committee received information that about 1,000 people attended the event this year. He noted there was a concern by the committee of only having three artists located in Chehalis, while the vast majority was located in Centralia. Councilor Harris indicated what ARTrails had requested was quite reduced, based on past performance. He added a couple of years ago they were going to build a large database and do some other things, but were not able to demonstrate they had accomplished any of that. Councilor Harris noted it was difficult for the committee to even come up with the \$2,500, but they were willing to continue to support it at the reduced rate.

Councilor Taylor reported local hotels were reporting the biggest bang they were seeing was coming from the Garlic Fest & Craft Show. Councilor Harris stated that was why they were recommending full funding for both the Garlic Fest and the Cascade Country Cook Off.

Councilor Pope stated, in the past, he had problems approving funding for ARTrails. He reported one thing they asked them to do was to take a look at the vacant storefronts in downtown Chehalis and help to coordinate artists who would be interested in having their work displayed. Councilor Pope noted that project had not gotten off the ground yet, but thought it would be interesting to see if it could happen in conjunction with the Renaissance. Mayor Pro-tem Dawes suggested having the opening event in one of the vacant buildings. Councilor Harris noted ARTrails had used the train station in Centralia to be their hub in past years.

Councilor Lund asked if a person or organization had to be a 501(c)(3) to receive funding. Councilor Harris indicated no, they did not. He added a not-for-profit was pretty much required, but there were circumstances where as long as the committee believed the event would provide for heads-in-beds, and not gifting of public funds, it was okay. Councilor Harris reported the State Auditors Office was a little vague on how they deal with things, adding they've had ruling reversals year after year on things where they would allow funding one year and not the next.

Councilor Lund suggested they think a little differently about the recommendations. He noted he had heard from others that our ballfields were hideous and tournaments wouldn't come here because of the shape they were in. Councilor Lund felt our kids were important to our community and if they don't have things for them to do, they end up in trouble. He stated the Chehalis Foundation was doing things for the kids, like the kiddy spray pool, and wondered why the city wasn't taking care of its baseball fields. Councilor Lund asked the council to think outside the box and maybe spend some of the money toward the

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ballfields, because the tournaments do put a lot of heads-in-beds. He suggested they talk to the Chehalis Foundation about fixing up the parks and ballfields. Councilor Lund felt they should reconsider the recommendations and start taking care of the city first before worrying about everybody else.

Councilor Harris stated he understood Councilor Lund's sentiment. He noted only recently had the auditor's office allowed tourism funds to be used for capital projects. Councilor Harris reported, based on the projections of what they were going to draw in next year, they would have a balance of \$68,080 at the end of 2011. He stated he would like to be able to do some work on the ballfields, but \$68,000 wouldn't even be a drop in the bucket to turf one of the fields. Councilor Harris reported we were spoiled in this country because we had to have artificial fields with painted lines on them; but unfortunately, that would take a lot more money than what the city had available. He noted he would be glad to work on any kind of project that would help do that for our ballfields, even if it was one at a time.

Councilor Lund stated there were a lot of other things they could do to improve the fields besides turf, such as having the fields drained, and making sure the base distances were at the right distance apart.

Councilor Spahr stated the hotel/motel owners recommended a few years ago that we go to the maximum on the tax. He felt the committee members had thoughtfully went through the process and awarded the money to those whom they thought had the best payback.

Councilor Spahr moved that the council approve the recommendations of the LTAC for use of lodging tax funds for 2011, and the council reappoint the memberships of Rick Burchett, Lee Grimes, Natalie Ketchum, and Paul Sohal to the LTAC.

Councilor Pope seconded the motion

Councilor Spahr stated he totally concurred with Councilor Lund that they needed to work on the ballfields. He stated he too would be willing to work with him to get something going in that general direction.

Mayor Pro-tem Dawes stated he also agreed with Councilor Lund, but he wanted to make sure they supported the ones who bring the support back to the city. He stated he needed to follow up on a conversation he had with Mr. Pullin, noting their plan was to get so many events that they would need all the fields in both towns to do it, and once they got some of the fields addressed in Centralia, they would be coming over here. It was his understanding that it would get done. Mayor Pro-tem Dawes stated he would have to find some time to chat with Mr. Pullin again, to see if that was still the plan.

Councilor Lund asked how they were going to pay for the upgrades. He felt they had an opportunity to plan ahead and put a little money aside for the future.

Councilor Lund moved to amend the motion to take back 25 percent across the board from the 2011 recommendations, and put it into a separate fund for infrastructure and improvements to our ballfields.

The motion was seconded by Councilor Taylor, but was defeated 4 to 2 with Councilor's Harris, Pope, Spahr and Mayor Pro-tem Dawes voting against the motion.

The main motion passed 5 to 1 with Councilor Lund voting against the motion.

Councilor Pope asked City Manager MacReynold to include a discussion on the ballfields at their next workshop. He noted there was movement to do something with the field behind Olympic School to covert it into a soccer field, and to later add a baseball or softball field. Councilor Pope reported they do have some diagrams and a committee working with the Renaissance team on that project. He noted, in conjunction with the fields, there would also be a walking path that Woodland Estate residents would be able to use and hoped they would be a positive participant in the plan.

Councilor Pope suggested they take an overall look at our facilities, adding there should be some planning to look at not only the lodging tax for funds, but other taxes, as well. He stated when they've gone to the public for our kids, they have always responded.

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City Manager MacReynold reported there was approximately \$50,000 being held aside, and if there was an alternative approach as Councilor Lund suggested of having the Chehalis Foundation look at it as a resource, they could go back and submit a proposal to the LTAC for consideration of funding. He noted the door wasn't closed if there was a real interest in it.

7. Expansion of National Avenue Mitigation Bank. City Attorney Hillier reported the city recently entered into a mitigation bank development agreement with Womble, Carlyle (WCEI). He stated WCEI had since determined there was another property owner with four pieces of property next to the city's property, which added up to approximately 30 more acres that WCEI was very interested in. City Attorney Hillier believed it would enhance not only the ability to sell the credits for our 66 acres, but would enhance the return value of the credits.

City Attorney Hillier reported part of the drainage that goes through the city's 66 acres was included in the 33 acres owned by Kevin Klumper (K&K Property). He noted TransAlta had some property in the drainage basin that WCEI was real interested in, as well, that may enhance the ability to sell credits. City Attorney Hillier stated WCEI also liked the looks of our SR6 property, which was the surplus the city had from what we purchased for the poplar tree plantation. He stated WCEI was convinced the value of the credits off the National Avenue property would increase, and our ability to recoup our investment through the process would take about two years.

City Attorney Hillier reported all the property owners and stakeholders in the amendment agreed that Chehalis would take their dollars out first before any other party received any money. He stated he couldn't speak to whether the SR6 property would be included in that because there were a couple of hurdles to jump over, adding there had to be some dirt removed from the property before it would become subject to the enhancement process.

City Attorney Hillier reported the restated agreement would allow them to insert property, or take out property as needed. He noted the documents were drawn up to give the city the flexibility to include or to not include the SR6 and TransAlta property. He stated by adding the Klumper property it would certainly enhance our ability to complete the project on National Avenue, and it clearly enhanced the value of each credit. City Attorney Hillier didn't feel there was any downside to it and recommended the council allow the city manager to execute the agreements.

Councilor Taylor asked if the city's return on the credits had changed, noting at one time it was \$1.2 million. City Attorney Hillier reported there was absolutely no question the number would be going up. He didn't know the exact number yet, because the value per credit wouldn't be determined until after the development was completed.

Mayor Pro-tem Dawes inquired about the sharing of the costs involved. City Attorney Hillier reported the city would not pay any costs of the actual development, adding the city owned the property today and would continue to own the property.

Councilor Lund stated things were tough right now and nobody was building. He asked if they knew what a credit would be worth in five years. City Attorney Hillier reported WCEI indicated they already had a market for the credits, which he thought was the State of Washington Department of Transportation. He stated the credits may be worth more in five years, but didn't know what that dollar figure would be. City Attorney Hillier reported in the next two years, WCEI was predicting at least \$2 million to the city.

Councilor Lund asked what they would do if they used up all of the credits now and needed more in the future. City Attorney Hillier reported they had two pools of credits, the first being the National Avenue property, which the city was reserving three credits; and the SR6 property, which would be four or five years down the road. Councilor Lund asked if the three credits would satisfy the need for the Barnes Property. Bob Nacht stated under the current scenario it would, adding what the city needed now was a developer interested in doing that. Councilor Lund suggested the council think about what they're going to do when the land is all gone, especially in five or ten years if they need to do something. He suggested they were locking themselves in with one company with everything they had, not knowing if they were going to perform, or not. He noted the council had gotten zinged before dealing with people they trusted, and thought it would be wise to wait and see how WCEI does on the first project.

City Attorney Hillier stated the council could certainly hold out the SR6 property.

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Councilor Spahr asked if there was a time limit in the agreement for performance. City Attorney Hillier stated they projected to take their prospectus to the Environmental Protection Agency the first week in November.

Mr. Nacht stated there was a lot of discussion going on between all the parties, adding the whole issue was culminating into a win-win situation for everybody, and encouraged the council to support it. He reported, as for the future, any credits available through the process would be available to any local developer, adding he didn't believe they were all pre-sold, and even if they were, there were other wetland banks in the vicinity that are available to local developers. Mr. Nacht felt if the city held on to some of the credits it would be a loss in revenue, and a cost to the city later on to make them credits.

Councilor Spahr stated he appreciated what Councilor Lund had to say, but he could also appreciate entering into an agreement today because once WCEI was gone, they're gone. He felt the opportunity was knocking and they should answer the door, adding the SR6 property had value as a whole, but probably not so much by itself.

Councilor Pope stated he had no problem with the National Avenue property, but believed the SR6 property had some potential value for other things. He indicated he had some objections to including the SR6 property at this time.

Councilor Harris stated he had some trepidation about including the SR6 property, as well. He suggested the property might be worth a little more down the road, and whether they could get WCEI to do the same thing later was of question. Councilor Harris talked briefly about the FEMA maps, adding who knows how good it would be once those come out.

Councilor Taylor asked if the SR6 property would still be of value to WCEI later on if they withheld for now. City Attorney Hillier stated the real enhancement of value was the addition of the Klumper property to the National Avenue site. He added they still don't know what the value of the SR6 property would be to the whole wetland project, adding WCEI was the one to show an interest. City Attorney Hillier stated they didn't have to include it, but the agreement would still need to be restated to include the Klumper property. Councilor Taylor asked if it would hurt the city to take the SR6 property out. City Attorney Hillier didn't feel that it would.

Councilor Harris asked if it would preclude them from doing anything in the future if they took it out. Mr. Nacht stated not necessarily, but the issue would be whether WCEI had any interest in doing it at a later date.

Mayor Pro-tem Dawes asked if the new FEMA maps would change the process in any way. Mr. Nacht stated it would not change the process; however, it could change the use of the property.

Mayor Pro-tem Dawes asked if they choose to include the SR6 property, could they request to hold credits for potential use by the city. City Attorney Hillier stated they had not discussed that concept, but if the council so desired, they could approach WCEI to see if we could negotiate something.

Mayor Pro-tem Dawes talked briefly about whether WCEI would be willing to come back at a later time and do a mitigation bank on the SR6 property. Councilor Lund was sure there were other people who would want to do it, adding the Port of Chehalis was currently doing one. He wondered why the Port couldn't work jointly with the city in the future to do it themselves.

Councilor Spahr inquired about the location of the SR6 property. Mr. Nacht stated it was the 56 acres coming back towards town from Highway 603, located on the west and south side of the duck pond.

Councilor Harris asked if WCEI could estimate how many credits were on the SR6 property. Mr. Nacht noted the property did not have a value to credits as it currently existed. He noted the current elevation of the property was too high and in order for it to become a mitigation bank there would have to be an action to remove dirt from the property before it would be of any value to WCEI. Mr. Nacht noted the property was considered a regulatory floodway and the city couldn't do anything with it.

Councilor Pope stated he agreed with Councilor Lund, they don't know what the future holds, and if they used up the three credits from the National Avenue property the city or a developer would have to pay for a mitigation bank somewhere else. He suggested they try to get another three or four credits secured.

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Councilor Lund stated he didn't mean he wanted three or four credits; he thought they needed to keep all of the SR6 property, because as the years go by the ratio per acre for mitigation was going to go up.

Councilor Pope moved that the council approve and authorize the execution of the amended and restated mitigation bank development agreement and the amendments to the mitigation bank development agreement, with the exception of the SR6 property.

The motion was seconded by Councilor Lund.

Councilor Harris stated, in the interest of expedition, he would like to see if they could get some response from staff and WCEI as to what the SR6 property could be worth in credits down the road. He noted he didn't want to close the door on the SR6 property.

Mayor Pro-tem Dawes didn't feel the motion would close the door to anything on SR6. He believed staff would try to find out the best potential use and benefit for the property. Councilor Harris felt staff had already told them what they thought was best.

City Manager MacReynold noted staff's recommendation was based on a recommendation from a developer who would benefit from the project. He noted these were the difficult decisions the council was elected to make, and felt the council was making a very wise decision, based on the fact that they were looking to the future.

Councilor Spahr stated if in two weeks staff comes back to them and they change their minds, they could put in an option for three to five credits on the SR6 property to be available in five years if we need them.

Mayor Pro-tem Dawes stated he felt comfortable supporting the motion as it was, for the simple reason it was something they needed to get moving on now and would prove to be the quickest turnaround for the city. He noted the SR6 property was still going to be there and the city would have total control over it to use as they see fit when the time comes.

Councilor Pope called for the question. The motion carried unanimously.

8. **Appoint Council Representative to Regional Fire Planning Committee.** City Manager MacReynold reported they had been in on-going discussions for about three to four years with Fire District 6 on the possibility of merging or consolidating with them. He stated recently their discussion had been expanded to include Riverside Fire Authority, and most recently, Fire District 5.

Chief Kelvin Johnson stated they had made some great steps on their working relationship with Fire District 6, as well as the other fire districts in the area. He stated there was no doubt in his mind after being in the fire service for the last 32 years that business was changing. Chief Johnson felt it was only wise and prudent to go ahead and have discussions with one another, and with our other neighboring departments to see what possibilities were out there to provide the level of service the citizens have come to expect. He noted there was information attached to the agenda that had been shared during their last couple of open public meetings, and they were now at the point where they want to formulate a specific planning committee to really get down to the nuts and bolts and come back with some type of recommendation, hopefully within the next 12 months.

Chief Johnson asked that the council appoint one of their members to join them on the planning committee.

Councilor Spahr felt the process was going to take a lot of time and work. He stated he would like to see Mayor Pro-tem Dawes appointed to the committee to represent them, if he would take it.

Mayor Pro-tem Dawes stated he would be willing to do it.

Councilor Taylor also nominated Mayor Ketchum, stating he had a chance to speak with the mayor and he asked that his name be put in the bucket for consideration. He felt either one would represent them well.

Councilor Spahr moved to appoint Mayor Pro-tem Dawes to the Regional Fire Planning Committee.

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The motion was seconded by Councilor Pope and carried 4 to 2 with Councilors Lund and Taylor voting against the motion.

There being no further business to come before the council, the meeting adjourned a 7:36 p.m.

Mayor



Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of November 8, 2010.

CITY OF CHEHALIS
AGENDA REPORT

DATE: November 15, 2010
TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager 
PREPARED BY: Michelle White, Accounting Tech II 
SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

1. Claim Vouchers No. 98428 through 98566 and Claim Voucher 102010 in the amount of \$187,915.70 dated November 15, 2010 and the transfer of \$85,629.73 from the General Fund, \$448.78 from the Arterial Street Fund, \$9,120.16 from the Tourism Fund, \$608.62 from the Gambling Enforcement Fund, \$795.01 from the Garbage Fund, \$53,336.93 from the Wastewater Fund, \$25,791.50 from the Water Fund, \$7,668.62 from the Storm & Surface Water Utility Fund, and \$4,516.35 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the November 15, 2010 Claim Vouchers No. 98428 through 98566 and Claim Voucher No. 102010 in the amount of \$187,915.70.

SUGGESTED MOTION

I move to approve the November 15, 2010 Claim Vouchers No. 98428 through 98566 and Claim Voucher No. 102010 in the amount of \$187,915.70.

Reviewed by: , City Manager

To: The Honorable Mayor and Council
 Via: Merlin MacReynold, City Manager
 From: Eva K. Lindgren, Finance Manager
 Date: November 9, 2010
 Subject: Monthly Financial Reports for October

City of Chehalis
 Comparative Financial Reports
 October 2009 and 2010

GENERAL FUND (#001) REVENUES	A October 2009		B		C=B/A		D		E		F=E/D		G		H [^]		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	October 2010 Actual	% Rec'd	% Rec'd [*]	Var'nc Expected	% Variance	Var'nc Expected	% Variance				
General Property Taxes	\$1,181,000	\$672,109	\$1,212,580	\$684,037	56.9%	56.4%	\$1,212,580	\$684,037	56.4%	83.3%	(\$326,446)	-26.9%	(\$326,446)	-26.9%				
EMS Property Taxes	226,000	127,777	230,920	130,921	56.5%	56.7%	230,920	130,921	56.7%	83.3%	(61,512)	-26.6%	(61,512)	-26.6%				
Sales & Use Tax	3,700,000	2,796,963	3,300,000	2,522,582	75.6%	76.4%	3,300,000	2,522,582	76.4%	83.3%	(227,418)	-6.9%	(227,418)	-6.9%				
Electricity Tax	370,000	311,781	400,000	301,502	84.3%	75.4%	400,000	301,502	75.4%	83.3%	(31,831)	-7.9%	(31,831)	-7.9%				
Gas/Natural Gas Tax	261,500	219,927	284,000	197,896	84.1%	69.7%	284,000	197,896	69.7%	83.3%	(38,771)	-13.6%	(38,771)	-13.6%				
Criminal Justice Tax	110,000	81,380	100,000	73,455	74.0%	73.5%	100,000	73,455	73.5%	83.3%	(9,878)	-9.8%	(9,878)	-9.8%				
Interfund Water/Sewer Tax	330,200	281,485	328,200	279,647	85.2%	85.2%	328,200	279,647	85.2%	83.3%	6,147	1.9%	6,147	1.9%				
Garbage Tax	80,000	66,313	65,000	47,157	82.9%	72.5%	65,000	47,157	72.5%	83.3%	(7,010)	-10.8%	(7,010)	-10.8%				
Cable Tax	85,000	62,564	80,000	107,496	73.6%	134.4%	80,000	107,496	134.4%	83.3%	40,829	51.1%	40,829	51.1%				
Telephone Tax	350,000	273,486	335,000	259,749	78.1%	77.5%	335,000	259,749	77.5%	83.3%	(19,418)	-5.8%	(19,418)	-5.8%				
Leasehold Excise Tax	34,000	25,133	34,000	25,720	73.9%	75.6%	34,000	25,720	75.6%	83.3%	(2,613)	-7.7%	(2,613)	-7.7%				
Other Taxes	0	17	0	0	N/A	N/A	0	0	N/A	83.3%	0	N/A	0	N/A				
Total Tax Revenues	6,727,700	4,918,935	6,369,700	4,630,162	73.1%	72.7%	6,369,700	4,630,162	72.7%	83.3%	(677,921)	-10.6%	(677,921)	-10.6%				
Licenses & Permits	240,984	56,358	66,080	55,170	23.4%	83.5%	66,080	55,170	83.5%	83.3%	103	0.2%	103	0.2%				
Intergov't Grants/Entitlements	2,828,581	3,061,312	432,650	344,908	108.2%	79.7%	432,650	344,908	79.7%	83.3%	(15,634)	-3.6%	(15,634)	-3.6%				
Charges for Goods and Svcs.	1,069,254	834,843	1,052,589	881,647	78.1%	83.8%	1,052,589	881,647	83.8%	83.3%	4,490	0.5%	4,490	0.5%				
Fines and Forfeitures	114,375	81,270	96,360	90,656	71.1%	94.1%	96,360	90,656	94.1%	83.3%	10,356	10.8%	10,356	10.8%				
Interest Earnings	32,200	26,050	28,200	15,093	80.9%	53.5%	28,200	15,093	53.5%	83.3%	(8,407)	-29.8%	(8,407)	-29.8%				
Rents/Leases	89,375	54,087	64,215	58,497	60.5%	91.1%	64,215	58,497	91.1%	83.3%	4,985	7.8%	4,985	7.8%				
Contributions/Donations	7,090	10,952	36,969	20,801	154.5%	56.3%	36,969	20,801	56.3%	83.3%	(10,007)	-27.0%	(10,007)	-27.0%				
Misc. Revenue/Insurance	2,700	37,348	3,000	4,804	1383.3%	160.1%	3,000	4,804	160.1%	83.3%	2,304	76.8%	2,304	76.8%				
Non-Revenues	0	4,285	3,958	4,858	N/A	122.7%	3,958	4,858	122.7%	83.3%	1,560	39.4%	1,560	39.4%				
Total Non-Tax Revenues	4,384,559	4,166,505	1,784,021	1,476,434	95.0%	82.8%	1,784,021	1,476,434	82.8%	83.3%	(\$10,250)	-0.5%	(\$10,250)	-0.5%				
Proceeds of Long-Term Debt	1,131,362	0	1,131,362	0	0.0%	0.0%	1,131,362	0	0.0%	83.3%	(942,802)	-83.3%	(942,802)	-83.3%				
Operating Transfers-In	422,240	417,638	50,000	37,500	98.9%	75.0%	50,000	37,500	75.0%	83.3%	(4,167)	-8.3%	(4,167)	-8.3%				
Total Other Financing Sources	1,553,602	417,638	1,181,362	37,500	26.9%	3.2%	1,181,362	37,500	3.2%	83.3%	(\$946,968)	-80.1%	(\$946,968)	-80.1%				
TOTALS	\$12,665,861	\$9,503,078	\$9,335,083	\$6,144,096	75.0%	65.8%	\$9,335,083	\$6,144,096	65.8%	83.3%	(\$1,635,139)	-17.5%	(\$1,635,139)	-17.5%				

Key:

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City of Chehalis
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GENERAL FUND (#001) EXPENDITURES	A October 2009		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	Exp'd	%	Budget	Actual	Exp'd	%	Expected % Exp^	Exp'd	%	Var'nc frm Expected	Variance	%		
City Council	\$68,801	\$56,486	\$68,801	\$56,486	82.1%	77.5%	\$97,431	\$75,472	77.5%	83.3%	83.3%	77.5%	83.3%	\$5,721	5.8%			
Municipal Court	320,380	249,269	320,380	249,269	77.8%	78.7%	325,256	255,959	78.7%	83.3%	83.3%	78.7%	83.3%	15,088	4.6%			
City Manager#	166,282	163,324	166,282	163,324	98.2%	82.0%	351,343	287,950	82.0%	83.3%	83.3%	82.0%	83.3%	4,836	1.3%			
Finance	482,679	403,894	482,679	403,894	83.7%	83.7%	496,314	415,229	83.7%	83.3%	83.3%	83.7%	83.3%	(1,634)	-0.4%			
City Clerk	97,366	73,511	97,366	73,511	75.5%	78.7%	95,912	75,471	78.7%	83.3%	83.3%	78.7%	83.3%	4,456	4.6%			
City Attorney#	90,850	84,130	90,850	84,130	92.6%	N/A	0	0	N/A	83.3%	83.3%	N/A	83.3%	0	N/A			
Non-Departmental	1,822,941	639,729	1,822,941	639,729	35.1%	18.2%	1,534,163	279,423	18.2%	83.3%	83.3%	18.2%	83.3%	999,046	65.1%			
Human Resources	136,521	124,775	136,521	124,775	91.4%	74.0%	140,962	104,369	74.0%	83.3%	83.3%	74.0%	83.3%	13,099	9.3%			
Police	2,456,673	2,085,318	2,456,673	2,085,318	84.9%	83.2%	2,403,537	1,999,050	83.2%	83.3%	83.3%	83.2%	83.3%	3,898	0.1%			
Fire	1,899,679	1,452,669	1,899,679	1,452,669	76.5%	79.7%	1,913,269	1,525,780	79.7%	83.3%	83.3%	79.7%	83.3%	68,611	3.6%			
Public Works - Streets	2,969,551	2,895,911	2,969,551	2,895,911	97.5%	73.4%	615,696	452,150	73.4%	83.3%	83.3%	73.4%	83.3%	60,930	9.9%			
Public Works - Engineering	273,257	218,092	273,257	218,092	79.8%	84.6%	289,837	245,157	84.6%	83.3%	83.3%	84.6%	83.3%	(3,628)	-1.3%			
Economic Development	140,529	102,237	140,529	102,237	72.8%	N/A	0	0	N/A	83.3%	83.3%	N/A	83.3%	0	N/A			
Community Development	1,732,287	1,430,970	1,732,287	1,430,970	82.6%	81.4%	1,560,275	1,269,651	81.4%	83.3%	83.3%	81.4%	83.3%	30,578	1.9%			
TOTALS	\$12,657,796	\$9,980,315	\$12,657,796	\$9,980,315	78.8%	71.1%	\$9,823,995	\$6,985,661	71.1%	83.3%	83.3%	71.1%	83.3%	\$1,201,002	12.2%			

Net Budget/Income: \$8,065 (\$477,237)

(\$488,912) (\$841,565)

Key:

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

#In 2010, the City Attorney's budget is budgeted for within the City Manager's budget.

- (1) Property Taxes are not remitted evenly throughout the year.
- (2) Proceeds of long-term debt are dependent upon the issuance of the G.O. Debt.
- (3) Inter-fund loan repayment is dependent upon the issuance of G.O. Debt.

**City of Chehalis
Comparative Financial Reports
October 2009 and 2010**

	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Actual	Budget	Actual	% Rec'd	% Actual	% Rec'd	% Actual	Expected % Rec'd*	Expected	Var'nc	Expected	% Variance	
WASTEWATER FUND (#404)																		
REVENUES																		
Intergovernmental Revenues	\$165,530	\$215,763			130.3%		\$0						83.3%	\$0			N/A	
Wastewater Fees	3,359,740	2,926,095			87.1%		3,510,208	2,845,839					83.3%	(79,334)			-2.2%	
Sewer Connection/Misc. Fees	30,000	140,140			467.1%		70,000	49,891					83.3%	(8,442)			-12.0%	
Rentals	0	4,150			N/A		3,750	3,750					83.3%	625			16.7%	
Misc. Revenues/Insurance	500	86,030			17206.0%		2,500	2,744					83.3%	661			26.5%	
Interfund Principal Repayment	600,000	34,319			5.7%		565,681	0					83.3%	(471,401)			-83.3%	
Loan Proceeds	0	492,532			N/A		0	0					83.3%	0			N/A	
Proceeds from Sale of Capital Assets	0	783			N/A		0	3,668					83.3%	3,668			N/A	
Interest Earnings	52,000	41,403			79.6%		54,000	17,760					83.3%	(27,240)			-50.4%	
Totals:	\$4,207,770	\$3,941,215			93.7%		\$4,206,139	\$2,923,652					83.3%	(\$581,464)			-13.8%	

(1)

	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Actual	Budget	Actual	% Exp'd	% Actual	Expected % Exp*	Exp'd	Expected	Var'nc	Expected	% Variance		
WASTEWATER FUND (#404)																		
EXPENSES																		
Operating Expenses	\$2,119,975	\$1,809,001			85.3%		\$2,292,351	\$1,938,941						83.3%	(\$28,649)			-1.3%
Capital Outlay	542,300	280,065			51.6%		70,000	30,718						83.3%	27,615			39.4%
Debt Principal	1,956,098	978,769			50.0%		1,737,660	1,041,630						83.3%	406,420			23.4%
Interest Expense	68,344	61,970			90.7%		59,481	57,680						83.3%	(8,113)			-13.7%
Totals:	\$4,686,717	\$3,129,805			66.8%		\$4,159,492	\$3,068,969						83.3%	\$397,274			9.5%

(2)

Net Budget/Income: (\$478,947) \$811,410
\$46,647 (\$145,317)

Key:

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

(1) Inter-fund loan repayment is dependent upon the issuance of G.O. Debt.

(2) Principal payments are not made evenly throughout the year.

City of Chehalis
Comparative Financial Reports
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WATER FUND (#405) REVENUES	A October 2009		B Actual	C=B/A		D October 2010		E Actual	F=E/D		G Expected % Rec'd*	H^ Var'nc f'm Expected		I=F-G % Variance
	Budget	Actual		% Rec'd	Budget	Actual	% Rec'd		Expected % Rec'd*	Var'nc f'm Expected				
Water Sales	\$2,258,873	\$2,060,253	91.2%	\$2,298,896	\$1,977,108	86.0%	83.3%	\$61,361	83.3%	2.7%	(1)	\$61,361	2.7%	
Water Connection/Misc. Fees	200,000	149,354	74.7%	200,000	48,378	24.2%	83.3%	(118,289)	83.3%	-59.1%	(1)	(118,289)	-59.1%	
Misc. Revenues	0	(20)	N/A	0	115	N/A	83.3%	115	83.3%	N/A	(2)	115	N/A	
Intergovernmental Revenues	2,000	2,689	134.5%	0	0	N/A	83.3%	0	83.3%	N/A		0	N/A	
Interfund Principal Repayment	850,000	284,319	33.4%	565,681	0	0.0%	83.3%	(471,401)	83.3%	-83.3%		(471,401)	-83.3%	
Intergovernmental Ln Proceeds	0	90,283	N/A	0	0	N/A	83.3%	0	83.3%	N/A		0	N/A	
Proceeds from Sale of Capital Assets	0	0	N/A	0	1,692	N/A	83.3%	1,692	83.3%	N/A		1,692	N/A	
Interest Earnings	12,705	5,601	44.1%	14,000	882	6.3%	83.3%	(10,785)	83.3%	-77.0%		(10,785)	-77.0%	
Totals:	\$3,323,578	\$2,592,479	78.0%	\$3,078,577	\$2,028,175	65.9%	83.3%	(\$537,306)	83.3%	-17.5%		(\$537,306)	-17.5%	

WATER FUND (#405) EXPENSES	A October 2009		B Actual	C=B/A		D October 2010		E Actual	F=E/D		G Expected % Exp^	H^ Var'nc f'm Expected		I=G-F % Variance
	Budget	Actual		% Exp'd	Budget	Actual	% Exp'd		Expected % Exp^	Var'nc f'm Expected				
Operating Expenses	\$1,910,195	\$1,454,982	76.2%	\$1,803,191	\$1,554,010	86.2%	83.3%	(\$51,351)	83.3%	-2.9%		(\$51,351)	-2.9%	
Capital Outlay	436,495	368,656	84.5%	577,000	430,980	74.7%	83.3%	49,853	83.3%	8.6%		49,853	8.6%	
Debt Principal	119,638	127,077	106.2%	127,464	129,077	101.3%	83.3%	(22,857)	83.3%	-18.0%		(22,857)	-18.0%	
Interest Expense	30,482	30,637	100.5%	28,725	28,862	100.5%	83.3%	(4,925)	83.3%	-17.2%		(4,925)	-17.2%	
Totals:	\$2,496,810	\$1,981,352	79.4%	\$2,536,380	\$2,142,929	84.5%	83.3%	(\$29,279)	83.3%	-1.2%		(\$29,279)	-1.2%	

Net Budget/Income: \$826,768 \$611,127
\$542,197 (\$114,754)

Key:

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

(1) Water connection/Misc. Fees overestimated during budgeting.

(2) Inter-fund loan repayment is dependent upon the issuance of G.O. Debt.

City of Chehalis
Comparative Financial Reports
October 2009 and 2010

	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	Actual	% Rec'd	% Rec'd	% Rec'd	Expected	Expected	Var'nc	fm	%	Variance	
STORM FUND (#406)																			
REVENUES																			
Storm & Surface Water Fees	\$405,000	\$340,319	\$402,500	\$333,690	84.0%	82.9%			\$333,690		82.9%	83.3%	(\$1,727)						
Storm Connection/Misc. Fees	30,000	18,533	24,000	5,090	61.8%	21.2%			5,090		21.2%	83.3%	(14,910)						
Interest Earnings	6,000	0	1,500	0	0.0%	0.0%			0		0.0%	83.3%	(1,250)						
Misc. Revenues	0	48	0	0	N/A	N/A			0		N/A	83.3%	0						
Totals:	\$441,000	\$358,900	\$428,000	\$338,780	81.4%	79.2%			\$338,780		79.2%	83.3%	(\$17,887)						

	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	Actual	% Exp'd	% Exp'd	Expected	Expected	Var'nc	fm	%	Variance		
STORM FUND (#406)																			
EXPENSES																			
Operating Expenses	\$384,631	\$301,988	\$376,541	\$286,751	78.5%	76.2%			\$286,751		76.2%	83.3%	\$27,033						
Capital Outlay	60,000	18,943	73,000	41,866	31.6%	57.4%			41,866		57.4%	83.3%	18,967						
Totals:	\$444,631	\$320,931	\$449,541	\$328,617	72.2%	73.1%			\$328,617		73.1%	83.3%	\$46,001						

Net Budget/Income: (\$3,631) \$37,969 (\$21,541) \$10,163

Key:

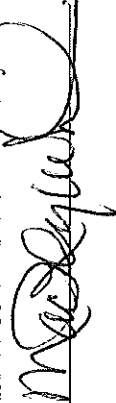
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RECOMMENDATION/COUNCIL ACTION DESIRED

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

Received by  City Manager

CITY OF CHEHALIS

AGENDA REPORT

DATE: November 22, 2010
TO: The Honorable Mayor and City Council
FROM: Patrick Wiltzius, Wastewater Superintendent
Tim Grochowski, Public Works Director
SUBJECT: Revision of Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2011

ISSUE

Proposed new rates for the treatment of sewage for 2011 have been calculated for Lewis County Water & Sewer District #4 (LCSD #4) and the City of Napavine. The proposed rates are being presented for council review and approval.

DISCUSSION

In 1994, Chehalis, Napavine, and LCSD #4 modified their prior interlocal agreement for the provision of sewer services. Governance issues regarding the interceptor and sewage treatment are outlined in this agreement. The agreement provides that Napavine and LCSD #4 pay for the delivery and treatment of sewage based on applicable costs for operation and maintenance of the system.

It has been previously established that calculation of the rates for treatment are to be based on applicable expenditures and flow data from the previous year. No changes have been made to the rate calculation methodology that was initially adopted in 2002. Current and proposed new rates are presented in the table below for comparison.

	Napavine	LCSD #4
2010 rate/month	\$10,454	\$6,230
2011 rate/month	\$8,482	\$5,064
\$ change/month	-\$1,972	-\$1,166
% change/month	-18.9%	-18.7%

The rate changes proposed for next year are a result of differences in expenditures and flows used to calculate the rates. As compared to 2008, the applicable expenditures for 2009 were down by approximately 10.4%. This was primarily due to wastewater division budget cuts mandated for 2009. As compared to 2008, the total flow to the Chehalis treatment plant in 2009 was up by 23.1%.

The flow contributed from LCSD #4 (as a percentage of total flow) was down 0.7% from 2008, and the flow from Napavine was down 1.1% from 2008. This is primarily due to the amount of rainfall received and proportions of inflow and infiltration contributed by each entity.

The result of the decrease in expenditures is that the proposed rates for 2011 are lower than those calculated for 2010. As you recall, they were significantly higher for 2010 as compared to 2009. Over time the trend in rates should average out the annual highs and lows and show a modest increase due to inflation (The table below shows this). On average, rates for Napavine increase by 0.6% per year while those for LCSD #4 increase by 0.2%.

	2005	2006	2007	2008	2009	2010	2011	avg.
Napavine	\$8,912	\$8,980	\$9,018	\$10,194	\$8,122	\$10,454	\$8,482	\$9,166
% difference		0.8	0.4	13.0	-20.3	28.7	-18.9	0.6
LCSD#4	\$5,614	\$5,407	\$5,387	\$5,908	\$4,522	\$6,230	\$5,064	\$5,447
% difference		-3.7	-0.4	9.7	-23.5	37.8	-18.7	0.2

Actual monthly sewer rates paid by customers of each entity vary considerably. The monthly rate for sewage treatment is just one component of each entity's sewer bill. The amount of debt service, collection system maintenance costs, reserve balances and administrative costs for each entity are all considered when each entity sets sewer rates for their customers.


The attached ordinance has been prepared repealing rates for 2010 and establishing rates for 2011. The proposed rates have been discussed with LCSD #4 and the City of Napavine and no objections were raised to their implementation.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council pass Ordinance No. 860-B amending sewer rates for the City of Napavine and Lewis County Water & Sewer District #4 on first reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 860-B amending sewer rates for the City of Napavine and Lewis County Water & Sewer District #4 on first reading.

REVIEWED BY:  , CITY MANAGER

ORDINANCE NO. 860-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON AMENDING SECTION 13.16.070, ORDINANCE NO. 853-B, PASSED THE 14TH DAY OF DECEMBER, 2009, AS CODIFIED IN THE CHEHALIS MUNICIPAL CODE.

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

Section 1. Section 13.16.070 of the Chehalis Municipal Code shall be, and the same hereby is, amended to read as follows:

13.16.070 Wastewater customers.

A. Rates charged to the city of Napavine and Lewis County Water & Sewer District #4 for the operation and maintenance of the interceptor and related facilities shared with the city and for the treatment of sewage by the city are as follows:

1. Napavine - \$8,482 per month; and
2. Lewis County Water & Sewer District #4 - \$5,064 per month.

B. These rates shall be adjusted annually based upon their flows and operations and maintenance costs of the interceptor and the wastewater treatment plant.

Section 2. Effective date.

The effective date of this ordinance shall be the _____ day of January, 2011.

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 _____, 2010.

Mayor

ATTEST:

City Clerk

Approved as to form and content:

City Attorney

O&M Rate Calculations for Napavine and LCSD#4

10/28/10

Introduction

In 1994, the cities of Chehalis and Napavine, along with Lewis County Water & Sewer District #4 (collectively known as the Sewer Operating Board) entered into an agreement for the provision of sewer services. Governance issues regarding the interceptor and sewage treatment are outlined in the agreement.

The agreement provides for the establishment of a rate to be charged to Napavine and Lewis County Water & Sewer District #4 (LCSD#4) for the delivery and treatment of sewage. The agreement states the rate shall be based on applicable costs for the operation and maintenance (O&M) of the system.

Last year's monthly rates, the eighth year that the rates were based on flow, were \$10,454 for Napavine and \$6,230 for LCSD#4.

Rates for 2011

The calculation for setting the rates is unchanged from 2002 and is listed below:

$$\text{Monthly Sewer Charge} = ((\text{yearly interceptor O\&M costs} \times \% \text{ of ownership of interceptor}) + (\text{yearly WWTP O\&M cost} \times \% \text{ of flow to the WWTP})) / 12$$

In this calculation, interceptor costs are calculated based on percentage ownership from segment A to G in the interceptor. (See attached ownership map)

The rate for any given year uses actual flows and expenditures from two years prior. This allows for actual yearly expenditures and flows to be tabulated and subsequent rate calculations to be provided to the entities during the budget process for the year in which the rate is to be charged.

Expenditures - The proposed rates for 2011 were developed using actual 2009 expenditures. 2012 rates will use actual expenditures from 2010. Expenditures also include any relevant capital costs but do not include any direct costs for the new wastewater treatment plant. (Napavine and Lewis County Sewer District are paying a percentage of the yearly loan repayment).

Flows - Flows for Napavine and LCSD#4 are measured at the North Star Rd. and Hamilton Rd. metering stations. Chehalis staff check and record flow data for Lewis County Sewer District on a daily basis from the North Star Rd. metering station. Napavine collects flow data from the Hamilton Rd. metering station. If problems are experienced with the flow meters, flows will be estimated from previous data on record.

Calculation of Yearly Interceptor O&M costs

1. Starting in 2006, O&M costs for the collection system were broken down specifically in a separate collection system budget. This is a change from the past when costs for the collection system had to be calculated.

2. The percent of collection system costs due to interceptor O&M is calculated by using the ratio of sewer line (measured in feet) for the interceptor to the sewer line for Chehalis' entire collection system. The General Sewer Plan states that the interceptor is comprised of 28,565 feet of sewer line and the Chehalis collection system includes 249,003 feet of sewer line. This means the interceptor comprises 11.5% of collection system.

3. **Yearly interceptor O&M costs based on % of ownership** is then calculated by multiplying the total applicable collection system expenditures for 2008 by % of the interceptor as part of collection system by the % of ownership in the interceptor – from segment A to G. (LCSD#4 – 11.1%, Napavine – 23.7%)

Calculation of Yearly WWTP O&M cost based on % of flow to the WWTP

4. Yearly WWTP O&M expenditures were calculated utilizing the 2009 year end expenditures from the budgets for wastewater division administration, WWTP and poplar tree plantation.

5. WWTP O&M costs were then multiplied by the ratio of flow contributed by each entity to the total flow received by the WWTP in 2009. (Napavine = 57.9 MG / 659.1 MG = 8.8%, LCSD#4 = 35.1 MG / 659.1 MG = 5.3%) This portion of the rate factors in flow, so that inflow and infiltration (I&I) is paid for by the contributing entity.

6. To determine the final rate for each entity - **Yearly interceptor O&M costs** and **Yearly WWTP O&M cost based on % of flow to the WWTP** are added. This rate is then divided by 12 to get a monthly rate.

Informational Data

2009 Applicable Wastewater Expenditures	\$1,085,951
2009 Applicable Collection System Expenditures	\$235,626

	Ownership of Interceptor (A-G)	2009 Flow to WWTP	% Flow to WWTP
Chehalis	65.2%	566.1 MG	85.9%
Napavine	23.7%	57.9 MG	8.8%
LCSD#4	11.1%	35.1 MG	5.3%

Actual Calculations –

$$\text{Napavine} = ((\$1,085,951 \times 8.8\%) + (\$235,626 \times 11.5\% \times 23.7\%)) / 12 = \$8,842/\text{month}$$

$$\text{Old rate} = \$10,454 \quad \text{New rate} = \$8,842 \quad \text{\% of decrease} = -18.9\%$$

$$\text{LCSD\#4} = ((\$1,085,951 \times 5.3\%) + (\$235,626 \times 11.5\% \times 11.1\%)) / 12 = \$5,064/\text{month}$$

$$\text{Old rate} = \$6,230 \quad \text{New rate} = \$5,064 \quad \text{\% of decrease} = -18.7\%$$

Explanation of change

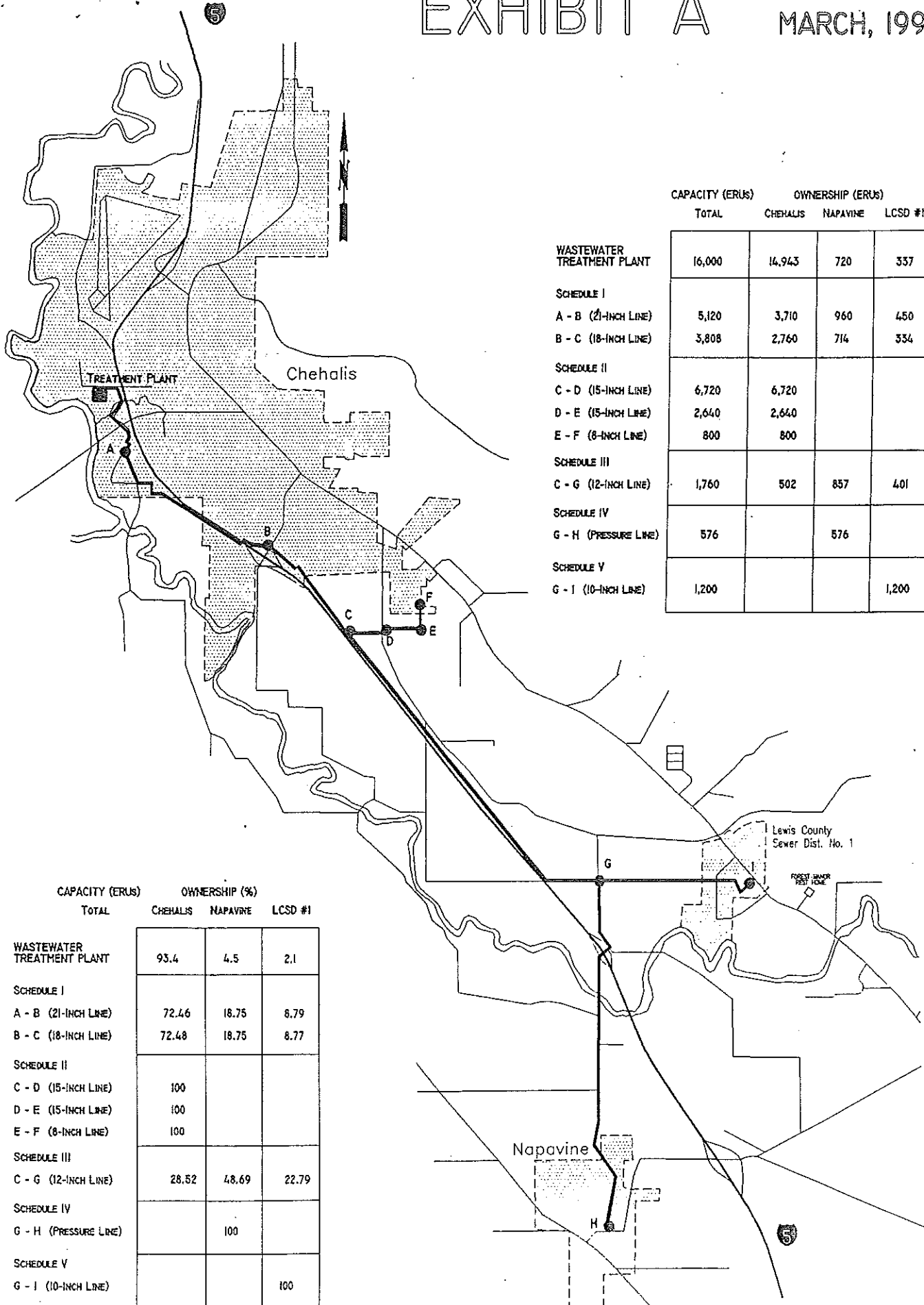
The rate changes proposed for 2011 are a result of differences in expenditures and flows used to calculate the rates. As compared to 2008, the applicable expenditures for 2009 were down by approximately 10.4%. This was primarily due to budget cuts mandated for 2009. As compared to 2008, the total flow to the Chehalis treatment plant in 2009 was up by 23.1%. The flow contributed from LCSD #4 (as a percentage of total flow) was down 0.7% from 2008, and the flow from Napavine was down 1.1% from 2008. This is primarily due to the amount of rainfall received and proportions of inflow and infiltration contributed by each entity.

The result of the decrease in expenditures is that the proposed rates for 2011 are lower than those calculated for 2010. As you recall, they were significantly higher for 2010 as compared to 2009. Over time the trend in rates should average out the annual highs and lows and show a modest increase due to inflation.

>end

EXHIBIT A

MARCH, 1994



	CAPACITY (ERUS)		OWNERSHIP (ERUS)	
	TOTAL	CHEHALIS	NAPAVINE	LCSD #1
WASTEWATER TREATMENT PLANT	16,000	14,943	720	337
SCHEDULE I				
A - B (21-INCH LINE)	5,120	3,710	960	450
B - C (18-INCH LINE)	3,808	2,760	714	334
SCHEDULE II				
C - D (15-INCH LINE)	6,720	6,720		
D - E (15-INCH LINE)	2,640	2,640		
E - F (8-INCH LINE)	800	800		
SCHEDULE III				
C - G (12-INCH LINE)	1,760	502	857	401
SCHEDULE IV				
G - H (PRESSURE LINE)	576		576	
SCHEDULE V				
G - I (10-INCH LINE)	1,200			1,200

	CAPACITY (ERUS)		OWNERSHIP (%)	
	TOTAL	CHEHALIS	NAPAVINE	LCSD #1
WASTEWATER TREATMENT PLANT	93.4	4.5	2.1	
SCHEDULE I				
A - B (21-INCH LINE)	72.46	18.75	8.79	
B - C (18-INCH LINE)	72.48	18.75	8.77	
SCHEDULE II				
C - D (15-INCH LINE)	100			
D - E (15-INCH LINE)	100			
E - F (8-INCH LINE)	100			
SCHEDULE III				
C - G (12-INCH LINE)	28.52	48.69	22.79	
SCHEDULE IV				
G - H (PRESSURE LINE)		100		
SCHEDULE V				
G - I (10-INCH LINE)				100

2009 Wastewater Division Budget					
Administration 404.11.535					
		Not Included	2009 Expended	% of cost applicable	Applicable Costs
010 11 00	SALARIES & WAGES		\$94,842		
010 11 02	ADMIN SUPPORT SALARIES & WAGES		\$19,320		
010 11 xx	SUPPORT SALARIES & WAGES				
010 12 02	ADMIN SUPPORT OVERTIME		\$52		
335 010 21	PERSONNEL BENEFITS		\$97,425		
010 21 02	ADMIN SUPPORT PERSONNEL BENEFITS		\$7,873		
335 010 24	UNIFORMS & CLOTHING		\$43		
335 010 31	OFFICE & OPERATING SUPPLIES		\$1,337		
335 010 32	FUEL		\$613		
335 010 35	SMALL TOOLS & MINOR EQUIPMENT		\$0		
335 010 41	PROFESSIONAL SERVICES (legal - city atty.)		\$156		
335 010 42	COMMUNICATIONS (for PW)		\$2,489		
335 010 43	TRAVEL		\$0		
335 010 44	ADVERTISING		\$0		
335 010 45	RENTALS		\$0		
335 010 46	INSURANCE		\$76,230		
335 010 47	PUBLIC UTILITY SERVICES		\$1,637		
335 010 48	REPAIR & MAINTENANCE		\$878		
335 010 49	MISC.		\$154		
335 010 53	EXTERNAL TAXES & OPER ASSESS		\$81,050		
335 010 54	INTERFUND TAXES & OPER ASSESS		\$192,329		
335 010 91	INTERFUND PAYMENT FOR SERVICE (City Hall)		\$328,821		
335 010 92	INTERFUND PAYMENT FOR SERVICE (Engineering)	\$68,315			not used by Napavine or LCSD
335 010 93	INTERFUND PAYMENT FOR SERVICE (Vehicle shop)		\$2,250		
335 010 94	INTERFUND PAYMENT FOR SERVICE (Wtr mtr reader)	\$47,873			not used by Napavine or LCSD
	MISC. 050.21 thru 080.49		\$2,791		
335 030 01	DEPREC/AMORT/DEPLETION EXPENSE				
4.030-041	PROF. SERVICES		\$15,492		
4.030-047	UTILITY SERVICES		\$377		
4.030-049	CAPITAL MISC		\$578		
94 035 41	PROFESSIONAL SERVICES		\$64,060		outfall project
94 035 63	OTHER IMPROVEMENTS				
94 035 64	MACHINERY & EQUIPMENT				
94 035 65	CONSTRUCTION PROJECTS		\$224,652		outfall project
	GRAND TOTAL ADMIN	\$116,188	\$930,795	10	\$93,079
2009 Wastewater Division Budget					
WWTP 404.16.535					
335 010 46	INSURANCE		\$0		
335 040 43	TRAVEL		\$891		
335 040 49	MISC.		\$800		
335 050 31	OFFICE & OPERATING SUPPLIES		\$67,345		
335 050 32	FUEL		\$0		
335 050 35	SMALL TOOLS & MINOR EQUIPMENT (>\$1,000-<\$5,000)		\$0		
335 050 41	PROFESSIONAL SERVICES (for maint.)		\$1,788		
335 050 44	ADVERTISING		\$0		
335 050 45	RENTALS (for maint. purposes)		\$772		
335 050 48	REPAIR & MAINTENANCE (outside contractor)		\$36,558		
335 080 11	SALARIES & WAGES (WWTP / Lab)		\$301,093		
335 080 12	OVERTIME - On Call / Callouts (WWTP / Lab)		\$14,272		
080 11.05	SALARIES & WAGES PART TIME (WWTP / Lab)				
335 080 21	PERSONNEL BENEFITS (WWTP / Lab)		\$133,787		
080 21 05	PERSONNEL BENEFITS PART TIME (WWTP / Lab)		\$0		
335 080 24	UNIFORMS & CLOTHING & SAFETY (WWTP / Lab)		\$1,597		
335 080 31	OFFICE & OPERATING SUPPLIES		\$121,894		
335 080 32	FUEL		\$6,548		
335 080 35	SMALL TOOLS & MINOR EQUIPMENT (>\$1,000-<\$5,000)		\$1,834		
335 080 41	PROFESSIONAL SERVICES		\$61,122		
335 080 42	COMMUNICATIONS		\$18,159		
335 080 44	ADVERTISING				
335 080 45	RENTALS & LEASES		\$225		
335 080 47	PUBLIC UTILITY SERVICE		\$109,684		
335 080 48	REPAIR & MAINTENANCE (outside contractor)		\$1,529		
335 080 49	MISCELLANEOUS		\$14,587		
94 035 60	CAPITAL OUTLAYS				
94 035 62	BUILDINGS AND STRUCTURES				
94 035 63	OTHER IMPROVEMENTS				
94 035 64	MACHINERY & EQUIPMENT				
94 035 65	SEWER CONSTRUCTION				
	GRAND TOTAL WWTP	\$0	\$894,465	100	\$894,465
2009 Wastewater Division Budget					
Poplar Tree Plantation 404.18.535					
335 040 43	TRAVEL		\$0		
335 040 49	MISCELLANEOUS		\$0		
335 050 31	OFFICE & OPERATING SUPPLIES		\$8,202		
335 050 32	FUEL		\$169		
335 050 35	SMALL TOOLS & MINOR EQUIPMENT (>\$1,000-<\$5,000)		\$0		
335 050 41	PROFESSIONAL SERVICES		\$141		
335 050 44	ADVERTISING		\$0		
335 050 45	RENTALS (for maint. purposes)		\$0		
335 050 48	REPAIR & MAINTENANCE (outside contractor)		\$13,218		
335 050 49	MISCELLANEOUS (maint.)		\$0		
335 055 11	SALARIES & WAGES (PTP)		\$31,763		
335 080 11	SALARIES & WAGES (PTP)		\$0		
335 080 12	OVERTIME - On Call / Callout (PTP)		\$46		
335 080 13	SALARIES & WAGES PART TIME (PTP 1 seasonal)		\$0		
335 055 21	PERSONNEL BENEFITS (PTP)		\$14,896		
335 080 21	PERSONNEL BENEFITS (PTP)		\$0		

5 080 21 05	PERSONNEL BENEFITS PART TIME (PTP)		\$0			
5 080 24	UNIFORMS & CLOTHING & SAFETY (PTP)		\$219			
5 080 31	OFFICE & OPERATING SUPPLIES		\$5,751			
5 080 32	FUEL		\$2,752			
5 080 35	SMALL TOOLS & MINOR EQUIPMENT (>\$1,000<\$5,000)		\$0			
5 080 41	PROFESSIONAL SERVICES		\$19,823			
5 080 42	COMMUNICATIONS		\$795			
5 080 44	ADVERTISING		\$86			
5 080 45	RENTALS & LEASES		\$0			
5 080 47	PUBLIC UTILITY SERVICE		\$454			
5 080 48	REPAIR & MAINTENANCE (outside contractor)		\$0			
5 080 49	MISCELLANEOUS (permits and etc.)		\$93			
5 04 035 60	CAPITAL OUTLAYS					
5 04 035 62	BUILDINGS AND STRUCTURES					
5 04 035 63	OTHER IMPROVEMENTS					
5 04 035 64	MACHINERY & EQUIPMENT					
5 04 035 65	SEWER CONSTRUCTION					
5 05 50-80	Flood damage expenditures	\$21,259				
	GRAND TOTAL PTP	\$21,259	\$98,406	100	\$98,406	
	2009 Wastewater Division Budget Collections 404,17,535					
5 040 43	TRAVEL		\$140			
5 040 49	TRAINING		\$85			
5 050 31	OFFICE & OPERATING SUPPLIES		\$13,717			
5 050 32	FUEL		\$0			
5 050 34	ITEMS PURCH'D FOR INV & RESALE (coll sys parts)		\$30			
5 050 35	SMALL TOOLS & MINOR EQUIPMENT (>\$1,000<\$5,000)		\$0			
5 050 41	PROFESSIONAL SERVICES (for maint.)		\$0			
5 050 44	ADVERTISING		\$0			
5 050 45	RENTALS (for maint. purposes)	\$3,309				
5 050 48	REPAIR & MAINTENANCE (outside contractor)		\$6,985			
5 050 49	MISCELLANEOUS (maint. manuals)		\$0			
5 080 11	SALARIES & WAGES		\$125,990			
5 080 12	OVERTIME On Call / Callouts		\$2,062			
5 080 11 05	SALARIES & WAGES PART TIME		\$0			
5 080 21	PERSONNEL BENEFITS		\$42,543			
5 080 21 05	PERSONNEL BENEFITS PART TIME		\$0			
5 080 24	UNIFORMS & CLOTHING & SAFETY		\$87			
5 080 31	OFFICE & OPERATING SUPPLIES		\$814			
5 080 32	FUEL		\$7,845			
5 080 35	SMALL TOOLS & MINOR EQUIPMENT (>\$1,000<\$5,000)		\$0			
5 080 41	PROFESSIONAL SERVICES		\$671			
5 080 42	COMMUNICATIONS		\$7,818			
5 080 44	ADVERTISING		\$0			
5 080 45	RENTALS & LEASES		\$241			
5 080 47	PUBLIC UTILITY SERVICE		\$26,175			
5 080 48	REPAIR & MAINTENANCE (outside contractor)		\$424			
5 080 49	MISCELLANEOUS					
5 04 035 62	BUILDINGS AND STRUCTURES					
5 04 035 63	OTHER IMPROVEMENTS					
5 04 035 64	MACHINERY & EQUIPMENT					
5 04 035 65	SEWER CONSTRUCTION					
	GRAND TOTAL COLLECTIONS	\$3,309	\$235,626	100	\$235,626	

Reimbursed by FEMA

Chehalis sewer line leases

Rate Calculation

2009 Applicable Collections Costs	\$235,626
2009 Applicable Admin WWTP, PIP Costs	\$1,085,951
2009 LCSD#4 flow (MG)	35.1
2009 Napavine Flow (MG)	57.9
2009 Total Flow (MG)	659.1
2010 Rate for Napavine	\$10,454.00
2010 Rate for LCSD#4	\$6,230.00

	2009 flow %*	2009 rate	2010 rate	2011 rate	\$ diff. from 2010	% change from 2010
Napavine	8.8	\$8,122	\$10,454	\$8,482	-\$1,972	-18.9
LCSD#4	5.3	\$4,253	\$6,230	\$5,064	-\$1,166	-18.7

* based upon last years flow

** interceptor ownership

*N(253) ERUs owned out of 10,658=23.7% ownership)
L(1185 ERUs owned out of 10,689 = 11.1% ownership)*

new rate	N	\$8,482.22
	L	\$5,064.46

	2005	2006	2007	2008	2009	2010	2011	yrly avg.
Napavine	\$8,912	\$8,980	\$9,018	\$10,194	\$8,122	\$10,454	\$8,482	\$9,166
%diff		0.8	0.4	13.0	-20.3	28.7	-18.9	0.6
LCSD#4	\$5,614	\$5,407	\$5,387	\$5,908	\$4,522	\$6,230	\$5,064	\$5,447
%diff		-3.7	-0.4	9.7	-23.5	37.8	-18.7	0.2

**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager
DATE: November 18, 2010
SUBJECT: Adoption of Tax Levies

ISSUE

Two ordinances have been prepared in connection with levying property taxes for collection in 2011. These are required in order for property taxes to be collected on behalf of the City.

DISCUSSION

Ordinance No. 861-B establishes the city's levies of ad valorem taxes (i.e., property taxes) for general operations and emergency medical services (EMS).

Ordinance No. 862-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 and EMS levy for next year compared to this year.


The general operations property tax levy will increase based on the value of new construction, improvements to property, any increase in the value of state assessed property, and any refunds made this year but will not increase by the one percent allowed by statute. The city will not use any of its "banked capacity." The tax rates for 2011 will be approximately \$1.88 and \$0.36 per \$1,000 of assessed value for general operations and EMS, respectively. The rates for 2010 were \$1.89 and \$0.36 per \$1,000 of assessed value for general operations and EMS, respectively.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council pass Ordinances 861-B and 862-B on first reading.

SUGGESTED MOTIONS

I move that the council pass Ordinance No. 861-B on first reading.
I move that the council pass Ordinance No. 862-B on first reading.

Reviewed by  _____, City Manager

ORDINANCE NO. 861-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 2011 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 2011 for general city operations shall be, and the same hereby is, determined and fixed in the sum of One Million One Hundred Ninety-Five Thousand Dollars (\$1,195,000).

Section 2. The amount of revenue to be raised by ad valorem taxes during 2011 for emergency medical services shall be, and the same hereby is, determined and fixed in the sum of Two Hundred Twenty-Seven Thousand Dollars (\$229,000).

Section 3. The effective date of the ordinance shall be the ____ day of _____, 2010.

PASSED by the city council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this ____ day of _____, 2010.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

ORDINANCE NO. 862-B

**AN ORDINANCE OF THE CITY OF CHEHALIS,
WASHINGTON, STATING THE AMOUNTS AND
PERCENTAGES OF CHANGE IN PROPERTY TAX
LEVY IN CALENDAR YEAR 2011.**

WHEREAS, the City of Chehalis, Washington, properly gave notice of a public hearing held the 29th day of November, 2010, to consider the city budget for 2011, including possible property tax increases and other revenues, pursuant to RCW 84.55.120; and,

WHEREAS, the city's general operations actual levy amount from the previous year was \$1,185,669, and the city's EMS levy amount from the previous year was \$227,000; and,

WHEREAS, the population of this 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 2010 general operations property tax levy for collection in 2011 is One Million One Hundred Ninety-Five Thousand Dollars (\$1,195,000), which is an increase of Zero Dollars (\$0) or Zero Percent (0.0%) over the amount levied in 2009 for collection in 2010. This increase is exclusive of additional revenue resulting from new construction, improvements to property, any increase in the value of state assessed property, and any refunds made.

Section 2. The 2009 voter-approved emergency medical services property tax levy for collection in 2011 is Two Hundred Twenty-Nine Thousand Dollars (\$229,000), which is an increase of Zero Dollars (\$0) or Zero Percent (0.0%) over the amount levied in 2009 for collection in 2010, plus the increases for the amounts allowed under the new construction and improvements to property provisions of RCW 84.55.010.

PASSED by the city council of the city of Chehalis, Washington during a regularly scheduled open public meeting thereof this ____ day of _____, 2010.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager
DATE: November 18, 2009
SUBJECT: 2011 Budget Adoption - Ordinance 863-B

ISSUE

Ordinance 863-B has been prepared for the purpose of adopting the 2011 Budget. The two levy ordinances reflected in this budget are being presented to the Council concurrently.

DISCUSSION

In October, the Council Budget Committee attended four meetings during which budget presentations were made, discussed and reviewed. This month, the city is holding one public hearing on the proposed 2011 Budget. Ordinance 863-B reflects the budget presented to the committee, with certain requested and required adjustments. Additional minor changes may be made to the ordinance prior to its second reading.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends passage of Ordinances 863-B on first reading.

SUGGESTED MOTIONS

I move that the council pass Ordinance No. 863-B on first reading.

Reviewed by  _____, City Manager

ORDINANCE NO. 863-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,
ADOPTING THE BUDGET OF THE CITY FOR THE YEAR 2011
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 2011, and by this reference said Exhibit "A," showing a total estimated ending fund balance of \$7,102,948 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 January 1, 2011.

PASSED by the City Council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this _____ day of _____ 2010.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

**Ordinance 863-B
Attachment "A"**

CITY OF CHEHALIS PROPOSED BUDGET

**2011 Budget Summary
All Funds**

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expenditures	Operating Transfers Out	Est. End. Fund Balance
General Fund	583,736	8,512,151	0	8,686,368	0	409,519
Arterial Street Fund	35,969	154,050	0	187,264	0	2,755
Tourism Fund	86,502	153,000	0	160,900	0	78,602
Compensated Absence Fund	57,268	150	0	55,810	0	1,608
Community Dev. Block Grant Fund	178	0	0	0	0	178
HUD Block Grant Fund	313,193	1,500	0	2,500	0	312,193
Gambling Enforcement	445,428	0	0	165,000	0	280,428
Public Facilities Reserve Fund	46,867	150	0	0	0	47,017
Automotive/Equip. Res. Fund	33,627	100	0	0	0	33,727
1st Quarter REET Fund	149,259	38,550	0	0	0	187,809
2nd Quarter REET Fund	55,796	38,250	0	0	0	94,046
Wastewater Fund	2,442,140	3,961,483	0	4,419,718	0	1,983,905
Water Fund	1,956,382	3,149,042	0	2,283,018	0	2,822,406
Storms & Surface Water Fund	307,535	412,000	0	358,807	0	360,728
Garbage Fund	16,485	5,740	0	12,892	0	9,333
Firemen's Pension Fund	297,688	13,750	0	135,000	0	176,438
City Agency Fund	302,256	0	0	0	0	302,256
TOTALS	7,130,309	16,439,916	0	16,467,277	0	7,102,948