

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		Robert J. Spahr, Position at Large

Regular Meeting of Monday, March 26, 2018 5:00 p.m.

- | |
|---|
| 1. <u>Call to Order.</u> (Mayor) |
| 2. <u>Pledge of Allegiance.</u> (Mayor) |

- | SPECIAL BUSINESS |
|---|
| 3. <u>Youth Advocacy Center.</u> (Trish McNabb, Executive Director and Samantha Mitchell, Forensic Interviewer) |
| 4. <u>Twin Transit.</u> (Derrick Wojcik-Damers, General Manager) |
| 5. <u>American Behavioral Health Systems.</u> (Tony Prentice, Administrator) |

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.

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
CONSENT CALENDAR		
6. <u>Minutes of the Regular City Council Meeting of March 12, 2018.</u> (City Clerk)	APPROVE	1
7. <u>Vouchers and Transfers – Accounts Payable.</u> (City Manager, Finance Director)	APPROVE	7
8. <u>Resolution No. 2-2018, First and Final Reading – Declaring Property to be Surplus.</u> (City Manager, Airport Operations Coordinator)	APPROVE	8

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
NEW BUSINESS		
9. <u>Transportation Benefit District Update.</u> (City Manager, Public Works Director, Street/Storm Superintendent)	DIRECT STAFF	10

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
ADMINISTRATION AND CITY COUNCIL REPORTS		
10. <u>Administration Reports.</u>	INFORMATION ONLY	- - -
a. Finance Report. (City Manager, Finance Director)		12
b. City Manager Update. (City Manager)		
11. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	- - -

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, APRIL 9, 2018.**

March 12, 2018

The Chehalis city council met in regular session on Monday, March 12, 2018, 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, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, and Bob Spahr. Councilor Chad Taylor was absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Office Manager; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media in attendance included Alex Brown of *The Chronicle*.

1. **Proclamations – W.F. West Boys and Girls Basketball Teams.** Mayor Dawes read a proclamation recognizing the W.F. West Bearcat boys basketball team for their second place trophy in the state 2A basketball tournament. The Bearcat girls were then honored with a proclamation for winning the state 2A basketball tournament championship. Most of the teams' players and coaches were in attendance to accept the proclamations.

2. **Boys and Girls Club of Chehalis.** John Setterstrom, Interim Executive Director, stated he has been involved in the non-profit world for several years and he and his wife have supported Boys and Girls Clubs. He stated he was contacted by the president of the Chehalis Boys and Girls Club to see if he was interested in serving as their interim director and he was honored to serve in that capacity. He stated the work of the Boys and Girls Club changes lives and he thanked the council for their support.

Councilor Lund stated the Boys and Girls Club is in great hands with John Setterstrom.

3. **Centralia-Chehalis Chamber of Commerce.** Alicia Bull, Executive Director, thanked the council for their support, particularly the lease of property where the chamber is located. The chamber works hard to promote tourism, and she and the city manager will be meeting to discuss the services provided by the chamber. Ms. Bull expressed appreciation for the city's support of the chamber with lodging tax funds. Ms. Bull distributed the chamber's 2018 directory, which included a list of chamber-sponsored events. She noted they try to include the city's logo on Chehalis event posters. She announced that the one-day food stop during the Seattle to Portland (STP) bike event is being moved from Centralia College to Recreation Park, which means a lot more riders in Chehalis.

Mayor Dawes wanted to make the chamber aware of available parking spaces adjacent to Green Hill School that the city leases.

Ms. Bull stated the chamber is working to promote business, doing ribbon-cuttings like crazy, and are very excited about the Chehalis Coworks space. Memberships continue to grow, and involvement with the One Lewis County initiative continues.

Councilor Lund stated that since the chamber is doing such a great job, could Chehalis help make up their \$20,000 budget shortfall. Ms. Bull stated the chamber is \$20,000 short, but they plan on trying to move forward with the same services.

City Manager Anderson stated the issue about how to make up the chamber's budget shortfall and how the scope of services may be adjusted will be part of the discussion Ms. Bull referred to earlier in her update.

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

- a. Minutes of the regular meeting of February 26, 2018;
- b. February 28, 2018 Claim Vouchers No. 121767-121868 in the amount of \$112,620.42;
- c. February 28, 2018, Payroll Vouchers No. 40114-40160, Direct Deposit Payroll Vouchers No. 9206-9304, and Electronic Federal Tax Payment No. 181 in the amount of \$774,438.53;
- d. Resolution No. 1-2018, first reading – adopting the 2018 Parks, Recreation, and Open Space (PROS) Plan update;
- e. Bids for rock, gravel, and asphalt;
- f. Farm and Pasture Lease Agreement with Pamco, LLC for a three-year term expiring February 28, 2021; and
- g. Appoint Mayor Dennis Dawes as the city's alternate to the Twin Transit Board.

March 12, 2018

The motion was seconded by Councilor Lund and carried unanimously.

5. Interlocal Agreement with Lewis County for 9-1-1 Services for a Two-Year Term Expiring December 31, 2019.

Chief Schaffer stated that Centralia Police Chief Carl Nielsen representing Lewis County police chiefs, and RFA Fire Chief Mike Kytta, representing Lewis County fire departments, have been working closely with Communications Director Steve Mansfield to develop a new interlocal agreement (ILA). The proposed ILA defines the general scope of services, operations, administrative roles and responsibilities, and provides for the development of a Combined User Committee consisting of representation from the various user agencies. He believed the ILA was a good first step in working with the 9-1-1 center and correcting some issues that have been going on. The term of the ILA is two years, expiring December 2019.

Councilor Harris stated he was hesitantly supportive of the agreement. He stated the agreement provides that each agency pay their proportionate share of annual costs, but it doesn't give a clear idea about what the numbers are. Chief Schaffer stated none of the future costs have been outlined. He stated Lewis County funds a major portion of the center, along with funds from the user agencies. It was his understanding that Lewis County wants to see the center funded fully by the user agencies.

Councilor Harris asked if the county could be approached about making the center a utility so that funds collected for the center are used only for the center and not other county uses.

Mayor Dawes thought the taxes collected through telephone/cell phones had to be used for the center and no other county uses. City Attorney Hillier stated he didn't know the answer, but would speak with the county civil deputy and follow up with the council.

Mayor Dawes thought part of the concern came about when monies that were set aside for equipment reserve purchases were never made and the money was used elsewhere in the county. He stated it was possible that those funds were county general fund monies.

Councilor Pope asked who the other participating agencies were. Chief Schaffer stated there were 10 law enforcement agencies and 20 fire agencies. Councilor Pope stated the county wanted the entire costs to be borne by the user agencies, and asked if there were not users that represented the county. Chief Schaffer stated the Sheriff's Office would be one of the user agencies. He explained that outside of the Sheriff's Office, Lewis County is further funding the costs of the communications center more than what the user agencies are contributing.

Councilor Lund thought the base costs being paid by some districts is not enough to support the system. He wanted staff to be aware of the "shell game" by the county where money is taken from departments that make money to help fund other departments. With regard to base fees, Chief Schaffer hoped the committee established by the ILA will be able to have discussions with the communications center on how the different agencies are charged.

Councilor Lund asked if there was any update on the combined 9-1-1 communications center feasibility study for Chehalis and Centralia. Chief Schaffer stated the study is in the final phase and he believed the six-month timeline for completion was on track.

Mayor Dawes asked if the combined user committee would have any teeth. Chief Schaffer stated the committee will be in place to make recommendations to the director; however, it is much more formalized than what is currently happening and should be more useful and listened to. Mayor Dawes asked for an update in six months on how the ILA is working.

Councilor Spahr stated he would support approval of the agreement because there is currently no other place to go and it provides some headway for the users to have a say. He expressed concern about the base fees and what some departments are paying.

Councilor Ketchum moved that the City Council approve the Interlocal Agreement for Lewis County Communications Operation, Maintenance and Participation and authorize the City Manager to sign said agreement. The motion was seconded by Councilor Lund and carried unanimously.

Councilor Pope asked for a future presentation on the risks of not having a fully-functioning 9-1-1 system.

March 12, 2018

6. **Wage Increases for Non-Represented Employees.** City Manager Anderson stated the presentation would include both wage increases for non-represented employees, as well as adjustments to some of the management structure. She stated the issue was discussed by the council budget subcommittee and is now coming to the full council for consideration and action.

Judy Schave reviewed the recommendations:

- **4.5% salary increase for all non-represented employees, retroactive to January 2018.** A 4% salary increase was built into the 2018 budget for all employees not subject to an approved collective bargaining agreement. The 4.5% increase is in consideration of contract settlements with two of the city's three employee bargaining groups. To be consistent with the three-year increases for the non-uniformed employee group, an additional 4.5% will be proposed in 2019 for non-represented employee if the budget allows.
- **Approve base salary increases for the Chief of Police and Deputy Police Chief positions retroactive to January 2017.** The Employee Rules and Regulations require a 10% differential between management and the Union employees they supervise. Due to the recent settlement of the collective bargaining agreement with the Chehalis Police Officers Guild, it is proposed that the City Council approve the base salary increases of these two positions retroactive to January 2017 to meet this requirement.
- **Approve reclassification of pay range for Fire Chief position, retroactive to January 2018.** This position has traditionally been classified at the same pay range as the Chief of Police Position. Due to the proposed salary adjustment made to the Police Chief position, it is proposed that this position be reclassified to pay range 12N from 9N, which will result in a 5% salary increase in 2018.
- **Approve reclassification of pay range for Public Works Director position, retroactive to January 2018.** As part of a reorganization that was done at the end of 2016, the Public Works Director assumed the role of supervising the Parks and Facilities Division. For taking on this additional responsibility it is proposed that this position be reclassified to 11N from 9N. This will result in a 5% increase in 2018.
- **Approve reclassification of pay range for Community Development Director position, retroactive to January 2018; and add Airport Operations Coordinator position to the 2018 Salary Schedule.** After reviewing the operational needs at the airport, it was determined that it would be more advantageous to place this department under the supervision of the Community Development Director and to create a new Airport Operations Coordinator Position to oversee all aspects of the daily operations at the airport. It is proposed that the Community Development Director position be reclassified to 11N from 9N for taking on this additional responsibility. This will result in a 5% salary increase in 2018. It is also proposed that the City Council add an Airport Operations Coordinator position to the 2018 Salary Schedule, which will be a cost savings to the City.
- **Approve Salary Schedule for the 2018 Budget.**

Ms. Schave explained the fiscal impacts of the recommendations. She stated a majority of the costs associated with the proposed adjustments have been previously budgeted and the additional costs will be allocated to the appropriate enterprise funds, as well as the general fund with relatively minor impacts in 2018. In regard to the proposed reclassifications of the Community Development Director, Public Works Director, and the Fire Chief the anticipated annual increase to the budget will be \$17,500, which will come from multiple funds. Additionally, by placing the airport under the supervision of the Community Development Director and creating the mid-management position of Airport Operations Coordinator, the city will save about \$21,000 in 2018, which will be allocated to the enterprise fund.

Councilor Lund expressed concern that too much was being placed upon Trent Lougheed. He stated Mr. Lougheed was too good a worker to have a bunch of stuff dumped on him. Ms. Schave acknowledged Councilor Lund's comments and stated both she and the city manager have discussed that issue with Mr. Lougheed and he is confident that he can handle the duties. Ms. Schave indicated the changes can be reevaluated in the future.

March 12, 2018

City Manager Anderson stated the reorganization includes the creation of the airport operations coordinator – a mid-management position right below Mr. Lougheed to handle the day-to-day operations of the airport. She stated the change will be reevaluated as needed, but certainly on an annual basis.

Councilor Ketchum moved that the City Council authorize and approve the recommendations to include: authorize implementation of a 4.5% salary increase for all non-represented employees retroactive to January 2018; approve base salary increases for the Chief of Police and the Deputy Chief of Police positions retroactive to January 2017 pay period consistent with the Employee Rules and Regulations, Chapter III, Section 13 – Salary Compression, to maintain at least a ten percent base salary differential between management and union positions they supervise; approve reclassification of pay range for the Community Development Director to 11N/D retroactive to January 2018 pay period; approve reclassification of pay range for the Public Works Director to 11N/D retroactive to January 2018 pay period; approve reclassification of pay range for the Fire Chief to 12N/C retroactive to January 2018 pay period; authorize the Airport Operations Coordinator position to be added to the 2018 salary schedule; and approve the 2018 Budget Salary Schedule.

The motion was seconded by Councilor Harris and carried unanimously.

7. Administration Reports.

a. **Strategic Planning Update.** City Manager Anderson stated the council and management team met in January to prepare the city's strategic plan for the next three years. She stated the mission statement developed in January was, "*While honoring the past and preparing for the future, the City of Chehalis provides municipal services and programs for the benefit of residents, businesses and visitors in our community.*" A SWOT analysis was conducted, which led to the preparation of the three-year goals to include: maintain and enhance financial stability; enhance and modernize technology; increase and optimize staffing levels; improve and maintain infrastructure; and enhance and maintain facilities (Recreation Park, Dispatch Center, Fire Station). For each goal, six-month objectives were established. Ms. Anderson reported on the progress made to-date:

Maintain and enhance financial stability

- Present plan for future annexations to City Council for consideration. Proposed annexation area maps will be distributed to appropriate directors by March 9, 2018 for comment.
- Present to City Council for direction a scope of work and potential funding plan for an updated utility rate study. She stated the administration recommends not doing a rate study until 2019 following completion of the 2018 Water System Plan which is required by the State Department of Health. They further recommend that the update to the Storm Water System Plan be done before the next Utility Rate Study is done. The Storm Water Plan has not been updated since it was adopted and one rate increase is left for the Storm Water Utility in November 2018 from the rate increases the City Council passed in 2012.
- Present financial software upgrade recommendations to City Manager for consideration. On track for May 1.
- Present to City Council for consideration a commercial development master plan for leasable property at the airport. On track for June 1.
- Formulate and present to City Manager and City Council Budget Committee for consideration a plan to re-establish dedicated reserve funding. On track for July 1.

Enhance and modernize technology

- Evaluate current virus and ransomware protection products and policies and recommend changes, if needed, to the City Manager for consideration. On track for May 1.
- Evaluate the feasibility of having an IT Department vs. a contract IT employee and make a recommendation to the City Manager for consideration. On track for August 1.
- Identify citywide training needs on IT and use of existing software and create and present to the City Manager for consideration a plan to train all city employees. On track for August 1.

Increase and optimize staffing levels

- Evaluate staffing needs and present the results, with recommendations, to the City Manager for consideration by April 1. This objective is in progress. Future retirements at the management level are anticipated, particularly the public works director who will be retiring in June 2019. It is anticipated that Trent Lougheed will become the public works director. Based on comments earlier this evening, it was noted this is a lot work on one person.

March 12, 2018

- Conduct cost analysis of each position needed and present results to City Manager. On track for July 1.
- Identify ways to finance staffing needs. On track for August 1.

Improve and maintain the infrastructure

- Present to City Council for consideration a consultant contract for design of the Sanitary Sewer Forcemain Improvement Project (Riverside and Prindle). On track for May 1.
- Complete the Transportation Benefit District Downtown Grind and Inlay Project of the Market Boulevard multi-use lane by June 1. Bid documents are being revised; will use small works roster bid process in March.
- Complete Stan Hedwall Sewer service by August 1. Bid documents being revised; will use small works roster bid process in March.
- Complete design of Sanitary Sewer Forcemain Improvement Project (Riverside and Prindle) by December 1.

Enhance and maintain facilities (Recreation Park, Dispatch Center, Fire Station)

- Update Park, Recreation and Open Space Plan and present to City Council for action. Completed: PROS plan discussed at February 26, 2018 council meeting, and adopted by council earlier on this agenda.
- Report to City Council final results of District 6 Fire consolidation. On track for March 26.
- Complete Phase I of Recreation Park design and recommend funding sources to City Council for action by May 1. Notice to proceed with 100% design documents for revised project scope issued to Skillings; design in progress.
- Report to City Council on the success in receiving grants for components of Recreation Park by June 11.
- Report on results of feasibility study regarding Chehalis-Centralia-Riverside Dispatch Center and make recommendation to City Council for direction by June 11.

City Manager Anderson stated the next strategic planning session is scheduled for Thursday, August 30, 2018.

With regard to the number of employees, Councilor Spahr stated the city has about 93 employees. In looking at the number of employees of other area businesses as reported in the 2018 chamber directory, he stated when it is said that the city is understaffed, he thought that might be a correct statement. He noted the city's employees are getting a lot of work done. The city has a lot of responsibilities and the number of city employees compared to some other firms is a tribute to what the employees are doing.

Mayor Dawes stated he wanted to see continued progress.

8. Councilor Reports/Committee Updates.

- a. Councilor Lund attended a fire committee meeting.
- b. Councilor Spahr attended an EDC board meeting.

c. Mayor Dawes met with Commissioner Bobby Jackson and the Twin Transit manager regarding the potential of expanding transit service throughout Lewis County. He also attended the mayors meeting regarding internet to outlying areas in the county, along with a budget committee meeting, a fire committee meeting, a .09 committee meeting, and a ribbon cutting at Spry Digital Marketing.

d. Councilor Harris report that Chehalis Coworks is already being supported enough to pay for half of their monthly bills.

9. **Executive Session.** At 6:21 pm, Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(i) – Litigation/Potential Litigation not to exceed 6:40 pm and there would be no decision following conclusion of the executive session. The council convened into executive session at 6:24 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:39 pm.

Dennis L. Dawes, Mayor

March 12, 2018

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: Chun Saul, Finance Director
Michelle White, Accounting Tech II

MEETING OF: March 26, 2018

SUBJECT: Vouchers and Transfers

ISSUE

City Council approval is requested for Vouchers and Transfers dated March 15, 2018.

DISCUSSION

The March 15, 2018 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. 121869-122020 in the amount of \$335,431.68 dated March 15, 2018, which includes the transfer of:

- \$182,748.52 from the General Fund
- \$16,791.20 from the Dedicated Street Fund – 4% Sales Tax
- \$4,910.12 from the Public Facilities Reserve Fund
- \$38,709.94 from the Wastewater Fund
- \$22,087.22 from the Water Fund
- \$4,956.87 from the Storm & Surface Water Utility Fund
- \$65,227.81 from the Airport Fund

RECOMMENDATION

It is recommended that the City Council approve the March 15, 2018 Claim Vouchers No. 121869-122020 in the amount of \$335,431.68.

SUGGESTED MOTION

I move that the City Council approve the March 15, 2018 Claim Vouchers No. 121869-122020 in the amount of \$335,431.68.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Brandon Rakes, Airport Operations Coordinator

DATE: March 26, 2018

SUBJECT: Resolution No. 2-2018, First and Final Reading – Declaring Surplus Property

ISSUE

The Airport has property that is no longer needed. State law requires that property must first be declared surplus by the City Council before being sold, transferred, or disposed of.

DISCUSSION

The Airport has a flail mower that has been used for mowing at the airport since 2005. This mower was replaced this year with a new mower due to age and wear, and is therefore no longer needed.

FISCAL IMPACT

The mower will be sold at auction with proceeds going to the airport's operating budget.

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to surplus the flail mower with the proceeds from its sale going to the Airport's operating budget.

SUGGESTED MOTION

I move that the City Council adopt Resolution No. 2-2018 on first and final reading.

RESOLUTION NO. 2-2018

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

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

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

Airport	Identifying Information
One (1) Flail Mower	Model # AFM 4016 Serial # 434399

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

ADOPTED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this _____ day of _____, 2018.

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: Rick Sahlin, Public Works Director
Don Schmitt, Street/Stormwater Superintendent
Trent J. Lougheed, P.E., Community Development Director

MEETING OF: March 26, 2018

SUBJECT: Transportation Benefit District Update

ISSUE

This item has been scheduled to provide an overview of the Transportation Benefit District (TBD) program and recommendations for the initial projects to be funded in order to receive feedback from the City Council and public.

DISCUSSION

Now that proceeds are being received from the voter-approved TBD, staff would like to provide the City Council with an update and recommendations as to the intended uses of these funds. Discussion topics will include:

- Purpose and Intent
- Revenues Received
- Project Selection Process
- Project Schedules
- Public Notice/Involvement Process

The city's vision is to maximize the value of the money received by completing neighborhood projects with a large portion of these funds, while reserving a portion for "matching funds" for grants that can pay for a majority of larger-scale projects on our arterial streets.

A presentation will be provided at the City Council meeting with a proposal for the initial two-year work plan.

FISCAL IMPACT

NA. Discussion item only.

RECOMMENDATION

Staff is seeking City Council direction for beginning the implementation of the projects funded by the TBD revenue.

SUGGESTED MOTION

NA. Discussion item only.

Transportation Project Update

March 26, 2018



Project Selection Process

- Safety Issues
- Roadway Conditions
- Traffic Counts
- Current Level of Service and Projected Development impacts
- Scope and Cost of the Project
- Grant Funding Availability
- Coordination with Utility Replacement
- Community Input



Financing Strategy

- Contract out overlays, grind and overlays, smaller projects (\$750,000 annually)
- Set aside for major projects (\$300,000)
This includes grant matching funds, design costs



Utilizing Funds to Maximize TBD \$

- 1) Utilize available funding on eligible projects
 - Typically a 10-14% match
- 2) Utilize in-house design and inspection for smaller projects to reduce consultant costs
- 3) "Value Engineering"



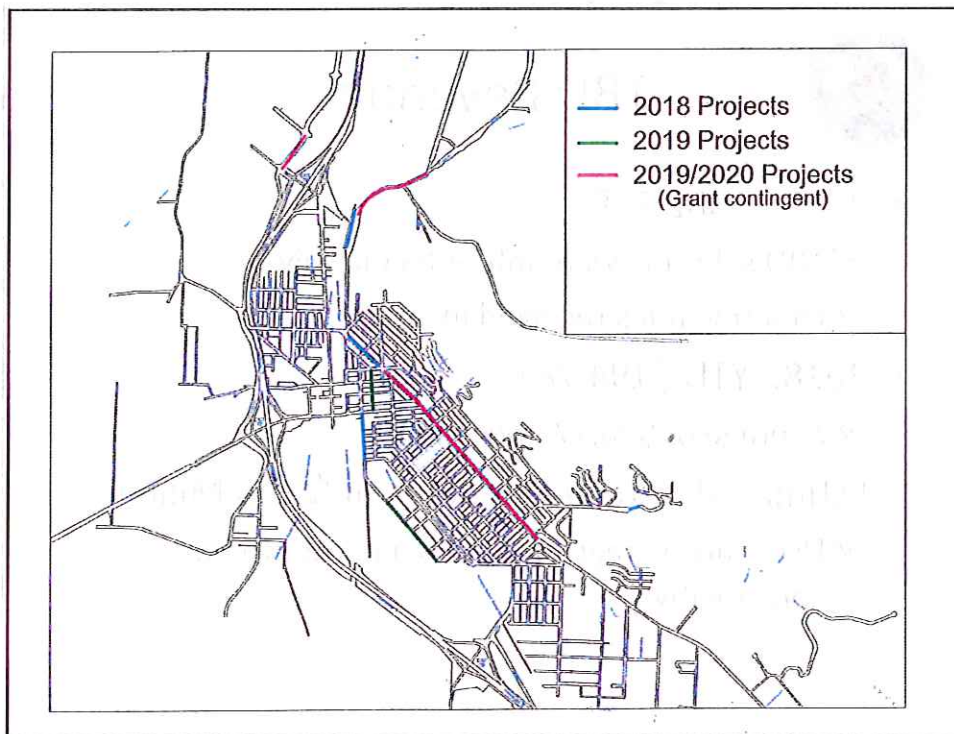
TBD Revenues

- 2017: \$382,258
 - ✓ TBD sales tax went into effect in July
 - ✓ First revenues received in September
- 2018: YTD \$194,781
 - ✓ Average of \$96,173 per month
- Estimated Annual Revenues of \$1.08 Million
 - ✓ Using an average of 90,000 a month to be conservative



2018-2019 Proposed Project List

Project	General Description	Est Total Cost	Year
Market Blvd. - Downtown parking	Grind & repave multipurpose areas	\$66,000	2018
National Ave, under Chamber Way	Slide repair	Scoping Phase	2018
Chehalis Avenue	Spot repairs Main Street to John Street	Scoping Phase	2018
Chamber Way to Louisiana to dead end	Grind and repave	86,000	2018
Prospect Slide Pavement Repair	Grind & repave slide repair area	12,000	2018
Pacific Avenue Reconstruction Project	Street reconstruction with storm and waterline replacement, new ornamental streetlighting from Main St. to Park St.	825,000	2019
Chehalis Avenue	Reconstruct 3rd St. to 9th St.	Scoping Phase	2019
<i>Projects Dependent on Grant Funding</i>			
Market Blvd. - Park St. to 13th	Reconstruct, bike and pedestrian improvements, bus stops	Scoping Phase	2019/2020
National Ave. Chamber to Kresky	Reconstruct, pedestrian improvements, bridge replacement	Scoping Phase	2019/2020
Louisiana - Chamber to Arkansas	Lane separation, Grind and inlay	Scoping Phase	2019/2020



Market Blvd. downtown parking area grind and pave

Project consists of grinding approximately 10' wide strip within the parking area, and repaving with 2" of asphalt. This project is currently out to bid, with a closing date of March 29th.





National Avenue Slide repair and realignment project

The slide area on National Avenue is continuing to move. Since traffic reduces to one lane just beyond the slide, we are looking at shifting traffic over earlier and removing excess pavement in this area. Since the sidewalk has sunken considerably in the vicinity, we would look to shift pedestrian traffic onto the original traffic lane, eliminating pedestrian hazards.



Chehalis Avenue spot repairs Main St. to John St.



Project consists of excavating subgrade, placing foundation material as necessary, and repaving with 4" of asphalt



Prospect Slide Pavement Repair



Project consists of grinding and repaving both lanes in the vicinity of the slide repair on SE Prospect.



Pacific Avenue Reconstruction Project Main St. to Park St.



This project is driven by a failing 24" clay storm sewer. Improvements will include storm line replacement, lighting replacement (ornamental), water line replacement, together with street reconstruction. Costs will be shared by the affected departments.



Chehalis Avenue Reconstruction 3rd St to 9th St.

This project consists of a total rebuild of Chehalis Avenue from 3rd Street to 9th Street. The street has been compromised by previous utility work and the existing concrete needs to be removed. This project is not an eligible arterial for grant funding.



Next Steps

- With Council Concurrence, we will move ahead with 2018 proposed projects
- Incorporate City Council Feedback into 2019-2024 Transportation Improvement Program
 - Scheduled for May consideration

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director

MEETING OF: March 26, 2018

SUBJECT: Financial Reports for the Two Months Ending February 28, 2018

DISCUSSION

This item has been scheduled to provide financial reports for the period ending February 28, 2018 (January and February 2018).

EXECUTIVE SUMMARY

This document provides a summary review of financial activity for the period ended February 28, 2018 (January and February 2018). The report has been formatted to be consistent with the adopted budget for ease of comparison and review of information. The report focuses on the General Fund and major Enterprise Funds. The revenues, expenditures, other increases (decreases) in fund resources, and increases (decreases) in cash and investments summaries are attached.

A 16.7% (2 of 12 months) is used as the target % for comparing the actual year-to-date outcome to the 2018 adopted budget.

BOTTOM LINE

At the end of February, the city's General Fund and major Enterprise Funds operated within the normal parameters for budget projections.

GENERAL FUND

Overview

Total revenues and other increases in the fund resources totaled \$1,323,600 (14% of adopted budget of \$9,426,997). This is \$250,708 below the target amount.

Total expenditures and other decrease in fund resources totaled \$1,695,137 (17.6% of adopted budget of \$9,655,146). This is \$82,829 more than the target amount.

Total expenditures and other use of fund resources exceeded the total revenues and other receipt of fund resources by \$371,537 and decreased the cash and investments by that amount.

General Fund Revenues

Total tax revenues are \$1,186,859 (14.3% of the budget). This is about \$200,494 below the target amount. This is mainly due to the property tax receipts (0.5% of the budget). The first half of 2018 property taxes are due in April 2018, and the city will receive a remittance from the county in May. Until then, the actual tax revenue receipts will be below the target %.

Sales and Use tax revenues are 18.1% of the budget, and Utility B&O tax revenues are \$18.5% of the budget.

Other non-tax revenues are 11.8% of the budget.

General Fund Expenditures and Transfers Out

Adopted appropriations and required transfers are budgeted at \$9,655,146, including \$9,081,965 for operating expenditures and \$573,181 for capital outlays, debt services, custodial activities, and transfers out.

At the end of February 2018, total operating expenditures and other decreases in fund resources are \$1,695,137 (17.6% of the budget) which is about \$4,330 above the target amount. One of the key factor for actual expenditures higher than the target % is the annual insurance for WCIA which is usually paid in February.

Overall, all other year-to-date expenditures are within the normal projection.

ENTERPRISE FUNDS

Wastewater Fund

Operating revenues at the end of February were \$827,788 (15% of the budget). Wastewater sales were \$802,437 (at 14.7% of the budget). This is \$2,978 higher than the previous year at this time.

Operating expenditures are 19.2% of the budget. The key factors for this variance are the Wastewater share of the annual WCIA insurance that was paid in February 2018 and the cost of the emergency sewer repair work done in early 2018. The repair project began in 2017 and will be closed out soon.

Repairs and maintenance expenditures exceeded the budget by \$46,636 due to the final payment for the 2017 emergency sewer repairs project in early 2018 in the amount of \$63,135.82. In addition, a retainage in the amount of \$19,519.57 is payable in the next month or two. These payments were not included in the 2018 adopted budget and will be added to the 2018 budget amendment.

Operating revenues exceeded operating expenditures by \$276,154.

Total revenues and other fund resources exceeded the total expenditures and other use of fund resources by \$245,488, which represent an increase in cash and investments by the same amount.

Water Fund

Operating revenues at the end of February were \$325,507 (11.4% of the budget). Water sales were \$309,598 (at 11.0% of the budget). This is \$37,967 less than the previous year at this time.

Operating expenditures are \$356,454 (14.6% of the budget).

Operating expenditures exceeded operating revenues by \$30,947.

Total expenditures and other use of fund resources exceeded the total revenues and other fund resources by \$43,216, which represent a decrease in cash and investments by the same amount.

Storm and Surface Water Fund

Operating revenues at the end of February were \$113,693 (19.7% of the budget).

Storm water sales revenue were \$111,283 (19.5% of budget).

Operating revenues exceeded operating expenditures by \$37,390.

Total revenues and other fund resources exceeded total expenditures and other use of fund resources by \$37,411, which represent an increase in cash and investments by the same amount.

Airport Fund

Operating revenues were \$348,833 (18.3% of the budget). Fuel sales revenue is about 9.5% of the budget and down by \$18,546 from the previous year at this time.

Total operating expenditures were \$133,115 (12.2% of the budget).

Operating revenues exceeded operating expenditures by \$215,718.

Capital Outlay budget was \$619,973, but none has expensed as of 2/28/2018.

Total revenues and other fund resources exceeded by total expenditures and other use of fund resources by \$229,455, which represent increase in cash and investment by the same amount.

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

City of Chehalis



Council Financial Report

**For the Period Ended
February 28, 2018
(January through February)**

The City of Chehalis, Washington

To: The Honorable Mayor and Council
 Via: Tracie J Anderson, City Manager
 From: Chun Saul, Finance Director
 Prepared by: Betty Brooks, Payroll Accountant
 Date: March 19, 2018
 Subject: Monthly Financial Reports for Period Ended February 2018 (January & February)

City of Chehalis
 Comparative Financial Reports
 February 2017 and 2018

	A		B		C=B/A		D		E		F=E/D		G		H		H^		J=E-B	
	2017		2017		2017 YTD		2018		2018		2018 YTD		2018 YTD		2018 YTD		2018 YTD		2017-2018	
	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Target %	% to Budget	Target %	Target %	Target %	Target %	Variance from Target	YTD Incr (decr)			
GENERAL FUND (#001)																				
ADDITIONS																				
Tax Revenues:																				
Property Taxes (311)	1,792,460	8,522	0.5%	1,864,685	8,653	0.5%	1,864,685	8,653	0.5%	16.7%	16.7%	16.7%	16.7%	16.7%	311,402	(302,749)				131
Sales and Use Taxes (313)	4,180,791	787,562	18.8%	4,752,128	860,836	18.1%	4,752,128	860,836	18.1%	16.7%	16.7%	16.7%	16.7%	16.7%	793,605	67,231				73,274
Utility Taxes (316)	1,686,731	306,543	18.5%	1,640,420	303,875	18.5%	1,640,420	303,875	18.5%	16.7%	16.7%	16.7%	16.7%	16.7%	273,950	29,925				(2,668)
Other Taxes (317)	43,095	11,737	27.2%	50,267	13,495	26.8%	50,267	13,495	26.8%	16.7%	16.7%	16.7%	16.7%	16.7%	8,395	5,100				1,758
Total Tax Revenues (310)	7,673,077	1,114,364	14.5%	8,307,500	1,186,859	14.3%	8,307,500	1,186,859	14.3%	16.7%	16.7%	16.7%	16.7%	16.7%	1,387,353	(200,494)				72,495
Non-Tax Revenues:																				
Licenses & Permits (320)	210,550	43,384	20.6%	180,835	35,891	19.8%	180,835	35,891	19.8%	16.7%	16.7%	16.7%	16.7%	16.7%	30,199	5,692				(7,493)
Intergovernmental Revenues (330)	183,661	13,534	7.4%	207,561	11,560	5.6%	207,561	11,560	5.6%	16.7%	16.7%	16.7%	16.7%	16.7%	34,663	(23,103)				(1,974)
Charges for Goods & Services (340)	326,265	46,463	14.2%	349,705	30,242	8.6%	349,705	30,242	8.6%	16.7%	16.7%	16.7%	16.7%	16.7%	58,401	(28,159)				(16,221)
Fines and Penalties (350)	144,770	17,036	11.8%	140,685	17,709	12.6%	140,685	17,709	12.6%	16.7%	16.7%	16.7%	16.7%	16.7%	23,494	(5,785)				673
Miscellaneous Revenues (360)	127,475	24,716	19.4%	128,435	23,389	18.2%	128,435	23,389	18.2%	16.7%	16.7%	16.7%	16.7%	16.7%	21,449	1,941				(1,327)
Total Non-Tax Revenues	992,721	145,133	14.6%	1,007,221	118,791	11.8%	1,007,221	118,791	11.8%	16.7%	16.7%	16.7%	16.7%	16.7%	168,206	(49,415)				(26,342)
Other Increase in Fund Resources:																				
Custodial Receipts (389)	148,351	14,739	9.9%	112,276	13,676	12.2%	112,276	13,676	12.2%	16.7%	16.7%	16.7%	16.7%	16.7%	18,750	(5,074)				(1,063)
Debt Proceeds (391-393, 596)	-	-	0.0%	-	-	0.0%	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-				-
Transfers In (397)	-	-	0.0%	-	-	0.0%	-	-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-				-
Other Resources (381, 395, 398)	-	-	0.0%	-	4,274	0.0%	-	4,274	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	4,274				4,274
Total Other Increase in Fund Resources	148,351	14,739	9.9%	112,276	17,950	16.0%	112,276	17,950	16.0%	16.7%	16.7%	16.7%	16.7%	16.7%	18,750	(800)				3,211
Total Revenues & Other Fund Resources	\$ 8,814,149	\$ 1,274,236	14.5%	\$ 9,426,997	\$ 1,323,600	14.0%	\$ 9,426,997	\$ 1,323,600	14.0%	16.7%	16.7%	16.7%	16.7%	16.7%	\$ 1,574,308	\$ (250,708)				\$ 49,354

Key:
 * The expected percentage is calculated as follows: since the report is for the 2 months of the year, 2 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
February 2017 and 2018

GENERAL FUND (#001)	A		B		C=B/A		D		E		F=E/D		G		H		H^		J=E-B		
	2017		2017		2017 YTD		2018		2018		2018 YTD		2018 YTD		2018 YTD		2018 YTD		2017-2018		
DEDUCTIONS	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Target % *	Target \$	Variance from Target	YTD Incr (decr)								
Expenditures:	\$	92,351	19,071	20.7%	92,364	11,760	12.7%	16.7%	15,425	(3,665)	(7,311)										
City Council		368,768	55,638	15.1%	395,412	63,189	16.0%	16.7%	66,034	(2,845)	7,551										
Municipal Court		312,582	71,078	22.7%	275,562	39,811	14.4%	16.7%	46,019	(6,208)	(31,267)										
City Manager		231,511	89,567	38.7%	301,413	54,730	18.2%	16.7%	50,336	4,394	(34,837)										
Finance		79,915	16,746	21.0%	92,078	11,141	12.1%	16.7%	15,377	(4,236)	(5,605)										
City Clerk		791,001	140,601	0.0%	1,038,724	178,541	17.2%	16.7%	173,467	5,074	37,940										
Facilities and Parks		424,846	82,497	19.4%	427,234	36,584	8.6%	16.7%	71,348	(34,764)	(45,913)										
Non-Departmental		80,584	21,994	27.3%	104,410	15,521	14.9%	16.7%	17,436	(1,915)	(6,473)										
Human Resources		2,827,928	504,586	17.8%	2,981,374	602,249	20.2%	16.7%	497,889	104,360	97,663										
Police		1,987,889	361,374	18.2%	2,049,333	391,647	19.1%	16.7%	342,239	49,409	30,274										
Fire		569,309	71,553	12.6%	559,023	73,034	13.1%	16.7%	93,357	(20,323)	1,481										
Public Works - Streets		259,497	55,417	0.0%	320,060	49,975	15.6%	16.7%	53,450	(3,476)	(5,443)										
Planning & Building		476,870	73,238	0.0%	444,978	72,537	16.3%	16.7%	74,311	(1,774)	(701)										
Recreation		\$ 8,503,051	\$ 1,563,360	18.4%	\$ 9,081,955	\$ 1,600,719	17.6%	16.7%	\$ 1,516,688	\$ 84,031	\$ 37,359										
Total Expenditures																					
Other Decrease in Fund Resources:																					
Capital Outlay		213,454	72,868	34.1%	126,260	35,475	28.1%	16.7%	21,085	14,390	(37,392)										
Debt Service		119,390	16,805	14.1%	115,345	19,192	16.6%	16.7%	19,263	(71)	2,387										
Custodial Disbursements		127,280	7,251	5.7%	111,385	6,363	5.7%	16.7%	18,601	(12,238)	(888)										
Transfer Out		286,505	30,523	10.7%	220,191	33,387	15.2%	16.7%	35,772	(3,385)	2,864										
Total Other Decrease in Fund Resources		746,629	127,447	17.1%	573,181	94,418	16.5%	16.7%	95,721	(1,304)	(33,029)										
Total Expenditures & Other Decreases in Fund Resources		9,249,680	1,690,807	18.3%	9,655,146	1,695,137	17.6%	16.7%	1,612,409	82,728	4,330										
Increase (Decrease) in Cash and Investments		\$ (435,531)	\$ (416,571)	95.6%	\$ (228,149)	\$ (371,537)	162.8%	16.7%	\$ (38,101)	\$ (333,436)	\$ 45,034										

Key:

* The expected percentage is calculated as follows: since the report is for the 2 months of the year, 2 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
February 2017 and 2018

WASTEWATER FUND (#404)	A		B		C=B/A		D		E		F=E/D		G		H ^A		J=E-B	
	2017		2017		2017 YTD		2018		2018		2018 YTD		2018 YTD		2018 YTD		2017-2018	
	Budget	YTD Actual	YTD Actual	Budget	% to Budget	Budget	YTD Actual	Budget	YTD Actual	% to Budget	Budget	YTD Actual	Target %	Target \$	Variance from Target	YTD Incr	YTD Incr	(decr)
Revenues:																		
Wastewater Sales	\$ 5,289,972	\$ 799,459	\$ 799,459	15.1%	\$ 5,447,792	\$ 802,437	\$ 802,437	14.7%	16.7%	909,781	\$ (107,344)	16.7%	909,781	\$ (107,344)	\$	2,978		
Sewer Connection Fees	60,000	-	-	0.0%	-	-	-	0.0%	16.7%	-	-	16.7%	-	-	-	-	-	-
Rental Income	3,545	3,545	3,545	100.0%	3,545	-	-	0.0%	16.7%	592	(592)	16.7%	592	(592)	(3,545)			
Other Misc. Revenues	3,000	536	536	17.9%	1,100	272	272	24.7%	16.7%	184	88	16.7%	184	88	(264)			
Intergovernmental Revenues	-	8,795	8,795	0.0%	-	10,903	10,903	0.0%	16.7%	-	10,903	16.7%	-	10,903	2,108			
Late Payment Fees	50,000	9,106	9,106	0.0%	51,000	9,396	9,396	18.4%	16.7%	8,517	879	16.7%	8,517	879	290			
Interest Earnings	3,000	1,307	1,307	43.6%	15,000	4,780	4,780	31.9%	16.7%	2,505	2,275	16.7%	2,505	2,275	3,473			
Total Revenues	5,409,517	822,748	822,748	15.2%	5,518,437	827,788	827,788	15.0%	16.7%	921,579	(93,791)	16.7%	921,579	(93,791)	5,040			
Expenditures:																		
Operating Expenditures	2,804,925	431,460	431,460	15.4%	2,879,010	551,634	551,634	19.2%	16.7%	480,795	70,839	16.7%	480,795	70,839	120,174			
Total Expenditures:	2,804,925	431,460	431,460	15.4%	2,879,010	551,634	551,634	19.2%	16.7%	480,795	70,839	16.7%	480,795	70,839	120,174			
Excess (Deficiency) Revenues over Expenditures	2,604,592	391,288	391,288	15.0%	2,639,427	276,154	276,154	10.5%	16.7%	440,784	(164,630)	16.7%	440,784	(164,630)	(115,134)			
Other Increase in Fund Resources:																		
Custodial Receipts	555	498	498	89.7%	555	22	22	4.0%	16.7%	93	(71)	16.7%	93	(71)	(476)			
Debt Proceeds (Bonds/Loans)	275,000	574,953	574,953	209.1%	-	-	-	0.0%	16.7%	-	-	16.7%	-	-	(574,953)			
Total Other Increases in Fund Resources	275,555	575,451	575,451	208.8%	555	22	22	0.0%	16.7%	93	(71)	16.7%	93	(71)	(575,429)			
Other Decrease in Fund Resources:																		
Capital Outlay	473,000	554,454	554,454	117.2%	175,000	10,903	10,903	6.2%	16.7%	29,225	(18,322)	16.7%	29,225	(18,322)	(543,551)			
Debt Service Principal	1,846,181	19,773	19,773	1.1%	1,871,717	19,773	19,773	1.1%	16.7%	312,577	(292,804)	16.7%	312,577	(292,804)	-			
Debt Service - Interest	43,937	17	17	0.0%	21,668	12	12	0.1%	16.7%	3,619	(3,607)	16.7%	3,619	(3,607)	(5)			
Custodial Disbursements	-	-	-	0.0%	-	-	-	0.0%	16.7%	-	-	16.7%	-	-	-	-		
Transfers Out	-	-	-	0.0%	-	-	-	0.0%	16.7%	-	-	16.7%	-	-	-	-		
Total Other Decrease in Fund Resources	2,363,118	574,244	574,244	24.3%	2,068,385	30,688	30,688	1.5%	16.7%	345,420	(314,732)	16.7%	345,420	(314,732)	(543,556)			
Increase (Decrease) in Cash and Investments	\$ 517,029	\$ 392,495	\$ 392,495	75.9%	\$ 571,597	\$ 245,488	\$ 245,488	42.9%	16.7%	\$ 95,457	\$ 150,031	16.7%	\$ 95,457	\$ 150,031	\$ (147,007)			

Key:

* The expected percentage is calculated as follows: since the report is for the 2 months of the year, 2 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
February 2017 and 2018

WATER FUND (#405)	A 2017		B 2017		C=B/A 2017 YTD		D 2018		E 2018		F=E/D 2018 YTD		G 2018 YTD		H 2018 YTD		H^ 2018 YTD		J=E-B 2017-2018		
	Budget	YTD Actual	YTD Actual	Budget	% to Budget	Budget	YTD Actual	Budget	YTD Actual	% to Budget	Budget	YTD Actual	Target %*	Target \$	Variance from Target	YTD Incr (decr)					
Revenues:																					
Water Sales	\$ 2,613,600	\$ 347,565			13.3%	\$ 2,814,784	\$ 309,598			11.0%	16.7%	\$ 470,069	\$ (160,471)		\$ (37,967)						
Water Connection Charges	75,000	3,807			5.1%	-	-			0.0%	16.7%	-	-		(3,807)						
Other Misc. Revenues	2,121	38			1.8%	1,000	3,681			368.1%	16.7%	167	3,514		3,643						
Intergovernmental Revenues	-	-			0.0%	-	-			0.0%	16.7%	-	-		-						
Late Payment Fees	28,000	6,567			23.5%	31,000	6,368			20.5%	16.7%	5,177	1,191		(199)						
Interest Earnings	9,750	1,048			10.7%	15,000	5,860			39.1%	16.7%	2,505	3,355		4,812						
Total Revenues	2,728,471	359,025			13.2%	2,861,784	325,507			11.4%	16.7%	477,918	(152,411)		(33,518)						
Expenditures																					
Operating Expenditures	1,930,577	310,653			16.1%	2,440,335	356,454			14.6%	16.7%	407,536	(51,082)		45,801						
Total Expenditures	1,930,577	310,653			16.1%	2,440,335	356,454			14.6%	16.7%	407,536	(51,082)		45,801						
Excess (Deficiency) Revenues over Expenditures	797,894	48,372			6.1%	421,449	(30,947)			-7.3%	16.7%	70,382	(101,329)		(79,319)						
Other Increase in Fund Resources																					
Custodial Receipts (Non-Rev Taxes)	150	-			0.0%	100	(5)			-5.0%	16.7%	17	(22)		(5)						
Proceeds from Debt Issuance (Bonds/Loans)	1,000,000	-			0.0%	-	-			0.0%	16.7%	-	-		-						
Total Other Increase in Fund Resources	1,000,150	-			0.0%	100	(5)			0.0%	16.7%	17	(22)		(5)						
Other Decrease in Fund Resources																					
Capital Outlay	1,603,000	237,777			14.8%	256,000	-			0.0%	16.7%	42,752	(42,752)		(237,777)						
Debt Service Principal	135,077	11,000			8.1%	196,677	11,000			5.6%	16.7%	32,845	(21,845)		-						
Debt Service - Interest	12,480	1,819			14.6%	30,449	1,264			4.2%	16.7%	5,085	(3,821)		(555)						
Custodial Disbursements	-	-			0.0%	-	-			0.0%	16.7%	-	-		-						
Transfers Out	-	-			0.0%	-	-			0.0%	16.7%	-	-		-						
Total Other Decrease in Fund Resources	1,750,557	250,596			14.3%	483,126	12,264			2.5%	16.7%	80,682	(68,418)		(238,332)						
Increase (Decrease) in Cash and Investments	\$ 47,487	\$ (202,224)			-425.9%	\$ (61,577)	\$ (43,216)			70.2%	16.7%	\$ (10,283)	\$ (32,933)		\$ 159,008						

Key:

* The expected percentage is calculated as follows: since the report is for the 2 months of the year, 2 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
February 2017 and 2018

STORM FUND (#406)	A		B		C=B/A		D		E		F=E/D		G		H		H [^]		J=E-B	
	2017		2017		2017 YTD		2018		2018		2018 YTD		2018 YTD		2018 YTD		2018 YTD		2017-2018	
	Budget	YTD Actual	YTD Actual	Budget	% to Budget	Budget	YTD Actual	Budget	YTD Actual	% to Budget	Budget	YTD Actual	Target \$	Target %	Target \$	Variance from Target	YTD Incr (decr)			
REVENUES																				
Revenues:																				
Storm & Surface Water Fees	\$ 545,910	\$ 99,451		18.2%	\$ 571,100	\$ 111,283		19.5%	\$ 95,374	\$ 15,909										\$ 11,832
Storm Connection/Misc. Fees	2,000	-		0.0%	-	-		0.0%	-	-										-
Other Misc. Revenues	-	6,750		0.0%	-	-		0.0%	-	-										(6,750)
Intergovernmental Revenue	-	-		0.0%	-	-		0.0%	-	-										-
Fines and Forfeitures	-	894		0.0%	5,000	1,336		26.7%	835	501										442
Interest Earnings	1,000	311		31.1%	2,000	1,074		53.7%	334	740										763
Total Revenues	548,910	107,406		19.6%	578,100	113,693		19.7%	96,543	17,150										6,287
Expenditures:																				
Operating Expenditures	524,898	41,783		8.0%	466,351	76,303		16.4%	77,881	(1,578)										34,520
Total Expenditures	524,898	41,783		8.0%	466,351	76,303		16.4%	77,881	(1,578)										34,520
Excess (Deficiency) Revenues and Expenditures	24,012	65,623		273.3%	111,749	37,390		33.5%	18,662	18,728										(28,233)
Other Increase in Fund Resources:																				
Custodial Receipts	-	25		0.0%	30	21		0.0%	5	16										(4)
Total Other Increase in Fund Resources	-	25		0.0%	30	21		0.0%	5	16										(4)
Other Decrease in Fund Resources:																				
Capital Outlay	-	-		0.0%	230,000	-		0.0%	38,410	(38,410)										-
Custodial Disbursements	-	-		0.0%	-	-		0.0%	-	-										-
Transfers Out	-	-		0.0%	-	-		0.0%	-	-										-
Total Other Decrease in Fund Resources	-	-		0.0%	230,000	-		0.0%	38,410	(38,410)										-
Increase (Decrease) in Cash and Investments	\$ 24,012	\$ 65,648		273.4%	\$ (118,221)	\$ 37,411		-31.6%	\$ (19,743)	\$ 57,154										\$ (28,237)

Key:

* The expected percentage is calculated as follows: since the report is for the 2 months of the year, 2 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
February 2017 and 2018

AIRPORT FUND (#407)	A 2017		B 2017		C=B/A 2017 YTD		D 2018		E 2018		F=E/D 2018 YTD		G 2018 YTD		H 2018 YTD		H^A 2018 YTD		J=E-B 2017-2018	
	Budget	YTD Actual	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Target	%	Target	%	Target	%	Variance from Target	YTD Incr (decr)		
Revenues:																				
Fuel sales	\$ 533,622	\$ 64,677	\$ 64,677	12.1%	\$ 486,000	\$ 46,131	9.5%	\$ 486,000	\$ 46,131	16.7%	81,162	16.7%	81,162	16.7%	\$ (35,031)		\$ (18,546)			
Recreational charges	945	30	30	3.2%	1,000	-	0.0%	1,000	-	0.0%	167	16.7%	167	16.7%	(167)		(30)			
Rents & Royalties	981,437	154,473	154,473	15.7%	1,111,150	174,705	15.7%	1,111,150	174,705	15.7%	185,562	16.7%	185,562	16.7%	(10,857)		20,232			
Other Misc. Revenues	2,150	10	10	0.5%	2,050	-	0.0%	2,050	-	0.0%	342	16.7%	342	16.7%	(342)		(10)			
Intergovernmental Revenues	944,587	87,988	87,988	9.3%	308,000	127,439	41.4%	308,000	127,439	41.4%	51,436	16.7%	51,436	16.7%	76,003		39,451			
Late Payment Fees	-	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	0.0%	-	0.0%	-		-			
Interest Earnings	5,325	109	109	2.1%	-	559	0.0%	-	559	0.0%	-	0.0%	-	559		450				
Total Revenues	2,468,066	307,287	307,287	12.5%	1,908,200	348,833	18.3%	1,908,200	348,833	18.3%	318,669	16.7%	318,669	16.7%	30,164		41,547			
Expenditures:																				
Operating Expenditures	1,159,047	126,965	126,965	11.0%	1,095,428	\$ 133,115	12.2%	1,095,428	\$ 133,115	12.2%	182,936	16.7%	182,936	16.7%	(49,821)		6,150			
Total Expenditures	1,159,047	126,965	126,965	11.0%	1,095,428	133,115	12.2%	1,095,428	133,115	12.2%	182,936	16.7%	182,936	16.7%	(49,821)		6,150			
Excess (Deficiency) Revenues over Expenditures	1,309,019	180,322	180,322	13.8%	812,772	215,718	26.5%	812,772	215,718	26.5%	135,733	16.7%	135,733	16.7%	79,985		35,397			
Other Increase in Fund Resources:																				
Debt Proceeds (Bonds/Loans)	-	-	-	0.0%	-	26,242	0.0%	-	26,242	0.0%	30,404	16.7%	30,404	16.7%	(4,162)		966			
Custodial Receipts	168,424	25,276	25,276	15.0%	182,059	-	0.0%	182,059	-	0.0%	-	0.0%	-	-		-				
Operating Transfers in	-	-	-	0.0%	-	-	0.0%	-	-	0.0%	-	0.0%	-	-		-				
Total Other Increase in Fund Resources	168,424	25,276	25,276	15.0%	182,059	26,242	14.4%	182,059	26,242	14.4%	30,404	16.7%	30,404	16.7%	(4,162)		966			
Other Decrease in Fund Resources:																				
Capital Outlay	1,184,587	57,085	57,085	4.8%	619,973	-	0.0%	619,973	-	0.0%	103,535	16.7%	103,535	16.7%	(103,535)		(57,085)			
Debt Service Principal	1,597,850	2,526	2,526	0.2%	36,640	6,421	17.5%	36,640	6,421	17.5%	6,119	16.7%	6,119	16.7%	302		3,895			
Debt Service - Interest	44,382	1,921	1,921	4.3%	23,214	4,396	18.9%	23,214	4,396	18.9%	3,877	16.7%	3,877	16.7%	520		2,475			
Custodial Disbursements	168,424	1,240	1,240	0.7%	182,014	1,688	0.9%	182,014	1,688	0.9%	30,396	16.7%	30,396	16.7%	(28,708)		448			
Total Other Decrease in Fund Resources	2,995,243	62,772	62,772	2.1%	861,841	12,505	1.5%	861,841	12,505	1.5%	143,927	16.7%	143,927	16.7%	(131,422)		(50,266)			
Increase (Decrease) in Cash and Investments	\$ (1,517,800)	\$ 142,826	\$ 142,826	-9.4%	\$ 132,990	\$ 229,455	172.5%	\$ 132,990	\$ 229,455	172.5%	\$ 22,209	16.7%	\$ 22,209	16.7%	\$ 207,245		\$ 86,629			

Key:

* The expected percentage is calculated as follows: since the report is for the 2 months of the year, 2 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.)

RECOMMENDATION/COUNCIL ACTION DESIRED

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

Reviewed by _____, City Manager

February 2018 Financial Report City of Chehalis

By Chun Saul
Finance Director

Discussion

- 2018 Year-To-Date Results for 2 Months (January and February)
- Summary Review
 - Budget to Actual Comparison – Target 16.7% (2/12 months)
- General Fund
 - Overview Revenues & Expenditures and Changes in Cash and Investments
 - Revenues by Major Source – Actual to Budget Projection
 - YTD Tax Revenues – 2 Year Comparison
 - Expenditures by Functions/Activities – Actual to Budget Projection

General Funds Operating Results Overview

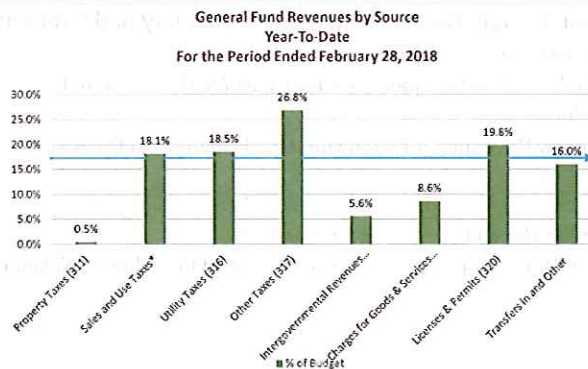
City of Chehalis
Revenues, Expenditures and Changes in Cash & Investments
General Fund - Budget to Actual
For the Period Ended February 28, 2018

	2018 Budget	2018 YTD Actual	YTD % of Budget
General Fund			
Beginning Cash & Investments	\$1,292,910	\$2,041,939	
Revenues & Other Fund Resources Increase	9,426,997	1,323,600	14.0%
Expenditures & Other Fund Resources Use	9,655,146	1,695,137	17.6%
Ending Cash & Investments	\$1,064,761	\$1,670,402	
Increase (Decrease) in Cash & Investments	\$ (228,149)	\$ (371,537)	
% Increase (decrease)			-18.2%

Target = 16.7%

Bottom line: The City's General Fund operated within normal budget parameters.

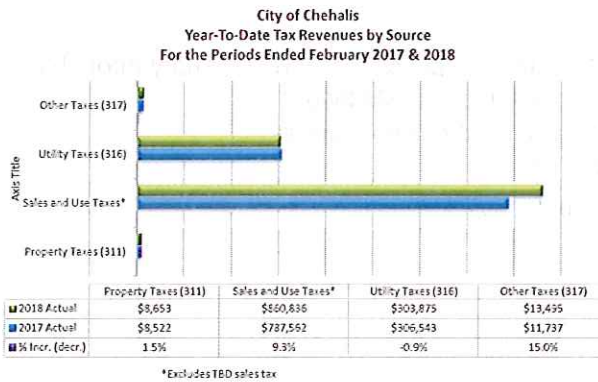
General Fund Revenues & Other Fund Resources Budget vs. YTD Actual



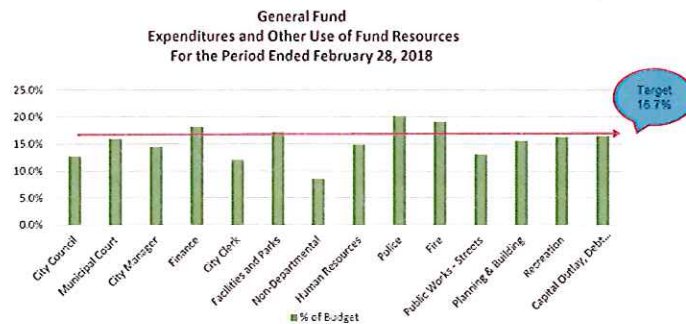
Target 16.7%

Total receipts \$1,323,600 (14% of adopted budget of \$9,426,997).
Key factor = Property tax 0.5% due to 1st half of 2018 tax due in April 2018

General Fund Tax Revenues by Source Comparison 2018 to 2017



General Fund Expenditures and Transfers Out YTD Percent of Budget



Exceptions:
 Finance – WCIA annual Insurance \$4,875 & Annual accounting software maintenance fee \$27,232.
 Police- WCIA annual Insurance \$45,977 & Payroll Retro appx. \$30K (2018 budget amendment)
 Fire – WCIA annual Insurance \$43,239 and purchased of a vehicle \$40K (serve as mobile office).

Closing

- 2018 1st Quarter Financial Reports (January through March) –
April 23, 2018 Council Meeting
 - Including Enterprise Funds Highlights
- Questions?
- Thank you!