

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

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

**Regular Meeting of Monday, August 27, 2018**  
**5:00 p.m.**

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

<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>		
3. <u>Minutes of the Regular City Council Meeting of August 13, 2018.</u> (City Clerk)	APPROVE	1
4. <u>Vouchers and Transfers – Accounts Payable.</u> (City Manager, Finance Director)	APPROVE	3
5. <u>Reappointments of Scott Blinks and Jeff Mecca to the Planning Commission for Four-Year Terms Expiring December 31, 2021.</u> (City Manager, Community Development Director)	APPROVE	4
6. <u>Award National Avenue Slide Repair and Traffic Revision Project to Gill Construction and Development in the Amount of \$219,925.</u> (City Manager, Public Works Director, Street/Storm Superintendent)	APPROVE	7

**CONSENT CALENDAR CONTINUED ON NEXT PAGE**

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>CONSENT CALENDAR - CONTINUED</b>		
7. <u>Award Taxiway Realignment Project to Sterling Breen Crushing, Inc., in the Amount of \$2,524,239.62.</u> (City Manager, Airport Operations Coordinator)	APPROVE	12
8. <u>Memorandum of Understanding with the Washington State Office of Minority and Women's Business Enterprises and the Washington State Department of Transportation for the State of Washington Unified Certification Program.</u> (City Manager, Airport Operations Coordinator)	APPROVE	18
9. <u>Annual Debt Compliance Update.</u> (City Manager, Finance Director)	APPROVE	24

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>NEW BUSINESS</b>		
10. <u>Agreement with Lewis Economic Development Council for Economic Development Services.</u> (City Manager)	APPROVE	28
11. <u>Ordinance No. 990-B, First Reading – Providing for an Interfund Loan between the Water Fund and the Airport Fund.</u> (City Manager, Finance Director)	PASS	31

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>ADMINISTRATION AND CITY COUNCIL REPORTS</b>		
12. <u>Administration Reports.</u>	INFORMATION ONLY	- - -
a. City Manager Update – Strategic Planning Update. (City Manager)		37
b. Finance Report. (City Manager, Finance Director)		39
13. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	- - -

<b>EXECUTIVE SESSION</b>		
14. Pursuant to RCW:		
a. 42.30.110(1)(i) – Litigation/Potential Litigation		
b. 42.30.140(4)(b) – Collective Bargaining		

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.  
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, SEPTEMBER 10, 2018.**

August 13, 2018

The Chehalis city council met in regular session on Monday, August 13, 2018 in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Andrew Hunziker, Property/Facilities Manager; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief (Acting City Manager); and Mark Scheibmeir, Assistant City Attorney. Members of the media included Will Rubin of *The Chronicle*.

1. **Citizens Business.** George Dodd, Fair Commissioner, invited everyone to the Southwest Washington Fair, which runs August 14-19. Individuals wanting to be involved with the fair can be part of the fair commission or the booster club.

Mr. Dodd also spoke about the Veterans' Relief Fund Program that serves qualifying veterans and their spouses with funeral expenses, utilities, and rent. A couple things they have found to be lacking are transportation for veterans to the VA clinic and veterans needing to put in a claim. In response, the county is going to have a veterans' service officer through its Public Health Department to help veterans with filing a claim to provide them direct access into the VA system instead of having to do so through the VA clinic because the clinic does not have internet access, which delays submissions.

Mayor Dawes asked about no internet at the VA clinic. Mr. Dodd stated the VA clinic will not let the Veterans' Relief Fund organization have access to the internet because of security.

Councilor Spahr stated the media indicates that many of the homeless are veterans and he asked if the organization reached out to those people. Mr. Dodd stated they do reach about, but one of the problems is having a place to put veterans. There is no local facility besides the shelter where they can be placed. They can temporarily house them for one week in a hotel, but they only do that if they have a place to go following the week, such as a rehabilitation facility.

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

- a. Minutes of the regular meeting of July 23, 2018 and the special meeting of July 26, 2018;
- b. July 31, 2018 Claim Vouchers No. 123108-123279 in the amount of \$576,215.36; and
- c. July 31, 2018, Payroll Vouchers No. 40374-40443, Direct Deposit Payroll Vouchers No. 9717-9824, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 192-196 in the amount of \$825,350.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Resolution No. 6-2018, First and Final Reading – Declaring an Emergency Relating to the Asbestos Found in the Fire Department Building.** Acting City Manager Schaffer stated that earlier this year the city hired contractors to make improvements to the fire department building, including replacing windows and exterior doors, stripping and sealing floors, and installing an exhaust system in the apparatus bay. On August 1, it was discovered that the contractors scraped up flooring tiles that contained asbestos. In response, the fire department employees were evacuated from the building, the city began the process of accessing what levels of asbestos contamination existed, and how to go about abating the situation. The State Department of Labor & Industries and the Southwest Clean Air Agency were contacted immediately and staff began contacting contractors trained and licensed to test and abate the asbestos levels. On August 7, Now Environmental Services located in Federal Way conducted a settled dust investigation, collecting samples from the building. The samples were sent to an EPA accredited lab in New Jersey. The report indicated there was asbestos dust contamination in the lunch room, captain's office, sleeping quarters, chief's office, in the engine bay, and the ambulance bay. On August 9, a contract was signed with Tacoma Abatement Company to remove the remaining asbestos materials, properly clean the fire station, and take air samples as required by the state, which work will begin tomorrow. The entire circumstance was unforeseen and beyond the control of the city and presented a real and immediate threat to the proper performance of essential functions of the city, and certainly required immediate action, so the council is being asked to declare the situation an emergency pursuant to RCW 35.33.081 and RCW 38.52.070.

Councilor Spahr moved to adopt Resolution No. 6-2018 on first and final reading. The motion was seconded by Councilor Harris.

August 13, 2018

Councilor Pope asked if the cost for removal of the asbestos was for only a portion of the building. Acting City Manager Schaffer stated the first estimate was around \$60,000 to clean the first floor fire department areas. Staff intends to speak with the contractor about the second floor areas used by staff.

Councilor Pope stated it was bothersome to him because ever since he's been on the council he's been trying to get something done about the fire station and the safety of the firemen. The city is going to invest \$200,000 to \$300,000 to make it a safe place, but a new fire station is still needed.

Councilor Spahr asked if the rest of the floor tile would be taken up. If asbestos is found in residential homes, it is usually just sealed. Acting City Manager Schaffer stated the contractor started removing the tiles and it was his understanding that what was remaining is the gray backing material.

The motion carried unanimously.

**4. Administration Reports.**

a. **City Manager Update.** Acting City Manager Schaffer expressed thanks to Riverside Fire Authority and Lewis County Fire District 6 for their assistance in helping the Chehalis Fire Department remain functional during the asbestos situation.

**5. Councilor Reports/Committee Updates.**

a. Mayor Dawes attended the Music in the Park series, ChehalisFest, and the George Washington statue unveiling in Centralia.

There being no further business to come before the council, the meeting was adjourned at 5:15 pm.

---

Dennis L. Dawes, Mayor

---

Caryn Foley, City Clerk

Approved:

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

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

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

**MEETING OF:** August 27, 2018

**SUBJECT:** Vouchers and Transfers

---

**ISSUE**

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

**DISCUSSION**

The August 15, 2018 claim vouchers have been reviewed by a committee of three councilors prior to the release of payments. The administration is requesting City Council approval for Claim Vouchers No. 123280-123460 and Electronic Funds Transfer No. 720181 in the amount of \$456,555.40 dated August 15, 2018, which includes the transfer of:

- \$168,982.77 from the General Fund
- \$12,793.14 from the Dedicated Street Fund – 4% Sales Tax
- \$17,000.00 from the Transportation Benefit District Fund
- \$65,885.99 from the Public Facilities Reserve Fund
- \$772.06 from the Garbage Fund
- \$92,794.83 from the Wastewater Fund
- \$60,974.32 from the Water Fund
- \$2,061.26 from the Storm & Surface Water Utility Fund
- \$35,291.03 from the Airport Fund

**RECOMMENDATION**

It is recommended that the City Council approve the August 15, 2018 Claim Vouchers No. 123280-123460 and Electronic Funds Transfer No. 720181 in the amount of \$456,555.40.

**SUGGESTED MOTION**

I move that the City Council approve the August 15, 2018 Claim Vouchers No. 123280-123460 and Electronic Funds Transfer No. 720181 in the amount of \$456,555.40.

**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

**MEETING OF:** August 27, 2018

**SUBJECT:** Reappointment of Planning Commission Members

---

**ISSUE**

The appointments of two members of the Planning Commission have expired and both wish to be reappointed.

**DISCUSSION**

The terms of Scott Blinks and Jeff Mecca expired December 31, 2017. Both are interested in being reappointed to the Planning Commission and have submitted applications for appointment. Mr. Mecca has served on the commission since 2010 and Mr. Blinks has served on the Planning Commission since 2014. Both have been active and dedicated members.

The Planning Commission consists of seven members who are appointed by the mayor, subject to confirmation by the City Council, for four-year terms. The powers and duties of the commission are governed by RCW 35.63. The primary duties of the commission include reviewing and providing recommendations to the City Council for final approval relating to subdivisions of land and dedications of streets and alleys, code amendments/updates, and the city's comprehensive plan.

**FISCAL IMPACT**

None by this action.

**RECOMMENDATION**

It is recommended that the City Council approve the reappointments of Scott Blinks and Jeff Mecca to the Planning Commission for four-year terms expiring December 31, 2021.

**SUGGESTED MOTION**

I move that the City Council approve the reappointments of Scott Blinks and Jeff Mecca to the Planning Commission for four-year terms expiring December 31, 2021.

City of Chehalis APPLICATION FOR APPOINTMENT

Date JUL 26 2018

(The city of Chehalis accepts applications from anyone residing in the city limits of Chehalis, who meet the required criteria for each Board, Commission or Committee. Please see below the corresponding RCW, CMC, or Resolution for appointment criteria. For more information contact city clerk at 360-345-3225)

I wish to be considered for appointment to the following board, commission, or committee:

- Airport Board (RCW 14.08)
- Lodging Tax Advisory Committee (Resolution 1-98)
- Historic Preservation Commission (CMC 2.66)
- Civil Service Commission (CMC 2.56 and RCW 4.108-Fire. RCW 41.12-Police
- Sister City Committee (CMC 2.80)
- Planning Commission (CMC 2.48)
- Library Board (RCW 27.12)
- Other \_\_\_\_\_

Please print

Name Scott Blinks

Present employer Attorney with law firm Vander Stoep, Remund, Blinks & Jones

Employer address 345 NW Pacific Avenue Chehalis WA Phone No. (360) 748-9281

Fax No. (360) 748-3184 E-mail Scott Blinks <scottblinks@vanderstoep.com>

Home address 196 NE Summit Rd, Chehalis Home Phone No. 360-748-9281

Have you previously or are you now serving on any of the above mentioned?  Yes  No

If yes, please explain Current chair of Planning Commission. Served on board since 2014.

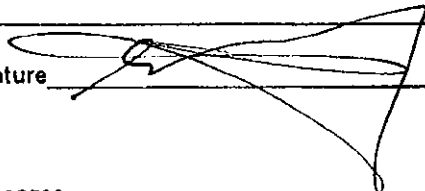
Date available for appointment Immediately

Available to attend Evening meetings?  Yes  No Daytime meetings?  Yes  No

Approximately how many hours each month can you devote to city business? \_\_\_\_\_

Brief statement of qualifications for position and reason for requesting appointment.

Current chair of Planning Commission.

Signature 

Please return completed form to: Office of the City Clerk  
350 N Market Blvd Rm 101, Chehalis WA 98532

Please indicate where you wish meeting information to be mailed and how you would like to be reminded of meetings (e.g., phone, e-mail, cell phone) Phone (360) 748-9281 or Ref. mail

**City of Chehalis APPLICATION FOR APPOINTMENT**

Date 7/25/2018

(The city of Chehalis accepts applications from anyone residing in the city limits of Chehalis, who meet the required criteria for each Board, Commission or Committee. Please see below the corresponding RCW, CMC, or Resolution for appointment criteria. For more information contact city clerk at 360-345-3225)

I wish to be considered for appointment to the following board, commission, or committee:

- Airport Board (RCW 14.08)
- Lodging Tax Advisory Committee (Resolution 1-98)
- Historic Preservation Commission (CMC 2.66)
- Civil Service Commission (CMC 2.56 and RCW 4.108-Fire, RCW 41.12-Police)
- Sister City Committee (CMC 2.80)
- Planning Commission (CMC 2.48)
- Library Board (RCW 27.12)
- Other \_\_\_\_\_

Please print

Name JEFF MECCA

Present employer Chehalis Valley Realty

Employer address 481 Market Chehalis Phone No. 360 740 4222

Fax No. 360 748 3746 E-mail ATAR@COMCAST.net

Home address 591 S.E Hilltop DR Chehalis Home Phone No. 360 520 7031 cell # ORTEXT

Have you previously or are you now serving on any of the above mentioned?  Yes  No

If yes, please explain CURRENTLY SERVING CITY OF CHEHALIS AS A PLANNING COMMISSION

Date available for appointment NOW

Available to attend Evening meetings?  Yes  No Daytime meetings?  Yes  No

Approximately how many hours each month can you devote to city business? AS NEEDED

Brief statement of qualifications for position and reason for requesting appointment.  
I AM A THIRTY YEAR RESIDENT OF THE CITY OF CHEHALIS, THE LAST 15 YEARS AS A REAL ESTATE BROKER LICENSED IN WASHINGTON STATE. I HOPE TO HELP THE CITY COUNCILORS MAKE FINAL DECISIONS CONCERNING, PERMITTING

Signature Mecca

Please return completed form to: Office of the City Clerk  
350 N Market Blvd Rm 101, Chehalis WA 98532

Please indicate where you wish meeting information to be mailed and how you would like to be reminded of meetings (e.g., phone, e-mail, cell phone) email address is ATAR@COMCAST.net  
9/2008 mailing address is \* P.O. Box 912 CHEHALIS, WA 98532



**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:** August 27, 2018

**SUBJECT:** Bids for National Avenue Slide Repair and Traffic Revision Project

---

**ISSUE**

Bids were recently solicited for the National Avenue Slide Repair and Traffic Revision Project and only one bid was received. The administration has reviewed the bid and is making a recommendation to award the bid.

**DISCUSSION**

The administration recently solicited bids from the city's Small Works Roster for the National Avenue Slide Repair and Traffic Revision Project. The City's Small Works Roster was utilized, with bid specifications sent out to five companies. Gill Construction and Development was the only bidder, submitting a bid of \$219,925. The engineer's estimated range for the project was \$175,000 - \$225,000.

**FISCAL IMPACT**

The Transportation Benefit District budget for 2018 includes \$500,000 for street projects (\$50,000 design and \$450,000 construction). There is funding available in this year's budget to complete this construction project. With a recommended 10% contingency of \$21,992 for unanticipated change orders, the total project cost would be authorized for a not-to-exceed budget of \$241,917.

**RECOMMENDATION**

It is recommended that the City Council:

- Award the National Avenue Slide Repair and Traffic Revision Project to Gill Construction and Development in the amount of \$219,925;
- Authorize an additional 10% contingency budget of \$21,992; and
- Authorize the City Manager to execute change orders that do not exceed a total project cost of \$241,917.

## **SUGGESTED MOTION**

I move that the City Council:

- Award the National Avenue Slide Repair and Traffic Revision Project to Gill Construction and Development in the amount of \$219,925;
- Authorize an additional 10% contingency budget of \$21,992; and
- Authorize the City Manager to execute change orders that do not exceed a total project cost of \$241,917.

**BID PROPOSAL**

**THE CITY OF CHEHALIS  
NATIONAL AVE SLIDE REPAIR AND RECHANNELIZATION**

The undersigned hereby certifies that he/she has personally examined the details for this project and understands the methods by which payment will be made, and hereby proposes to supply the materials in accordance with the Plans, Specifications, and Contract at the following Schedule (s) of rates and prices.

The work under this contract shall be fully completed within thirty (30) working days from Notice to Proceed as provided for in the Special Provisions.

**NOTE:** Unit prices for all items, all extensions, and total amount of bid must be shown. Show unit price in both words and figures. Where conflict occurs, the written or typed words shall prevail.

**BASE BID ITEMS**

Bid Item	Item With Unit Price (UNIT PRICES TO BE WRITTEN WORDS)	Approximate Quantity	Unit	Unit Price	Total Price
1.	Mobilization per lump sum	Lump Sum	L.S.	24000.00 Twenty Four Thousand Dollars	\$24,000.00
2.	Clearing & Grubbing per lump sum	Lump Sum	L.S.	38,000.00 Thirty Eight Thousand Dollars	\$38,000.00
3.	Shoring and Trench Safety Systems per lump sum	Lump Sum	L.S.	100.00 One Hundred Dollars	\$100.00
4.	Trimming & Cleanup per lump sum	Lump Sum	L.S.	2000.00 Two Thousand Dollars	\$2,000.00
5.	Temporary Erosion Control per lump sum	Lump Sum	L.S.	15000.00 Fifteen Thousand Dollars	\$15,000.00

6.	Maintenance and Protection of Traffic	Lump Sum	L.S.	\$10,000.00 Ten Thousand Dollars	\$10,000.00 Ten Thousand Dollars
7.	per lump sum Labor for Traffic Control			6250 Sixty Two Dollars and Fifty cents	Twenty Thousand Dollars
8.	per hour Roadway Excavation, Incl. Haul	320	Hour	30.00 Thirty Dollars	Forty two thousand dollars
9.	per cubic yard Sawcutting	1,400	C.Y.	\$275 Two Dollars and seventy five cents	\$42,000.00 Three thousand nine hundred sixty dollars
10.	per linear foot Crushed Surfacing Top Course	1,440	L.F.	\$75.00 Seventy Five Dollars	\$3960.00 Five thousand six hundred twenty dollars
11.	per ton Hot Mix Asphalt, Cl. 1/2" PG 64-22	75	Ton	\$200.00 Two hundred Dollars	Twenty three thousand dollars
12.	per ton Jute Matting	115	Ton	\$1.66 One Dollar and sixty six cents	\$1980.00 Four thousand nine hundred eighty dollars
13.	per square yard Top Soil, Type C	3,000	S.Y.	\$1.66 One Dollar and sixty six cents	\$4980.00 Ten thousand fifty dollars
14.	per cubic yard Hydroseed	150	C.Y.	0.75 Seventy five Cents	One thousand fifty dollars
15.	per square yard Remove Existing Guardrail	4,200	S.Y.	4.00 Four Dollars	\$1050.00 Five thousand one hundred sixty dollars
16.	per linear foot Pavement Markings, Complete	1,290	L.F.	1100.00 Eleven Thousand Dollars	\$5160.00 Eleven thousand dollars
17.	per lump sum Traffic Signs, Complete	Lump Sum	L.S.	4000.00 Four Thousand Dollars	11,000.00 Four thousand dollars
	per lump sum	Lump Sum	L.S.		\$4000.00 Four thousand dollars

TOTAL (Including Cost for Trench Excavation Safety Provisions): \$ \$ 219,925.00

Trench Excavation Safety Provisions \$ 100.00  
(used only to identify the amount included in Base Bid above)

If the bid amount contains any work which requires trenching exceeding a depth of four feet, all costs for trench safety shall be included in the Total for adequate trench safety systems in compliance with Chapter 39.04 RCW and WAC 296-155-650. The purpose of this provision is to ensure that the bidder agrees to comply with all the relevant trench safety requirements of Chapter 49.17. Bidder must include a lump sum dollar amount in the blank above (even if the value is \$0.00) to be responsive.

Proposal of Gill Construction and Development (hereinafter called "BIDDER"), organized and existing under the laws of the State of Washington doing business as Gill Construction To The City of Chehalis (hereinafter called "OWNER").

In compliance with your Call for Bids, BIDDER hereby proposes to perform all WORK for the construction of THE CITY OF CHEHALIS - NATIONAL AVE SLIDE REPAIR AND RECHANNELIZATION, in strict accordance with the CONTRACT DOCUMENTS, within the time set forth therein, and at the prices stated below.

By submission of this BID, each BIDDER certifies, and in the case of a joint BID, each party thereto certifies as to its own organization, that this BID has been arrived at independently, without consultation, communication or agreement as to any matter relating to this BID with any other BIDDER or with any competitor.

BIDDER hereby agrees to commence WORK under this contract on or before a date to be specified in the NOTICE TO PROCEED and to fully complete the work in thirty (30) working days. Bidder further agrees to pay as liquidated damages the sum specified in the Standard Specifications for each working day thereafter.

Gill Construction Bidder  
4010 Jackson Hwy  
Address Chehalis, WA 98532  
360-508-0165  
Phone No.

[Signature]  
Authorized Official  
8-14-18  
Date

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Brandon Rakes, Airport Operations Coordinator

**MEETING OF:** August 27, 2018

**SUBJECT:** Approval of Taxiway Realignment Bid to Sterling Breen Crushing, Inc

---

**ISSUE**

The Chehalis-Centralia Airport wishes to execute a bid offer from Sterling Breen Crushing, Inc., in coordination with the Federal Aviation Administration (FAA) and the WA State Department of Transportation, as part of the Airport Improvement Program for a Taxiway Realignment Project.

**DISCUSSION**

This project will help standardize the airport layout and improve safety for users of the facility. This planned AIP project will:

- Create right angle entries to both runways 16 and 34
- Create run-up areas for both runways 16 and 34
- Full depth pavement removal
- Hot mix asphalt paving
- Drainage improvements
- Pavement marking
- Installation of one runway end identifier light (REIL) for runway 16

Construction is planned to start June 2019.

**FISCAL IMPACT**

Total cost of the project was approved by the FAA for \$2,803,678. Sterling Breen Crushing's bid amount is \$2,521,908.83. The additional funds will be spent on engineering, administrative costs, permitting and cultural monitoring. FAA is funding 90% of the project. The remaining 10% of funding will be split equally with the WA State Department of Transportation and the Chehalis-Centralia Airport each contributing \$140,184 to the project.

The project is planned and included in the Airport's Capital Improvement Plan. Funding will be sought on a reimbursement basis. Also, this project was included in the Airport's 2018 budget,

but was pushed to an actual start date of 2019. Therefore, the funding that was allocated in the 2018 budget may be allocated in the 2019 budget.

**RECOMMENDATION**

It is recommended that the City Council award the bid for the Taxiway Realignment Project to Sterling Breen Crushing, Inc. in the amount of \$2,521,908.83 and authorize the City Manager to sign the appropriate documents.

**SUGGESTED MOTION**

I move that the City Council award the bid for the Taxiway Realignment Project to Sterling Breen Crushing, Inc. in the amount of \$2,521,908.83 and authorize the City Manager to sign the appropriate documents.



August 15, 2018

City of Chehalis  
 Attn: Brandon Rakes  
 900 NW Airport Rd  
 PO Box 1344  
 Chehalis, WA 98532

**SUBJECT: RECOMMENDATION TO AWARD  
 CHEHALIS-CENTRALIA AIRPORT – CITY OF CHEHALIS  
 TAXIWAY REALIGNMENT  
 AIP PROJECT NO. 3-53-0012-018-2018**

Dear Mr. Rakes:

Enclosed is the bid tabulation for the Taxiway Realignment project at Chehalis-Centralia Airport. Five (5) bid proposals for the above-referenced project were opened and read on Tuesday, August 14, 2018. We have reviewed the bid packages submitted to the City of Chehalis. The apparent responsive and responsible low bidder is **Sterling Breen Crushing, Inc.** A summary of the bid tab results shown below:

Taxiway Realignment	Sterling Breen Crushing, Inc. (Apparent Low Bidder)	Thompson Bros. Excavating, Inc. (1)	C&R Tractor and Landscaping, Inc. (2)	Columbia Pacific Construction	Granite Construction Company
Base Bid Schedule	\$2,102,558.63	\$2,151,519.13	\$2,411,491.67	\$2,463,661.38	\$2,775,152.01
Additive Bid A Schedule	\$205,310.04	\$213,575.98	\$244,577.12	\$253,553.18	\$241,318.46
Additive Bid B Schedule	\$214,040.16	\$222,816.26	\$251,225.36	\$264,044.90	\$250,948.26
Grand Total of Base Bid, Additive Bid A & B	\$2,521,908.83	\$2,587,911.37	\$2,907,294.16	\$2,981,259.45	\$3,267,418.73

(1) See Bid Tab for discrepancies noted for Thompson Bros. Excavating, Inc.

(2) See Bid Tab for discrepancies noted for C&R Tractor and Landscaping, Inc.

All costs noted include 8.2% WSST.

It is our opinion that **Sterling Breen Crushing, Inc.** submitted a bid proposal that is in compliance with Sections 20 and 30 of the General Provisions of the bid document. The bid amount proposed by **Sterling Breen Crushing, Inc.** is in conformance with industry standards and current trends in the construction market. In addition, no bid informality has been found that would be cause for rejection of their proposal.

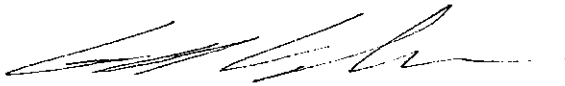


August 15, 2018  
Page 2

Accordingly, we recommend that the City consider awarding a contract to include the Base Bid, Additive Bid A, and Additive Bid B Bid Schedules to **Sterling Breen Crushing, Inc.** Concurrence and approval will need to be obtained from Randal Anton at the FAA prior to final selection of the AIP bid schedules to be awarded and execution of the construction contract.

Sincerely,

**PRECISION APPROACH ENGINEERING, INC.**



Geoff Vaughn, P.E.  
Project Manager

Attachments: Bid Tabulation

c: Randal Anton/Federal Aviation Administration

*p:\c\che002-tw realign\0300com\0371correspondence\letters\che002\_101\_recommending award ltr.docx*

Chehalis-Centralia Airport - City of Chehalis  
Taxiway Realignment  
AIP Project No. 3-53-0012-18-2018

Bid Opening Date & Time: August 14th, 2018 11:00 AM  
PAE Project No. CHE002

BID TABULATION

BASE BID SCHEDULE Bid Item	Description	Unit	Quantity	ENGINEER'S ESTIMATE		Sterling Green Cracking, Inc. (Opparent Low Bidder)	Thompson Bros. Excavating, Inc.	CARR Trestler and Landscaping, Inc.	Columbia Pacific Construction	Granis Construction Company	
				Unit Price	Total						
1	Mobilization	L.S.	1	\$158,000.00	\$ 158,000.00	\$255,000.00	\$750,000.00	\$92,000.00	\$246,681.34	\$570,000.00	
2	Construction Survey and Staking	L.S.	1	\$45,000.00	\$ 45,000.00	\$8,500.00	\$41,000.00	\$47,000.00	\$24,812.20	\$45,000.00	
3	1/4" 16 Temporary Threshold Relocation	L.S.	1	\$15,000.00	\$ 15,000.00	\$13,750.00	\$15,000.00	\$10,000.00	\$10,800.00	\$11,000.00	
4	1/4" 14 Temporary Threshold Relocation	L.S.	1	\$15,000.00	\$ 15,000.00	\$15,450.00	\$15,000.00	\$15,000.00	\$9,849.71	\$11,000.00	
5	Demolition	L.S.	1	\$20,000.00	\$ 20,000.00	\$63,650.00	\$19,000.00	\$9,400.00	\$1,888.23	\$53,000.00	
6	Geotextile Fabric	SY	9,250	\$2.00	\$18,500.00	\$7,750.00	\$150	\$27,750.00	\$5.42	\$1,375.00	
7	Concrete Pavement Removal, Full Depth	SY	5,170	\$8.00	\$41,360.00	\$10,150	\$2,069.50	\$28.00	\$143,640.00	\$17.78	\$10,766.20
8	Asphalt Pavement Removal, Full Depth	SY	3,080	\$4.00	\$12,320.00	\$8.00	\$2,640.00	\$27.00	\$5.63	\$17,540.40	
9	Paint and Rubber Removal	SF	104,190	\$1.20	\$125,268.00	\$1.55	\$161,804.50	\$1.07	\$11,697.30	\$1.60	\$167,024.00
10	Unclassified Excavation	CY	10,180	\$15.00	\$152,700.00	\$13.00	\$132,340.00	\$21.00	\$21,780.00	\$24,750.80	
11	Unusable Excavation	CY	1,800	\$25.00	\$45,000.00	\$14.50	\$26,100.00	\$38.18	\$50,724.00	\$23.51	\$42,372.00
12	Subbase Course	CY	4,940	\$12.00	\$59,280.00	\$44.00	\$217,360.00	\$39.00	\$192,660.00	\$69.49	\$298,820.60
13	Temporary Erosion Control	L.S.	1	\$10,000.00	\$ 10,000.00	\$5,750.00	\$7,500.00	\$9,800.00	\$13,131.86	\$33,000.00	
14	Installation and Removal of Silt Fence	L.F.	2,470	\$3.00	\$7,410.00	\$5.25	\$12,907.50	\$4.00	\$9,882.80	\$7.00	\$17,290.00
15	Crushed Aggregate Base Course	TON	1,960	\$90.00	\$176,400.00	\$70.00	\$137,200.00	\$40.00	\$76,440.00	\$65.84	\$129,046.40
16	Humusous Surface Course	TON	2,036	\$135.00	\$274,860.00	\$178.25	\$361,847.50	\$165.00	\$337,580.00	\$198.12	\$402,183.60
17	Humusous Tank Coat	TON	2	\$950.00	\$1,900.00	\$1,075.00	\$2,070.00	\$1,000.00	\$1,116.55	\$2,231.10	
18	Longitudinal Joint Sealant	L.F.	200	\$6.00	\$1,200.00	\$75.00	\$15,000.00	\$11.00	\$2,200.00	\$6.00	\$1,200.00
19	Runway and Taxiway Marking, Temporary	SF	10,120	\$1.50	\$15,180.00	\$1.50	\$15,180.00	\$2.33	\$23,579.60	\$1.76	\$17,811.20
20	Runway and Taxiway Marking, Permanent	SF	62,240	\$60.00	\$3,734,400.00	\$87.84	\$5,451,100.00	\$80.00	\$4,976,000.00	\$88.91	\$5,511,000.00
21	12-Inch Reinforced Concrete Pipe	L.F.	1,080	\$550.00	\$594,000.00	\$2,000.00	\$2,160,000.00	\$35.00	\$37,800.00	\$2,500.00	\$2,700.00
22	Connection to Existing Structure	L.F.	1,740	\$55.00	\$95,700.00	\$24.50	\$42,630.00	\$17.40	\$30,276.00	\$40.00	\$69,680.00
23	Grind, Repaired, HDPE Pipe	L.F.	6	\$3,500.00	\$21,000.00	\$1,100.00	\$6,600.00	\$28.18	\$169.08	\$1,500.00	\$1,500.00
24	Storm Drain Catch Basin	EA	11	\$900.00	\$9,900.00	\$1,100.00	\$12,100.00	\$367.00	\$4,033.00	\$1,500.00	\$1,500.00
25	Storm Drain Cleanout	EA	4	\$5,000.00	\$20,000.00	\$1,500.00	\$6,000.00	\$1,900.00	\$1,646.56	\$2,000.00	\$2,000.00
26	Underdrain Access Structure	EA	300	\$3.00	\$900.00	\$1.50	\$450.00	\$4.13	\$1,239.00	\$6.00	\$1,800.00
27	2-Inch PVC Conduit	L.F.	960	\$2.00	\$1,920.00	\$1.00	\$960.00	\$6.00	\$5,760.00	\$8.00	\$7,680.00
28	Concrete Encasement of Duct	L.F.	320	\$4.00	\$1,280.00	\$3.50	\$1,120.00	\$11.50	\$3,680.00	\$3.75	\$1,200.00
29	Electrical Trench	L.F.	170	\$10.00	\$1,700.00	\$5.20	\$884.00	\$11.00	\$1,870.00	\$18.00	\$3,060.00
30	Electrical Handhole	EA	4	\$5,200.00	\$20,800.00	\$4,800.00	\$19,200.00	\$54.74	\$219.36	\$18.00	\$72.00
31	1-6497 REEL System	L.S.	1	\$20,000.00	\$20,000.00	\$20,525.00	\$20,525.00	\$14,000.00	\$10,525.59	\$23,000.00	
32	Retrospective Guidance Sign	EA	4	\$1,000.00	\$4,000.00	\$1,800.00	\$7,200.00	\$18,000.00	\$5,000.00	\$19,000.00	
33	Retrospective Marker	EA	46	\$1,100.00	\$50,600.00	\$1,200.00	\$55,200.00	\$1,400.00	\$64,800.00	\$1,600.00	\$73,600.00
34	Hydroseeding	AC	4	\$2,500.00	\$10,000.00	\$12,400.00	\$32,400.00	\$8,000.00	\$2,000.00	\$2,000.00	
Total of Extended Unit Price Items and Lump Sum Items Listed Above - Base Bid Schedule						\$ 1,943,215.00	\$ 1,988,465.00	\$ 2,228,735.38	\$ 2,276,951.37	\$ 2,564,835.30	
SALES TAX (6.2%)						\$ 142,474.84	\$ 145,043.63	\$ 182,756.30	\$ 186,710.01	\$ 210,316.51	
TOTAL BASE BID						\$ 1,879,972.84	\$ 1,951,519.13	\$ 2,411,491.68	\$ 2,463,661.38	\$ 2,775,151.81	

ADDITIVE BID A Schedule		ENGINEER'S ESTIMATE		Sterling Breen Crushing, Inc. (Apparent Low Bidder)		Thompson Bros. Excavating, Inc.		C&R Tractor and Landscaping, Inc.		Columbia Pacific Construction		Granite Construction Company	
Bid Item	Description	Unit	Quantity	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
A1	Construction Survey and Staking	LS	1	\$3,400.00	\$ 3,400.00	\$ 4,025.00	\$ 4,025.00	\$ 5,000.00	\$ 5,000.00	\$ 18,000.00	\$ 18,000.00	\$ 4,162.14	\$ 4,162.14
A2	Geotextile Fabric	SY	1,580	\$2.00	\$ 3,160.00	\$ 3.00	\$ 4,740.00	\$ 1.50	\$ 2,370.00	\$ 3.00	\$ 4,740.00	\$ 2.00	\$ 3,160.00
A3	Concrete Pavement Removal, Full Depth	SY	1,470	\$8.00	\$ 11,760.00	\$ 10.25	\$ 15,067.50	\$ 18.00	\$ 26,460.00	\$ 28.00	\$ 41,160.00	\$ 19.57	\$ 28,767.90
A4	Unclassified Excavation	CV	1,380	\$15.00	\$ 20,700.00	\$ 13.00	\$ 17,940.00	\$ 22.00	\$ 30,360.00	\$ 27.77	\$ 38,322.60	\$ 22.87	\$ 31,560.00
A5	Unsuitable Excavation	CV	310	\$45.00	\$ 13,950.00	\$ 41.50	\$ 12,865.00	\$ 47.00	\$ 14,630.00	\$ 28.18	\$ 8,799.60	\$ 23.69	\$ 7,347.70
A6	Subbase Course	CV	860	\$25.00	\$ 21,500.00	\$ 20.00	\$ 17,200.00	\$ 27.00	\$ 23,220.00	\$ 31.00	\$ 26,860.00	\$ 23.69	\$ 20,339.60
A7	Crushed Aggregate Base Course	CV	150	\$90.00	\$ 13,500.00	\$ 70.10	\$ 10,515.00	\$ 42.00	\$ 6,300.00	\$ 39.00	\$ 5,850.00	\$ 66.74	\$ 10,011.00
A8	Bituminous Surface Course	TON	160	\$115.00	\$ 18,400.00	\$ 178.25	\$ 28,520.00	\$ 165.00	\$ 26,400.00	\$ 186.00	\$ 29,760.00	\$ 193.61	\$ 31,184.00
A9	Bituminous Prime Coat	TON	2	\$959.00	\$ 1,918.00	\$ 1,035.00	\$ 2,070.00	\$ 1,000.00	\$ 2,000.00	\$ 900.00	\$ 1,800.00	\$ 1,116.55	\$ 2,233.10
A10	Runway and Taxway Marking, Permanent	SF	270	\$1.50	\$ 405.00	\$ 1.50	\$ 405.00	\$ 15.00	\$ 4,050.00	\$ 2.33	\$ 629.10	\$ 12.41	\$ 3,350.70
A11	6-inch Perforated HDPE Pipe	LF	174	\$35.00	\$ 6,090.00	\$ 24.50	\$ 4,263.00	\$ 45.00	\$ 7,725.00	\$ 17.40	\$ 3,007.80	\$ 38.75	\$ 6,712.50
A12	Storm Drain Cleanout	EA	2	\$900.00	\$ 1,800.00	\$ 1,115.00	\$ 2,230.00	\$ 800.00	\$ 1,600.00	\$ 367.00	\$ 734.00	\$ 757.58	\$ 1,515.16
A13	Retrospective Marker	EA	5	\$150.00	\$ 750.00	\$ 160.00	\$ 800.00	\$ 250.00	\$ 1,250.00	\$ 7.00	\$ 35.00	\$ 119.22	\$ 596.10
Total of Extended Unit Price Items and Lump Sum Items Listed Above - Additive Bid A Schedule					\$ 175,615.00		\$ 189,730.50		\$ 197,390.00		\$ 226,041.70		\$ 214,317.50
SALES TAX (8.2%)					\$ 14,400.43		\$ 15,559.54		\$ 16,185.98		\$ 18,535.42		\$ 18,288.46
TOTAL ADDITIVE BID A SCHEDULE					\$ 190,015.43		\$ 205,310.04		\$ 213,575.98		\$ 244,577.12		\$ 253,605.96

ADDITIVE BID B Schedule		ENGINEER'S ESTIMATE		Sterling Breen Crushing, Inc. (Apparent Low Bidder)		Thompson Bros. Excavating, Inc.		C&R Tractor and Landscaping, Inc.		Columbia Pacific Construction		Granite Construction Company	
Bid Item	Description	Unit	Quantity	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
B1	Construction Survey and Staking	LS	1	\$3,500.00	\$ 3,500.00	\$ 4,035.00	\$ 4,035.00	\$ 5,000.00	\$ 5,000.00	\$ 15,000.00	\$ 15,000.00	\$ 3,500.00	\$ 3,500.00
B2	Geotextile Fabric	SY	1,560	\$2.00	\$ 3,120.00	\$ 3.50	\$ 5,460.00	\$ 1.50	\$ 2,340.00	\$ 3.00	\$ 4,680.00	\$ 2.00	\$ 3,120.00
B3	Concrete Pavement Removal, Full Depth	SY	1,430	\$8.00	\$ 11,440.00	\$ 10.25	\$ 14,657.50	\$ 18.00	\$ 25,740.00	\$ 28.00	\$ 40,040.00	\$ 18.57	\$ 26,467.50
B4	Unclassified Excavation	CV	1,380	\$14.00	\$ 19,320.00	\$ 13.00	\$ 17,940.00	\$ 22.00	\$ 30,360.00	\$ 27.77	\$ 38,322.60	\$ 22.87	\$ 31,560.00
B5	Unsuitable Excavation	CV	330	\$25.00	\$ 8,250.00	\$ 21.50	\$ 7,105.00	\$ 27.00	\$ 8,910.00	\$ 28.18	\$ 9,299.60	\$ 23.69	\$ 7,747.70
B6	Subbase Course	CV	850	\$35.00	\$ 29,750.00	\$ 30.00	\$ 25,500.00	\$ 41.00	\$ 34,635.00	\$ 31.00	\$ 26,395.00	\$ 28.69	\$ 24,177.00
B7	Crushed Aggregate Base Course	CV	340	\$90.00	\$ 30,600.00	\$ 70.25	\$ 23,885.00	\$ 42.00	\$ 14,280.00	\$ 39.00	\$ 13,260.00	\$ 66.24	\$ 22,521.60
B8	Bituminous Surface Course	TON	158	\$135.00	\$ 21,330.00	\$ 178.25	\$ 27,963.50	\$ 165.00	\$ 23,850.00	\$ 186.00	\$ 29,178.00	\$ 193.61	\$ 30,574.80
B9	Bituminous Prime Coat	TON	2	\$950.00	\$ 1,900.00	\$ 1,035.00	\$ 2,070.00	\$ 1,000.00	\$ 2,000.00	\$ 900.00	\$ 1,800.00	\$ 1,116.55	\$ 2,233.10
B10	Runway and Taxway Marking, Permanent	SF	170	\$1.50	\$ 255.00	\$ 1.50	\$ 255.00	\$ 15.00	\$ 4,050.00	\$ 2.33	\$ 629.10	\$ 12.41	\$ 3,350.70
B11	12-inch Perforated HDPE Pipe	LF	160	\$60.00	\$ 9,600.00	\$ 93.00	\$ 14,880.00	\$ 85.00	\$ 13,600.00	\$ 75.00	\$ 12,000.00	\$ 89.42	\$ 14,307.00
B12	6-inch Perforated HDPE Pipe	LF	140	\$35.00	\$ 4,900.00	\$ 24.50	\$ 3,430.00	\$ 45.00	\$ 6,300.00	\$ 17.40	\$ 2,436.00	\$ 38.35	\$ 5,369.00
B13	Storm Drain Cleanout	EA	2	\$900.00	\$ 1,800.00	\$ 1,115.00	\$ 2,230.00	\$ 800.00	\$ 1,600.00	\$ 367.00	\$ 734.00	\$ 757.58	\$ 1,515.16
B14	Retrospective Marker	EA	2	\$150.00	\$ 300.00	\$ 160.00	\$ 320.00	\$ 250.00	\$ 500.00	\$ 7.00	\$ 14.00	\$ 119.22	\$ 238.44
Total of Extended Unit Price Items and Lump Sum Items Listed Above - Additive Bid B Schedule					\$ 179,685.00		\$ 197,819.03		\$ 205,510.00		\$ 212,186.10		\$ 214,034.10
SALES TAX (8.2%)					\$ 14,714.17		\$ 16,221.16		\$ 16,866.26		\$ 19,039.25		\$ 20,010.80
TOTAL ADDITIVE BID B SCHEDULE					\$ 194,419.17		\$ 214,040.16		\$ 222,316.26		\$ 231,225.36		\$ 234,044.90

TOTAL BIDS		ENGINEER'S ESTIMATE		Sterling Breen Crushing, Inc. (Apparent Low Bidder)		Thompson Bros. Excavating, Inc.		C&R Tractor and Landscaping, Inc.		Columbia Pacific Construction		Granite Construction Company	
BASE BID SCHEDULE		Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
ADDITIVE BID A SCHEDULE		\$ 1,879,972.84	\$ 2,102,598.63	\$ 2,151,575.98	\$ 2,411,491.68	\$ 2,151,575.98	\$ 2,445,771.12	\$ 2,151,575.98	\$ 2,445,771.12	\$ 2,151,575.98	\$ 2,445,771.12	\$ 2,151,575.98	\$ 2,445,771.12
ADDITIVE BID B SCHEDULE		\$ 190,015.43	\$ 205,310.04	\$ 213,575.98	\$ 228,916.26	\$ 213,575.98	\$ 228,916.26	\$ 213,575.98	\$ 228,916.26	\$ 213,575.98	\$ 228,916.26	\$ 213,575.98	\$ 228,916.26
GRAND TOTAL (BASE, ADDITIVE BID A & B)		\$ 1,941,917.47	\$ 2,264,407.44	\$ 2,567,911.37	\$ 2,907,294.16	\$ 2,567,911.37	\$ 2,907,294.16	\$ 2,567,911.37	\$ 2,907,294.16	\$ 2,567,911.37	\$ 2,907,294.16	\$ 2,567,911.37	\$ 2,907,294.16

**SUMMARY:**

**DISCREPANCIES/NOTES:**  
The sales tax shown on the proposal was incorrectly entered as 8.2%. The correct sales tax amount is 8.2%.  
The following minor informatics were noted in the proposal submitted by Thompson Bros. Excavating, Inc. (Where applicable, revised amounts are reflected in the amounts shown above):  
- Base Bid Schedule - Bid Item No. 25.6-inch Perforated HDPE Pipe total amount was incorrectly entered as \$72,240.00. The correct amount is \$79,080.00  
- Total Base Bid Schedule - Total amount was incorrectly entered as \$2,152,597.88 tax included. The correct total amount is \$2,151,575.98 tax included  
- Grand Total (Base, Additive Bid A & B) - Total amount was incorrectly entered as \$2,280,393.44 tax included. The correct total amount is \$2,567,911.37 tax included  
The following minor informatics were noted in the proposal submitted by C & R Tractor and Landscaping, Inc. (Where applicable, revised amounts are reflected in the amounts shown above):  
- Additive Bid B Schedule - Bid Item No. B-5 Unsuitable Excavation total amount was incorrectly entered as \$920.94. The correct amount is \$9,299.60  
- Additive Bid B Schedule - Bid Item No. B10 Runway and Taxway Marking, Permanent total amount was incorrectly entered as \$17,092.33. The correct amount is \$13,607.00  
- Total Additive Bid B Schedule - Total amount was incorrectly entered as \$260,475.44 tax included. The correct total amount is \$251,225.36 tax included  
- Grand Total (Base, Additive Bid A & B) - Total amount was incorrectly entered as \$2,907,294.16 tax included. The correct total amount is \$2,907,294.16 tax included

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Brandon Rakes, Airport Operations Coordinator

**MEETING OF:** August 27, 2018

**SUBJECT:** Memorandum of Understanding with the Office of Minority and Women's Business Enterprises and the Washington State Department of Transportation for the State of Washington Unified Certification Program

---

**ISSUE**

The City receives federal funding, but is not currently in a Unified Certification Program with the Office of Minority and Women's Business Enterprises (OMWBE).

**DISCUSSION**

The City is the recipient of funding and assistance programs administered by the U.S. Department of Transportation (USDOT) and its operational modal, the Federal Aviation Administration (FAA), in the state of Washington.

The OMWBE performs certification following the regulations in 49 Code of Federal Regulations (CFR) Part 26, and 49 CFR 26.81 requires all USDOT recipients in each state to participate in a Unified Certification Program. Chapter 39.19.120 Revised Code of Washington designates OMWBE as the exclusive authority for certification of minority, women, and socially and economically disadvantaged business enterprises for all programs administered by the state, any city, town, county, special purpose district, public corporation created by the state, municipal corporation, or quasi-municipal corporation within the state of Washington.

As part of the agreement, the City will be required to pay a reasonable fee or other appropriate charge established by rule; provide OMWBE and WSDOT with a copy of our DBE plan and a copy of our annual DBE Agency Goal Submittal; comply with and follow all certification standards and nondiscrimination requirements; and to cooperate fully with oversight, review and monitoring activities. Currently, WSDOT pays any fees to OMWBE, and it is expected that there will be no fees charged to the City for this agreement.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

It is recommended that the City Council approve the Memorandum of Understanding and authorize the City Manager execute the document.

**SUGGESTED MOTION**

I move that the City Council approve the Memorandum of Understanding and authorize the City Manager execute the document.

# *Memorandum of Understanding*

*Between*

**THE WASHINGTON STATE  
OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES**  
*and*  
**The City of Chehalis**  
*and*  
**WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**  
*for the*  
**STATE OF WASHINGTON  
UNIFIED CERTIFICATION PROGRAM**

This Memorandum of Understanding for participation in the State of Washington Unified Certification Program (UCP) is between the **City of Chehalis** and the State of Washington, through its Office of Minority and Women's Business Enterprises (OMWBE) and ITS Department of Transportation (WSDOT) and is effective as of the date of the last signatory hereto.

## **WITNESSETH:**

**WHEREAS**, the Undersigned are recipients of funding and assistance programs administered by the U.S. Department of Transportation (USDOT) and its operational modal, the Federal Aviation Administration (FAA), in the state of Washington;

**WHEREAS**, Washington State Office of Minority and Women's Business Enterprises (OMWBE) performs certification following the regulations in 49 Code of Federal Regulations (CFR) Part 26;

**WHEREAS**, 49 CFR 26.81 requires all USDOT recipients in each state to participate in a Unified Certification Program (UCP);

**WHEREAS**, Chapter 39.19.120 Revised Code of Washington (RCW) designates OMWBE as the exclusive authority for certification of minority, women, and socially and economically disadvantaged business enterprises for all programs administered by the state of Washington, any city, town, county, special purpose district, public corporation created by the state, municipal corporation, or quasi-municipal corporation within the state of Washington; and

In Consideration of the foregoing recitals, the Undersigned agree as follows:

### **1. Representation of Accountability**

The Washington State Department of Transportation (WSDOT) and OMWBE represent that WSDOT is ultimately accountable and responsible to USDOT for Disadvantaged Business Enterprise (DBE) Certification in the state of Washington and is therefore a necessary signatory to this agreement.

## **2. Acknowledgement and Acceptance of Unified Certification Program**

The City of Chehalis agrees to participate in a UCP, as required by 49 CFR Part 26.

## **3. Designation of Exclusive Certifying Authority; Binding Effect**

The City of Chehalis agrees as follows:

**3.1** OMWBE is now and shall continue to be the sole and exclusive certification authority for participation in the USDOT DBE Program in the state of Washington in accordance with 49 CFR Part 26 and Chapter 39.19 RCW.

**3.2** Final certification determinations made by OMWBE shall be binding and have the full force and effect of law as may be provided by 49 CFR Part 26.

**3.3** Only final certification determinations issued by OMWBE prior to the due date for bids or offers on a contract which a firm seeks to participate as a DBE shall be recognized for purposes of award.

## **4. Notification Responsibilities of the Parties**

Each party to this agreement agrees to notify the other parties of all regulatory changes, interpretations and other communications affecting the operation, duties, and/or responsibilities of each party under this agreement.

## **5. Duties and Responsibilities of OMWBE**

In its capacity as the sole and exclusive certification authority in the state of Washington, it is acknowledged that OMWBE shall perform the following duties and have the following responsibilities:

**5.1** Comply with and follow all certification standards and nondiscrimination requirements of 49 CFR Part 26, as may be approved from time to time, including without limitation, implementation of all USDOT directives and guidance concerning certification matters.

**5.2** Only process applications for certification from firms with principal places of business outside the state of Washington if such firms have received certification determinations from the designated UCPs of the states in which the firms maintain principal places of business.

**5.3** Issue administratively final determinations to certify, recertify or remove a firm based upon applications submitted to it for certification and recertification, appeals, third party challenges, ineligibility complaints, recipient-initiated proceedings, and USDOT directives.

**5.4** Share information and documents concerning firms certified in the state of

Washington with other state UCPs that are considering applications of certification from such firms.

**5.5** Maintain a unified *DBE Directory* of firms certified by OMWBE pursuant to this UCP that shall contain all of the information required by 49 CFR 26.31 and be available to the public electronically, on the Internet, and in print.

**5.6** Cooperate fully with all oversight, review and monitoring activities of USDOT and the other parties, as it relates to the implementation and ongoing activities of the UCP.

**5.7** Cooperate fully with and participate in any audits or certification performance reviews and/or respond to and reply to other requests for information as may be directed to the UCP by USDOT and/or the Federal Transit Administration and/or **The City of Chehalis**

## **6. Duties and Responsibilities of The City of Chehalis**

The City of Chehalis shall perform the following duties and have the following responsibilities:

**6.1** Pay a reasonable fee or other appropriate charge that has been established by rule in accordance with RCW 39.19.210 and WAC 326-02-034(3)(a).

**6.2** Provide OMWBE and WSDOT with a copy of the **City of Chehalis** Disadvantaged Business Enterprise Program Plan, and a copy of the **City of Chehalis** Annual DBE Agency Goal Submittal as provided to the Federal Transit Administration.

**6.3** Comply with and follow all certification standards and nondiscrimination requirements of 49 CFR Part 26, as may be approved from time to time, including without limitation, implementation of all USDOT directives and guidance to grantees and recipients concerning certification matters.

**6.4** Cooperate fully with all oversight, review and monitoring activities of USDOT and/or the Federal Transit Administration, as it relates to the implementation and ongoing activities of the UCP.

**6.5** Cooperate fully with and participate in any audits or certification performance reviews and/or respond to and reply to other requests for information as may be directed to **The City of Chehalis** by USDOT and/or the Federal Transit Administration and/or OMWBE.



**IN WITNESS WHEREOF**, the parties have executed this Memorandum of Understanding effective as of the last date of all the signatories appearing here below.

**ACCEPTED:**

**Washington State Office of Minority and Women's Business Enterprises**

BY: \_\_\_\_\_ Date: \_\_\_\_\_  
Teresa Berntsen  
Director

Approved as to Form:

\_\_\_\_\_  
Assistant Attorney General  
State of Washington

**The City of Chehalis**

BY: \_\_\_\_\_ Date: \_\_\_\_\_  
Jill Anderson  
City Manager

Approved as to Form (if required):

\_\_\_\_\_  
Legal Counsel

**Washington State Department of Transportation**

BY: \_\_\_\_\_ Date: \_\_\_\_\_  
Roger Millar  
Secretary

Approved as to Form:

\_\_\_\_\_  
Assistant Attorney General  
State of Washington

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council  
**FROM:** Jill Anderson, City Manager  
**BY:** Chun Saul, Finance Director  
**MEETING OF:** August 27, 2018  
**SUBJECT:** Annual Debt Compliance Update, Fiscal Year Ended December 31, 2017

---

**ISSUE**

The city is required to submit annual financial data and a timely notice of the occurrence of certain events to the Municipal Securities Rulemaking Board annually, and then report to the City Council that the requirement has been fulfilled.

**DISCUSSION**

As part of the issuance of the city's Limited Tax General Obligation Bonds, 2011, the city agreed to adhere to federal regulations (Rule 15c2-12) and its own Debt Management and Post-Issuance Compliance (DMPI) Policy. The bond ordinance provides the deadline and the types of annual financial and operating data to be provided.

The deadline for submitting annual financial information is September 30 of each year. The following are the types of annual financial information and operating data the city is required to provide:

- 1) Annual Financial Statement
- 2) Outstanding general obligation debt
- 3) Assessed valuation
- 4) Property taxes, rates, amounts levied, and percentage collected
- 5) General Fund revenues from other major tax sources

The data for the fiscal year ended December 31, 2017 was submitted to Municipal Securities Rulemaking Board (MSRB) via their Electronic Municipal Market Access (EMMA) system on August 16, 2018. Confirmation of successful submission and other operating data submitted are attached.

**FISCAL IMPACT**

None

**RECOMMENDATION**

No action is required; this update is informational only.

**SUGGESTED MOTION**

N/A



**CONTINUING DISCLOSURE (SUBMISSION STATUS: PUBLISHED)**

**FINANCIAL/OPERATING FILING (CUSIP-9 BASED)**

**Rule 15c2-12 Disclosure**

Annual Financial Information and Operating Data: 2017 Annual Financial Statement & Operating Data, for the year ended 12/31/2017

**Documents**

**Financial Operating Filing**

2017 Annual Financial Statements - Unaudited.pdf posted 08/16/2018

Additional Financial Information 2017.pdf posted 08/16/2018

The following issuers are associated with this continuing disclosure submission:

CUSIP-6	State	Issuer Name
163087	WA	CHEHALIS WASH

The following 5 securities have been published with this continuing disclosure submission:

CUSIP-9	Maturity Date
163087AA7	12/01/2014
163087AB5	12/01/2017
163087AC3	12/01/2021
163087AD1	12/01/2024
163087AE9	12/01/2026

**Issuer's Contact Information**

**Company:** City of Chehalis  
**Name:** Chun Saul  
**Address:** 350 N. Market Blvd.  
**City, State Zip:** Chehalis, WA 98532  
**Phone Number:** 3603453231  
**Email:** csaul@ci.chehalis.wa.us

**Obligor's Contact Information**

**City of Chehalis, Washington  
Additional Financial Information  
For the Year Ended 12/31/2017**

**1) OUTSTANDING GENERAL OBLIGATION DEBT OUTSTANDING AS OF 12/31/2017**

Debt	Maturity Year	Balance 12/31/2017
2011 LTGO Bonds	2026	\$ 755,000
State Revolving Fund Loan	2026	567,683
Fire Truck Purchase Loan	2022	521,415
Chip Spreader Purchase Loan	2024	259,057
Total Outstanding General Obligation Debt		<u>\$ 2,103,155</u>

**2) THE CITY'S ASSESSED VALUATION**

Tax Levy Year	Tax Year	Assessed Value
	2017	\$ 639,490,698

**3) PROPERTY TAXES, RATES, AMOUNTS LEVIED AND PERCENT COLLECTED**

Levy Year	2017
Regular Property Tax Levy Rate for 2017 (per \$1,000 Assessed Value)	\$ 2.286544956124
Regular Property Taxes Levy in 2017	\$ 1,462,224
2017 Regular Property Tax Levy Collected in 2017	\$ 1,444,434
Percentage 2017 Tax Levy Collected in 2017	98.8%

**4) GENERAL FUND REVENUE FROM OTHER MAJOR TAX SOURCES**

Tax Sources	2017 Revenues
Local Sales & Use Tax	\$ 4,732,017
Business Taxes	1,679,886
Excise Taxes	51,213
Total General Fund Revenues from Other Major Tax Sources	<u>\$ 6,463,116</u>

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**MEETING OF:** August 27, 2018

**SUBJECT:** Agreement with Lewis Economic Development Council to Provide Economic Development Services

---

**ISSUE**

The current agreement with the Lewis County Economic Development Council (EDC) has expired.

**DISCUSSION**

The City has been a member of the Lewis County EDC for many years. The agreement between the city and the EDC to provide economic development services during calendar year 2017 has expired. The agreement provided the EDC to actively recruit business and industry to Chehalis and the greater community; provide business retention outreach to businesses in Chehalis and the greater community; support efforts by the city to recruit new retail businesses to Chehalis; and conduct briefings to the City Council and/or city personnel as requested. Some of the specific services provided by the EDC over the past year included:

- Consulting expertise for review of Chehalis water rights;
- Recruitment of businesses to the community (TransCold Distribution and Price Containers);
- Support of \$38,000 in .09 grant funding for retail research; and
- Coordination of funding to support work for a solution to basin-wide flooding.

**FISCAL IMPACT**

Annual payments to the EDC have fluctuated over the years. The following provides a ten-year history of contributions from the city to the EDC:

<b>Year(s)</b>	<b>Annual Payment</b>
2008	\$ 15,000
2009 – 2012	\$ 6,000
2013 – 2014	\$ 4,000
2015 – 2017	\$ 6,000

The EDC is requesting that the City Council consider increasing the city's annual payment for services. It is therefore recommended that the annual payment to the EDC be increased to \$8,000 for 2018 and 2019. The 2018 Adopted Budget has sufficient funds for the proposed increase.

**RECOMMENDATION**

It is recommended that the City Council approve the agreement with the Lewis Economic Development Council to provide economic development services for 2018 and 2019.

**SUGGESTED MOTION**

I move that the City Council approve the agreement with the Lewis Economic Development Council to provide economic development services in 2018 and 2019.

**AGREEMENT FOR ECONOMIC DEVELOPMENT SERVICES**

**THIS AGREEMENT**, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2018, by and between the **LEWIS ECONOMIC DEVELOPMENT COUNCIL**, a nonprofit Washington corporation, herein referred to as EDC, and the **CITY OF CHEHALIS, WASHINGTON**, a municipal corporation, herein referred to as City.

W I T N E S S E T H:

For and in consideration of the mutual covenants and promises herein contained, the parties agree as follows:

**A. Services.**

1. EDC will perform the following services:

- a) Actively recruit business and industry to Chehalis and the greater community.
- b) Provide business retention outreach to businesses in Chehalis and the greater community.
- c) Support efforts by City to recruit new retail businesses to the City of Chehalis. This includes research and expertise as requested by City staff.
- d) Conduct informative briefings for the City Council and/or City personnel, as requested by the City Manager.

2. EDC shall provide City with quarterly written reports and provide oral reports annually. Each quarterly report shall explain how contract deliverables are being accomplished.

**B. City Payment.** City agrees to pay \$8,000.00 for services rendered in 2018 and 2019. Payments may be made in equal quarterly installments of \$2,000.00 each, made at the end of each quarter upon receipt of invoice.

**C. Termination.** Either party may terminate this Agreement by giving the other party notice of such intent no later than thirty (30) days prior to the effective date of termination. In the event of termination, the City's obligation to pay for services provided shall be pro-rated to the date of termination.

**D. Renewal.** This Agreement may be renewed by the parties upon authorization by the Chehalis City Council of the appropriation for the fee to be paid to EDC for services rendered.

CITY OF CHEHALIS, WASHINGTON,  
a municipal corporation

LEWIS ECONOMIC DEVELOPMENT COUNCIL,  
a non-profit corporation

By: \_\_\_\_\_  
Its City Manager

By: \_\_\_\_\_  
Its Executive Director

Attest: \_\_\_\_\_  
Its City Clerk

By: \_\_\_\_\_  
Its President



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Chun Saul, Finance Director

**MEETING OF:** August 27, 2018

**SUBJECT:** Ordinance No. 990-B First Reading – Interfund Loan from Water Fund to Airport Fund

---

**ISSUE**

City Council approval is requested for an interfund loan from the city's Water Fund to the Airport Fund in the amount of \$279,426.60 to provide funding to pay off an existing bank loan taken out for the Airport Tract A site project in November 2017.

**DISCUSSION**

In November 2017, the city took out a bank loan in the amount of \$300,000 with an annual interest rate of 5% over a 10-year term for the Airport Tract A site preparation project.

The city is desirous of paying off the bank loan using an interfund loan from the Water Fund to the Airport Fund with a lower interest rate and a shorter repayment period, which will save the city approximately \$58,700 in interest costs.

We are requesting City Council approval for an interfund loan from the city's Water Fund to the Airport Fund in the amount of \$279,426.60, effective October 1, 2018, over a period of four years (48 monthly payments) at an interest rate of 2% per annum. The interest rate shall be adjusted to match the Local Government Investment Pool rate if the LGIP rate rises above 2%.

A summary for estimated interest cost savings and an interfund loan repayment amortization schedule (Ordinance 990-B Attachment "A") are attached to this report.

**FISCAL IMPACT**

The city's Airport debt service budget will increase by \$8,641.71 in 2018, by \$34,567 for years 2019 through 2021, and \$25,925 in 2022.

However, based on the estimated fund balance at the end of December 31, 2018 and 2019 preliminary budget estimates for the Airport Fund, city staff believe that the debt service budget increase can be absorbed by the operating revenues without an issue.

The city's Water Fund has an adequate unreserved fund balance (cash) to provide the funding.

**RECOMMENDATION**

It is recommended that the council pass Ordinance No. 990-B on first reading.

**SUGGESTED MOTION**

I move that the City Council pass Ordinance No. 990-B on first reading.

**Proposal for Interfund Loan and Pay Off Bank Loan**

8/16/2018  
Chun Saul

**Loan for Airport Tract A Site Preparation Project**

Security State Bank Loan  
Original Loan Amount \$ 300,000.00  
Term (10 Year, 120 monthly payments) 120

**Interfund loan from Water Fund to Airport Fund**

	<b>Current @ SSB</b>	<b>Interfund Loan</b>
	<b>10 Years</b>	<b>4 Years</b>
Term	11/15/2017	10/31/2018
Payment Begin	11/15/2017	10/31/2018
Payment Ends	11/15/2027	9/30/2022
Interest Rate (365/360)	5%	2%
<b>Remaining Balance 10/1/2018</b>	<b>\$ 279,426.60</b>	<b>\$ 279,426.60</b>
<b>Remaining months</b>	<b>110</b>	<b>48</b>
Monthly Payment	\$ 3,185.00	\$ 6,065.57
X 12	12	12
Annual Payment	\$ 38,220.00	\$ 72,786.84
<b>Increase in Annual Payment</b>	<b>n/a</b>	<b>\$ 34,566.84</b>
Interest Paid		
From October 2018 to Nov 2027	\$ 70,447.95	\$ 11,720.70
<b>Interest Savings Over Life of Loan</b>	<b>n/a</b>	<b>\$ 58,727.25</b>
Estimated Fund Balance 12/31/2018		\$ 558,252.00
Optional:		
Required Debt Service Reserves (6 Months Payment)	n/a	\$ 36,393.42
Required Reserve % of Fund Balance		7%

**ORDINANCE NO. 990-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AUTHORIZING AN INTERFUND LOAN FROM THE WATER FUND FOR TWO HUNDRED SEVENTY-NINE THOUSAND FOUR HUNDRED TWENTY-SIX AND 60/100 DOLLARS (\$279,426.60) TO THE AIRPORT FUND; PROVIDING FOR THE TERMS OF REPAYMENT; PROVIDING FOR THE INTEREST RATE; AND AUTHORIZING THE EXPENDITURE OF SAID FUNDS FOR THE OPERATION OF THE AFORE-NAMED FUNDS OF THE CITY.**

**WHEREAS**, the city of Chehalis has an existing bank loan taken out for the Airport Tract A site project with an annual interest rate of 5%; and

**WHEREAS**, the city is desirous of paying off the bank loan using an interfund loan from the Water Fund to the Airport Fund with a lower interest rate and a shorter repayment period; and

**WHEREAS**, said interfund loan will save the city approximately \$58,700 in interest costs; Now, therefore;

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

**Section 1.** The city is authorized to transfer funds pursuant to an interfund loan from the Water Fund to the Airport Fund a total sum up to Two Hundred Seventy-Nine Thousand Four Hundred Twenty-Six and 60/100 Dollars (\$279,426.60).

**Section 2.** Said funds shall be transferred on October 1, 2018.

**Section 3.** Said funds shall be repaid at the end of each month from the Airport Fund to the Water Fund over a period of four years (48 monthly payments) in accordance with the

attached amortization schedule (Attachment A).

**Section 4.** Interest on the loan shall accrue at the rate of 2% per annum. Said interest rate can be adjusted to match the Local Government Investment Pool rate if said rate rises above 2%.

**Section 5.** Said funds shall be available for use by the Water Fund of the city.

**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:

\_\_\_\_\_  
Caryn Foley, City Clerk

Approved as to form and for content:

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

**ORDINANCE NO. 990-B  
Attachment "A"**

**Interfund Loan from Water Fund to Airport Fund  
AMORTIZATION SCHEDULE**

<b>Interest Rate @ 2% , Over 4-years</b>						
	<b>Interest Rate</b>	<b>Interest begin</b>	<b>1st payment</b>	<b>Monthly Pmt</b>	<b>Interest</b>	<b>Due</b>
	2.00%	10/1/2018	10/31/2018	\$ 6,065.57	365/360	30th
<b>Payment No.</b>	<b>Beginning Balance</b>	<b>Interest</b>	<b>Principal</b>	<b>Total Payment</b>	<b>Ending Principal</b>	<b>Month Ending</b>
1	279,426.60	481.23	5,584.34	6,065.57	273,842.26	10/31/2018
2	273,842.26	456.40	5,609.17	6,065.57	268,233.09	11/30/2018
3	268,233.09	461.96	5,603.61	6,065.57	262,629.48	12/31/2018
4	262,629.48	452.31	5,613.26	6,065.57	257,016.22	1/31/2019
5	257,016.22	399.80	5,665.77	6,065.57	251,350.45	2/28/2019
6	251,350.45	432.88	5,632.69	6,065.57	245,717.76	3/31/2019
7	245,717.76	409.53	5,656.04	6,065.57	240,061.72	4/30/2019
8	240,061.72	413.44	5,652.13	6,065.57	234,409.59	5/31/2019
9	234,409.59	390.68	5,674.89	6,065.57	228,734.70	6/30/2019
10	228,734.70	393.93	5,671.64	6,065.57	223,063.06	7/31/2019
11	223,063.06	384.16	5,681.41	6,065.57	217,381.65	8/31/2019
12	217,381.65	362.30	5,703.27	6,065.57	211,678.38	9/30/2019
13	211,678.38	364.56	5,701.01	6,065.57	205,977.37	10/31/2019
14	205,977.37	343.30	5,722.27	6,065.57	200,255.10	11/30/2019
15	200,255.10	344.88	5,720.69	6,065.57	194,534.41	12/31/2019
16	194,534.41	335.03	5,730.54	6,065.57	188,803.87	1/31/2020
17	188,803.87	293.69	5,771.88	6,065.57	183,031.99	2/29/2020
18	183,031.99	315.22	5,750.35	6,065.57	177,281.64	3/31/2020
19	177,281.64	295.47	5,770.10	6,065.57	171,511.54	4/30/2020
20	171,511.54	295.38	5,770.19	6,065.57	165,741.35	5/31/2020
21	165,741.35	276.24	5,789.33	6,065.57	159,952.02	6/30/2020
22	159,952.02	275.47	5,790.10	6,065.57	154,161.92	7/31/2020
23	154,161.92	265.50	5,800.07	6,065.57	148,361.85	8/31/2020
24	148,361.85	247.27	5,818.30	6,065.57	142,543.55	9/30/2020
25	142,543.55	245.49	5,820.08	6,065.57	136,723.47	10/31/2020
26	136,723.47	227.87	5,837.70	6,065.57	130,885.77	11/30/2020
27	130,885.77	225.41	5,840.16	6,065.57	125,045.61	12/31/2020
28	125,045.61	215.36	5,850.21	6,065.57	119,195.40	1/31/2021
29	119,195.40	185.42	5,880.15	6,065.57	113,315.25	2/28/2021
30	113,315.25	195.15	5,870.42	6,065.57	107,444.83	3/31/2021
31	107,444.83	179.07	5,886.50	6,065.57	101,558.33	4/30/2021
32	101,558.33	174.91	5,890.66	6,065.57	95,667.67	5/31/2021
33	95,667.67	159.45	5,906.12	6,065.57	89,761.55	6/30/2021
34	89,761.55	154.59	5,910.98	6,065.57	83,850.57	7/31/2021
35	83,850.57	144.41	5,921.16	6,065.57	77,929.41	8/31/2021
36	77,929.41	129.88	5,935.69	6,065.57	71,993.72	9/30/2021
37	71,993.72	123.99	5,941.58	6,065.57	66,052.14	10/31/2021
38	66,052.14	110.09	5,955.48	6,065.57	60,096.66	11/30/2021
39	60,096.66	103.50	5,962.07	6,065.57	54,134.59	12/31/2021
40	54,134.59	93.23	5,972.34	6,065.57	48,162.25	1/31/2022
41	48,162.25	74.92	5,990.65	6,065.57	42,171.60	2/28/2022
42	42,171.60	72.63	5,992.94	6,065.57	36,178.66	3/31/2022
43	36,178.66	60.30	6,005.27	6,065.57	30,173.39	4/30/2022
44	30,173.39	51.97	6,013.60	6,065.57	24,159.79	5/31/2022
45	24,159.79	40.27	6,025.30	6,065.57	18,134.49	6/30/2022
46	18,134.49	31.23	6,034.34	6,065.57	12,100.15	7/31/2022
47	12,100.15	20.84	6,044.73	6,065.57	6,055.42	8/31/2022
48	6,055.42	10.09	6,055.42	6,065.51	(0.00)	9/30/2022
<b>TOTAL</b>		<b>11,720.70</b>	<b>279,426.60</b>	<b>291,147.30</b>		

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council  
**FROM:** Jill Anderson, City Manager  
**MEETING OF:** August 27, 2018  
**SUBJECT:** Strategic Plan Update

---

**ISSUE**

This item has been scheduled to provide an update on the City's strategic plan.

**DISCUSSION**

On January 19, 2018, the City Council met with the City Manager and the Management Team to develop a strategic plan so that limited resources continue to be directed toward the City's highest priorities consistent with its mission and responsibility as a municipal government. An introduction of the plan was provided at the January 22, 2018 City Council meeting to keep the community informed of the City's updated mission statement and three year goals, which are provided below.

**MISSION STATEMENT**

*While honoring the past and preparing for the future,  
the City of Chehalis provides municipal services and programs  
for the benefit of residents, businesses and visitors in our community.*

**THREE-YEAR GOALS**

2018-2021 \* not in priority order

- ***Maintain*** and enhance financial stability
- ***Enhance*** and modernize technology
- ***Increase*** and optimize staffing levels
- ***Improve*** and maintain the infrastructure
- ***Enhance*** and maintain facilities  
(Recreation Park, Dispatch Center, Fire Station)

For each goal, specific, measurable objectives have been established for the six-month planning period. This presentation has been scheduled to report on the progress being made toward accomplishing those goals which are driven by the desire to maintain and improve services while using public resources effectively. The reports provide the City Council and staff an opportunity to monitor progress, as well as revise objectives and timelines as conditions warrant. The City's next strategic planning session is scheduled for Thursday, August 30, 2018 at the VR Lee Building located at Recreation Park.

**RECOMMENDATION**

This is an informational item and no action is needed at this time.

**SUGGESTED MOTION**

There is no motion needed.



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Chun Saul, Finance Director

**MEETING OF:** August 27, 2018

**SUBJECT:** Financial Reports for the Period Ended July 31, 2018

---

**DISCUSSION**

This item has been scheduled to provide financial reports for the period ended 7/31/2018 (January 2018 through July 2018).

**EXECUTIVE SUMMARY**

This document provides a summary review of City financial activity for the seven months ended 7/31/2018 (January through July). The report has been formatted to be consistent with the adopted budget for ease of comparison and review of information. The report focuses on the General Fund and major enterprise funds. The revenues, expenditures, other increases (decreases) in fund resources, and increases (decreases) in cash and investments summaries are attached.

A 58.3% (7 of 12 months) is used as the target % for comparing the actual year-to-date outcome to the 2018 adopted budget.

**BOTTOM LINE**

At the end of July, the City's General Fund and major enterprise funds operated within the budget parameters and overall revenues and expenditures are within normal budget projection.

**GENERAL FUND OVERVIEW**

Revenues and other receipts totaled \$5,500,542 (59.2% of the adopted budget of \$9,286,814). This is \$86,331 above the target amount.

Expenditures and other decreases in fund resources totaled \$5,805,032 (56.4% of the adopted budget of \$10,293,933).

Overall, General Fund operated within normal budget parameters.

### **General Fund Revenues**

Total tax revenues at the end of July 2018 are \$4,827,628 (59.5% of the adopted budget). This is about \$93,965 above the target amount.

Property Tax revenues are \$914,585 (55.8% of the adopted budget). This is within normal budget projections.

Sales and Use tax revenues are \$2,904,841 (61.1% of the adopted budget). This is \$134,350 above the target amount and \$285,873 more than a year ago.

**The Marketplace Fairness Act** (EHB 2163), enacted in 2017, has a direct impact on local government. Part II of the legislation extends retail sales tax collections and/or reporting to remote sellers and internet sales. The Marketplace Fairness Act is also phasing out the streamlined sales tax (SST) mitigation payments that many cities and counties received since 2008, and all mitigation payments will cease as of October 1, 2019. The SST mitigation helped compensate jurisdictions for sales tax revenues that were lost when the state switched from an origin-based to a destination-based sales tax for delivered goods.

Effective January 1, 2018, internet and remote sellers must remit sales or use tax to the Washington Department of Revenue (DOR). The DOR evaluates the revenue gains from the Marketplace Fairness Act, and these gains will reduce the SST mitigation payments for cities and counties by a corresponding amount. Beginning with distributions made after March 31, 2018 (this would be June 30, 2018 distribution) the SST mitigation payment distributions was reduced by the amount of its market place facilitator/remote seller revenues reported during the previous calendar quarter.

The City has received a total of \$157,504 SST mitigation distributions from years 2008 through 2017, an annual average of \$15,750. The city received \$3,539 SST mitigation distribution on March 31, 2018 but received nothing on June 30, 2018. This is an indication that a portion of the increased sales tax revenues in 2018 is attributable to the sales tax revenues from internet and remote sales. It is likely that the city may not receive any SST mitigation payment for the remainder of the 2018. The 2018 budget includes \$12,736 in SST mitigation revenues; thus, the revenue budget may need to be reduced in the next 2018 budget amendment.

Utility tax revenues are \$980,965 (58.5% of the adopted budget.) This is \$2,737 above the target amount. While cable utility tax revenue shows 38.6% of the adopted budget, all other utility taxes are slightly above the target percentage.

License and permit fee revenues are \$86,351 (47.8% of the adopted budget). While revenues from business license fees are on target, building permit fees revenues are 36.0% of the adopted budget, which is \$18,341 below the target amount. We are hopeful to see increases in permit activities soon, and that the revenues will catch up to the budget projection level.

Intergovernmental revenues are \$109,857 (48.2% of the adopted budget), which is \$22,936 below the target amount. This category includes grants and various state and county shared revenues including entitlements, impact fees and PUD privilege tax. One main contributing factor for the lower % is the PUD privilege tax. The PUD privilege tax revenue is distributed by Lewis County on an annual basis. The 2018 budget is \$70,775, and a payment of \$75,113 was received in August 2018, so the next monthly report will show that revenue.

Charges for goods and services are \$210,359 (60.2% of the adopted budget). This category includes charges for fire and police services, plan check fees, and recreation program fees. Charges for fire and police services are 59.3 % of the adopted budget.

### **General Fund Expenditures and Transfers Out:**

Adopted appropriations and required transfers are budgeted at \$10,293,933, including \$9,469,446 for current operating expenditures and \$824,487 for capital outlays, debt services, custodial activities, and transfers out.

At the end of July 2018, total expenditures and other use of fund resources are \$5,805,032 (56.4% of the adopted budget).

Most departments operated within the budget parameters. Exceptions are:

*Police* department expenditures are 58.7% of the adopted budget, an approximately \$12,000 above the target amount. Total payroll related cost is about \$9,300 above a seven-month budget projection and the remaining is due to some of the budgeted items are spent early in the year instead of spreading over 12 months (i.e. insurance, small tools, and uniforms, etc.)

*Fire* department expenditures are 60.0% of the adopted budget, which is about \$35,799 above the target amount. The following are the key factors for actual expenditures higher than the target percentage. It was determined that \$78,000 city contributions to employees' Health Savings Account (HSA) was omitted from the 2018 adopted budget inadvertently. This will be included in the next budget amendment. Also uniform and equipment purchase budgets were spent in early 2018 rather than spreading over 12 months.

*Non-Departmental* department expenditures (excluding transfers out) are 21.4% of the 2018 budget. This is \$225,383 below the 58.3% target amount. The following are the key factors for this variance. A \$161,609 is budgeted in a suspense account to address the possible impact associated with the International Association of Fire Fighters collective bargaining agreement. The negotiation is still in process as of 7/31/2018. A \$50,000 contribution to the Main Street Tax Program is budgeted, but we have not made the contribution yet. A various professional services costs are budgeted (i.e. audit fees, voter registrations, IT services, phone services, etc.) in an aggregate amount of \$139,900, but only \$26,334 (18.8% of the 2018 budget) was expensed through the end of July 2018. We will monitor the activities of these budget line items closely and make appropriate adjustments with the next 2018 budget amendment.

*City Council, City Manager, City Clerk, Human Resources, and Finance* expenditures are below the 58.3 % target. One of the contributing factors is the contra expenses (costs allocation to other funds, thus reducing the department's expenditures). Total 2018 budget for contra expenses are \$347,543, but total contra expenses as of July 2018 are \$241,690 (69.5% of the budgeted amount). Contra expense allocations will fluctuate throughout the year, because of fluctuations of various allocation factors (i.e. council agenda items, FTEs, and actual revenue receipts and vouchers processed, etc.) We plan to adjust the 2018 budget amounts with the next 2018 budget amendment to reflect the year-to-date actual transactions.

## **ENTERPRISE FUNDS**

### **Wastewater Fund**

Total revenues at the end of July are \$3,207,372 (58.0% of the adopted budget). Charges for goods and services are \$3,116,129 (57.2% of the adopted budget). This is \$59,934 less than the target amount. The main contributing factor is utility hookup/connection fees. The 2018 revenue projection for utility hookup/connection fees is \$100,000 but only \$21,110 (21.2% of the 2018 budget) revenue has been received. We will review if a budget adjustment is appropriate.

Total operating expenditures are 56.0% of the adopted budget, which is within normal budget parameters.

Debt service and capital outlay expenditures totaled \$1,092,933 (52.2% of the adopted budget).

At the end of July, total revenues and other receipts exceeded the total expenditures and other use of fund resources by \$401,697, which represents an increase in cash and investments by the same amount.

### **Water Fund**

Total revenues at the end of July are \$1,596,958 (55.8% of the adopted budget). Charges for goods and services are \$1,531,117 (54.43% of the adopted budget). This is \$109,902 below the target amount. The main contributing factor is utility hookup/connection fees. The 2018 revenue projected for utility hookup/connection fee is \$160,000 but only \$54,650 (34.2% of the 2018 budget) revenue has been received. We will review if a budget adjustment is appropriate.

Total operating expenditures are \$1,139,423 (50.3% of the adopted budget).

At the end of July, total revenues and other receipts exceeded the total expenditures and other use of fund resources by \$383,297, which represent an increase in cash and investments by the same amount.

**Storm and Surface Water Fund**

Total revenues at the end of July are \$393,457 (68.1% of the adopted budget).

Revenues from charges for goods and services are \$381,142 (66.7% of the adopted budget).

Operating expenditures are \$256,590 (54.8% of the adopted budget).

Total revenues and other receipts exceeded total expenditures and other use of fund resources by \$111,007, which represents an increase in cash and investments by the same amount.

**Airport Fund**

Total revenues at the end of July are \$1,151,810 (60.4% of the adopted budget). Fuel sales revenue is \$278,259 (57.3% of the adopted budget) and aligns with the 2018 budget projection for this reporting period.

Total operating expenditures is \$577,175 (55.4% of the adopted budget). Capital outlay expenditures are 14.4% of the adopted budget.

Total revenues and other receipts exceeded total expenditures and other use of fund resources by \$464,599, which represents an increase in cash and investments by the same amount.

**FISCAL IMPACT**

As shown.

**RECOMMENDATION**

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

**SUGGESTED MOTION**

N/A

# **City of Chehalis**



## **Monthly Council Financial Report**

**For the Period Ended  
July 31, 2018  
(January through July)**

**The City of Chehalis, Washington**

To: The Honorable Mayor and Council  
 Via: Tracie J Anderson, City Manager  
 From: Chun Saul, Finance Director  
 Prepared by: Betty Brooks, Payroll Accountant  
 Date: 8/13/2018  
 Subject: Monthly Financial Reports for Period Ended July 2018

City of Chehalis  
 Comparative Financial Reports  
 July 2018 and 2017

GENERAL FUND (#001)	A		B		C=B/A		D		E		F=E/D		G		H		H <sup>A</sup>		J=E-B		
	2017	Budget	2017	YTD Actual	2017	YTD	2018	Budget	2018	YTD Actual	2018	YTD	% to Budget	2018	YTD	Target	2018	YTD	Variance	2017-2018	YTD Incr
<b>ADDITIONS</b>																					
<b>Tax Revenues:</b>																					
Property Taxes <sup>(1)</sup>	1,782,460	1,782,460	908,490	908,490	50.7%	1,639,220	1,639,220	914,585	55.8%	55.8%	955,665	955,665	58.3%	58.3%	955,665	955,665	(41,080)	(41,080)	6,095	6,095	
Sales and Use Taxes <sup>(2)</sup>	4,180,791	4,180,791	2,618,968	2,618,968	62.6%	4,752,128	4,752,128	2,904,841	61.1%	61.1%	2,770,491	2,770,491	58.3%	58.3%	2,770,491	2,770,491	134,350	134,350	285,873	285,873	
Utility Taxes	1,656,731	1,656,731	1,031,055	1,031,055	62.2%	1,677,920	1,677,920	980,965	58.5%	58.5%	978,228	978,228	58.3%	58.3%	978,228	978,228	2,737	2,737	(50,090)	(50,090)	
Other Taxes	43,050	43,050	25,750	25,750	59.8%	50,222	50,222	27,237	54.2%	54.2%	29,279	29,279	58.3%	58.3%	29,279	29,279	(2,042)	(2,042)	1,487	1,487	
<b>Total Tax Revenues</b>	<b>7,673,032</b>	<b>7,673,032</b>	<b>4,584,263</b>	<b>4,584,263</b>	<b>59.7%</b>	<b>8,119,490</b>	<b>8,119,490</b>	<b>4,827,628</b>	<b>59.5%</b>	<b>59.5%</b>	<b>4,733,663</b>	<b>4,733,663</b>	<b>58.3%</b>	<b>58.3%</b>	<b>4,733,663</b>	<b>4,733,663</b>	<b>93,965</b>	<b>93,965</b>	<b>243,365</b>	<b>243,365</b>	
<b>Non-Tax Revenues:</b>																					
Licenses and Permits	210,550	210,550	113,413	113,413	53.9%	180,835	180,835	86,351	47.8%	47.8%	105,426	105,426	58.3%	58.3%	105,426	105,426	(19,075)	(19,075)	(27,062)	(27,062)	
Intergovernmental Revenues	679,073	679,073	659,308	659,308	97.1%	227,774	227,774	109,857	48.2%	48.2%	132,793	132,793	58.3%	58.3%	132,793	132,793	(22,936)	(22,936)	(549,451)	(549,451)	
Charges for Goods and Services	326,265	326,265	202,946	202,946	62.2%	349,705	349,705	210,359	60.2%	60.2%	203,878	203,878	58.3%	58.3%	203,878	203,878	6,481	6,481	7,413	7,413	
Fines and Forfeitures	144,945	144,945	67,570	67,570	46.6%	140,685	140,685	68,941	49.0%	49.0%	82,019	82,019	58.3%	58.3%	82,019	82,019	(13,078)	(13,078)	1,371	1,371	
Other Revenues	166,322	166,322	90,066	90,066	54.2%	145,435	145,435	121,377	83.5%	83.5%	84,788	84,788	58.3%	58.3%	84,788	84,788	36,589	36,589	31,311	31,311	
<b>Total Non-Tax Revenues</b>	<b>1,527,155</b>	<b>1,527,155</b>	<b>1,133,303</b>	<b>1,133,303</b>	<b>74.2%</b>	<b>1,044,434</b>	<b>1,044,434</b>	<b>596,885</b>	<b>57.1%</b>	<b>57.1%</b>	<b>608,904</b>	<b>608,904</b>	<b>58.3%</b>	<b>58.3%</b>	<b>608,904</b>	<b>608,904</b>	<b>(12,019)</b>	<b>(12,019)</b>	<b>(536,418)</b>	<b>(536,418)</b>	
<b>Other Increase in Fund Resources:</b>																					
Custodial Receipts	148,351	148,351	61,033	61,033	41.1%	113,306	113,306	61,063	53.9%	53.9%	66,057	66,057	58.3%	58.3%	66,057	66,057	(4,994)	(4,994)	30	30	
Other Resources	-	-	735	735	0.0%	9,584	9,584	14,966	0.0%	0.0%	5,587	5,587	58.3%	58.3%	5,587	5,587	9,379	9,379	14,231	14,231	
<b>Total Other Increase in Fund Resources</b>	<b>148,351</b>	<b>148,351</b>	<b>61,768</b>	<b>61,768</b>	<b>41.6%</b>	<b>122,890</b>	<b>122,890</b>	<b>76,029</b>	<b>61.9%</b>	<b>61.9%</b>	<b>71,644</b>	<b>71,644</b>	<b>58.3%</b>	<b>58.3%</b>	<b>71,644</b>	<b>71,644</b>	<b>4,385</b>	<b>4,385</b>	<b>14,261</b>	<b>14,261</b>	
<b>Total Revenues &amp; Other Fund Resources</b>	<b>\$ 9,348,538</b>	<b>\$ 9,348,538</b>	<b>\$ 5,779,334</b>	<b>\$ 5,779,334</b>	<b>61.8%</b>	<b>\$ 9,286,814</b>	<b>\$ 9,286,814</b>	<b>\$ 5,500,542</b>	<b>59.2%</b>	<b>59.2%</b>	<b>\$ 5,414,211</b>	<b>\$ 5,414,211</b>	<b>58.3%</b>	<b>58.3%</b>	<b>\$ 5,414,211</b>	<b>\$ 5,414,211</b>	<b>\$ 86,331</b>	<b>\$ 86,331</b>	<b>\$ (278,792)</b>	<b>\$ (278,792)</b>	

Foot Note:  
<sup>(1)</sup> Excludes percentage of property tax allocated to the Firemen's Pension Fund.  
<sup>(2)</sup> Excludes Transportation Benefit District (TBD) sales tax.  
 Key:  
 \* The expected percentage is calculated as follows: since the report is for the 7 months of the year, 7 is divided by 12 - the number of months in the year.  
 H=(D\*G) (annual budgeted amount x expected % amount)  
 H<sup>A</sup> Actual expensed less the target (expected) amount

**City of Chehalis**  
**Comparative Financial Reports**  
**July 2018 and 2017**

	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G		J=E-B			
	2017	2017	2017	2017	2017	2017	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018		
	Budget	YTD Actual	% to Budget	YTD Actual	% to Budget	Budget	Budget	YTD Actual	Budget	YTD Actual	% to Budget	Target	Target	% *	Amount	Variance from Target	2018 YTD	2018 YTD	Variance from Target	2018 YTD		
<b>WASTEWATER FUND (#404)</b>																						
<b>Revenues:</b>																						
Charges for Goods & Services	\$ 5,289,972	\$ 3,040,608	57.5%			\$ 5,447,792	\$ 3,116,129	57.2%	58.3%	3,176,063	58.3%	3,176,063	\$ (59,934)	-1.1%	\$ 75,521							
Intergovernmental Revenues	13,500	13,412	99.3%			10,905	25,918	237.7%	58.3%	6,358	58.3%	6,358	19,560	179.4%	12,506							
Late Payment Fees	50,000	29,412	58.8%			51,000	28,607	56.1%	58.3%	29,733	58.3%	29,733	(1,126)	-2.2%	(805)							
Rental Income	3,545	3,545	100.0%			3,545	3,545	100.0%	58.3%	2,067	58.3%	2,067	1,478	41.7%	-							
Interest Earnings	3,000	14,572	485.7%			15,000	31,817	212.1%	58.3%	8,745	58.3%	8,745	23,072	153.8%	17,245							
Other Misc. Revenues	3,000	1,106	36.9%			1,100	1,356	123.3%	58.3%	641	58.3%	641	715	65.0%	250							
<b>Total Revenues</b>	<b>5,363,017</b>	<b>3,102,655</b>	<b>57.9%</b>			<b>5,529,342</b>	<b>3,207,372</b>	<b>58.0%</b>	<b>58.3%</b>	<b>3,223,607</b>	<b>58.3%</b>	<b>3,223,607</b>	<b>(16,235)</b>	<b>371.58%</b>	<b>104,777</b>							
<b>Expenditures:</b>																						
Operating Expenditures	2,804,370	1,462,478	52.1%			3,060,555	1,713,308	56.0%	58.3%	1,784,304	58.3%	1,784,304	(70,996)	2.3%	250,830							
<b>Total Expenditures:</b>	<b>2,804,370</b>	<b>1,462,478</b>	<b>52.1%</b>			<b>3,060,555</b>	<b>1,713,308</b>	<b>56.0%</b>	<b>58.3%</b>	<b>1,784,304</b>	<b>58.3%</b>	<b>1,784,304</b>	<b>(70,996)</b>	<b>2.3%</b>	<b>250,830</b>							
Excess (Deficiency) Revenues over Expenditures	2,558,647	1,640,177	64.1%			2,468,787	1,494,064	60.5%	58.3%	1,439,303	58.3%	1,439,303	54,761	-2.2%	(146,113)							
<b>Other Increase in Fund Resources:</b>																						
Custodial Receipts	555	544	98.0%			555	566	102.0%	58.3%	324	58.3%	324	242	43.7%	22							
Capital Contribution - Utility Hookup/Connection	60,000	164,832	274.7%			-	-	0.0%	58.3%	-	58.3%	-	-	-58.3%	(164,832)							
Debt Proceeds (Bonds/Loans)	1,165,100	578,543	49.7%			-	-	0.0%	58.3%	-	58.3%	-	-	-58.3%	(578,543)							
<b>Total Other Increases in Fund Resources</b>	<b>1,225,655</b>	<b>743,919</b>	<b>60.7%</b>			<b>555</b>	<b>566</b>	<b>102.0%</b>	<b>58.3%</b>	<b>324</b>	<b>58.3%</b>	<b>324</b>	<b>242</b>	<b>43.7%</b>	<b>(743,353)</b>							
<b>Other Use of Fund Resources:</b>																						
Custodial Disbursements	555	517	93.2%			600	566	94.3%	58.3%	350	58.3%	350	216	-36.0%	49							
Debt Service Principal	1,846,181	918,350	49.7%			1,886,717	942,069	49.9%	58.3%	1,099,956	58.3%	1,099,956	(157,887)	8.4%	23,719							
Debt Service - Interest	43,937	9,911	22.6%			22,428	13,594	60.6%	58.3%	13,076	58.3%	13,076	518	-2.3%	3,683							
Capital Outlay	1,113,100	624,558	56.1%			185,905	136,704	73.5%	58.3%	108,383	58.3%	108,383	28,321	-15.2%	(487,854)							
<b>Total Other Use of Fund Resources</b>	<b>3,003,773</b>	<b>1,553,336</b>	<b>51.7%</b>			<b>2,095,650</b>	<b>1,092,933</b>	<b>52.2%</b>	<b>58.3%</b>	<b>1,221,765</b>	<b>58.3%</b>	<b>1,221,765</b>	<b>(128,832)</b>	<b>6.1%</b>	<b>(460,403)</b>							
<b>Increase (Decrease) in Cash &amp; Investments</b>	<b>\$ 780,529</b>	<b>\$ 830,760</b>	<b>106.4%</b>			<b>\$ 373,692</b>	<b>\$ 401,697</b>	<b>107.5%</b>	<b>58.3%</b>	<b>\$ 217,862</b>	<b>58.3%</b>	<b>\$ 217,862</b>	<b>\$ 183,835</b>	<b>49.2%</b>	<b>\$ (429,063)</b>							
<i>Total revenues &amp; other funding sources</i>	6,558,672.00	3,846,574				5,529,897	3,207,938					3,223,931	-15,993		-638,636							
<i>Total Expenditures and other funding use</i>	5,808,143.00	3,015,814				5,156,205	2,806,069					3,006,069	-199,628		-209,573							
	780,529	830,760				373,692	401,697					217,862	183,835		(429,063)							

Key:  
 \* The expected percentage is calculated as follows: since the report is for the 7 months of the year, 7 is divided by 12 - the number of months in the year.  
 H=(D\*G) (annual budgeted amount x expected % amount)  
 H^ Actual expensed less the target (expected) amount



City of Chehalis  
Comparative Financial Reports  
July 2018 and 2017

	A		B		C=B/A		D	E		F=E/D		G	H	H <sup>a</sup>		I=F/G		J=E-B	
	2017	2017	2017	YTD Actual	2017 YTD % to Budget	2018		2018	YTD Actual	2018 YTD % to Budget	2018 YTD Target Amount			2018 YTD Variance from Target	2018 YTD % from Target	2018 YTD Variance from Target	2017-2018 YTD Incr (decr)		
<b>WATER FUND (#405)</b>																			
<b>Revenues:</b>																			
Charges for Goods & Services	\$2,613,600	\$1,393,839	53.3%	\$2,814,784	\$1,531,117	54.4%	\$1,641,019	\$109,902	-3.9%					\$137,278					
Late Payment Fees	28,000	19,022	67.9%	31,000	18,327	59.1%	18,073	284	0.8%					(695)					
Interest Earnings	10,000	10,726	107.3%	15,000	46,566	310.4%	8,745	37,821	252.1%					35,840					
Other Misc. Revenues	2,121	702	33.1%	1,000	948	94.8%	583	365	36.5%					246					
<b>Total Revenues</b>	<b>2,653,721</b>	<b>1,424,289</b>	<b>53.7%</b>	<b>2,861,784</b>	<b>1,596,958</b>	<b>55.8%</b>	<b>1,668,420</b>	<b>(71,462)</b>	<b>-2.5%</b>					<b>172,669</b>					
<b>Expenditures</b>																			
Operating Expenditures	1,930,472	1,204,513	62.4%	2,265,615	1,139,423	50.3%	1,320,854	(181,431)	8.0%					(65,090)					
Total Expenditures	1,930,472	1,204,513	62.4%	2,265,615	1,139,423	50.3%	1,320,854	(181,431)	8.0%					(65,090)					
Excess (Deficiency) Revenues over Expenditures	723,249	219,776	30.4%	596,169	457,535	76.7%	347,566	109,969	-18.4%					237,759					
<b>Other Increase in Fund Resources</b>																			
Proceeds from Sale of Capital Assets & Insurance	-	-	0.0%	-	2,733	0.0%	-	2,733	-58.3%					2,733					
Capital Contribution - Utility Hookup/Connection	75,000	156,814	209.1%	-	-	0.0%	-	-	-58.3%					(156,814)					
Custodial Receipts (Non-Rev Taxes)	150	66	44.0%	100	(5)	-5.0%	58	(63)	-63.3%					(71)					
Proceeds from Debt Issuance (Bonds/Loans)	1,000,000	-	0.0%	-	-	0.0%	-	-	-58.3%					-					
<b>Total Other Increase in Fund Resources</b>	<b>1,075,150</b>	<b>156,880</b>	<b>14.6%</b>	<b>100</b>	<b>2,728</b>	<b>2728.0%</b>	<b>58</b>	<b>2,670</b>	<b>-2669.7%</b>					<b>(154,152)</b>					
<b>Other Use of Fund Resources</b>																			
Custodial Disbursements	105	66	63.2%	100	378	378.0%	58	320	-319.7%					312					
Debt Service Principal	135,077	22,000	16.3%	297,827	23,000	7.7%	173,633	(150,633)	50.6%					1,000					
Debt Service - Interest	12,730	3,414	26.8%	45,749	2,344	5.1%	26,672	(24,328)	53.2%					(1,070)					
Capital Outlay	1,603,000	680,048	42.4%	290,570	51,244	17.6%	169,402	(118,158)	40.7%					(628,804)					
<b>Total Other Use of Fund Resources</b>	<b>1,750,912</b>	<b>705,528</b>	<b>40.3%</b>	<b>634,246</b>	<b>76,966</b>	<b>12.1%</b>	<b>369,765</b>	<b>(292,799)</b>	<b>46.2%</b>					<b>(628,562)</b>					
<b>Increase (Decrease) in Cash and Investments</b>	<b>\$ 47,487</b>	<b>\$ (328,872)</b>	<b>-692.6%</b>	<b>\$ (37,977)</b>	<b>\$ 383,297</b>	<b>-1009.3%</b>	<b>\$ (22,141)</b>	<b>\$ 405,438</b>	<b>1067.6%</b>					<b>\$ 712,169</b>					
<i>Total revenues &amp; other funding sources</i>	3,728,871	1,591,169		2,861,884	1,599,686		1,668,478	(68,792)						18,517					
<i>Total Expenditures and other funding use</i>	3,681,384	1,910,041		2,899,861	1,216,389		1,690,619	(474,230)						(693,652)					
	47,487	(328,872)		(37,877)	383,297		(22,141)	405,438						712,169					

Key:

\* The expected percentage is calculated as follows: since the report is for the 7 months of the year, 7 is divided by 12 - the number of months in the year.

H=(D\*G) (annual budgeted amount x expected % amount)

H<sup>a</sup> Actual expensed less the target (expected) amount

City of Chehalis  
Comparative Financial Reports  
July 2018 and 2017

	A		B		C=B/A		D	E		F=E/D		G	H	H <sup>^</sup>	I=F-G		J=E-B
	2017	2017	YTD Actual	% to Budget	2018	2018		YTD Actual	% to Budget	2018 YTD	2018 YTD				2018 YTD	Variance from Target	
STORM FUND (#406)	Budget	YTD	Budget	% to Budget	Budget	YTD	Actual	Target %	Amount	Amount	Target	from Target	Amount	Amount	from Target	YTD Incr (decr)	
<b>REVENUES</b>																	
Revenues:																	
Charges for Goods & Services	\$ 540,910	\$ 356,613	\$ 571,100	65.9%	\$ 381,142	\$ 571,100	66.7%	58.3%	\$332,951	\$ 48,191	8.4%	\$ 24,529					
Intergovernmental Revenue	-	-	-	0.0%	-	-	0.0%	58.3%	-	-	0.0%	-					
Fines and Forfeitures	5,000	3,037	5,000	60.7%	4,578	5,000	91.6%	58.3%	2,915	1,663	33.3%	1,541					
Interest Earnings	1,000	2,729	2,000	272.9%	7,737	2,000	386.9%	58.3%	1,166	6,571	328.6%	5,008					
Other Misc. Revenues	-	-	-	0.0%	-	-	0.0%	58.3%	-	-	0.0%	-					
<b>Total Revenues</b>	<b>546,910</b>	<b>362,379</b>	<b>578,100</b>	<b>66.3%</b>	<b>393,457</b>	<b>578,100</b>	<b>68.1%</b>	<b>58.3%</b>	<b>337,032</b>	<b>56,425</b>	<b>9.8%</b>	<b>31,078</b>					
<b>Expenditures:</b>																	
Operating Expenditures	524,798	193,923	468,140	37.0%	256,590	468,140	54.8%	58.3%	272,926	(16,336)	3.5%	62,667					
Total Expenditures	524,798	193,923	468,140	37.0%	256,590	468,140	54.8%	58.3%	272,926	(16,336)	3.5%	62,667					
Excess (Deficiency) Revenues and Expenditures	22,112	168,456	109,960	761.8%	136,867	109,960	124.5%	58.3%	64,106	72,761	-66.2%	(31,589)					
<b>Other Increase in Fund Resources:</b>																	
Capital Contributions - Utility Hookup/Connection	10,000	74,971	-	749.7%	-	-	0.0%	58.3%	-	-	0.0%	(74,971)					
Custodial Receipts	-	25	30	0.0%	21	30	70.0%	58.3%	17	4	11.7%	(4)					
Total Other Increase of Fund Resources	10,000	74,996	30	750.0%	21	30	70.0%	58.3%	17	4	11.7%	(74,971)					
<b>Other Use of Fund Resources:</b>																	
Custodial Disbursements	100	25	50	25.0%	21	50	42.0%	58.3%	29	(8)	0.0%	(4)					
Capital Outlay	-	-	230,000	0.0%	25,860	230,000	11.2%	58.3%	134,090	(108,230)	47.1%	25,860					
Total Other Use of Fund Resources	100	25	230,050	25.0%	25,881	230,050	11.3%	58.3%	134,119	(108,238)	47.0%	25,856					
<b>Increase (Decrease) in Cash and Investments</b>	<b>\$ 32,012</b>	<b>\$ 243,427</b>	<b>\$ (120,060)</b>	<b>760.4%</b>	<b>\$ 111,007</b>	<b>\$ (120,060)</b>	<b>-92.5%</b>	<b>58.3%</b>	<b>\$ (69,996)</b>	<b>\$181,003</b>	<b>150.8%</b>	<b>\$ (132,420)</b>					
Total revenues & other funding sources	556,910	437,375	578,130		393,478	578,130			337,049	56,423		-43,897					
Total Expenditures and other funding use	524,898	193,946	698,190		282,471	698,190			407,045	-124,574		86,523					
	32,012	243,427	(120,060)		111,007	(120,060)			(69,996)	181,003		(132,420)					

Key:  
 \* The expected percentage is calculated as follows: since the report is for the 7th month of the year, 7 is divided by 12 - the number of months in the year.  
 ^ To calculate the dollar variance between expected and actual expenditures, the following formula is used:  
 H=(D\*G) (annual budgeted amount x expected % amount)  
 H^ Actual expensed less the target (expected) amount

City of Chehalis  
Comparative Financial Reports  
July 2018 and 2017

	A		B		C=B/A		D		E		F=E/D		G		H		H*		I=F-G		J=E-B			
	2017	2017	2017	2017	2017	2017	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018		
	Budget	YTD Actual	% to Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	YTD Actual	% to Budget	YTD Actual	% to Budget	YTD Actual	% to Budget	YTD Actual	% to Budget	YTD Actual	% to Budget	YTD Actual	% to Budget	YTD Actual	% to Budget	YTD Actual	
<b>AIRPORT FUND (#407)</b>																								
<b>Revenues:</b>																								
Intergovernmental Revenues	\$ 1,305,191	\$ 587,373	45.0%	\$ 172,684	56.1%	\$ 308,000	\$ 172,684	56.1%	\$ 179,564	58.3%	\$ 179,564	58.3%	\$ 179,564	58.3%	\$ 179,564	58.3%	\$ 179,564	58.3%	\$ 179,564	58.3%	\$ 179,564	58.3%	\$ 179,564	58.3%
Fuel sales	533,622	299,983	56.2%	278,259	57.3%	486,000	278,259	57.3%	283,338	58.3%	283,338	58.3%	283,338	58.3%	283,338	58.3%	283,338	58.3%	283,338	58.3%	283,338	58.3%	283,338	58.3%
Other Misc. Revenues	3,095	3,020	97.6%	44,984	2646.1%	1,700	44,984	2646.1%	991	58.3%	43,993	58.3%	43,993	58.3%	43,993	58.3%	43,993	58.3%	43,993	58.3%	43,993	58.3%	43,993	58.3%
Rents & Royalties	981,437	609,566	62.1%	60	0.0%	1,112,500	650,990	58.5%	648,588	58.3%	648,588	58.3%	648,588	58.3%	648,588	58.3%	648,588	58.3%	648,588	58.3%	648,588	58.3%	648,588	58.3%
Late Payment Fees	-	-	0.0%	-	0.0%	-	60	0.0%	60	58.3%	60	58.3%	60	58.3%	60	58.3%	60	58.3%	60	58.3%	60	58.3%	60	58.3%
Interest Earnings	5,325	13,080	245.6%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenues	2,828,670	1,513,022	53.5%	1,151,810	60.4%	1,908,200	1,151,810	60.4%	39,329	2.1%	39,329	2.1%	39,329	2.1%	39,329	2.1%	39,329	2.1%	39,329	2.1%	39,329	2.1%	39,329	2.1%
<b>Expenditures:</b>																								
Operating Expenditures	1,169,247	586,563	50.2%	577,175	55.4%	1,041,791	577,175	55.4%	607,364	58.3%	607,364	58.3%	607,364	58.3%	607,364	58.3%	607,364	58.3%	607,364	58.3%	607,364	58.3%	607,364	58.3%
Total Expenditures	1,169,247	586,563	50.2%	577,175	55.4%	1,041,791	577,175	55.4%	607,364	58.3%	607,364	58.3%	607,364	58.3%	607,364	58.3%	607,364	58.3%	607,364	58.3%	607,364	58.3%	607,364	58.3%
Excess (Deficiency) Revenues over Expenditures	1,659,423	926,459	55.8%	574,635	66.3%	866,409	574,635	66.3%	505,117	58.3%	505,117	58.3%	505,117	58.3%	505,117	58.3%	505,117	58.3%	505,117	58.3%	505,117	58.3%	505,117	58.3%
<b>Other Increase in Fund Resources:</b>																								
Custodial Receipts	168,424	102,825	60.9%	106,228	58.3%	182,059	106,228	58.3%	106,140	58.3%	106,140	58.3%	106,140	58.3%	106,140	58.3%	106,140	58.3%	106,140	58.3%	106,140	58.3%	106,140	58.3%
Proceeds from Sale of Capital Assets	1,440	5,490	381.3%	-	0.0%	-	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Other Increase in Fund Resources	169,864	108,115	63.6%	106,228	58.3%	182,059	106,228	58.3%	106,140	58.3%	106,140	58.3%	106,140	58.3%	106,140	58.3%	106,140	58.3%	106,140	58.3%	106,140	58.3%	106,140	58.3%
<b>Other Use of Fund Resources:</b>																								
Custodial Disbursements	168,424	86,203	51.2%	89,358	49.1%	182,014	89,358	49.1%	106,114	58.3%	106,114	58.3%	106,114	58.3%	106,114	58.3%	106,114	58.3%	106,114	58.3%	106,114	58.3%	106,114	58.3%
Debt Service Principal	1,597,850	8,897	0.6%	22,879	62.4%	36,640	22,879	62.4%	21,361	58.3%	21,361	58.3%	21,361	58.3%	21,361	58.3%	21,361	58.3%	21,361	58.3%	21,361	58.3%	21,361	58.3%
Debt Service - Interest	44,382	6,668	15.0%	14,981	64.5%	23,214	14,981	64.5%	13,534	58.3%	13,534	58.3%	13,534	58.3%	13,534	58.3%	13,534	58.3%	13,534	58.3%	13,534	58.3%	13,534	58.3%
Capital Outlay	1,554,005	813,913	52.4%	89,046	14.4%	619,973	89,046	14.4%	361,444	58.3%	361,444	58.3%	361,444	58.3%	361,444	58.3%	361,444	58.3%	361,444	58.3%	361,444	58.3%	361,444	58.3%
Total Other Use of Fund Resources	3,364,661	915,681	27.2%	216,264	25.1%	861,841	216,264	25.1%	502,453	58.3%	502,453	58.3%	502,453	58.3%	502,453	58.3%	502,453	58.3%	502,453	58.3%	502,453	58.3%	502,453	58.3%
<b>Increase (Decrease) in Cash and Investments</b>	<b>\$(1,535,374)</b>	<b>\$ 118,893</b>	<b>-7.7%</b>	<b>\$ 454,599</b>	<b>248.9%</b>	<b>\$ 186,627</b>	<b>\$ 454,599</b>	<b>248.9%</b>	<b>\$ 108,804</b>	<b>\$ 355,795</b>	<b>\$ 108,804</b>	<b>\$ 355,795</b>	<b>\$ 108,804</b>	<b>\$ 355,795</b>	<b>\$ 108,804</b>	<b>\$ 355,795</b>	<b>\$ 108,804</b>	<b>\$ 355,795</b>	<b>\$ 108,804</b>	<b>\$ 355,795</b>	<b>\$ 108,804</b>	<b>\$ 355,795</b>	<b>\$ 108,804</b>	<b>\$ 355,795</b>
<i>Total revenues &amp; other funding sources</i>	2,986,534.00	1,621,137		1,218,621		2,090,259	1,218,621		39,417		39,417		39,417		39,417		39,417		39,417		39,417		39,417	
<i>Total Expenditures and other funding use</i>	4,533,908.00	1,502,244		1,109,817		1,903,632	1,109,817		-316,378		-316,378		-316,378		-316,378		-316,378		-316,378		-316,378		-316,378	
	(1,535,374.00)	118,893		109,604		186,627	109,604		355,795		355,795		355,795		355,795		355,795		355,795		355,795		355,795	

**Key:**

\* The expected percentage is calculated as follows: since the report is for the 7 months of the year, 7 is divided by 12 - the number of months in the year.  
H=(D\*G) (annual budgeted amount x expected % amount)  
H\* Actual expensed less the target (expected) amount

**RECOMMENDATION/COUNCIL ACTION DESIRED**

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

Reviewed by \_\_\_\_\_, City Manager