

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

Terry F. Harris, District 1, Mayor Pro Tem Daryl J. Lund, District 2 Dr. Isaac S. Pope, District 4	Dennis L. Dawes, Position at Large Mayor	Anthony E. Ketchum Sr., District 3 Chad E. Taylor, Position at Large Robert J. Spahr, Position at Large
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**Regular Meeting of Monday, June 11, 2018**  
**5:00 p.m.**

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| 1. <u>Call to Order.</u> (Mayor)<br><br>2. <u>Pledge of Allegiance.</u> (Mayor) |
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- | <b>PROCLAMATIONS / PRESENTATIONS</b>   |
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| 3. <u>Proclamations – Recognizing W.F. West Track &amp; Field Athletes Kendra Bottenberg and Colby White.</u> (Mayor)<br><br>4. <u>Lewis Economic Development Council Update.</u> (Matt Matayoshi) |

<b>CITIZENS BUSINESS</b>
This is an opportunity for members of the audience to address the council on matters not listed elsewhere on the agenda. Speaker identification forms are available at the door and may be given to the city clerk prior to the beginning of the meeting.

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>CONSENT CALENDAR</b>		
5. <u>Minutes of the Regular City Council Meeting of May 14, 2018 and the Special City Council Meeting of June 5, 2018.</u> (City Clerk)	APPROVE	1
6. <u>Vouchers and Transfers – Accounts Payable, Dated May 15, 2018 and May 31, 2018.</u> (City Manager, Finance Director)	APPROVE	7
7. <u>Vouchers and Transfers – Payroll.</u> (City Manager, Finance Director)	APPROVE	9

**CONSENT CALENDAR CONTINUED ON NEXT PAGE**

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>CONSENT CALENDAR - CONTINUED</b>		
8. <u>Award Chamber Way Grind and Inlay Improvement Project to Lakeside Industries, Inc., in the Amount of \$73,500. (City Manager, Public Works Director, Street/Storm Superintendent)</u>	APPROVE	10
9. <u>Appoint Dennis Dawes and Jill Anderson as the City's Voting Delegates to the 2018 AWC Annual Business Meeting. (City Manager)</u>	APPROVE	12
10. <u>Memorandum of Understanding for FEMA Assistance to Firefighters Grant Application for Personal Protective Equipment. (City Manager, Fire Chief)</u>	APPROVE	14
11. <u>Interlocal Automatic Aid Agreement Between Chehalis Fire Department, Riverside Fire Authority, and Lewis County Fire District 6. (City Manager, Fire Chief)</u>	APPROVE	18
12. <u>Offer to Lease Airport Property (Tracts 7A, 8, and 9) by Rich Development Enterprises, LLC. (City Manager, Community Development Director, Airport Operations Coordinator)</u>	APPROVE	29

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>UNFINISHED BUSINESS</b>		
13. <u>Ordinance No. 987-B, Second and Final Reading – Amending the 2018 Budget. (City Manager, Finance Director)</u>	PASS	37

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>NEW BUSINESS</b>		
14. <u>Resolution No. 4-2018, First and Final Reading – Adopting the 2019-2024 Six-Year Transportation Improvement Program. (City Manager, Public Works Director, Street Superintendent)</u>	ADOPT	50
15. <u>Ordinance No. 988-B, First Reading – Amending Chehalis Municipal Code Titles 17 and 5.32. (City Manager, Community Development Director)</u>	PASS	54

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>ADMINISTRATION AND CITY COUNCIL REPORTS</b>		
16. <u>Administration Reports.</u> a. <u>City Manager Update (Strategic Planning Update). (City Manager)</u>	INFORMATION ONLY	- - -
17. <u>Councilor Reports/Committee Updates. (City Council)</u>	INFORMATION ONLY	- - -

**EXECUTIVE SESSION**

18. Pursuant to RCW 42.30.110(1)(c) – Sale/Lease of Real Estate

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.  
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, JUNE 25, 2018.**

May 14, 2018

The Chehalis city council met in regular session on Monday, May 14, 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 (telephonically), Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources/Risk Manager; Don Schmitt, Street/Storm Superintendent; and Dave Vasilauskas, Water Superintendent. No members of the news media were in attendance.

1. **Public Hearing – 2019-2024 Six-Year Transportation Improvement Program.** Mayor Dawes closed the regular meeting and opened the public hearing.

Don Schmitt presented the 2019-2024 Transportation Improvement Program (TIP). Mr. Schmitt stated the administration continues to identify aspects of the city's transportation system needing improvement and developing the TIP is the first step in the annual process required by WSDOT. Projects that receive funding from state or other federal sources are required to be identified on a local TIP and once funding is received, they are placed on the Statewide Transportation Improvement Program, commonly known as the "STIP." Projects must be funded to be listed on the STIP, and the city currently has no projects listed.

There being no public comments on the proposed TIP, Mayor Dawes closed the public hearing and reopened the regular meeting. Mr. Schmitt stated a resolution will be presented for council consideration at the June 11 meeting to adopt the 2019-2024 TIP.

2. **Proclamation – Police Week, May 13-19.** Mayor Dawes read and presented a proclamation to Chief Schaffer declaring May 13-19 as Police Week.

3. **Well City Award Recognition.** Mayor Dawes stated the city receives the Well City designation through the efforts of the committee and the participation of employees, which affords the city a two percent reduction in health insurance premiums. He recognized committee members Brandon Rakes, Betty Brooks, Tracey Cox, Larry Dobyns, Lloyd Gruginski, Julie Hampson, and Judy Schave.

Judy Schave reported the city was one of 115 AWC Trust members who earned the 2018 Well City Award this year. She stated the average savings for every 100 employees covered under the HealthFirst 250 Plan in 2018 was about \$17,600. About 75% of the city's eligible employees and appointed officials are on this plan. Ms. Schave stated some of the committee's planned events and challenges during 2018 include:

- AWC's spring wellness challenge *Wander the Wonders*, May 1 – 30
- Community supported agriculture at the Chehalis Farmers Market
- 3<sup>rd</sup> running of *Leap the Levee 5k Fun Walk/Run*, June 16
- Helping to promote the Centralia to Chehalis Bike Ride
- Hosting two healthy lunch presentations later in the year
- AWC's *Race to Wellness Challenge*, October 1 – 30

Ms. Schave stated one of the biggest challenges continues to be getting people to sign up and participate. The new JIFF app through AWC provides employees options to earn their \$35 reward, which needs to be earned in order to help qualify the city to earn the 2% savings. Unfortunately, the JIFF app didn't come without issues when it was released last year and it took several months to work out most of the bugs. This discouraged some employees from participating. Because of the problem, AWC awarded the 2% discount to all members who had completed all of the other standards and had earned the Well City award in the previous two years. Chehalis met that criteria, so this year's award applies towards the city's 2019 premiums. She noted the city is currently at 29% participation, so at least 29 more people need to sign up and participate in order to reach the 50% goal to help qualify the city for the 2% discount in 2020. She invited council members and their spouses to participate.

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

- a. Minutes of the regular meeting of April 23, 2018;

May 14, 2018

- b. April 30, 2018 Claim Vouchers No. 122301-122415 in the amount of \$220,684.85;
- c. April 30, 2018, Payroll Vouchers No. 40205-40250, Direct Deposit Payroll Vouchers No. 9407-9508, and Electronic Federal Tax Payment No. 183 in the amount of \$779,667.39;
- d. Resolution No. 3-2018, first and final reading -- declaring city property to be surplus;
- e. Engineering services agreement with Gibbs & Olson in the amount of \$177,000 for the Chehalis water system plan update project;
- f. Memorandum of Understanding with Lewis County Seniors to provide \$20,000 to the Lewis County Seniors enrichment programs;
- g. Accept the Tract 5A fill project as complete and release retainage after all statutory requirements are met; and
- h. Cancel May 28 city council meeting.

The motion was seconded by Councilor Taylor.

Councilor Harris stated he questioned spending \$177,000 for the water system plan update, but after speaking with staff, he would support the motion. The motion carried unanimously.

**5. Ordinance No. 987-B, First Reading -- Amending the 2018 Budget.** City Manager Anderson stated when the 2018 budget was adopted, there were some outstanding items, including collective bargaining agreements with Police and Fire. While the police contract settled, the fire contract will be settled by binding arbitration in September. There were also some unspent funds allocated to projects that were not completed that staff is recommending being carried over, namely fire department repairs. The unspent funds were represented as the ending fund balance, and the budget amendment recommends reallocating them for their stated purposes. As a result, the ending fund balance will go down; leaving a balance of approximately 12%. City Manager Anderson stated that in addition to reallocating funds for needs that still exist, staff is also recommending setting aside 1% or approximately \$92,000 for the Compensated Absences Fund and about \$92,000 for the Automotive/Equipment Reserve Fund. This is a step towards setting aside funds on an annual basis to prevent major shocks to the budget associated with multiple anticipated retirements, as well as the need to have safe and reliable vehicles and equipment. She indicated that if the amendment was adopted, it would leave a 10% operating reserve.

Chun Saul stated the proposed budget amendment included:

- Net citywide decrease in fund balances of \$728,165
  - Net revenue increase of \$124,483 (new appropriations, net of revenues \$223,406)
  - Net appropriations increase of \$852,598
    - 2017 budget carry-forward of \$504,709
    - New appropriations of \$347,889
- Transfers In and Transfers Out
  - General Fund
    - Compensated Absences Fund \$92,868
    - Automotive Equipment Reserve Fund \$92,868
    - Public Facilities Reserve Fund \$75,000
  - First Quarter Percent REET Fund to Public Facilities Reserve Fund \$80,000
  - Second Quarter Percent REET Fund to Public Facilities Reserve Fund \$80,000
- General Fund Overview - Decrease Fund Balance \$778,970
  - Estimated Revenues Decrease \$140,183
  - Appropriations Increase \$378,051 (2017 budget carry forward \$195,440 & new appropriation \$182,611)
- Est. General Fund Ending Fund Balance of \$1,034,822
  - Reserve 10% of Operating Revenues of \$928,681
  - Restricted Cash & Deposits of \$97,817
  - Unreserved fund balance of \$8,324

May 14, 2018

Councilor Ketchum moved to pass Ordinance No. 987-B on first reading. The motion was seconded by Councilor Harris and carried unanimously.

**6. National Avenue Slide Repair.** City Manager Anderson noted there were additional handouts for the public, and anyone viewing the meeting could call the city if they had questions.

Trent Lougheed explained the right southbound lane of National Avenue beyond the Chamber Way underpass is showing significant signs of settlement/sliding. The area has perceived instability due to the continuation of settlement, and a soils report indicates the underlying native soils are actually very stable. The fill material placed on top of the native subgrade has settled and shifted over the years, and the problem worsens with the more weight (asphalt) that is added. Mr. Lougheed outlined the options for repairing the issue:

- Repair: High cost of additional geotech, slope stabilization, lane, and sidewalk reconstruction
- 2-lane reconfiguration: Grading, retaining walls, removal of a portion of landscaped area, and new pavement and sidewalk
- Lane reduction: Second lane not warranted due to posted speeds, traffic volumes, absence of driveways and intersections, and site distances

Mr. Lougheed stated staff was recommending that the right lane of the underpass be removed, which would provide the following benefits:

- Removal of fill with jute matting and revegetation to stabilize the area
- Least amount of disturbance to currently stable native soils below fill material
- Eliminates two potential collision points for merging traffic
- Project cost is much less
- Provides nice pedestrian corridor (useable independent of the final intersection alignment when the Chamber Way Bridge is replaced)
- New signage and pavement markings will reduce confusion of which lane to choose to access I-5 or downtown (for southbound traffic on National Avenue)
- Increased pedestrian safety

Mr. Lougheed stated the engineer's estimate for the proposed improvements was about \$193,000. Bid specifications would be completed in-house, resulting in minimal engineering costs of approximately \$3,000 for drafting services. He also recommended a 15% contingency (\$29,000) for unforeseen conditions, making the estimated cost \$225,000.

Councilor Ketchum moved that the project to alleviate sliding and improve the area of National Avenue impacted by soil movement move forward as recommended by staff. The motion was seconded by Councilor Pope and carried unanimously.

**7. Charging Services Agreement with EVgo Services, LLC, for Two Vehicle Charging Stations on Airport Property.** Brandon Rakes stated the Airport, in cooperation with EVgo, received a grant from WSDOT to fund the installation of public electric vehicle charging stations to expand infrastructure for this growing segment of the market. An agreement for the city to provide four parking spaces for the equipment is needed. Mr. Rakes stated there are currently no electric vehicle charging stations located in the commercial area around the airport, potentially losing the associated retail and restaurant business. He stated Chehalis was one of nine locations along I-5 to participate in the grant. The total cost of the project is \$1.46 million, funded in large part by state and federal grants. The Chehalis location would be next to the future site of the Discover! Children's Museum and its adjacent proposed park.

Mr. Rakes stated the city will need to fund the construction of a portion of the parking area that will eventually be used by the proposed park in order to provide the four parking spaces needed for two charging stations at an estimated cost of \$22,000. EVgo will fund all of the costs associated with the purchase, installation, and maintenance of the charging equipment, as well as all electricity charges. The agreement is for a five-year term beginning with the date the charging stations are first operational, and provides for automatic renewal for successive one-year periods. The city's portion also includes additional spaces to complete approximately half of the parking that will be needed by the park that is planned to complement the future Discover! Children's Museum. He noted any potential increases in sales related to the availability of the charging stations is difficult to predict, but stated the value is providing the traveling public to stop in Chehalis.

May 14, 2018

Councilor Spahr felt it was wrong when the tax paying public subsidizes another part of the public that doesn't pay the same tax. An example is a gas tax that goes to repair and maintain roads. And, to add insult to injury, the government gives buyers of these vehicles a tax credit when they buy them. Councilor Lund agreed with Councilor Spahr's statement.

Mr. Rakes stated that a revised agreement was received from EVgo since the agenda report was written, but he had not had time to review the differences from the agreement included in the agenda packet. The council agreed that they would only approve the agreement included in the agenda packet.

Councilor Ketchum moved that the City Council approve and authorize the City Manager to sign the Charging Services Agreement with EVgo. The motion was seconded by Councilor Harris and carried 5 to 2. Councilors Lund and Spahr voted against the motion.

**8. Preliminary Analysis of Proposed Annexation Areas.** City Manager Anderson stated the agenda item was a strategic planning goal and tonight starts the discussion by presenting the council a proposed plan that identifies eight areas. If additional discussion beyond tonight's presentation was needed, staff would be happy to schedule a workshop. The overall process would require multiple items before the city council, and multiple public notices to the general public, as well as those impacted property owners. City Manager Anderson noted there were additional handouts for the public, and anyone viewing the meeting could call the city if they had questions.

Trent Lougheed provided an overview of the proposed annexation areas. One of the goals was to "clean-up" the city's borders. Areas 1-4 would "fill the gaps" along the Market/Jackson Highway corridor, while Areas 5-6 would start filling in the I-5 corridor. Areas 7-8 are intended to straighten out the city's northern border while annexing city-owned property that still remains outside of its jurisdictional borders. At this time, it is expected the city would pursue annexing multiple areas at a time because the process requires many steps as set forth by law. He stated the eight proposed areas were looked at in whole for a preliminary assessment of general impacts to the city:

- Based on the total number of calls for Police and for Fire for 2016-2017, there would have been an increase in calls of 1.2% for both Police and Fire
  - 2016/2017 annexation areas calls for Police service: 189 (15,697 in city limits)
  - 2016/2017 annexation areas calls for Fire service: 41 (3,405 in city limits)
- Street:
  - Roads within the Alderwood development are private, but can be converted to public ROWs if the roadway is upgraded to city standards
  - Gain in revenue from sales tax for the Transportation Benefit District is unknown since revenue is based on retail sales
- Water:
  - Service area would be unaffected
  - Loss of revenue from surcharges for utilities outside of city limits – \$12,600 per year
- Sewer:
  - Service area would be unaffected
  - Loss of revenue from surcharges for utilities outside of city limits – \$57,400 per year
- Storm:
  - Servicing larger surface area
  - Gain in revenue from residential stormwater charges – \$11,500 per year
  - Gain in revenue from commercial stormwater charges is unknown since charges are based on impervious coverage of lots, which would take considerable effort to calculate at this time

Mr. Lougheed stated staff was seeking input/direction from council regarding the start of the annexation process for any/all areas identified within the preliminary mapping areas, or if other specific areas should also be discussed.

Councilor Harris asked if there was sufficient fire flow for the Alderwood properties, and if not, would the city be responsible to increase the flows. Mr. Lougheed stated the city would be providing service with the fire flows available. The

May 14, 2018

water system has no legal obligation to provide fire flow to any specific standard. However, if improvements were going to be made to the water system you would then need to upgrade to meet current fire flow requirements.

Councilor Spahr asked what it would take to bring the fire flows up. Rick Sahlin indicated it would require upgraded lines and a new reservoir.

Mayor Dawes believed the council was interested in moving forward on staff's proposal. Mayor Dawes stated there was an area on the map to the extreme north of the city limits that was excluded. He wondered what that area was and why it was not included. Mr. Sahlin indicated that area has a reservoir on it that provides fire protection to the former Elks building.

**9. Administration Reports.**

a. **City Manager Update.** City Manager Anderson stated a strategic planning update will be presented to the council in June, and she noted significant progress is being made on several objectives.

**10. Councilor Reports/Committee Updates.**

a. Mayor Dawes attended the following: mayors meeting, fire committee meetings, ribbon cutting for the Friday markets, and the Tri-Rotary auction for Discover! Children's Museum.

Councilor Ketchum left the meeting.

**11. Executive Session.** At 6:34 pm, Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(c) – Sale/Lease of Real Estate, and RCW 42.30.110(1)(i) – Potential Litigation not to exceed 7:15 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:35 pm. The executive session began at 6:42 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 7:16 pm.

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Dennis L. Dawes, Mayor

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Caryn Foley, City Clerk

Approved:  
Initials: \_\_\_\_\_



June 5, 2018

The Chehalis city council met in special session on Tuesday, June 5, 2018, at the Chehalis-Centralia Airport. The purpose of the meeting was to hear a presentation from Rich Development on a proposed commercial development and to hold an executive session to discuss the sale/lease of property. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Daryl Lund, Dr. Isaac Pope, and Bob Spahr. Councilors Tony Ketchum and Chad Taylor were absent (excused). Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Trent Loughheed, Community Development Director; and Brandon Rakes, Airport Operations Coordinator. Members of the news media in attendance included Alex Brown of *The Chronicle*; and Susan DeLaire of *Business to Business*.

1. **Presentation from Rich Development on a Proposed Commercial Development.** Greg Vena with Rich Development stated he is a partner in the company. Based in San Pedro, California, they have developed several retail shopping centers totaling about three million square feet of development, mostly in California and now in Washington, with developments in Spokane and Bellingham. They pride themselves on good tenant relationships. He stated they take a conservative approach when developing and usually have around 70% tenancy before buying property. He explained they became aware of property at the airport after trying to purchase the former Kmart building, which was unsuccessful. He started researching the area and thought this would be a good opportunity.

Councilor Harris asked if they took a community's demographics into consideration when developing. Mr. Vena stated they do as settings dictate the types of potential retailers. Mr. Vena stated their goal was to provide good jobs, tax revenue, and to select retailers that will bring along other retailers.

Dr. Pope left the meeting at 5:38 pm.

Mayor Dawes stated the city is fortunate to have several long-term businesses in the downtown area that he wouldn't want to see impacted. Mr. Vena acknowledged that and stated they wouldn't want to do that either.

City Attorney Hillier wanted to ensure that Rich Development understood that purchasing the property was not an option due to grants the city has with the FAA. Mr. Vena stated he understood why the property would have to be leased. He stated they are usually in the business of purchasing properties, but understood why that was not an option in this case.

Mayor Dawes asked if Rich Development had projects that involved government entities. Mr. Vena indicated they have had several relationships with government entities.

City Attorney Hillier believed Mr. Vena's comments showed a genuine reflection of wanting to do a development in Chehalis. He asked if Mr. Vena could share any potential anchor tenants. Mr. Vena stated the retailers he's working with have asked not to be identified at this time.

Mayor Dawes asked when something would occur if/when a letter of intent is agreed upon. Mr. Vena stated his discussions with potential retailers has been informal at this point without an agreement, but he estimated having retailers on board six months from having an agreement with the city.

Mayor Dawes noted that he didn't want to see anything that would compete with the city's neighbors to the north.

2. **Executive Session.** At 6:13 pm, Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(c) – Sale/Lease of Real Estate not to exceed 6:45 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting. The executive session began at 6:20 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:40 pm.

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Dennis L. Dawes, Mayor

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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:** June 11, 2018

**SUBJECT:** Vouchers and Transfers

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**ISSUE**

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

**DISCUSSION**

The May 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 Nos. 122416-122568 and Electronic Funds Transfer No. 420181 and 52018 in the amount of \$444,103.80 dated May 15, 2018, which includes the transfer of:

- \$128,820.07 from the General Fund
- \$472.02 from the Dedicated Street Fund – 4% Sales Tax
- \$13,453.13 from the 2011 G.O. Bond Fund
- \$174,853.64 from the Public Facilities Reserve Fund
- \$682.95 from the Garbage Fund
- \$48,010.33 from the Wastewater Fund
- \$33,783.74 from the Water Fund
- \$2,554.53 from the Storm & Surface Water Utility Fund
- \$41,473.39 from the Airport Fund

**RECOMMENDATION**

It is recommended that the City Council approve the May 15, 2018 Claim Vouchers No. 122416-122568 and Electronic Funds Transfer Nos. 420181 and 52018 in the amount of \$444,103.80.

**SUGGESTED MOTION**

I move that the City Council approve the May 15, 2018 Claim Vouchers No. 122416-122568 and Electronic Funds Transfer Nos. 420181 and 52018 in the amount of \$444,103.80.

**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:** June 11, 2018

**SUBJECT:** Vouchers and Transfers

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**ISSUE**

City Council approval is requested for Vouchers and Transfers dated May 31, 2018.

**DISCUSSION**

The May 31, 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 Nos. 122569-122675 in the amount of \$991,015.13 dated May 31, 2018, which includes the transfer of:

- \$72,972.57 from the General Fund
- \$2,775.30 from the Dedicated Street Fund – 4% Sales Tax
- \$716.97 from the 1982-93 Community Development Block Grant Fund
- \$875,289.13 from the Wastewater Fund
- \$11,102.18 from the Water Fund
- \$2,404.40 from the Storm & Surface Water Utility Fund
- \$24,916.32 from the Airport Fund
- \$838.26 from the Firemen’s Pension Fund

**RECOMMENDATION**

It is recommended that the City Council approve the May 31, 2018 Claim Vouchers No. 122569-122675 in the amount of \$991,015.13.

**SUGGESTED MOTION**

I move that the City Council approve the May 31, 2018 Claim Vouchers No. 122569-122675 in the amount of \$991,015.13.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Chun Saul, Finance Director  
Betty Brooks, Payroll Accountant

**MEETING OF:** June 11, 2018

**SUBJECT:** Payroll Vouchers and Transfers

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**ISSUE**

City Council approval is requested for Payroll Vouchers and Transfers dated May 31, 2018.

**DISCUSSION**

The administration requests City Council approval for Payroll Vouchers No. 40251-40295, Direct Deposit Payroll Vouchers No. 9509-9612, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 184-187 dated May 31, 2018 in the amount of \$754,859.77, which include the transfer of:

- \$510,215.28 from the General Fund
- \$6,836.55 from the Arterial Street Fund
- \$93,315.24 from the Wastewater Fund
- \$95,100.79 from the Water Fund
- \$23,747.77 from the Storm & Surface Water Utility Fund
- \$23,749.22 from the Airport Fund
- \$1,894.92 from the Firemen's Pension Fund

**RECOMMENDATION**

It is recommended that the City Council approve the May 31, 2018 Payroll Vouchers No. 40251-40295, Direct Deposit Payroll Vouchers No. 9509-9612, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 184-187 in the amount of \$754,859.77.

**SUGGESTED MOTION**

I move that the City Council approve the May 31, 2018, Payroll Vouchers No. 40251-40295, Direct Deposit Payroll Vouchers No. 9509-9612, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 184-187 in the amount of \$754,859.77.

**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/Storm Superintendent

**MEETING OF:** June 11, 2018

**SUBJECT:** Award Chamber Way Grind and Inlay Improvement Project

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**ISSUE**

Bids were recently solicited for the Chamber Way Grind and Inlay Improvements Project and two bids were received. The administration has reviewed those bids and is making a recommendation to award the bid.

**DISCUSSION**

The administration recently advertised the Chamber Way Grind and Inlay Improvements Project. The city's small works roster was utilized, with bid specifications sent out to five companies. Two bids were received, with Lakeside Industries, Inc., submitting a low bid of \$73,500. The other bid was from Granite Construction Company in the amount of \$86,200. The engineer's range for the project was \$65,000 - \$85,000.

**FISCAL IMPACT**

The Transportation Benefit District budget for 2018 includes \$500,000 for street projects (\$50,000 design and \$450,000 construction). This is one of the anticipated projects for the current year. With a recommended 10% contingency (\$7,350) for unanticipated change orders, the total project cost would be authorized for a not-to exceed budget of \$80,850.

**RECOMMENDATION**

It is recommended that the City Council:

- Award the Chamber Way Grind and Inlay Improvements Project to Lakeside Industries, Inc., in the amount of \$73,500;
- Authorize an additional 10% contingency budget of \$7,350; and
- Authorize the City Manager to execute change orders that do not exceed a total project cost of \$80,850.

**SUGGESTED MOTION**

I move that the City Council:

- Award the Chamber Way Grind and Inlay Improvements Project to Lakeside Industries, Inc., in the amount of \$73,500;
- Authorize an additional 10% contingency budget of \$7,350; and
- Authorize the City Manager to execute change orders that do not exceed a total project cost of \$80,850.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Caryn Foley, City Clerk

**MEETING OF:** June 11, 2018

**SUBJECT:** Appoint Mayor Dennis Dawes and City Manager Jill Anderson as the City's Voting Delegates to the 2018 AWC Annual Business Meeting

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**ISSUE**

The annual business meeting of the Association of Washington Cities (AWC) will be held at the annual conference in Yakima from June 26 to June 29. In order to have a vote at the annual business meeting, the City Council is required to appoint a voting delegate(s). Mayor Dawes and City Manager Anderson are attending the conference, so it is recommended that they be appointed to represent the City.

**DISCUSSION**

The 2018 AWC annual business meeting is scheduled for June 28 in conjunction with AWC's annual conference. AWC bylaws allow each city to appoint up to three voting delegates. Voting delegates have the opportunity to influence the operations of AWC by:

- Electing the members of the AWC Board of Directors
- Debating issues that impact cities; and
- Considering floor amendments to the Statement of Policy.

It is proposed that the City Council appoint Dennis Dawes and Jill Anderson as the city's voting delegates to the 2018 AWC annual business meeting.

**FISCAL IMPACT**

There is no fiscal impact associated with the appointments.

**RECOMMENDATION**

It is recommended that the City Council appoint Dennis Dawes and Jill Anderson as the city's voting delegates to the 2018 AWC annual business meeting.

**SUGGESTED MOTION**

I move that the City Council appoint Dennis Dawes and Jill Anderson as the city's voting delegates to the 2018 AWC annual business meeting.



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Ken Cardinale, Fire Chief

**MEETING OF:** June 11, 2018

**SUBJECT:** Memorandum of Understanding for FEMA Assistance to Firefighter Grant Application for Personal Protective Equipment

---

**ISSUE**

Riverside Fire Authority, Lewis County Fire District 6, and the Chehalis Fire Department are requesting to enter into a Memorandum of Understanding (MOU) in order to apply jointly for a FEMA Assistance to Firefighter Grant.

**DISCUSSION**

The purpose of this request for a MOU for the FEMA Assistance to Firefighter Grant is for the replacement of our self-contained breathing apparatus through a regional grant application to be submitted by the three agencies, authorizing the Riverside Fire Authority to act as the host applicant.

- Riverside Fire Authority will be the host applicant and administer the grant and collect and disburse all funding.
- Riverside Fire Authority, Chehalis Fire Department, and Lewis County Fire District 6 all agree to provide the required cash match of 15% of the total cost of their requested items as detailed in the grant application, as required under the regional AFG Grant Program.
- Riverside Fire Authority will procure and distribute the Personal Protective Equipment (PPE) on behalf of all parties to this agreement.
- Riverside Fire Authority will distribute the PPE that they purchase at 33% to the Chehalis Fire Department, 33% to Lewis County Fire District 6, and 33% to Riverside Fire Authority.

**FISCAL IMPACT**

The fiscal impact to the Chehalis Fire Department will be \$20,000 to meet the 15% cash match that the grant requires.

**RECOMMENDATION**

It is recommended that the City Council approve the Memorandum of Understanding for the FEMA Assistance to Fire Fighter Grant application between the City of Chehalis Fire Department, Riverside Fire Authority, and Lewis County Fire District 6.

**SUGGESTED MOTION**

I move that the City Council approve the Memorandum of Understanding for the FEMA Assistance to Fire Fighter Grant application between the City of Chehalis Fire Department, Riverside Fire Authority, and Lewis County Fire District 6.



# RIVERSIDE FIRE AUTHORITY

*Prepare · Prevent · Save · Serve*

1818 Harrison Avenue, Centralia, WA. 98531 360-736-3975

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## MEMORANDUM OF UNDERSTANDING

### FEMA ASSISTANCE TO FIREFIGHTERS GRANT

This Memorandum of Understanding sets forth the terms and understanding by and between the parties regarding the application for a FEMA Assistance to Firefighters Grant for the purchase of Personal Protective Equipment (PPE)

WHEREAS, The Federal Emergency Management Agency (FEMA) will be accepting Assistance to Firefighters Grants (AFG); and,

WHEREAS, the participating parties (Riverside Fire Authority, Chehalis Fire Department and Lewis County Fire District 6) need funding for the replacement of PPE in order to meet the firefighting and emergency response needs of firefighters, and to protect the public and emergency personnel from fire and related hazards; and,

WHEREAS, the Riverside Fire Authority, has agreed to act as the Host Applicant for the parties in order to submit a regional application for an AFG grant.

NOW THEREFORE, the parties hereto agree as follows:

- 1, Riverside Fire Authority will be the Host applicant and will administer the grant and collect and disburse all funding.
- 2, Riverside Fire Authority, Chehalis Fire Department and Lewis County Fire District 6 all agree to provide the required cash match of the total cost of their requested items as detailed in the grant application, as required under the regional AFG Grant Program.
- 3, Riverside Fire Authority will procure and distribute the PPE's on behalf of all parties to this agreement.

---

Proudly Serving the Citizens of NW Lewis County

Stations at Centralia · Hanaford Valley · Seminary Hill · Cooks Hill  
Lincoln Creek · Independence · Garrard Creek

[www.riversidefire.net](http://www.riversidefire.net)

4. Riverside Fire Authority will distribute the PPE that they purchase on a 00% to Chehalis Fire Department, 00% to Lewis County Fire District 6 and 00% to Riverside Fire Authority basis.

**Contact Information and EIN Numbers:**

- **Riverside Fire Authority:** EIN Number: 26-1582306, Michael Kytta, Fire Chief, 1818 Harrison Avenue, Centralia, WA 98531. Email: [mkytta@riversidefire.net](mailto:mkytta@riversidefire.net) Phone Number: 360 736-3975
- **Chehalis Fire Department:** EIN Number: 5ES14, Ken Cardinale, Fire Chief, 350 N Market Blvd, Chehalis, WA 98532 Email: [kcardinale@ci.chehalis.wa.us](mailto:kcardinale@ci.chehalis.wa.us) 360 748-3394
- **Lewis County Fire District 6,** EIN Number 613201243 / 7J3B3, Timothy Kinder, Fire Chief, 2123 Jackson Highway, Chehalis, WA, 98532 Email: [tkinder@lcfcd6.org](mailto:tkinder@lcfcd6.org) 360 748-6019

**Signatures:**

_____ City Manager, Chehalis WA	_____ Date
_____ Chehalis WA Fire Chief	_____ Date
_____ Lewis County Fire District 6 / Commission Chair	_____ Date
_____ Lewis County Fire District 6 / Fire Chief	_____ Date
_____ Riverside Fire Authority / Commission Chair	_____ Date
_____ Riverside Fire Authority / Fire Chief	_____ Date

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Ken Cardinale, Fire Chief

**MEETING OF:** June 11, 2018

**SUBJECT:** Interlocal Automatic Aid Agreement Between Chehalis Fire Department, Riverside Fire Authority, and Lewis County Fire District 6

---

**ISSUE**

Riverside Fire Authority, Lewis County Fire District 6, and the Chehalis Fire Department are requesting authorization to update our 2015 Joint Response Agreement, which enhances emergency response to all the jurisdictions.

**DISCUSSION**

The purpose of updating the 2015 agreement is to cooperatively provide fire suppression and emergency response in all three jurisdictional response areas. All three agencies met and reviewed the 2015 document and found that two areas had changed and needed updating to accurately reflect the changes that had occurred since the original agreement was signed. The two sections are:

- ***Section #2 Compensation:*** This was changed so the Chehalis Fire Department receives reimbursement specifically for firefighting AR-AFFF foam used by the requesting agency for the E-48-4 Aircraft Rescue Foam Engine if they received assistance from the Chehalis Fire Department in suppression of hydrocarbon fires where foam was used to suppress the fire.

In addition, if the responding agency suffers a loss or damage to equipment, they may request replacement, repair, or reimbursement of the cost from the requesting agency.

- ***Section #3 Incident Command:*** This is an upgrade of the previous language to ensure proper safety, command, and control of incidents.

**FISCAL IMPACT**

None

**RECOMMENDATION**

It is recommended that the City Council approve the Interlocal Agreement between the Chehalis Fire Department, Riverside Fire Authority, and Lewis County Fire District 6.

**SUGGESTED MOTION**

I move that the City Council approve the Interlocal Agreement between the Chehalis Fire Department, Riverside Fire Authority, and Lewis County Fire District 6.

**INTERLOCAL AGREEMENT  
AUTOMATIC AID AGREEMENT**

This agreement is entered into between the City of Chehalis, Lewis County Fire District 6 and the Riverside Fire Authority, local government agencies, all of which are municipal corporations of the State of Washington.

This agreement is entered into under the authority of Chapter 39.34 RCW, the Inter local Cooperation Act, RCW 35A.11.040 and RCW 52.12.031(3).

RECITALS

A. Each of the parties owns and maintains apparatus and equipment for the suppression of fires and for the supplying of emergency medical services and responses to other situations, which may be hazardous to the public. Each of the parties also employs and/or supervises firefighting personnel who are trained to provide various levels of emergency medical services and response to other hazardous conditions.

B. Each of the parties is so situated as to be capable of providing fire suppression and/or emergency medical services to one or more other agencies in Lewis County, and/or in portions of another party's service area.

C. Each of the parties may have the necessary equipment and personnel to enable it to provide such services to another party in the event of such an emergency.

D. The geographical boundaries of each party are located so as to enable each party to render automatic aid service to certain other parties in described areas.

The parties subject to the terms of this agreement, to carry out the purposes and functions described above and in consideration of the benefits to be received by each of the parties, agree as follows:

1. Purpose of Agreement. The purpose and intent of this agreement is to provide for dispatch of the nearest available units whenever in service and feasible to dispatch, to all parties to the agreement. Central Dispatch, will automatically dispatch the nearest available unit to all emergency responses, as established by each fire department's response plan. Feasibility and availability shall be determined within each jurisdiction's command structure. For example, in certain jurisdictions the duty chief or shift command officer shall have the authority and responsibility to determine if it is necessary to withhold resources from automatic aid in order to ensure adequate protection within the "home jurisdiction". In such cases, the responsible officer shall notify dispatch of any unit or units that are unavailable for dispatch outside the home jurisdiction to such otherwise automatic aid calls. "Authority Having Jurisdiction" means the agency or entity within whose boundaries an incident occurs necessitating some emergency response. This agreement is intended primarily to validate, support and/or legitimize the agency response plans and/or run cards, insofar as the same provide for responses outside agency boundaries and is not intended to require any agency to provide automatic aid to any other agency irrespective of such agency's response plan.

2. Compensation. Each party agrees not to seek compensation from one another for services rendered under this agreement. (exception/costly disposables including firefighting foam shall be replaced at the expense of the agency receiving assistance). The mutual consideration supporting this agreement is the reciprocal services provided by each agency to the other parties; provided, however, that upon request by a responding agency, the party requesting assistance shall attempt to obtain financial assistance from federal and State agencies where such assistance is available to reimburse the assisting party for losses or damages incurred in supplying



aid under this agreement. It is permissible for responding agencies with fee for service programs including but not limited to Emergency Medical Services and hazardous materials cost recovery to directly bill the recipient of the services. Assisting agencies that suffer loss or damage to equipment may request equipment replacement, repair or reimbursement of costs from the requesting agency. Nothing in this agreement shall prohibit any party to this agreement from seeking civil damages from any individual or entity that may have been responsible for the emergency conditions for which aid was requested.

3. Command Responsibility at Emergency Scene. The nearest available unit will assume Incident Command upon arrival at scene. The Authority Having Jurisdiction (AHJ) may assume command of incidents within their boundaries or at the request of the department providing assistance. Incidents shall be managed using the approved local Incident Command/Management System. All responding equipment and personnel shall fall under the authority of the incident commander. The equipment and personnel of any responding party shall be released from service and returned to the responding party by the incident commander as soon as conditions warrant.

4. Liability. The parties agree that the department assuming command control (incident command) at the scene shall assume liability for, defend, indemnify and hold all other parties harmless from all liabilities arising out of command decisions or judgments. Subject to the above, each party hereto agrees to assume responsibility for liabilities arising out of the actions of its own personnel and to defend, indemnify and hold the other parties hereto harmless therefrom as to each party's own actions relating to performance under this agreement.

5. Insurance. Each party agrees to maintain adequate Automobile and Commercial General Liability insurance coverage for its own equipment and personnel, covering their operations. Limits of such coverage should be no less than \$2,000,000.00 combined single limit per occurrence. Each party agrees to provide workers compensation, liability, errors and omissions, and all other applicable insurance coverage, for each and every one of its personnel participating in services arising from this agreement, notwithstanding the fact that the location of provision of such services is outside of the boundaries of the party's jurisdiction, pursuant to RCW 52.12.111 and RCW 52.12.121.

6. Pre-emergency Planning/First Response. The chief officers of the parties may, from time to time, mutually establish pre-emergency plans which shall indicate: the types of and locations of potential problem areas where emergency assistance may be needed; the type of equipment that should be dispatched under various possible circumstances. Such plans shall take into consideration and ensure proper protection by the responding party of its own geographical area. When applicable, the parties shall share pre-incident plan documents or programs.

7. Purchase Contracts/Bidding. This Agreement is intended to constitute the Inter local Agreement required by RCW 39.04.030 for utilizing other Parties' purchase contracts. Whenever possible, a Party that solicits bids for equipment and material purchases will conduct its solicitation in a manner that will allow other Parties to utilize its purchase contract. To enable other Parties to utilize this benefit, the initial contracting Party shall:

(a) Comply with the public bidding laws of the State of Washington as they

apply to such Party;

(b) Provide in its bid specifications or contract documents that other municipal corporations may utilize the contract for independent purchases;

(c) Either (i) post the bid or solicitation notice on a web site established and maintained by a government, purchasing cooperative or similar service provider or (ii) provide an access link to the state's web portal to the notice.

8. Duration. The duration of this agreement shall be for one year commencing from the date of filing. However, the agreement shall be automatically continued from year to year unless terminated as provided below in section 9.

9. Termination. This agreement shall remain in full force and effect unless and until terminated as follows:

9.1 Written notice shall be served by any party hereto upon all parties of its intention to terminate the agreement. Such notice shall be served not less than thirty days prior to the termination date set forth therein, and a copy shall be forwarded to each party signatory hereto. Said notice shall automatically terminate the agreement on the date set out unless rescinded prior thereto in writing.

9.2 Termination of the agreement between parties affected by such notification shall not affect the continuation of the agreement as to any party hereto not indicating an intention to withdraw as provided herein.

9.3 Termination of the relationship affected by this agreement shall not preclude future agreements for mutual aid between the parties terminated hereunder.

10. Agreement Not Exclusive. This agreement is not intended to be exclusive as between the several parties hereto. Any of the parties hereto may, as they deem necessary or expedient, enter into separate automatic aid or mutual aid agreements with any other party or parties. Entry into such separate agreements shall not, unless specifically stated therein, affect any relationship or covenant herein contained; provided that no such separate agreement shall terminate any responsibility herein undertaken unless notice shall be given pursuant to Section 8 of this agreement.

11. Filing. As provided by RCW 39.34.040, this agreement shall be separately filed prior to its entry in force, with the City Clerk of any participating city, with the district secretary of any participating fire protection district and with the County Auditor. Alternatively, the agreement may be posted on an agency's web site, and filing shall be deemed completed as to such agency. For "filing" to be complete, all of the foregoing filings shall be accomplished. An agreement shall be deemed "filed" on the date of the last filing of the foregoing.

12. Employees/Volunteers. No employee or volunteer of a Responding Agency shall be deemed to be a loaned servant, employee, agent or volunteer of the Requesting Agency or any other Party. No Party shall assume any liability for the direct payment of any salary, wage, compensation, stipend or other payment to any of the other Party's personnel performing services hereunder or for any other liability not expressly assumed herein. No agent, employee, volunteer or other representative of the parties shall be deemed an agent, employee, or other representative of the other Parties for any reason.

13. No Separate Entity Created. This Agreement does not establish a separate legal entity, joint board, or administrative section for the purpose of acquiring, managing, or disposing of property, or any other financial obligation allowed under the Act.

14. Administration. Unless the Parties otherwise agree, there shall be no lead agency responsible for the administration of this Agreement. This Agreement shall be administered jointly by the chief officers of the respective Parties.

15. Property Ownership. This Agreement does not provide for jointly owned property. All property presently owned or hereafter acquired by a party to enable it to perform the services required under this agreement, shall remain the property of the party in the event of the termination of this agreement.

16. Assignment.. None of the Parties to this Mutual Agreement may assign any of their duties, rights or responsibilities under this Agreement without the express written consent of the other Parties. This restriction on assignment shall not apply to the formation of a new entity between parties.

17. Amendments. No modification, termination or amendment of this Agreement may be made except by written agreement signed by all Parties.

18. Governing Law And Venue. This Agreement shall be deemed to be made and construed in accordance with the laws of the State of Washington. Jurisdiction and venue for any action arising out of this Agreement shall lie exclusively in Lewis County, Washington.

19. Benefits. This agreement is entered into for the benefit of the parties to this agreement only and shall confer no benefits, direct or implied, on any third persons.

20. Complete Agreement. This Agreement is the full and complete understanding of the parties and there are no other agreements, either verbal or written, which would alter the terms of this document.

City of Chehalis

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Manager

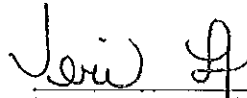
\_\_\_\_\_  
Fire Chief

Attest:

\_\_\_\_\_  
City clerk

Date \_\_\_\_\_

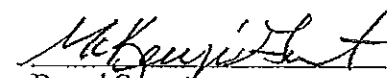
Lewis County Fire District 6



Board of Commissioners, Chair

  
Fire Chief

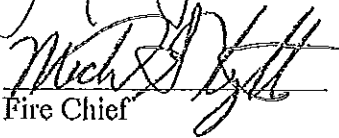
Attest:

  
Board Secretary

Date 5/22/2018

Riverside Fire Authority

  
Board of Commissioners, Chair

  
Fire Chief

Attest:

  
Board Secretary

Date 05-23-18

(TK) (MSK)

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Trent Lougheed, P.E., Community Development Director  
Brandon Rakes, Airport Operations Coordinator

**DATE:** June 11, 2018

**SUBJECT:** Consideration of Offer to Lease Tracts 7A, 8, and 9 Located Along I-5 Between Dutch Bros. Coffee and I-5 Toyota

---

**ISSUE**

The Chehalis-Centralia Airport has received an offer to lease Tracts 7A, 8, and 9 from Rich Development Enterprises, LLC. These parcels are located on property managed by the airport and are located along I-5 between Dutch Bros. Coffee and I-5 Toyota.

**INTRODUCTION**

Rich Development Enterprises, LLC approached the Chehalis-Centralia Airport February 27 of this year regarding the potential of leasing property for development, and ultimately submitted an offer to lease Tracts 7A, 8, and 9 on March 22. These tracts total 16.22 gross acres of land.

Rich Development Company specializes in single tenant, mid-sized, and multi-tenant retail commercial developments. Their shopping centers can be found throughout the Western United States and include major chain locations, supermarkets, and banks. Greg Vena, Senior Vice President, met with the City Council at a special City Council meeting on Tuesday, June 5 to formally introduce the company and provide information on their projects, including those in Bellingham, WA and Spokane, WA.

**TERMS OF THE PROPOSAL**

Upon receipt of the initial offer, a determination of market rent was ordered by the City. This information was used to negotiate the proposed Offer to Lease (also known as a Letter of Intent) that is being submitted for consideration at this time. Rich Development has signed the offer, which includes provisions for the following:

- Deposit to the City
- Time for Developer to Complete its Due Diligence work
- Contingency Clauses
- Rent Amount and Commencement Date
- Length of the term of a future lease and extension clauses



The acceptance of the Offer to Lease by both parties is the first step in a process to develop the property. Terms agreed to in the Offer to Lease would be used to prepare a long-term lease agreement over the next 4 months. Then, the Developer would be in a position to do the engineering and design needed to obtain building permits and lease the property to tenants, that would include retail stores and restaurants.

**FISCAL IMPACT**

If the proposed Offer to Lease is accepted *and* leads to a long-term lease agreement, the City would receive lease revenue that would be restricted for the operation of the Centralia-Chehalis Airport and sales tax revenue from any retail activity that would be used to fund the City's general operations, including the provision of police and fire services.

**RECOMMENDATION**

It is recommended that the City Council approve acceptance of the Offer to Lease Tracts 7A, 8, and 9 by Rich Development Enterprises, LLC.

**SUGGESTED MOTION**

I move that the City Council approve acceptance of the offer to lease Tracts 7A, 8, and 9 by Rich Development Enterprises, LLC.



June 7, 2018

Mr. Brandon Rakes  
Chehalis-Centralia Airport  
900 NW Airport Rd.  
Chehalis, WA

Re: Offer to Lease Tract 7A, 8 & 9  
Airport Property  
Chehalis, WA

VIA EMAIL:  
*brakes@ci.chehalis.wa.us*

Dear Brandon:

We are pleased to present an Offer to Lease up to approximately 16.22 acres of Airport Property located on NW Louisiana Avenue in Chehalis, WA; (see the attached Exhibit "A"):

1. **PROPERTY:** Up to approximately 16.22 gross acres of land at the above referenced location;
2. **LANDLORD:** City of Chehalis (Chehalis-Centralia Airport)
3. **TENANT:** Rich Development Enterprises, LLC, or its assignee;
4. **DEPOSIT:** One Hundred Thousand Dollars (\$100,000) cash to be held by the City of Chehalis or an approved escrow company. Said deposit and all interest shall be returned to Tenant upon the Rent Commencement Date or if this lease is terminated by Tenant pursuant to the contingencies outlined below;
5. **DUE DILIGENCE:** Tenant shall have one hundred twenty (120) days following the Effective Date, subject to extension as provided below to review the feasibility of developing the Leased Premises (including the source and cost of required site fill material), research the zoning and building codes and requirements, review title, survey and any easements, covenants or restrictions. Tenant shall have the right to terminate the Lease upon written notice to Landlord prior to the expiration of the Due Diligence Period. Landlord shall have Ten (10) days from the Lease Execution Date (the "Effective Date") to provide Tenant with all reports and materials in Landlord's possession (including, but not limited to surveys, appraisals, inspections, tests, evidence of the absence of

hazardous materials and satisfactory soils) that may enable Tenant to properly evaluate the economic feasibility of developing the Leased Premises. Tenant shall have the right to extend the Due Diligence Period for an additional thirty (30) days upon written notice to Landlord;

**6. CONTINGENCIES:**

After the expiration of the Due Diligence Period, Tenant shall have the right to terminate the Lease under the following circumstances:

**a. TITLE:**

Any new title exception or survey matter that is unacceptable to Tenant and materially different from the preliminary title report supplied during the Due Diligence period, subject to Landlord's ability to cure;

**b. GOVERNMENT APPROVALS:**

Tenant's development plan for the Leased Premises has not been approved by all Governmental agencies prior to March 31, 2019 or conditions of approval are materially inadequate or economically infeasible to develop Shopping Center as represented, in Tenant's sole discretion;

**c. BUILDING PERMIT:** Tenant is unable to obtain a building permit on conditions acceptable to Tenant by June 30th, 2019;

**d. TENANT LEASING:** Tenant shall have failed to execute leases representing a minimum of 70,000 SF of leasable area in the proposed Shopping Center;

**e. ROAD ACCESS AGREEMENT:**

Tenant and the Tenants of Tracts 6A-B and Tract 6C shall not have entered into a Road Access Agreement for a share of the cost of improvements and access to road improvements;

**7. RENT COMMENCEMENT DATE:**

The date that Tenant receives rent from a Subtenant of the Property, provided however that the Rent Commencement Date for the Property shall not be later than the date ("Deadline Date") that is eighteen (18) months after the date a building permit is issued for the development of the Property;

**8. TERM:**

Ten (10) years with Ten (10) options to extend for periods of Five (5) years each;

**9. RENT:**

Beginning upon the Rent Commencement Date, the annual Rent shall be the product of Forty Cents (\$0.40) multiplied by the

usable square footage of land comprising each Phase of the Property, as defined below; The total Rent payable shall be determined by the usable area of land developed in each phase multiplied by the Base Rent. Each undeveloped phase (determined by the unused area of land being held) will be charged a non-refundable deposit equal to 20% of the base rent collected annually. These deposits will then be applied to the rent upon completion of future phases of the development, if realized.

**10. RENT ESCALATION:**

Rent shall increase every fifth (5<sup>th</sup>) anniversary after the completion of each Phase by ten percent (10%) of the Rent then in effect as of the adjustment date until the expiration of the term of the Lease;

**11. DEVELOPMENT PLAN:**

Tenant intends to fill the Property to satisfy 100-year Flood Plain mitigation plans and develop a minimum 70,000 SF Shopping Center. The Property may be developed in one Phase or as many as three Phases, corresponding to each tract, as selected by Tenant. The initial phase will, at a minimum include the approximate 9-acre Tract 7A property. Each subsequent phase (Tracts 8 & 9) shall commence construction within eighteen (18) months following rent commencement of the prior phase. Tenant may elect to increase the size of the leased land (within Tracts 7A, 8 & 9) to be developed in any Phase. The total Rent payable shall be determined by the usable area of land developed in each phase multiplied by the Base Rent.

**12. TENANT'S WORK:**

Upon the Expiration of the Due Diligence Period, Tenant shall have the right to construct the Improvements on the Leased Premises. Tenant will be responsible for all other aspects of development of the Shopping Center including finalizing all leases, construction bidding and all construction oversight;

**13. SIGNAGE:**

Tenant may install signage on the Property and on any shopping center pylon, in a form acceptable to Tenant, subject to Federal Aviation Administration (FAA) requirements.

**14. BROKERS:**

It is hereby understood that neither Landlord, nor Tenant has Brokerage representation in this transaction and that no brokerage commission is payable.

**THIS LETTER/PROPOSAL IS INTENDED SOLELY AS A PRELIMINARY EXPRESSION OF GENERAL INTENTIONS AND IS TO BE USED FOR DISCUSSION PURPOSES ONLY. THE PARTIES INTEND THAT NEITHER SHALL HAVE ANY CONTRACTUAL OBLIGATIONS TO THE OTHER WITH RESPECT TO THE MATTERS REFERRED HEREIN UNLESS AND**

UNTIL A DEFINITIVE AGREEMENT HAS BEEN FULLY EXECUTED AND DELIVERED BY THE PARTIES. THE PARTIES AGREE THAT THIS LETTER/PROPOSAL IS NOT INTENDED TO CREATE ANY AGREEMENT OR OBLIGATION BY EITHER PARTY TO NEGOTIATE A DEFINITIVE LEASE AGREEMENT AND IMPOSES NO DUTY WHATSOEVER ON EITHER PARTY TO CONTINUE NEGOTIATIONS, INCLUDING WITHOUT LIMITATION ANY OBLIGATION TO NEGOTIATE IN GOOD FAITH OR IN ANY WAY OTHER THAN AT ARM'S LENGTH. PRIOR TO DELIVERY OF A DEFINITIVE EXECUTED AGREEMENT, AND WITHOUT ANY LIABILITY TO THE OTHER PARTY, EITHER PARTY MAY (1) PROPOSE DIFFERENT TERMS FROM THOSE SUMMARIZED HEREIN, (2) ENTER INTO NEGOTIATIONS WITH OTHER PARTIES AND/OR (3) UNILATERALLY TERMINATE ALL NEGOTIATIONS WITH THE OTHER PARTY HERETO.

Brandon, we appreciate your consideration of this Offer to Lease and look forward to your timely response.

Sincerely,

**RICH DEVELOPMENT ENTERPRISES, LLC**



Gregory F. Vena  
Senior Vice President

**ACCEPTANCE:**

**Tenant:**

By  \_\_\_\_\_

By  \_\_\_\_\_

Date 6/7/18 \_\_\_\_\_

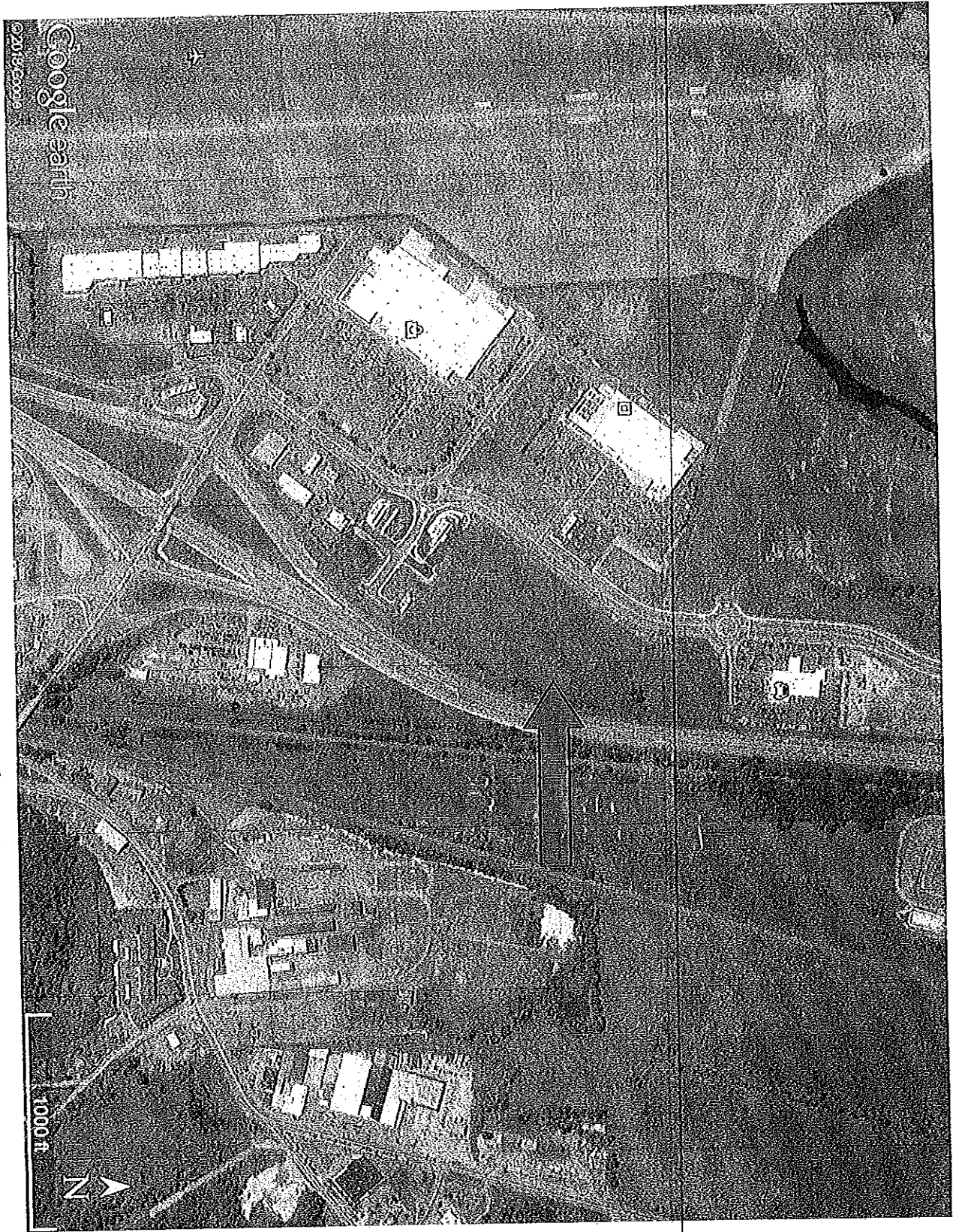
**Landlord:**

By \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

Cc: Joseph Rich, Rich Development Enterprises



1590-D Rosecrans Avenue #208, Manhattan Beach, CA 90266

T 310-545-9417

[www.richdevelopment.com](http://www.richdevelopment.com)



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Chun Saul, Finance Director

**MEETING DATE:** June 11, 2018

**SUBJECT:** Ordinance No. 987-B, Second and Final Reading – Amending the 2018 Budget

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**ISSUE**

On May 14, 2018, Ordinance No. 987-B amending the 2018 Budget was presented for City Council consideration on first reading. There have been no changes since the first reading on May 14, 2018. This ordinance is presented for City Council consideration on the second of two required readings.

Throughout the year, adjustments to the budget become necessary as a result of City Council actions, changes in estimates, activity levels that were not anticipated during budget development, and grant awards or other receipts of outside funding. Historically, the budget has been amended once or twice per year prior to the development of the next year's proposed budget document.

**DISCUSSION**

This proposed budget amendment includes a net city-wide decrease in fund balances of \$728,165. Some of the items are due to timing issues related to items that were originally budgeted in 2017 but not spent by the end of 2017. The total amount of 2017 unspent appropriations that is proposed to be carried forward to 2018 is \$504,759. The remaining \$223,406 is the new appropriations, net of revenues.

The following are significant budget amendments that have been identified since the adoption of the 2018 budget. Full details of the proposed budget amendments as well as summary information of the proposed budget amount are attached to the proposed ordinance as exhibit "A".

**General Fund (Current Expense Fund)**

- The budget amendment proposal includes a \$140,183 decrease in revenues, \$378,051 increase in appropriations, and \$260,736 increase in transfers out. A net decrease in fund balance from this proposal is \$778,970.



- An amendment to Property Tax revenues is necessary. It is recommended to reduce the property tax revenues budget by \$225,465 which includes both the current and delinquent property taxes. A portion of general property tax goes to the Firemen's Pension Fund and the remaining amount to be budgeted in the General Fund. However, it is determined that a \$132,000 was budgeted in the Firemen's Pension Fund as well as in the General Fund property tax revenues. In addition, the estimated property tax revenues when the budget was adopted is determined to be higher than the final 2018 tax levy certification amount and new projection for the delinquent tax receipts.
- The city contributed \$50,000 to the Main Street Credit Program for CCRT in 2017 and received a B&O Tax Credit in the amount of \$37,500 in 2018. The city has applied the tax credit to reduce the combined excise taxes due to the state in 2018. It is recommended a \$37,500 Main Street Tax Credit be added to the 2018 revenue budget.
- The city received \$18,946 Marijuana Excise Tax distribution in March 2018. This is a state shared revenue that is distributed to cities and counties on a quarterly basis, based on certain formula including population, marijuana retail sales, and other. Since we are unable to estimate an additional tax distribution in 2018, it is recommended to add the \$18,946 that has been received in the Marijuana Excise Tax revenue budget.
- \$146,110 additional funds are needed to cover the increased payroll costs. The costs related to the CBA with the Police Guild is \$130,402 which includes \$33,380 retroactive payment made in 2018 plus a \$96,572 for Police Guild pay increase effective 1/1/2018, as the adopted budget was based on 2016 salary level. The remaining \$15,708 is related to the 0.5% salary adjustment and a few position reclassifications for non-presented employees.

The costs related to the CBA with the Police Guild were anticipated and the second 2017 budget amendment set aside a sum of \$250,000 in a suspense account for retroactive payments related to Police and Fire in the Non-Departmental department. The Police Guild CBA was finalized in late 2017. Of the \$250,000, \$54,560 was expensed in 2017 for retroactive payments for the Police Guild employees. The remaining balance at the end of 2017 was \$195,440 (\$250,000 less \$54,560).

- It is proposed that the \$195,440 remaining 2017 budget be carried forward to 2018 budget and fund the \$33,830 police retroactive payment made in 2018 and set aside the remaining \$161,610 in a suspense account in the Non-Departmental department to address the possible impact associated with the International Association of Fire Fighters collective bargaining agreement that is currently in negotiation.
- Council approved a \$20,000 contribution to Lewis County Senior Center in December 2017 to be paid out of 2018 budget. This was not budgeted in the 2018 adopted budget.
- \$75,000 transfer out to the Public Facilities Reserve Fund (301) is requested to fund the fire station improvement project. \$75,000 was originally budgeted in 2017 in the

Fire Department for fire station improvement project but was not spent in 2017. It is requested that the \$75,000 be carried forward to 2018 and be transferred to the Public Facilities Reserve Fund (301). \$120,000 is budgeted in the 2018 adopted budget in the Public Facilities Fund for fire station improvement. The planned improvement project would require this additional funding.

- \$10,000 budget amendment is requested in the Non-Department department for a professional service contract for Grant Procurement Services for the Recreation Park Renovation project. This professional service would provide a much greater chance at receiving funding for the two \$500,000 grants we are applying for from the State Recreation and Conservation Office (RCO).
- \$16,350 budget increase is requested for the increased costs relating to the new phone system services. The city's phone systems were replaced in 2017 and the related monthly service costs were increased. However, the 2018 adopted budget was based on 2016 expenditure level and is insufficient to cover the actual service costs in 2018. Several department budgets are affected.
- With this budget amendment, General Fund's estimated ending unreserved fund balance is expected to be about 12% of the General Fund's 2018 operating revenue. It is recommended that 2% (\$185,736) of the unreserved fund balance be transferred to the following two reserve funds (1% or \$92,868 each):
- \$92,868 transfer out to the Compensated Absences Reserve Fund (110) is recommended. The monies reserved in this fund were depleted in 2012, and no funds have been added to this fund since then. As of 12/31/2017, the liabilities for compensated absences for the General Fund employees alone is over a million dollars (\$1,111,160). This is the cash-out value of the accrued leaves for vacation, sick and comp time. It is anticipated that several employees will retire in the near future, and additional funds will be needed.
- \$92,868 transfer out to the Automotive/Equipment Reserve Fund (302) is recommended. As of the beginning of 2018, the city has approximately \$7.6 million dollars' worth of vehicles used in city operations but has no funds set aside to replace them. Substantially all of the monies in this fund were exhausted in 2013. The city administration will work on developing a sustainable plan to annually increase the reserves to meet the future needs.

#### **Dedicated Street Fund – 4% Sales Tax**

A \$16,040 budget increase is requested. This is the retainage paid to the National Avenue construction contractor. This was originally budgeted in 2017 but an approval for release of retainage didn't happen until 2018. The city received a TIB grant for this amount in 2017. It is requested that the \$16,040 amount in 2017 budget be carried forward to 2018.

### **Compensated Absences Reserve Fund**

\$92,868 transfer in from General Funds is recommended. It is anticipated that several employees will retire in the near future. This fund is to be set aside, to pay for significant costs relating to cash-out of employee accrued leaves upon retirement.

### **Public Facilities Reserve Fund**

The city received a \$189,233 donation from the Chehalis Foundation for the ballfield project at Recreation Park. This money will be earmarked for the ballfield project only and approximately \$35,000 is expected to be spent in 2018 and the remaining fund is to be set aside for future expenditures.

About \$250,145 is needed for the library repair project. The city budgeted \$100,000 in 2017 for the library roof repair. Only \$9,855 was spent in 2017. It is requested that the remaining \$90,145 be carried forward to 2018 budget. In addition, a new appropriation in the amount of \$160,000 is requested. The project was initially to repair the library roof, however due to the severity of the condition, the project became a complete replacement of the roof. In addition, the building interior received significant damage from the roof leaks that must be repaired.

Transfers in of \$80,000 from the 1st QTR Percent REET fund (305) and transfers in of \$80,000 from the 2<sup>nd</sup> QTR Percent REET fund (306) is proposed to provide funds for the library repair project.

About \$195,000 is needed for the fire station improvement project. The city budgeted \$75,000 in the Fire department in General Fund in 2017 but was not spent in 2017. It is requested that the 2017 approved budget to be carried to 2018 and be transferred to the Public Facilities Reserve fund. \$120,000 was approved in the 2018 adopted budget.

### **Automotive Equipment Reserve Fund**

\$92,868 transfer in from General Fund is recommended to start to rebuilding reserves for future vehicle replacements. The city administration will continue to work on developing a sustainable plan to address the funding needs for future replacements.

### **First Quarter Percent REET Fund**

It is proposed that \$80,000 be transferred out to the Public Facilities Reserve Fund to provide additional funds needed for the library repair project. The ending balance is reduced greatly, so future spending may be restricted.

### **Second Quarter Percent REET Fund**

It is proposed that \$80,000 be transferred out to the Public Facilities Reserve Fund to provide additional funds needed for the library repair project. The ending balance is reduced greatly, so future spending may be restricted.

### Wastewater Fund

\$10,905 Ecology grant reimbursement was received.

\$93,565 capital expenditures budget increase is requested. Coal Creek Sewer Extension project retainage for \$10,905 and Prindle Street Force Main Emergency Sewer repair project final invoice for \$82,660 were paid in 2018. These costs were originally budgeted in 2017 and the projects were completed in 2017. Budget carry forward in the amount of \$93,565 is requested.

\$97,000 capital expenditure budget increase is requested for Riverside Force Main Replacement project design work. This was not included in the adopted 2018 budget. The City Council has already approved the design contract with G&O.

\$15,760 increase for debt service is requested to pay off the Coal Creek project loan. The project was completed in 2017, and the final loan amount is \$15,000. It is proposed to pay off the entire loan in 2018 instead of making installment payments over a 20-year period. Total net decrease in the fund balance is \$197,905.

### Water Fund

\$34,570 budget increase is requested for a Water Capital Outlay budget. This was originally budgeted in 2017 for the construction of High Level Reservoir project. The project had been completed in 2017 but an approval for release of retainage didn't happen until March 2018. It is requested to carry forward the 2017 budget to 2018.

\$116,450 budget increase is requested for the debt service payment relating to the High Level Reservoir project loan. The project was completed in late 2017 and the final loan amortization was received after the 2018 budget was adopted.

A budget decrease of \$187,059 is needed to correct the budget entry errors relating to the Contra expense accounts. These accounts are used to account for the costs charged to and reimbursed from other utilities. The budget entry should have been negative amounts (reduction of expenditures in Water fund), but they were entered as positive amounts.

Total fund revenue amount would increase \$31,000 to correct a formula error. Late fees revenue line item was presented in the budget document, but the line item total was omitted from the total revenues line for the Fund.

### Storm & Surface Water Utility Fund

Total fund revenue amount would increase \$5,000 to correct a formula error. Late fees revenue line item was presented in the budget document, but the line item total was omitted from the total revenues line for the Fund.

### Airport Fund

\$53,637 decreased for payroll budget is proposed. This reduction is result of changes in staffing and position reclassification in March 2018. Airport director position was eliminated and was

replaced with a new Airport Operations Coordinator position. In addition, the adopted 2018 budget was based on 4.35 FTE, but for the 1<sup>st</sup> half of 2018, the Airport operated with about 3.35 FTE. An Office Manager position is proposed to be filled in July 2018 at the projected budget of \$31,500. Overall, the 2018 payroll budget is anticipated to be \$53,637 lower than the adopted budget.

**Firemen's Pension Fund**

Property tax revenue projection has increased by \$28,528.

**RECOMMENDATION**

It is recommended that the City Council pass Ordinance No. 987-B on second and final reading.

**SUGGESTED MOTION**

I move that the City Council pass Ordinance No. 987-B on second and final reading.

Fund No. and Name	Account Name	Reason for Amendment	2018 Adopted		Revenue		Transfers		Appropriation		Total		Recommended
			Budget	Increase (Decrease)	Increase (Decrease)	In	Out	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)			
<b>Fund 001 - General Fund</b>													
<b>Revenues:</b>													
001.311.010.00	Real & Personal Property Tax	Corrects original projections	1,456,045	(190,919)							(190,919)		1,305,126
001.311.011.00	Real/Personal Taxes-EMS Levy	Corrects original projections	327,140	(12,615)							(12,615)		314,525
001.311.010.01	Real & Personal Property Tax-definq	Corrects original projections	35,000	(19,259)							(19,259)		15,741
001.311.011.01	Real/Personal Taxes-EMS-definq.	Corrects original projections	6,500	(2,672)							(2,672)		3,828
001.316.010.00	Mainstreet B&O Tax Credit	Credit Received on Used in 2018 but was budgeted	-	37,500							37,500		37,500
001.334.004.90	Department of Health	Trauma Grant	-	1,222							1,222		1,222
001.336.006.42	Marijuana Excise Tax	Not budgeted (equals 2018 YTD distribution received)	-	18,946							18,946		18,946
001.361.011.00	Interest Earnings	Higher interest return	1,350	9,000							9,000		10,350
001.362.050.02	Lease of RV Parking	Park Caretaker	-	8,000							8,000		8,000
001.389.030.06	Leasehold Excise Tax	Leasehold tax on RV caretaker Agreement	9,500	1,030							1,030		10,530
001.395.010.00	Proceeds from Sale of Cap Assets	Not budgeted	-	5,310							5,310		5,310
001.395.020.04	Insurance Recoveries - Street	Not budgeted	-	4,274							4,274		4,274
<b>Total General Fund Revenues &amp; Transfers in</b>			<b>9,426,997</b>	<b>(140,183)</b>							<b>(140,183)</b>		<b>9,286,814</b>
<b>Expenditures:</b>													
001.B1.511.060.42.00	Communications	Increase in costs	300	350							350		650
001.C1.512.050.42.00	Communications	Increase in costs	3,200	2,600							2,600		5,800
001.D1.513.010.42.00	Communications	Increase in costs	2,400	1,750							1,750		4,150
001.E1.514.023.42.00	Communications	Increase in costs	2,800	1,300							1,300		4,100
001.F2.518.031.11.00	Salaries & Wages	Non-represented adjustments	18,480	1,781							1,781		20,261
001.F2.518.031.21.00	Personnel Benefits	Non-represented adjustments	11,321	214							214		11,535
001.F2.518.030.41.00	Professional Services	Park Caretaker	40,000	9,030							9,030		49,030
01.F2.518.031.46.00	Insurance	Increase in costs	840	593							593		1,433
01.F2.576.020.46.00	Insurance	Increase in costs	-	(4,000)							(4,000)		4,570
01.F2.589.030.00.06	Leasehold Excise Tax	Leasehold tax due the State	-	1,030							1,030		1,030
01.G1.569.050.51.00	LC Senior Center	Council approved in December 2017 for 2018 budget	-	20,000							20,000		20,000
01.G1.566.000.41.00	Chemical Dependency Services	Requires 2% of liquor taxes & profits	-	1,985							1,985		1,985
001.G1.597.000.05.01	Transfer out - Fund 301	Carry forward 2017 Fire Station Repair budget unspent	-	75,000					75,000				75,000
001.G1.597.000.05.10	Transfer out - Fund 110	Reserve for Compensated Absences (1% of operating revenue)	-	92,868					92,868				92,868
001.G1.597.000.05.32	Transfer out - Fund 302	Reserve for Automotive/Equip (1% of operating revenue)	-	92,868					92,868				92,868
001.G1.589.090.00.00	Suspense/Clearing Account	Carry forward 2017 budget for Firefighter's CBA negotiation	-	161,609					161,609				161,609
001.G2.518.010.11.00	Salaries & Wages	Non-represented adjustments	88,220	360					360				88,580
001.G2.518.010.21.00	Personnel Benefits	Non-represented adjustments	35,585	75					75				35,610
001.G2.518.010.42.00	Communications	Increase in costs	1,300	650					650				1,950
001.G2.518.010.49.00	Miscellaneous	CDL Drug Testing, not budgeted	-	1,700					1,700				1,700
001.H1.521.010.11.00	Salaries & Wages	Carry forward 2017 Non-represented Retroactive pay	-	24,959					24,959				24,959
001.H1.521.010.21.00	Personnel Benefits	Carry forward 2017 Non-represented Retroactive pay	-	3,265					3,265				3,265
001.H1.521.010.11.00	Salaries & Wages	Non-represented adjustments	180,900	27,787					27,787				208,687
001.H1.521.010.21.00	Personnel Benefits	Non-represented adjustments	74,254	4,545					4,545				78,799
001.H1.521.010.31.01	Office and Operating Supplies	Use of Drug Seizure Fund	5,000	1,677					1,677				6,677
001.H1.521.010.42.00	Communications	Increase in costs	24,000	2,000					2,000				26,000
001.H1.521.010.46.00	Insurance	Increase in costs	44,300	1,680					1,680				45,980
001.H1.521.021.11.00	Salaries & Wages	Police Guild Agreement & 1 Detective position to Patrol	240,204	(72,948)					(72,948)				167,256
001.H1.521.021.12.00	Overtime	Carry forward 2017 police Guild retro pay	15,000	1,286					1,286				16,286
001.H1.521.021.21.00	Personnel Benefits	Police Guild Agreement	119,007	(9,542)					(9,542)				109,465
001.H1.521.022.11.00	Salaries & Wages	Police Guild Agreement & Additional 1 Patrol from Detective	948,334	129,831					129,831				1,078,165
001.H1.521.022.12.00	Overtime	Carry forward 2017 police Guild retro pay	80,000	4,320					4,320				84,320
001.H1.521.022.21.00	Personnel Benefits	Police Guild Agreement	421,564	16,899					16,899				438,463
001.H1.521.023.49.00	Replenish Drug Buy Fund	Drug money purchases not budgeted	-	4,000					4,000				4,000
001.H1.521.050.47.00	Public Utility Service	Facility cost not budgeted	-	880					880				880
001.H1.521.050.48.00	Repair & Maintenance	Facility cost not budgeted	-	500					500				500
001.H1.521.050.49.00	Miscellaneous	Facility cost not budgeted	-	800					800				800
001.H1.522.010.11.00	Salaries & Wages	Non-represented adjustments (Fire Chief)	95,225	5,240					5,240				100,465
001.H1.522.010.11.02	Salaries & Wages	Non-represented adjustments (Fire Office Manager)	47,088	2,090					2,090				49,178
001.H1.522.010.21.00	Personnel Benefits	Non-represented adjustments	17,790	1,495					1,495				19,285

Fund No. and Name	Account Name	Reason for Amendment	2018 Adopted		Revenue		Transfers Appropriation		Transfers		Total Amendment		Recommended Budget
			Budget	Increase (Decrease)	Increase (Decrease)	In (Decrease)	Out	Increase (Decrease)	Increase (Decrease)				
001.I.522.010.42.00	Communications	Increase in costs	9,000	4,800	-	-	4,800	-	-	4,800	-	13,800	
001.I.525.060.53.00	External taxes & operating assessment	EMS Trauma grant expense	13,500	1,222	-	-	1,222	-	-	1,222	-	14,722	
001.K1.543.010.11.00	Salaries & Wages	Non-represented adjustments	60,903	3,721	-	-	3,721	-	-	3,721	-	64,624	
001.K1.543.010.21.00	Personnel Benefits	Non-represented adjustments	11,321	310	-	-	310	-	-	310	-	11,631	
001.K1.543.010.42.00	Communications	Increase in costs	2,000	2,600	-	-	2,600	-	-	2,600	-	4,600	
001.K1.543.010.46.00	Insurance	Increase in costs	16,800	110	-	-	110	-	-	110	-	16,910	
001.P2.524.011.42.00	Communications	Increase in costs	1,260	300	-	-	300	-	-	300	-	1,560	
001.R1.571.011.11.00	Salaries & Wages	Non-represented adjustments	144,760	350	-	-	350	-	-	350	-	145,110	
001.R1.571.011.21.00	Personnel Benefits	Non-represented adjustments	70,353	72	-	-	72	-	-	72	-	70,425	
001.R1.571.011.41.00	Professional Services	Recreation Park Renovation Grant Procurement	-	10,000	-	-	10,000	-	-	10,000	-	10,000	
001.R1.571.022.46.00	Insurance	Increase in costs	2,225	2,775	-	-	2,775	-	-	2,775	-	5,000	
Total General Fund Expenditures & Transfers Out			9,655,146	-	-	-	378,051	260,736	-	638,787	-	10,293,933	
Total General Fund			(140,183)	-	-	-	378,051	260,736	-	(78,970)	-		

Fund 003 - Dedicated Street Fund-4% Sales Tax		Expenditures:	
003.K1.595.030.63.00	Other Improvement	Carry forward TIB National Ave project - retainage	16,040
Total Dedicated Street Fund-4% Sales Tax			16,040
Total Dedicated Street Fund			16,040

Fund 110 - Compensated Absences Reserve Fund		Revenues	
10.397.000.01	Transfers in - Fund 001	Transfer from General Fund	92,868
Total Compensated Absences Reserve Fund			92,868
Total Compensated Absences Reserve Fund			92,868

Fund 301 - Public Facilities Reserve Fund		Revenues:	
301.367.011.76	Donations for Facilities	Earmarked for Ballfield project at Recreation Park	189,233
301.397.000.01	Transfer in - Fund 001	Carry forward 2017 budget - fire station repair	75,000
301.397.000.35	Transfer in - Fund 305	Library Roof Replacement and Foundation Repair	80,000
301.397.000.36	Transfer in - Fund 306	Library Roof Replacement and Foundation Repair	80,000
Total Public Facilities Reserve Fund			420,000
Total Public Facilities Reserve Fund			420,000

Fund 302 - Automotive Equipment Reserve Fund		Revenues	
302.397.000.01	Transfers in - Fund 001	Transfer from General Fund	92,868
Total Automotive Equipment Reserve Fund			92,868
Total Automotive Equipment Reserve Fund			92,868

Fund 302 - Automotive Equipment Reserve Fund		Expenditures:	
301.44.594.072.62.00	Bldgs./Structures - Library	Carry forward 2017 budget - library roof repair	90,145
301.44.594.072.62.00	Bldgs./Structures - Library	Increase project costs - library roof & foundation	160,000
301.44.594.022.62.00	Bldgs./Structures - Fire Station	Carry forward from 2017 budget - fire station repair	75,000
Total Public Facilities Reserve Fund			325,145
Total Public Facilities Reserve Fund			325,145

Fund No. and Name	Account Name	Reason for Amendment	2018 Adopted		Revenue		Transfers Appropriation		Transfers		Total Amendment Increase (Decrease)	Recommended Budget
			Budget	Increase (Decrease)	Increase (Decrease)	In	Out					
Total Automotive Equipment Reserve Fund												
			-	92,868	-	-	-	-	-	-	92,868	

**Fund 305 - First Quarter REET Fund**

Expenditures:												
305.44.597.000.05.31	Transfer out to 301	Library Roof Replacement and Foundation Repair Costs	-	-	80,000	-	-	-	-	-	80,000	80,000
Total First Quarter Percent REET Fund Expenditures & Transfers Out			162,885	-	80,000	-	-	-	-	-	80,000	242,885
Total First Quarter Percent REET Fund			-	-	-	-	-	-	-	-	(80,000)	

**Fund 306 - Second Quarter REET Fund**

Expenditures:												
306.44.597.000.05.31	Transfer out to 301	Library Roof Replacement and Foundation Repair Costs	-	-	80,000	-	-	-	-	-	80,000	80,000
Total Second Quarter Percent REET Fund Expenditures & Transfers Out			233,675	-	80,000	-	-	-	-	-	80,000	313,675
Total Second Quarter Percent REET Fund			-	-	-	-	-	-	-	-	(80,000)	

**Fund 404 - Wastewater Fund**

Revenues:												
404.334.030.10	State Grant - Dept. of Ecology	Coal Creek Project	-	10,905	-	-	-	-	-	-	10,905	10,905
Total Wastewater Fund Revenues			5,518,992	10,905	-	-	-	-	-	-	10,905	5,529,897
Expenditures:												
44.11.535.010.11.00	Salaries & Wages	Non-represented adjustments	115,700	-	-	2,065	-	-	-	-	2,065	117,765
44.11.535.010.21.00	Personnel Benefits	Non-represented adjustments	48,629	-	-	420	-	-	-	-	420	49,049
404.11.591.035.78.04	Coal Creek-Principal	Proposing to pay off entire loan	-	-	-	15,000	-	-	-	-	15,000	15,000
404.11.592.035.83.04	Coal Creek-Interest	Interest on loan	-	-	-	760	-	-	-	-	760	760
404.11.594.035.85.00	Construction Projects	Carry forward from 2017 - Coal Creek project retainage	140,000	-	-	10,905	-	-	-	-	10,905	150,905
404.17.535.050.48.00	Repairs & Maintenance	Carry forward from 2017 - Prindle Emergency sewer repair	16,500	-	-	82,660	-	-	-	-	82,660	99,160
404.17.535.080.41.00	Professional Services	Riverside Force Main-Design	9,000	-	-	97,000	-	-	-	-	97,000	106,000
Total Wastewater Fund Expenditures			4,947,395	-	-	208,810	-	-	-	-	208,810	5,156,205
Total Wastewater Fund			-	-	-	-	-	-	-	-	(197,905)	

**Fund 405 - Water Fund**

Revenues:												
n/a (total line only)	Total Revenues (Late fees line item)	Formula error, Line item not included in total revenue	-	31,000	-	-	-	-	-	-	31,000	31,000
Total Water Fund Revenues			2,830,884	31,000	-	-	-	-	-	-	31,000	2,861,884
Expenditures:												
405.10.534.010.11.00	Salaries & Wages	Non-represented adjustments	106,866	-	-	2,004	-	-	-	-	2,004	108,870
405.10.534.010.21.00	Personnel Benefits	PERS 1 retiree excess compensation & Non-represented adjustment	47,897	-	-	6,995	-	-	-	-	6,995	54,892
405.10.534.010.46.00	Insurance	Increase in costs	49,000	-	-	2,880	-	-	-	-	2,880	51,880
405.10.534.070.46.00	Insurance	Increase in costs	6,170	-	-	560	-	-	-	-	560	6,730
405.10.534.071.1C.00	Wage Contra Expenditures	Correction for budget entry for charges to other utility funds	52,975	-	-	(105,950)	-	-	-	-	(105,950)	(52,975)
405.10.534.071.2C.00	Benefit Contra Expenditures	Correction for budget entry for charges to other utility funds	29,655	-	-	(59,310)	-	-	-	-	(59,310)	(29,655)
405.10.534.071.3C.00	Supplies Contra Expenditures	Correction for budget entry for charges to other utility funds	1,627	-	-	(3,255)	-	-	-	-	(3,255)	(1,628)



Fund No. and Name	Account Name	Reason for Amendment	2018 Adopted		Revenue		Transfers Appropriation		Transfers		Total Amendment Increase (Decrease)	Recommended Budget
			Budget	Increase (Decrease)	Increase (Decrease)	In	Out					
405.10.534.071.4C.00	Services Contra Expenditures	Correction for budget entry for charges to other utility funds	9,272				(18,544)				(9,272)	
405.10.531.034.78.03	High Level Reservoir-Loan Principal	Not included in 2018 Budget - Loan finalized late in 2017	-				101,150				101,150	101,150
405.10.532.034.83.03	High Level Reservoir-Loan Interest	Not included in 2018 Budget - Loan finalized late in 2017	-				15,300				15,300	15,300
405.10.534.034.65.01	Construction Projects-High Level Res	Retainage release	-				34,570				34,570	34,570
Total Water Fund Expenditures			2,923,461				(23,600)				(23,600)	2,899,861
Total Water Fund				31,000			(23,600)				54,600	

**Fund 406 - Storm & Surface Water Utility Fund**

Revenues:	n/a (total line only)	Total Revenues (Late fees line item)	Formula error, Line item not included in total revenue	5,000	5,000	5,000	5,000	5,000
<b>Expenditures:</b>								
406.06.531.031.11.00	Salaries & Wages	Non-represented adjustments			63,099	1,526		64,625
406.06.531.031.21.00	Personnel Benefits	Non-represented adjustments			25,292	313		25,605
Total Storm & Surface Water Utility Fund Expenditures					696,351	1,839		698,190
Total Storm & Surface Water Utility Fund				5,000		1,839		3,161

**Fund 407 - Airport Fund**

<b>Expenditures:</b>								
407.09.546.010.11.00	Salaries & Wages	Position Reorganization and Non-represented adjustments			234,074	(43,120)		190,954
407.09.546.010.21.00	Personnel Benefits	Position Reorganization and Non-represented adjustments			121,122	(10,517)		110,605
Total Airport Fund Expenditures					1,957,269	(53,637)		1,903,632
Total Airport Fund						(53,637)		53,637

**Fund 611 - Firemen's Pension Fund**

<b>Revenues:</b>								
611.311.010.00	Real & Personal Property Tax	Corrects original projections			132,000			132,000
611.311.010.01	Real & Personal Property Tax-Deing	Corrects original projections			1,700			348
Total Firemen's Pension Fund Revenues					148,950			28,528
Total Firemen's Pension Fund					28,528			28,528

**ORDINANCE NO. 987-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING THE 2018 FISCAL YEAR BUDGET ADOPTED BY ORDINANCE NO. 985-B BY REVISING THE BUDGETED AMOUNTS BY A COMBINED TOTAL OF SEVEN HUNDRED TWENTY EIGHT THOUSAND ONE HUNDRED SIXTY FIVE DOLLARS (\$728,165) FOR THE GENERAL FUND, DEDICATED STREET FUND, COMPENSATED ABSENCES RESERVE FUND, PUBLIC FACILITIES RESERVE FUND, AUTOMOTIVE EQUIPMENT RESERVE FUND, FIRST QUARTER PERCENT REET FUND, SECOND QUARTER PERCENT REET FUND, WASTEWATER FUND, WATER FUND, STORM & SURFACE WATER UTILITY FUND, AIRPORT FUND, AND FIREMEN'S PENSION FUND; AND DIRECTING THE FINANCE DIRECTOR TO EFFECT THE BUDGET AMENDMENTS HEREIN PROVIDED.**

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

**Section 1.** The annual budget of the city for the calendar year 2018 shall be, and the same hereby is, amended so as to decrease the General Fund's estimated revenues by \$140,183, increase appropriations by \$378,051, and increase transfers out by \$260,736.

**Section 2.** The annual budget of the city for the calendar year 2018 shall be, and the same hereby is, amended so as to increase the Dedicated Street Fund's appropriations by \$16,040.

**Section 3.** The annual budget of the city for the calendar year 2018 shall be, and the same hereby is, amended so as to increase the Compensated Absences Reserve Fund's transfers in by \$92,868.

**Section 4.** The annual budget of the city for the calendar year 2018 shall be, and the same hereby is, amended so as to increase the Public Facilities Reserve Fund's revenues by \$189,233, increase transfers in by \$235,000, and increase appropriations by \$325,145.

**Section 5.** The annual budget of the city for the calendar year 2018 shall be, and the same hereby is, amended so as to increase the Automotive Equipment Fund's transfers in by \$92,868.

**Section 6.** The annual budget of the city for the calendar year 2018 shall be, and the same hereby is, amended so as to increase the First Quarter Percent REET Fund's transfers out by \$80,000.

**Section 7.** The annual budget of the city for the calendar year 2018 shall be, and the same hereby is, amended so as to increase the Second Quarter Percent REET Fund's transfers out by \$80,000.

**Section 8.** The annual budget of the city for the calendar year 2018 shall be, and the same hereby is, amended so as to increase the Wastewater Fund's revenues by \$10,905 and increase appropriations by \$208,810.

**Section 9.** The annual budget of the city for the calendar year 2018 shall be, and the same hereby is, amended so as to increase the Water Fund's revenues by \$31,000 and decrease appropriations by \$23,600.

**Section 10.** The annual budget of the city for the calendar year 2018 shall be, and the same hereby is, amended so as to increase the Storm & Surface Water Fund's revenues by \$5,000 and increase appropriations by \$1,839.

**Section 11.** The annual budget of the city for the calendar year 2018 shall be, and the same hereby is, amended so as to decrease the Airport Fund's appropriations by \$53,637.

**Section 12.** The annual budget of the city for the calendar year 2018 shall be, and the same hereby is, amended so as to increase the Firemen's Pension Fund's estimated revenues by \$28,528.

**Section 13.** Attached hereto and identified as Exhibit A, in summary form, are the total of estimated revenues, transfers in, expenditures, and transfers out for each separate fund and the aggregate totals for all such funds combined for the city for the amended 2018 budget which shows a total estimated ending fund balance of \$17,557,991.

**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 \_\_\_\_\_, 2018.

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form and content:

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

**EXHIBIT A**  
**CITY OF CHEHALIS AMENDED 2018 BUDGET**  
**2018 Budget Summary Revised with Ordinance No. 987-B**

<b>FD NAME</b>	<b>Est. Beg. Fund Balance</b>	<b>Revenue</b>	<b>Operating Transfers In</b>	<b>Expenditures</b>	<b>Operating Transfers Out</b>	<b>Est. End Fund Balance</b>
eral Fund	\$ 2,041,941	\$ 9,286,814	\$ -	\$ 9,813,006	\$ 480,927	\$ 1,034,82
icated Street Fund - 4% Sales Tax	117,842	500	184,625	180,940	-	122,02
ing Abatement Fund	90,313	200	9,596	-	-	100,10
rial Street Fund	114,125	148,500	-	160,060	-	102,56
isportation Benefit Fund	360,055	850,600	-	500,000	-	710,65
ism Fund	313,086	233,800	-	217,435	100,000	229,45
mpensated Absence Fund	-	-	92,868	-	-	92,86
mmunity Dev. Block Grant Fund	111	10,000	-	75	-	10,03
) Block Grant Fund	70,943	100	-	-	-	71,04
I G.O. Bond Fund	-	-	102,510	102,510	-	-
ic Facilities Reserve Fund	90,185	189,233	655,000	745,145	-	189,27
mmotive/Equip. Res. Fund	463	-	92,868	-	-	93,33
Quarter REET Fund	176,107	90,700	-	-	242,865	23,94
Quarter REET Fund	264,738	90,650	-	-	313,675	41,71
age Fund	7,024	6,445	-	6,005	-	7,46
stewater Fund	4,822,426	5,529,897	-	5,156,205	-	5,196,11
er Fund	7,192,608	2,861,884	-	2,899,861	-	7,154,63
m & Surface Water Fund	1,100,553	578,130	-	698,190	-	980,49
ort.Fund	371,625	2,090,259	-	1,903,632	-	558,25
men's Pension Fund	729,330	177,478	-	78,500	-	828,30
Agency Fund	10,890	360,000	-	360,000	-	10,89
<b>ALS</b>	<b>\$ 17,874,365</b>	<b>\$ 22,505,190</b>	<b>\$ 1,137,467</b>	<b>\$ 22,821,564</b>	<b>\$ 1,137,467</b>	<b>\$ 17,557,99</b>

**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/Storm Superintendent

**MEETING OF:** June 11, 2018

**SUBJECT:** Resolution No. 4-2018, First and Final Reading - Adopting the 2019-2024 Six-Year Transportation Improvement Program

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**ISSUE**

On May 14, 2018, the City Council held a public hearing on the proposed TIP to receive public comment on the proposed plan. No members of the public presented comments. The finalized TIP is being presented without change since the initial presentation. Attached is Resolution No. 4-2018, which includes the recommended 2019-2024 Six-Year Transportation Improvement Plan (TIP).

**DISCUSSION**

The city is required to annually update the six-year transportation improvement plan and to submit any updates to the Regional Transportation Planning Organization (RTPO), whose duty is to submit a regional transportation plan to Washington State Department of Transportation. As mentioned in the past, a project's inclusion in the city's or RTPO's TIP does not, by itself, provide or guarantee funding. However, in order for a project to be eligible for federal or state funding assistance, it must first be listed in the TIP. Should a funding opportunity arise for a project not listed on the TIP, the TIP can be amended to add the project. The city does not have any current projects listed on the STIP.

**FISCAL IMPACT**

None at is time, although Transportation Benefit District funds will be utilized for projects and engineering services later this year.

**RECOMMENDATION**

It is recommended that the City Council adopt Resolution No. 4-2018 on first and final reading.

**SUGGESTED MOTION**

I move that the City Council adopt Resolution No. 4-2018 on first and final reading.

**RESOLUTION NO. 4-2018**

**A RESOLUTION OF THE CITY OF CHEHALIS,  
WASHINGTON, ADOPTING THE 2019-2024 SIX-YEAR  
TRANSPORTATION IMPROVEMENT PLAN FOR THE  
CITY OF CHEHALIS.**

**WHEREAS**, pursuant to RCW 35.77.010, a public hearing was held by the City Council on the 14<sup>th</sup> day of May, 2018 to consider the 2019-2024 six-year transportation improvement plan for the city; and

**WHEREAS**, the City Council is desirous of adopting a six-year transportation improvement plan, now, therefore,

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

**Section 1.** The 2019-2024 six-year transportation improvement plan for the city, hereto attached and by this reference incorporated herein, shall be, and the same hereby is, adopted as the 2019-2024 six-year transportation improvement plan for the city effective the reporting year 2018/2019.

**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 11<sup>th</sup> day of June, 2018.

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form and content:

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

**CITY OF CHEHALIS - 2019-2024 SIX YEAR TRANSPORTATION IMPROVEMENT PROGRAM**

Project	General Description	Funding Source	Start Year	Prior Years	2019	2020	2021	2022	2023	2024	Future	Total Cost
Citywide Preservation Program	Chip-sealing, FEMA pre-elevating, patching	Arterial Street/4% Funds/TBD	2019		125,000	175,000	175,000	200,000	200,000	200,000		1,075,000
Pacific Avenue - Main St. to Park St.	Street reconstruction, storm and water line replacement, ornamental lighting	TBD, Utility funds	2019		1,100,000							1,100,000
National Ave./ Coal Cr. Improvements	Coal Creek Bridge, intersection, pedestrian improvements, reconstruction	Grants/Arterial Street/4% Funds/TBD	2019		200,000	2,500,000						2,700,000
Chehalis Avenue	Repair 3rd St. to 9th St.	Arterial Street/4% Funds/TBD	2019		50,000	750,000						800,000
Market Blvd. - Park to N National Ave.	Renaissance streetscape planning	Grants/Arterial Street/4% Funds/TBD/Utility Funds	2020			200,000	1,800,000					2,000,000
Market Blvd - Park St to 13th St	Reconstruction	Grants/Arterial Street/4% Funds/TBD	2020			150,000	4,700,000					4,850,000
Winchester Hill Dr.	Spot repair/ double chip seal or overlay	Arterial Street/4% Funds/TBD	2020			70,000						70,000
Riverside Dr/Newankum Ave repairs	Spot repairs Hwy 6 to Shorey Rd/sidewalks	Grants/Arterial Street/4% Funds/TBD	2021				500,000					500,000
Main St.- Market to I-5	Grind and inlay	Grants/Arterial Street/4% Funds/TBD	2021				650,000					650,000
Louisiana Ave.- Chamber Way to Home Depot	Grind & inlay, Chamber to Home Depot, traffic control improvements	Grants/Arterial Street/4% Funds/TBD	2021				275,000					275,000
Kresky Ave improvements	Overlay	Grants/Arterial Street/4% Funds/TBD	2022					650,000				650,000
Market Blvd - 13th to city limits	Reconstruct, pedestrian improvements	Grants/Arterial Street/4% Funds/TBD	2023						100,000	4,500,000		4,600,000
20th St. - Market to Salisbury	Grind and inlay	Grants/Arterial Street/4% Funds/TBD	2023						300,000			300,000
Louisiana Ave Repairs	Spot repair & overlay Hwy 6 North	Grants/Arterial Street/4% Funds/TBD	Future								450,000	450,000
Snively Ave improvements	Reconstruct 16th to 20th	Grants/Arterial Street/4% Funds/TBD/Utility Funds	Future								2,500,000	2,500,000
National Ave.- Market to Chamber	Reconstruct, pedestrian improvements	Grants/Arterial Street/4% Funds/TBD	Future								1,525,000	1,525,000
Chamber Way Bridges Replacement	Replace Bridge	Grants/Arterial Street/4% Funds/TBD	Future								15,000,000	15,000,000
13th St. - Market to Interstate	Grind & overlay, ADA compliance	Grants/Arterial Street/4% Funds/TBD	Future								260,000	260,000
Guardrail	Various locations throughout city	Grants/Arterial Street/4% Funds/TBD	Future								125,000	125,000
Front, Pacific, Park Streets improvements	Grind, overlay/utility/frontage improvements	Grants/Arterial Street/4% Funds/TBD	Future								2,500,000	2,500,000
					1,475,000	3,845,000	6,300,000	2,650,000	600,000	4,700,000	22,360,000	41,930,000

Current Year (2018) Projects
Chehalis Avenue- Isolated base failure repairs Main Street to John Street
Market Blvd. - Downtown parking Grind and repave parking areas
Chamber Way- Louisiana towards dead end, grind and repave
Prospect Slide- grind and repave
National Ave. under Chamber Way, slide repair and rechannelization



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Trent J. Lougheed, P.E., Community Development Director

**DATE:** June 11, 2018

**SUBJECT:** Ordinance No. 988-B, First Reading – Amending Chehalis Municipal Code Title 17 and Chehalis Municipal Code Chapter 5.32

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**ISSUE**

The proposal is to amend multiple sections of the Chehalis Municipal Code (CMC) including:

- Re-roof permits (“hot-work” “welding”) – *Adding a “no-fee” permit requirement to prevent fires when a re-roof project requires welding.*
- Updates to fee schedule for fireworks stand deposits – *Proposal to eliminate the deposit fee.*
- Streets in subdivisions – *Clarifying the regulations related to private streets.*
- Accessory dwelling units – *Providing provisions to allow for “Mother-in-Law” units in more zones if certain conditions are met.*
- Permit expiration and renewal – *Adding a fee to allow for the renewal of a permit instead of reapplication if the scope of work has not changed.*
- Address numbering – *Requiring larger address numbers on properties for easier emergency response.*

**DISCUSSION**

***1. PFA-18-001 Petition for Amendment to CMC Title 17, Appendix E (B).***

Most jurisdictions in Washington State require a permit for any re-roof because it is in the International Building Codes (IBC). Chehalis is a bit unique in that the City does not require a permit for any re-roof work unless it involves more than roof covering. Most contractors and most property owners expect that a permit is required for such work.

The largest historical fire in recent history was at the St. Helens Hotel and was started by rooftop welding being done in an unsafe manner. More recently, there was a fire at Callisons on April 25, 2018, that started from hot welding on the roof that caused a reported \$15,000 worth of damage.

This proposed new requirement is a proactive attempt to prevent such an event from occurring in the future by identifying such work when it is being proposed and requiring that the fire department be notified in advance. A checklist is also to be included with the permit to ensure that there is a person watching (fire watch) the site after the actual work is done. This is often times when a stray spark can flare up and start a fire.

It is proposed that this permit be issued at no cost to the applicant.

*Title 17, Appendix E(B) of the CMC is proposed to be replaced with:*

B. Residential, Nonstructural roof recover, including strip and re-sheet projects, consistent with IBC IRC Section 1510.906– Reroofing; provided, that no framing or other structural modifications are performed. For Non-residential structures a permit shall be required for any welding or similar hot work to be performed and shall comply with IBC Section 1511 and IFC Section 35 as applicable.

## **2. PFA-18-002 Petition for Amendment to CMC Title 17, Appendix A and CMC Title 5.32.**

The current fee schedule has a permit fee for a fireworks stand and a \$100.00 deposit. Both fees are owed at the time of application. The original intent and purpose for the deposit was to ensure that sites were cleaned up after a fireworks stand had been closed. This deposit is intended to pay towards the site being cleaned up if the fireworks stand owners left a mess to clean up.

With the current process, we have to send someone from the Fire Department to the sites to inspect for cleanliness after the stands have closed. Then a refund request has to be prepared by the Community Development staff along with supporting documentation. Subsequently this then gets submitted to the Finance Department to process. This process can take a lot of time if there are a lot of firework stands for the season. In recent years, this has become unnecessary because the Fire Department inspects the sites after they are closed, so the sites have been cleaned up completely.

Therefore; it is proposed that the \$100.00 deposit be eliminated and a provision be added that if a site is left in a messy state, the City will be able to clean it up and recoup the costs from the stand owner. In the event that a site needs to be cleaned up, the stand owner will be charged \$100.00 or the actual cost of clean-up, whichever is more. In addition, if a stand is left in a mess, the City will have the authority to deny any future fireworks stand owner from obtaining any future permits due to their negligence. The additional benefit is that stand owners who regularly leave a clean site after their stand has closed are not penalized for the rare person who does not clean their site.

*Title 5.32.020 of the CMC is proposed to be replaced with:*

Any applicant for a permit for selling fireworks within the city limits must complete a standard application form for operating a fireworks stand. ~~A \$100.00 refundable cash bond will be collected from each applicant at the time of permit application, as well as~~

~~any plan review and and submit along with~~ the permit fees established in Appendix Chapter A, Schedule of Fees and Charges. All applications to operate fireworks stands shall be reviewed and acted upon by the development review committee (DRC) following an inspection of the site by the city's fire marshal. The cash bond will be refunded upon written request by the original applicant, and a finding by the DRC that no cleanup or damage costs were incurred by the city, comply with RCW 70.77 and after issuance, but prior to opening to the public, be inspected by the Fire Marshal. If it is determined that the fireworks stand needs to be cleaned up after the fireworks stand closes, or if it is determined that the fireworks stand caused damage to a site, a clean-up/damage repair fee shall be assessed against said fireworks stand owner/operator. This fee shall be a minimum of \$100 or the actual cost of clean up or repair. The city reserves the right to deny future applicants a license if this has occurred.

*Title 17 Uniform Development Regulations, Appendix A is proposed to be amended as follows:*

Fireworks Stand - \$100 annual fee plus \$100 deposit A fee will be assessed for any clean-up or site damage required after fireworks stand closes

**3. PFA-18-003 Petition for Amendment to CMC Title 17.12.075 Uniform Development Regulations, Streets, and Roads in Subdivisions**

Currently, the specific language in the code is ambiguous and is causing confusion. The CMC states that short plats and plats private roads shall be located on "a unique parcel." This has been misinterpreted to mean that the roadway is a separate "lot" just as other individual lots. This causes the Assessor to create a tax parcel number and assess the roadway as if it were owned by an individual entity instead of being jointly owned by all of the properties within the plat or by a homeowners association. The ramifications of this are that there are several roads that have been sold as if they were a buildable lot. The landowner ceases paying property taxes, and then the road gets sold again. In the meantime, the subdivision owners have no mechanism to maintain and repair the road.

*Title 17.12.075 of the CMC is proposed to be amended as follows:*

A. All lots must have direct legal access abutting either a public right-of-way or a platted private street or road. The city may require that the legal right of access be granted to other adjoining properties in order to provide a safe and efficient circulation system within the city. Private streets or roads shall be ~~located upon a unique parcel created as part of the subdivision~~ clearly marked on the face of the plat and dedicated as such in the plat certificate in accordance with RCW 58.17.165 and reserved for ingress, egress, and utilities. The city shall require a dedicated right-of-way and construction to public street standards when:

**4. PFA-18-004 Petition for Amendment to CMC Title 17.78 Use/Occupancy**

There is a large demand to allow Accessory Dwelling Units on residential parcels. These are sometimes referred to as ‘mother-in-law’ apartments, or ‘family member units’. The current code only allows this outright in the R-3, R-4, LI and HI zones. For lots in the C-G, CBD, R-1 and R-2 zones this is currently permitted only with a Conditional Use Permit, which requires approval through the Hearings Examiner process. This change will eliminate that extra layer of approval and allow these types of units on existing parcels through the regular building permit process. In addition, the current code already stipulates that a given parcel must be large enough to accommodate an accessory structure. There would be no change in that language.

This change would have a positive effect on the community. There is a percentage of the population that wants to build smaller homes. There is a high demand from the population to accommodate aging relatives near a family members’ home for caregiving reasons. As the ‘baby boomers’ continue to age, this change in the zoning would allow more properties within the city limits to meet their needs. This change would not allow for additional rental units to be constructed because an affidavit is required to be recorded with the Lewis County Auditor that clearly spells out that these units will not become commercial rental units-but will only be for someone who is either ‘live-in domestic help’ or a ‘family member’ per the current ordinance.

*Title 17.78 (Use/Occupancy chart), Code R310 is proposed to be amended as follows:*

CODE	USE OR OCCUPANCY	PARKING	R-1	R-2	R-UGA	R-3	R-4	EPF	C-O	C-N	C-G	C-F	CBD	I-L	I-H
R310	Accessory dwelling unit	2	<del>C</del> <u>A</u>	<del>C</del> <u>A</u>	C	P	P	C			<u>A3</u>		<u>A3</u>	P	P

**5. PFA-18-005 Petition for Amendment to CMC Title 17, Appendix A Schedule of Fees to Add a New Category “Renew a Previously Issued Permit that has Expired”**

Currently the City’s fee schedule does not include a fee to simply renew a permit that was issued, but has expired. The Code requires that in order to keep an issued permit active, an inspection must be done every six months. This can be a burden on some homeowners who are doing the work themselves, or contractors who are not able to complete enough work within the 6 months to have an inspection. When the work can resume, the current code requires that the applicant pay a new set of permitting fees, which can be costly in some cases.

The proposal is to add a nominal fee of \$50 to allow an applicant to renew a permit, rather than reapply and pay another set of permitting fees. This option would be only be available if there had been no change in the building code requirements or scope of the proposed project originally permitted.

*Title 17, Appendix A (Schedule of Fees and Charges) of the CMC is proposed to be amended as follows:*

Community Development Fees

Renewal of an Issued Permit that has expired without being finalized \*shall be applicable only when there is no change in scope of work and no code changes since the permit was issued- \$50

**6. PFA-18-006 Petition for Amendment to CMC Title 17.83.090 Buildings Required to Have Numbers**

Currently addresses are required to be posted on commercial properties with numbers that are 3½ inches high to 6 inches depending on reflectivity. There are some sites where this is too small, and it is very hard to find in an emergency. This has caused delays for emergency personnel. In the interest of life safety, the fire marshal is requesting this change so that all future commercial buildings will have larger numbers that can be clearly seen from any roadway.

*Title 17.83.090 of the CMC is proposed to be amended as follows:*

~~A. It shall be the duty of the owner of any habitable building to number such building with numerals not less than three and one-half inches in height when made of reflectorized material and not less than six inches in height when made of nonreflectorized material, and of such color and so located on the building or on the building premises as to be readily visible from the street in daylight or when a light is shined upon the building or building premises at night. Where such buildings have access to an alley, the numbers shall also be posted, subject to the same requirements, so as to be easily seen from the alley. The design and placement of address numbers shall be subject to the approval of the fire marshal.~~

A. For Commercial Properties, addressing shall be according to the Occupancy Classification

A = Assembly, B = Business, E = Educational, F = Factory, H = Hazardous, I = Institutional, M = Mercantile, R = Residential, S = Storage, U = Utility

For all newly constructed R-3 (single family) and all new and remodeled existing I-1 occupancies, address numbers shall be installed conspicuously in contrasting color to the structure with a character height of not less than 6 inches high and not less than 3 inches wide with a stroke width of not less than three quarters of an inch. R and I occupancies that are not visible from the public street or fire department access road on which they are addressed shall post the address numbers suitably and conspicuously at the convergence of the driveway and fire department access road serving the occupancy.

For all newly constructed occupancies except I-1, R-3, and U classified above with the primary egress immediately contiguous to the public way e.g. public sidewalk, address numbers shall be installed conspicuously in contrasting color to the structure with a minimum character height of 6 inches and not less than 3 inches wide with a stroke width of not less than three quarters of an inch.

For all newly constructed occupancies except I-1, R-3, and U classified above with the primary egress not immediately contiguous to the public way to a distance not greater than 500 feet from the public road frontage on which it is addressed or fire department access road, address numbers shall be installed conspicuously in contrasting color to the structure with a minimum character height of 12 inches and a width of not less than 6 inches with a stroke width of not less than 1.5 inches.

For all newly constructed occupancies except I-1, R-3, and U classified above that are located on a parcel greater than 500 feet from the public road or fire department access road on which they are addressed, address numbers shall be installed conspicuously in contrasting color to the structure with a minimum character height of 24 inches and a width of not less than 12 inches with a stroke width of not less than 3 inches.

#### **FISCAL IMPACT**

None by this action.

#### **RECOMMENDATION**

It is recommended that the City Council pass Ordinance No. 988-B on first reading to amend:

- CMC Title 17, Appendix E(B) Relating to Re-Roof Permits
- CMC Title 17, Appendix A and CMC Title 5.32 Relating to Fireworks Stand Deposits
- CMC Title 17.12.017 Relating to Uniform Development Regulations, Streets and Roads in Subdivisions
- CMC Title 17.78 Relating to Use/Occupancy – Accessory Dwelling Units
- CMC Title 17, Appendix A Relating to Fee Schedule and Expired Permits; and
- CMC Title 17.83.090 Relating to Building Numbers

#### **SUGGESTED MOTION**

I move that the City Council pass Ordinance No. 988-B on first reading.

**ORDINANCE NO. 988-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING CHEHALIS MUNICIPAL CODE TITLE 17, APPENDIX E(B) RELATING TO RE-ROOF PERMITS; AMENDING CHEHALIS MUNICIPAL CODE TITLE 17, APPENDIX A AND CHEHALIS MUNICIPAL CODE TITLE 5.32 RELATING TO FIREWORK STAND DEPOSITS; AMENDING CHEHALIS MUNICIPAL CODE TITLE 17.12.075 RELATING TO UNIFORM DEVELOPMENT REGULATIONS, STREETS AND ROADS IN SUBDIVISIONS; AMENDING CHEHALIS MUNICIPAL CODE TITLE 17.78 RELATING TO USE/OCCUPANCY - ACCESSORY DWELLING UNITS; AMENDING CHEHALIS MUNICIPAL CODE TITLE 17, APPENDIX A RELATING TO FEE SCHEDULE AND EXPIRED PERMITS; AND AMENDING CHEHALIS MUNICIPAL CODE TITLE 17.83.090 RELATING TO BUILDING NUMBERS**

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

**Section 1.** Title 17, Appendix E(B) shall be and the same hereby is amended to read as follows:

B. Residential, Nonstructural roof recover, including strip and re-sheet projects, consistent with IRC Section 906 – Reroofing; provided, that no framing or other structural modifications are performed. For non-residential structures a permit shall be required for any welding or similar hot work to be performed and shall comply with IBC Section 1511 and IFC Section 35 as applicable.

**Section 2.** Title 17, Appendix A and Chehalis Municipal Code Title 5.32 shall be and the same hereby is amended to read as follows:

Title 5.32.020 - Any applicant for a permit for selling fireworks within the city limits must complete a standard application form for operating a fireworks stand, and submit along with the permit fees established in Appendix Chapter A, Schedule of Fees and Charges. All applications to operate fireworks stands shall comply with RCW 70.77 and after issuance, but prior to opening to the public, be inspected by the Fire Marshal. If it is determined that the fireworks stand needs to be cleaned up after the fireworks stand closes, or if it is determined that the fireworks stand caused damage to the site, a clean-up/damage repair fee shall be assessed against said fireworks stand owner/operator. This fee shall be a minimum of \$100 or the actual cost of clean up or repair. The city reserves the right to deny future applicants a license if this has occurred.

A. Fireworks Stand - \$100 annual fee. A fee will be assessed for any clean-up or site damage required after fireworks stand closes.

**Section 3.** Title 17.12.075 shall be and the same hereby is amended to read as follows:

A. All lots must have direct legal access abutting either a public right-of-way or a platted private street or road. The city may require that the legal right of access be granted to other adjoining properties in order to provide a safe and efficient circulation system within the city. Private streets or roads shall be clearly marked on the face of the plat and dedicated as such in the plat certificate in accordance with RCW 58.17.165 and reserved for ingress, egress, and utilities. The city shall require a dedicated right-of-way and construction to public street standards when:

**Section 4.** Title 17.78 shall be and the same hereby is amended to read as follows:

CODE	USE OR OCCUPANCY	PARKING	R-1	R-2	R-UGA	R-3	R-4	EPF	C-O	C-N	C-G	C-F	CBD	I-L	I-H
R310	Accessory dwelling unit	2	A	A	C	P	P	C			A3		A3	P	P

**Section 5.** Title 17, Appendix A shall be and the same hereby is amended to read as follows:

Community Development Fees

Renewal of an Issued Permit that has expired without being finalized \*shall be applicable only when there is no change in scope of work and no code changes since the permit was issued - \$50.

**Section 6.** Title 17.83.090 shall be and the same hereby is amended to read as follows:

A. For Commercial Properties, addressing shall be according to the Occupancy Classification

A = Assembly, B = Business, E = Educational, F = Factory, H – Hazardous, I = Institutional, M = Mercantile, R = Residential, S = Storage, U = Utility

For all newly constructed R-3 (single family) and all new and remodeled existing I-1 occupancies, address numbers shall be installed conspicuously in contrasting color to the structure with a character height of not less than 6 inches high and not less than 3 inches wide with a stroke width of not less than three quarters of an inch. R and I occupancies that are not visible from the public street or fire department access road on which they are addressed shall post the address numbers suitably and conspicuously at the convergence of the driveway and fire department access road serving the occupancy.

For all newly constructed occupancies except I-1, R-3, and U classified above with the primary egress immediately contiguous to the public way e.g. public sidewalk, address numbers shall be installed conspicuously in contrasting color to the structure with a minimum character height of 6 inches and not less than 3 inches wide with a stroke width of not less than three quarters of an inch.



For all newly constructed occupancies except I-1, R-3, and U classified above with the primary egress not immediately contiguous to the public way to a distance not greater than 500 feet from the public road frontage on which it is addressed or fire department access road, address numbers shall be installed conspicuously in contrasting color to the structure with a minimum character height of 12 inches and a width of not less than 6 inches with a stroke width of not less than 1.5 inches.

For all newly constructed occupancies except I-1, R-3, and U classified above that are located on a parcel greater than 500 from the public road or fire department access road on which they are addressed, address numbers shall be installed conspicuously in contrasting color to the structure with a minimum character height of 24 inches and a width of not less than 12 inches with a stroke width of not less than 3 inches.

**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 \_\_\_\_\_, 2018.

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form and content:

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