

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

Terry F. Harris, District 1, Mayor Pro Tem Daryl J. Lund, District 2 Dr. Isaac S. Pope, District 4	Dennis L. Dawes, Position at Large Mayor	Anthony E. Ketchum Sr., District 3 Chad E. Taylor, Position at Large Robert J. Spahr, Position at Large
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SPECIAL WORK SESSION, Monday, October 22, 2018
4:30 p.m.

SPECIAL WORK SESSION		
1. <u>2019 Preliminary Draft Budget – General Fund Overview.</u> (City Manager, Finance Director)	PROVIDE DIRECTION	1

Regular Meeting of Monday, October 22, 2018
5:00 p.m.

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

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

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
CONSENT CALENDAR		
3. <u>Minutes of the Regular City Council Meeting of October 8, 2018.</u> (City Clerk)	APPROVE	12
4. <u>Vouchers and Transfers – Accounts Payable.</u> (City Manager, Finance Director)	APPROVE	15
5. <u>Appoint Duane Taylor and Ken Frazier to the Multi-Jurisdictional Committee for the Program for Public Information.</u> (City Manager, Community Development Director, Development Review Specialist)	APPROVE	16

CONSENT CALENDAR CONTINUED ON NEXT PAGE

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
CONSENT CALENDAR - CONTINUED		
6. <u>2017-2019 Collective Bargaining Agreement with IAFF Local 2510.</u> (City Manager, Human Resources/Risk Manager)	APPROVE	20
7. <u>Addendum to City Manager Contract for a Cost of Living Adjustment Consistent with Terms of Original Employment Agreement.</u> (City Manager, Human Resources/Risk Manager)	APPROVE	42
8. <u>Engineering Services Agreement with RB Engineering in the Amount of \$134,200 for Design of the Pacific Avenue Reconstruction Project.</u> (City Manager, Community Development Director, Public Works Director, Street/Storm Superintendent)	APPROVE	45
9. <u>Floodplain Management Planning Progress Report.</u> (City Manager, Community Development Director, Development Review Specialist)	INFORMATION ONLY	52

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
NEW BUSINESS		
10. <u>Ordinance No. 992-B, Second and Final Reading – Amending Chehalis Municipal Code Title 5 Relating to Business Licensing.</u> (City Manager, Community Development Director)	PASS	57
11. <u>Approve Candidates and Funding Amounts of the Lodging Tax Advisory Committee for Use of 2019 Lodging Tax Funds; and Reappoint Committee Members.</u> (Mayor Pro Tem)	APPROVE; REAPPOINT COMMITTEE MEMBERS	77

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
ADMINISTRATION AND CITY COUNCIL REPORTS		
12. <u>Administration Reports.</u>	INFORMATION ONLY	- - -
a. City Manager Update. (City Manager)		
b. Finance Report. (City Manager, Finance Director)		86
13. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	- - -

EXECUTIVE SESSION		
14. Pursuant to RCW 42.30.110(1)(i) – Litigation/Potential Litigation.		

THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.
NEXT REGULAR CITY COUNCIL MEETING IS **TUESDAY, NOVEMBER 13, 2018.**

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Manager

DATE: October 22, 2018

SUBJECT: 2019 Preliminary Draft Budget – General Fund Overview

ISSUE

This item has been scheduled to provide an overview of the 2019 Preliminary Draft Budget, emphasizing the issues surrounding the preliminary estimates related to General Fund revenues and expenditures and to receive preliminary direction regarding the use of banked property tax capacity to help offset increasing costs.

INTRODUCTION

During the first week of October, the Budget Committee participated in several meetings to review and discuss the Preliminary Draft 2019 Budget. The Budget Committee includes Mayor Dawes, Mayor Pro Tem Harris, and Councilor Spahr. These meetings included a general overview, as well as meetings with department directors and program managers to carefully evaluate the respective departmental budget requests and revenue estimates. After careful review of each budget, the Budget Committee concluded that it would be premature to make additional cuts to the budget, recognizing that a transfer of \$299,146 from the General Fund Reserve would be needed to balance the 2019 Budget to cover the projected expenditures if no changes are made to the Preliminary Draft Budget dated 9-28-18.

The Budget Committee also evaluated a variety of ways to increase revenue and recommended that the City Council consider using a portion of its banked property tax revenue and implement the 1% annual increase allowed by law. This recommendation was made after the detailed review of the City's current and ongoing fiscal needs and evaluating the potential impact to the average property owner. Two scenarios are provided later in this report; however neither scenario presented would completely close the gap between projected expenditures and projected revenues.

If the 9-28-18 Budget is adopted without additional cuts in expenditures and/or a significant increase in revenues, the budget would be structurally imbalanced. While this is of concern to the Committee and to the Administration, the Committee believes that the proposed expenditures are needed to meet the expectations from Chehalis residents and businesses, and

that by the end of the year, the gap between proposed expenditures and revenues will even out, particularly if there is some use of banked property tax capacity.

CITY-WIDE BUDGET

The total 2019 city-wide preliminary draft budget is \$27,741,925, which includes:

- \$18,019,668 for operating purposes,
- \$2,543,704 for debt service purposes,
- \$6,799,182 for capital purposes, and
- \$379,371 for transfers.

The budget is balanced with a total revenue projection of \$25,378,142 and use of \$1,984,412 beginning cash. **With the exception of the General Fund, use of the beginning cash is related to one-time capital expenditures.**

2019 Preliminary Draft Budget Summary of All Funds

CITY OF CHEHALIS									9/28/2018
									Updated: 10/1/2018
2019 BUDGET SUMMARY (PRELIMINARY DRAFT)									
FUND NUMBER	FUND DESCRIPTION	ESTIMATED BEGINNING CASH	REVENUES	TRANSFERS IN	EXPENDITURES	TRANSFERS OUT	TRANSFER TYPE	ESTIMATED ENDING CASH	CASH BALANCE VARIANCE 2018-2019
001	General Fund	\$ 969,625	\$ 9,632,524	\$ 80,000	\$ 9,786,971	\$ 224,699	1, 2	\$ 670,479	\$ (299,146)
003	Dedicated Street Fund	\$ 122,027	\$ 710	\$ 198,808	\$ 172,520	\$ -	1	\$ 149,025	\$ 26,998
004	Building Abatement Fund	\$ 100,109	\$ 330	\$ -	\$ -	\$ 80,000		\$ 20,439	\$ (79,670)
102	Arterial Street Fund	\$ 102,565	\$ 165,504	\$ -	\$ 170,218	\$ -		\$ 97,851	\$ (4,714)
103	Transportation Benefit District Fund	\$ 710,655	\$ 992,518	\$ -	\$ 1,175,000	\$ -		\$ 528,173	\$ (182,482)
107	Tourism Fund	\$ 229,451	\$ 225,985	\$ -	\$ 217,435	\$ -		\$ 238,001	\$ 8,550
110	Compensated Absences Reserve Fund	\$ 92,868	\$ 1,850	\$ -	\$ -	\$ -		\$ 94,718	\$ 1,850
195	Community Development Block Grant Fund	\$ 21	\$ -	\$ 1,000	\$ 1,000	\$ -	1	\$ 21	\$ -
197	HUD Block Grant Fund	\$ 71,043	\$ 1,420	\$ -	\$ 1,000	\$ -		\$ 71,463	\$ 420
200	2011 General Obligation Bond Fund	\$ -	\$ -	\$ 99,563	\$ 99,563	\$ -	2	\$ -	\$ -
301	Public Facilities Reserve Fund	\$ 189,273	\$ 3,780	\$ -	\$ 14,724	\$ -		\$ 178,329	\$ (10,944)
302	Automotive Equipment Reserve Fund	\$ 93,331	\$ 230	\$ -	\$ 81,780	\$ -		\$ 11,781	\$ (81,550)
305	First Quarter REET Fund	\$ 23,942	\$ 106,280	\$ -	\$ -	\$ 40,821	2	\$ 89,401	\$ 65,459
306	Second Quarter REET Fund	\$ 32,198	\$ 106,470	\$ -	\$ -	\$ 33,851	2	\$ 104,817	\$ 72,619
402	Garbage Fund	\$ 5,964	\$ 6,745	\$ -	\$ 7,252	\$ -		\$ 5,457	\$ (507)
404	Wastewater Fund	\$ 4,840,131	\$ 5,472,262	\$ -	\$ 5,711,639	\$ -		\$ 4,600,754	\$ (239,377)
414	Wastewater - Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
405	Water Fund	\$ 6,861,925	\$ 2,885,647	\$ -	\$ 4,269,140	\$ -		\$ 5,478,432	\$ (1,383,493)
415	Water Fund - Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
406	Storm and Surface Water Fund	\$ 955,129	\$ 800,770	\$ -	\$ 786,526	\$ -		\$ 969,373	\$ 14,244
416	Storm and Surface Water - Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
407	Airport Fund	\$ 523,082	\$ 4,423,173	\$ -	\$ 4,429,286	\$ -		\$ 516,969	\$ (6,113)
417	Airport - Capital Fund	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
611	Firemen's Pension Fund	\$ 828,308	\$ 191,944	\$ -	\$ 78,500	\$ -		\$ 941,752	\$ 113,444
633*	Agency Fund	\$ 10,890	\$ 360,000	\$ -	\$ 360,000	\$ -		\$ 10,890	\$ -
Total 2018 Revenue Appropriations		\$ 16,762,537	\$ 25,378,142	\$ 379,371	\$ 27,362,554	\$ 379,371		\$ 14,778,125	\$ (1,984,412)

Transfer Types: 1=Operating, 2=Debt Service, 3=Capital, Equity or Reserves

*Fund 633 is an Agency Fund which the city holds funds as a custodian for a period of time. This money does not belong to the City.

GENERAL FUND BUDGET

As mentioned earlier, the General Fund Preliminary Draft Budget is balanced using \$299,146 of General Fund Reserves (beginning cash). As presented, the projected General Fund ending balance is 6.9% of operating revenues. This does not meet the City Council policy of maintaining a 10% reserve. Reserve funds are necessary to address unforeseen expenses, including equipment and facility repairs, as well as emergencies.

One-time reductions of expenditures or one-time revenues can likely fill the gap in 2019; however, a significant infusion of revenues or a significant reduction in expenses will be needed in 2020 and beyond.

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GENERAL FUND - PRELIMINARY DRAFT (9/28/2018)

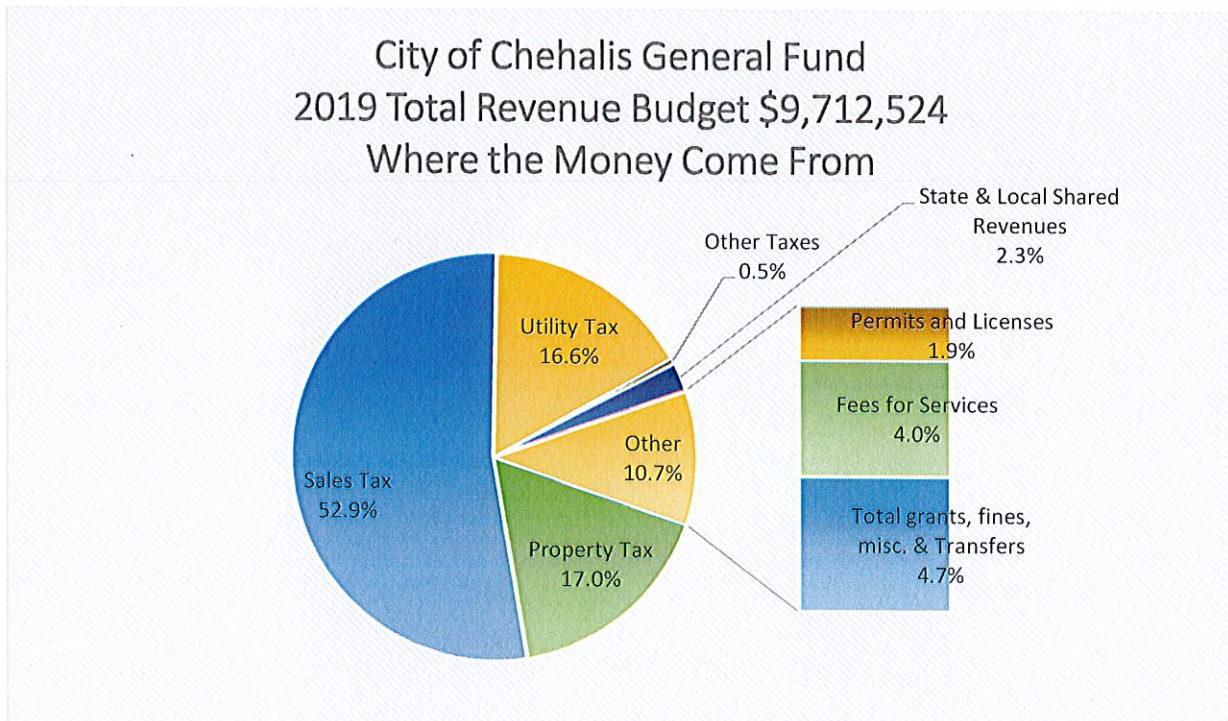
City of Chehalis 2019 Budget								
General Fund Revenues and Expenditures Summary								
	2016 Actual	2017 Actual	2018 Original Budget	2018 Amended Budget	2019 Preliminary Budget	Variance 2018-2019	% Variance	2019 Percent of Total
Source of Revenues:								
Tax Revenues:								
Property Tax	1,536,522	1,632,475	1,864,685	1,639,220	1,651,905	12,685	0.8%	17.0%
Sales Tax	4,199,423	4,732,017	4,752,128	4,752,128	5,142,110	389,982	8%	52.9%
Utility Tax	1,528,397	1,679,886	1,640,420	1,677,920	1,613,990	(63,930)	-4%	16.6%
Other Taxes	47,958	51,213	50,267	50,222	46,670	(3,552)	-7%	0.5%
Total Tax Revenues	7,312,300	8,095,591	8,307,500	8,119,490	8,454,675	335,185	4%	
Other Revenues:								
State & Local Shared Revenues	208,028	222,389	207,561	226,507	220,204	(6,303)	-3%	2.3%
Permits and Licenses	431,494	201,154	180,835	180,835	187,925	7,090	4%	1.9%
Fees for Services	464,624	370,146	349,705	360,330	392,993	32,663	9%	4.1%
Grants, Fines, Misc. and Transfers:								
Grants	47,327	850,444	-	1,267	5,267	4,000	316%	
Fines and Penalties	137,231	108,248	140,685	140,685	120,110	(20,575)	-15%	
Miscellaneous	295,115	203,338	128,435	187,432	146,945	(40,487)	-22%	
Other Nonrevenue	109,991	98,321	112,276	113,306	104,405	(8,901)	-8%	
Transfers	18,000	-	-	-	80,000	80,000	0%	
<i>Total grants, fines, misc. & Transfers</i>	<i>607,664</i>	<i>1,260,351</i>	<i>381,396</i>	<i>442,690</i>	<i>456,727</i>	<i>14,037</i>	<i>3%</i>	<i>4.7%</i>
Total Other Revenues	1,711,810	2,054,040	1,119,497	1,210,362	1,257,849	47,487	4%	
Total Revenues	9,024,110	10,149,631	9,426,997	9,329,852	9,712,524	382,672	4%	100.0%
Expenditures by Function:								
Administration:								
City Council	\$ 77,810	\$ 61,834	\$ 92,364	\$ 77,498	\$ 97,825	20,327	26%	
City Manager	279,886	233,600	275,562	262,340	190,628	(71,712)	-27%	
Legal Service	-	-	-	-	74,633	74,633	0%	
City Clerk	65,544	54,825	92,078	81,252	86,347	5,095	6%	
Finance	176,396	182,166	302,373	273,990	292,481	18,491	7%	
Human Resources	75,390	82,782	104,410	110,749	124,278	13,529	12%	
Total Administration	675,026	615,207	866,787	805,829	866,192	60,363	7%	8.7%
Facilities & Parks	825,935	917,003	1,039,264	1,073,729	1,154,667	80,938	8%	11.5%
Public Works - Streets	1,016,716	521,977	598,223	607,651	616,810	9,159	2%	6.2%
Police	2,793,309	3,043,285	3,027,134	3,179,926	3,274,629	94,703	3%	32.7%
Fire	2,048,683	2,205,910	2,214,518	2,307,015	2,256,208	(50,807)	-2%	22.5%
Other:								
Municipal Court	498,315	442,760	486,482	489,082	496,226	7,144	1%	
Planning and Building	644,847	438,130	330,266	352,976	303,793	(49,183)	-14%	
Recreation	409,106	476,244	454,643	467,840	482,879	15,039	3%	
Nondepartmental	486,414	584,617	637,829	1,118,120	560,266	(557,854)	-50%	
Total Other	2,038,682	1,941,751	1,909,220	2,428,018	1,843,164	(584,854)	-24%	18.4%
Total Expenditures	\$ 9,398,351	\$ 9,245,133	\$ 9,655,146	\$ 10,402,168	\$ 10,011,670	(390,498)	-4%	100.0%
Changes in Fund Balance								
Beginning Cash, January 1	\$ 1,512,139	\$ 1,137,916	\$ 1,292,910	\$ 2,041,941	\$ 969,625	\$(1,072,316)	-53%	
Net Revenues Over (under) Expenditures	(374,241)	904,498	(228,149)	(1,072,316)	(299,146)	\$ 773,170	-72%	
Ending Cash Balance, December 31	\$ 1,137,916	\$ 2,042,442	\$ 2,042,442	\$ 969,625	\$ 670,479	\$(299,146)	-31%	
<i>Ending Cash % of Operating Revenues</i>	<i>12.6%</i>	<i>20.1%</i>	<i>21.7%</i>	<i>10.4%</i>	<i>6.9%</i>			
<i>Ending Cash % of Operating Expenditures</i>	<i>12.1%</i>	<i>22.1%</i>	<i>21.2%</i>	<i>9.3%</i>	<i>6.7%</i>			

KEY FACTORS: STABLE REVENUES AND INCREASING COSTS

Revenues

Total tax revenues make up 86.5% of the General Fund revenues. Sales tax revenues continue to increase year over year; however, those are expected to stabilize in 2019 in large part due to reductions in construction spending. Sales tax is estimated to increase 8.0% over the estimate in the Amended 2018 Budget and 1.9% over the amount last twelve months (Sept. 2017 to Aug. 2018) sales tax revenue. The 1.9% estimate is based on the last ten-year average inflation rate. In 2017 and 2018, sales tax was bolstered by significant construction spending, primarily related to the building of two new elementary schools, one of which has been completed and another that will be completed in April 2019. At this time, it does not appear that any large-scale construction will begin in 2019, so sales tax growth is projected to level off in the coming year.

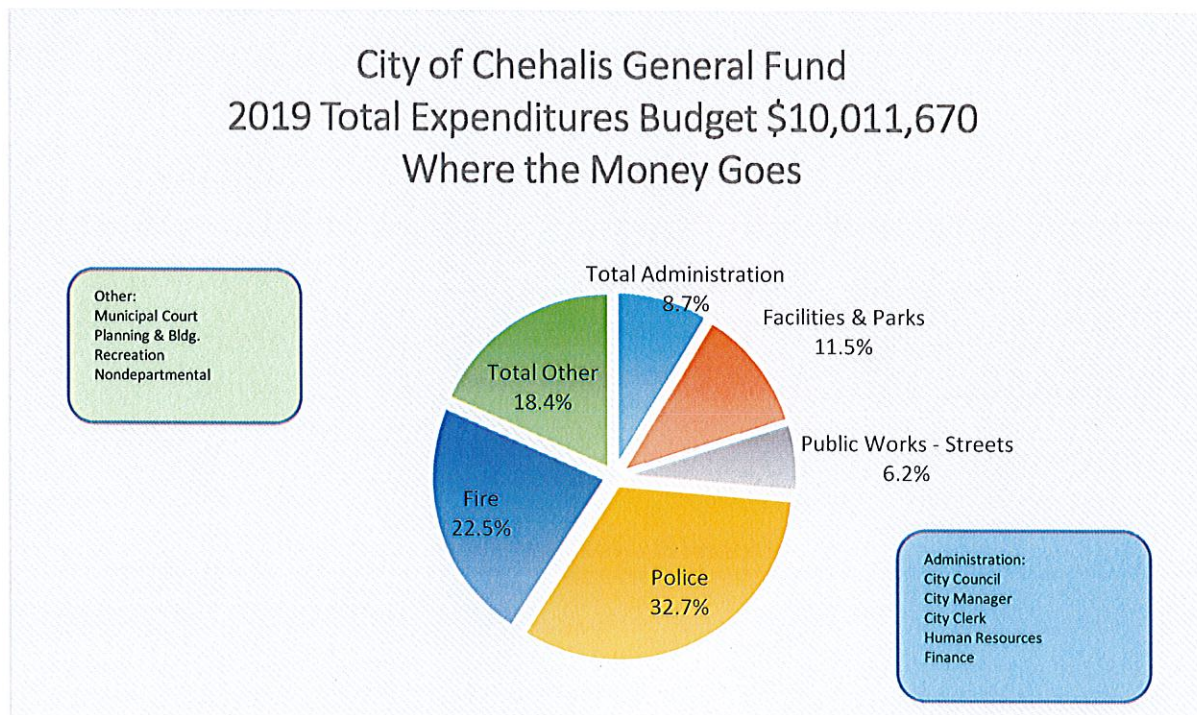
Like last year, utility taxes are projected to decrease year over year. It is assumed that this is related to the lower number of cable customers; however, this is an area that needs to be further analyzed because the utility tax is the City's 3rd largest revenue generator, just below property taxes.



2019 Estimated General Fund Revenues		
<i>Source</i>	<i>Percentage of Revenue</i>	<i>Estimate</i>
Sales Tax	52.9%	5,142,110
Property Tax	17.0%	1,651,905
Utility Tax	16.6%	1,613,990
All Other Revenues	13.5%	1,304,519
TOTAL	100.0%	9,712,524

Expenditures

Salaries and benefits make up almost 75% of the General Fund Budget. And 55.2% of the General Fund is dedicated to Police and Fire.



Reductions Made:

The initial budget requests from departments and initial revenue projections had proposed expenditures approximately \$696,000 over projected revenues. The following adjustments were made to narrow the gap to \$299,146 for the Preliminary Draft Budget as presented to the Budget Committee and now, to the entire City Council:

- Removed \$30K from Police for a new evidence garage/building.
- Transferred \$80K from Building Abatement Fund to General Fund.

- Reduced \$50K due to the identification of a duplicate entry from the initial budget request.
- Reduced \$50K from Fire Overtime – Reduce training costs by doing more on-duty training and evaluating potential revisions to the call-back procedures to reduce over-time costs.
- Moved \$82K in vehicle requests to Automotive and Equipment Reserve Fund:
 - A new police patrol car as part of the annual replacement process for \$39K.
 - A truck for brush fires to reduce wear and tear on the engine for \$30K.
 - A used vehicle for Recreation (employees are using their own vehicles because the one van is unreliable – WCIA does not insure non-city vehicles) for \$12K
- Some revisions to revenues by \$115K based on trends.

What's Included in the 2019 Preliminary Draft Budget

- One-time Facility improvement of \$88K to address deferred maintenance.
- One-time Library interior repairs, painting, and lighting for \$50K.
- Strategic Planning facilitator costs.
- Part-time finance position, reduced from 0.8 FTE in 2018 to 0.3 FTE in 2019.
- Seasonal help consistent with 2018 budget.
- Salary and wage increases for all employees consistent with contracts and previous direction, including non-represented employees.
- Increases for health insurance premiums and increased PERS contributions.
- Additional amount due for FMLA for Fire and Non-represented employees.
- Contribution to the Main Street Tax Program for CCRT for \$50K.
- Training and conferences.

What's Not Included

- No increase in the property tax or use of banked capacity.
- No new revenues from fee increases.
- No new positions, except less than 7% of Engineering Tech payroll costs.
- No funds for Recreation Park construction.
- No funds for additional Fire Station repairs.
- No funds for new Fire Station options.
- No funds for study of 9-1-1 Dispatch options.

Revenue Assumptions Used

- **Property tax** – 2018 tax levy plus estimated \$4K for new construction.
- **Sales tax** – Last 12 months (Sept. 2017 to Aug. 2018) tax revenues plus 1.9% inflation factor (average for last 10 years). *Sales tax revenues from aggregated construction groups for the last 12 months was \$520K. Typically, sales tax revenues from construction activities are considered one-time in nature and are recommended to be excluded from future revenue projections unless other economic or financial data can support the*

continued growth. However, the sales tax revenue projection as presented is not adjusted for possible sales tax revenue reduction from construction activities.

- **Utility tax** – Average of 2016, 2017 revenues and 2018 year-end estimates.
- **Fees for services** – Average of 2016, 2017 revenues and 2018 year-end estimates.
- **State Shared Revenues** – Estimates provided by MRSC calculator based on the city's population of 7,515 (as of April 1, 2018).

Potential for Additional Reductions

The Budget Committee reviewed every department budget and a variety of methods to reduce the proposed 2019 expenditures in the event that additional reductions are needed now or during the course of the year. The first potential reductions to further reduce costs were determined to be the following:

- Move the \$93K set aside for compensated absences to the General Fund as a one-time transfer back, which would mean that there is no money set aside for any amounts due to employees at the time of separation, including those long-tenured employees who are expected to retire in the next three to five years.
- Further reduce the facility and park maintenance projects by an additional \$45K or more and continue to defer work that is needed to make facilities attractive and inviting, many of which are currently suffering from many years of deferred maintenance.
- Reduce seasonal help in Facilities and Streets from the 2018 level for potential savings of \$20-\$30K; however, this will result in reduction in the maintenance of city parks and fewer street projects.
- Suspending training and travel not required by law. Rough estimated potential General Fund savings is \$15K.

Potential for Revenue Growth

- Annexation plan presented in 2018 will move forward with the goal of completion in 2019. This will increase property and sales taxes. It will also increase service area; however, not significantly.
- A Shopping Center is planned for the Airport area. Construction is expected to start in 2020 with the possibility of 2019, if the developer is particularly aggressive during the entitlement process. This could create additional sales tax revenue in 2021.
- Important caveat: We are in the longest recovery on record and recession is predicted for 2020. Current prediction is that there could be approximately 18 months of growth, followed by a recession (March 2020 or thereabouts).

Concerns

- The one-time reductions in spending are not sustainable.
- Moving General Fund money set aside for Abatement, Compensated Absences, and Equipment Reserves is a one-time fix.

- The Fire Station situation needs to be addressed one way or another.
- Some of the City's facilities, particularly Stan Hedwall Park, continue to decline due to deferred maintenance.
- Continuing to defer maintenance has expensive long-term consequences.
- Suspending training year after year can contribute to an environment of stagnation.
- General Fund has over \$5 million of vehicles and equipment in operations, but no money is set aside for replacement.
- The city has self-insured unemployment benefit plan without any funding set aside.
- Several employees are nearing retirement age in the next 3-5 years, and potential liability for cash out of unused vacation, sick and compensatory time is approximately \$598K.
- Current staffing levels in Fire, Streets, and Facilities are not yet back at the 2008 level – can the City sustain additional reductions in General Fund personnel?

Consideration of new revenues

- Increase fees (Many of the City's fees have not been updated recently).
- New taxes, such as the B&O tax that many cities have in place.
- Increase in utility tax rates.
- Use of Banked Property Tax Capacity and 1% Maximum allowed increase.

Where do we go from here?

The Budget Committee members recommended that the full City Council consider closing the existing gap between revenues and expenditures using a combination of beginning cash reserves and consideration for use of banked property tax capacity.

- The City has not increased the property tax since 1999, except for tax year 2000 and 2012. The City has used banked property tax capacity in 2000 tax year (21% increase over 1999 levy) and again in 2012 tax year (10.7% over 2011 tax levy). However, the 2001 regular tax levy was decreased by \$132,000 (approximately 12.4%) from 2000 tax levy.
- The City's current banked capacity for 2019 levy year is: Regular levy \$319,465 and EMS levy \$7,412.

The Budget Committee reviewed 5 different scenarios for use of banked capacity and it recommended that the City Council consider using 15.3% of Banked Capacity \$50,000 of General Levy Banked Capacity and the EMS Levy Capacity and 1% Annual Increase. *The annual increase in property tax for a property/home worth \$200,000 would be \$20.30.*

In consideration of the increasing costs facing the City and the infrequent use of banked capacity in the past, the Budget Committee also talked about using 25% of the banked General Levy capacity which is \$79,866.71 plus the banked EMS Levy Capacity and the Annual 1%. *The annual increase in property tax would be \$28.88 for a property/home worth \$200,000.*

When discussing property tax, it is important to note that the City collects a relatively small portion of the property tax paid by the average homeowner. County and Schools collect the bulk of the property tax dollars, some of which is related to voter approved School Bonds.

A few of the estimated calculations for property tax increases in dollars and percent (%) over 2018 tax levy, as well as tax increase amount for property owners for each scenario are provided below for City Council discussion:

2019 City of Chehalis Property Tax Levy Scenarios					
2018/2019	2019 Highest Lawful Levy (2019 Starting Point) [^]	2018 Actual Levy	1% Increase	Banked Capacity	
City of Chehalis - Regular	\$ 1,784,770.62	\$ 1,465,305.68	\$ 17,847.71	\$ 319,464.94	
City of Chehalis - EMS	\$ 321,937.27	\$ 314,525.02	\$ 3,219.37	\$ 7,412.25	
[^] not including "add-ons" for new construction, state assessed utilities, etc.					
If using 3% of Banked Capacity and 1% Maximum Lawful Increase					
2019 Levy	1% Increase	Banked Capacity Use	Total Increase*	% of Increase	Tax Increase for Property w/ \$100,000 Assessed Value *Based on 2018 AV.
City of Chehalis - Regular	\$ 17,847.71	\$ 9,583.95	\$ 27,431.66	1.872078%	\$ 3.85
City of Chehalis - EMS	\$ 3,219.37	\$ 222.37	\$ 3,441.74	1.094266%	\$ 0.48
		\$ 9,806.32	\$ 30,873.40	1.734626%	\$ 4.34
If using 15.3% of Banked Capacity and 1% Maximum Lawful Increase					
2019 Levy	1% Increase	Banked Capacity Use	Total Increase	% of Increase	Tax Increase for Property w/ \$100,000 Assessed Value
City of Chehalis - Regular	\$ 17,847.71	\$ 50,000.00	\$ 67,847.71	4.630277%	\$ 9.53
City of Chehalis - EMS	\$ 3,219.37	\$ 1,160.10	\$ 4,379.47	1.392408%	\$ 0.62
		\$ 51,160.10	\$ 72,227.18	4.058093%	\$ 10.15
If using 25% of Banked Capacity and 1% Maximum Lawful Increase					
2019 Levy	1% Increase	Banked Capacity Use	Total Increase	% of Increase	Tax Increase for Property w/ \$100,000 Assessed Value
City of Chehalis - Regular	\$ 17,847.71	\$ 79,866.24	\$ 97,713.95	6.668503%	\$ 13.73
City of Chehalis - EMS	\$ 3,219.37	\$ 1,853.06	\$ 5,072.43	1.612727%	\$ 0.71
		\$ 81,719.30	\$ 102,786.38	5.775065%	\$ 14.44
* Approximately 11% of the increase belongs to the Firemen's Pension Fund (\$0.225 per \$1,000 assessed value) 2017 Assessed Value for 2018 tax year \$711,910,025 / 1,000 x \$0.225 = \$160,179.75. \$160,179.75 / \$1,465,305.68 (2018 regular levy) = 10.93%					

Summary of Potential Impact to Average Property Owner

Banked Capacity Use (General and EMS) Plus 1 %	Increase in Revenue for City Services	Total Annual Increase for a Property with \$100,000 Value	Total Annual Increase for Property with \$200,000 Value
3% of Banked Capacity 9,806.32	\$30,873.40	\$4.34	8.68
15.3% of Banked Capacity \$ 51,160.10	\$72,227.18	\$10.15	20.30
25% of Banked Capacity \$81,719.30	\$102,786.38	\$14.44	28.88

RECOMMENDATION

It is recommended that the City Council provide direction to include the use banked capacity in the preparation of the 2019 Proposed Budget in approximate amounts of:

- 1) \$51,160.10(15.3% of Banked Capacity); **OR**
- 2) \$81,719.30 (25% of Banked Capacity)

The City Council's direction will inform the preparation of the related resolutions and ordinances for consideration during the presentation of the 2019 Proposed Budget that is scheduled for public hearing on Tuesday, November 13. *(The regularly scheduled meeting on November 12 falls on the Veterans Day Holiday, so it will take place on Tuesday, November 13 at 5 pm).*

SUGGESTED MOTION

I move that staff incorporate the use of banked property tax capacity in the amount of \$_____ for inclusion in the 2019 Proposed Budget which will be presented for public hearing on Tuesday, November 13, 2018.

October 8, 2018

The Chehalis city council met in regular session on Monday, October 8, 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, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Tony Ketchum was absent (excused). Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Hillary Hoke, Planning/Building Manager; Andrew Hunziker, Property/Facilities Manager; Deborah King, Permit Technician; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; and Don Schmitt, Street/Storm Superintendent. Members of the news media in attendance included Will Rubin from *The Chronicle*.

1. **City Championship Award to Rep. Richard DeBolt.** Carl Schroeder with the Association of Washington Cities presented Rep. Richard DeBolt AWC's City Championship Award for his leadership to preserve the Public Works Trust Fund in 2017. Mr. Schroeder stated the fund supports infrastructure projects in smaller cities.

2. **Twin Transit Update.** City Manager Anderson stated Twin Transit has been working with Chief Schaffer with regard to the placement of temporary bus stops in Chehalis. The city received a number of concerns relating to safety issues associated with the stops and Twin Transit has been working with the city to resolve those issues. She also noted that Twin Transit employees help the city with opening and closing the downtown restrooms on the weekends, which is appreciated.

General Manager Derrick Wojcik-Damers provided an update to the council on activities and projects at Twin Transit. Twin Transit provides five routes and paratransit service in Chehalis and Centralia, operating seven days a week. He noted Sunday hours began in July. Mr. Wojcik-Damers stated the proposed regional transit center would accommodate up to 12 buses, a 9,000 sq. ft. administration building, staff and visitor parking, a public board room, three public restrooms, and onsite security and monitoring of activities. Construction is anticipated to begin in July 2019, pending successful grant awards. With regard to the countywide ballot measure, Mr. Wojcik-Damers stated it would provide a fixed-route service expansion to connect residents, jobs, and communities throughout all of Lewis County. A feasibility study was completed in January 2018 that showed a 0.2% sales tax increase in parts of the county not currently in the boundaries of Chehalis, Centralia, and Napavine could sustain the expansion of services. Following a Public Transit Improvement Conference, Lewis County Commissioners passed a resolution that would authorize a 0.2% sales tax increase to expand the present system to the entire county, except for Napavine since they requested to be excluded. The measure will be on the November 2018 ballot. Information is available at <http://lewiscountytransitmeasure.com> and Mr. Wojcik-Damers provided informational brochures for the public. He stated several groups support the ballot measure.

Councilor Spahr asked how bus route numbers were established. Mr. Wojcik-Damers stated Twin Transit routes are numbered by area/city (e.g., Chehalis routes are 10-19).

Councilor Harris noted the possibility of Greyhound using the regional center. He asked if they had been contacted to determine their interest. Mr. Wojcik-Damers stated they haven't talked to them because there is no facility yet, but Greyhound has a tendency to migrate into other bus centers because it helps expedite passengers and increase services.

Councilor Pope thanked Mr. Wojcik-Damers for the services they provide each year for the Eagles Christmas dinner. He appreciated that the regional center is being planned to consider future needs.

Mayor Dawes thought contacting Greyhound about their potential interest could have been written into grants. He stated if things move forward with the regional center, he didn't want to see any impacts to existing services provided to Centralia and Chehalis. He wanted the size of the center to be realistic to what is needed versus growth over the next 20+ years.

Councilor Taylor asked Mr. Wojcik-Damers to talk about the costs of the new center and funding strategies. Mayor Dawes suggested it would be nice to actually see the Transit's budget. Mr. Wojcik-Damers stated the transit center project is currently priced at \$7.4 million, including contingencies from beginning to end. He noted that the acceptance of federal grants could drive the cost up around 25%. Mr. Wojcik-Damers explained the need for 12 bus spaces.

Councilor Lund asked if space would be available for taxi services. Mr. Wojcik-Damers stated there would be space along the street. Councilor Lund asked why it wasn't included in the plan. Mr. Wojcik-Damers stated there was not a lot of taxi activity in town, so they didn't see that as a viable component to the plan. Councilor Lund suggested that they look into incorporating it.

October 8, 2018

3. **Citizens Business.** Lewis County Commissioner Edna Fund reminded the council about two upcoming public comment opportunities relating to the EIS (Environmental Impact Statement) for Chehalis River Basin Flood Damage Reduction Project. The meetings are October 16 in Montesano and October 17 in Centralia. Commissioner Fund noted that she attended the Community Farmers Market dinner last night and it was a wonderful event.

4. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following:
- a. Minutes of the regular city council meeting of September 24, 2018;
 - b. September 28, 2018 Claim Vouchers No. 123740-123871 in the amount of \$653,825.80;
 - c. September 28, 2018, Payroll Vouchers No. 40510-40563, Direct Deposit Payroll Vouchers No. 9933-10040, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 201-204 in the amount of \$877,777.37;
 - d. Master ground lease agreement with Rich Development Enterprises, LLC for Airport Tracts 7A, 8, and 9 (located along I-5 between Dutch Bros. Coffee and I-5 Toyota);
 - e. Ground lease agreement with U-Haul Co. of Washington;
 - f. Accept North Market Grind and Inlay Project as complete and authorize release of retainage after all statutory requirements have been met; and
 - g. Accept Chamber Way Grind and Inlay Project as complete and authorize release of retainage after all statutory requirements have been met.

The motion was seconded by Councilor Lund and carried unanimously.

5. **Ordinance No. 992-B, First Reading – Amending Chehalis Municipal Code Title 5 Relating to Business Licensing.** Mayor Dawes stated the agenda indicated a recommendation to pass the ordinance on first and final reading, but the agenda report recommendation was to pass it on first reading only. City Manager Anderson stated the agenda report was correct. Several questions have come up with regard to the ordinance, so staff was recommending passing it on first reading. One question was whether or not individuals could still get a business license at city offices. Businesses are encouraged to do everything on-line, but if someone comes into Community Development, staff will assist them if they do not have computer access. She stated license fees would remain the same at \$50 for the initial license; \$20 for an annual renewal; and \$25 a day for a temporary license.

City Attorney Bill Hillier explained that a handful of cities were chosen to be the first to partner with the state Department of Revenue to issue business licenses. The Association of Washington Cities was asked to create a model ordinance for cities to have in place by the end of October. Several questions came up relating to the model ordinance, so Mr. Hillier asked that council pass it on first reading, so that any needed revisions could be made prior to second reading. He stated the model ordinance provided a number of suggestions as to what constituted a business and should be licensed. Staff will review the list to determine if any should be removed. Mr. Hillier stated that Trent Lougheed tested the system and found it to be simple and should not be a problem for citizens to use. He stated staff will provide the ordinance for second reading at the next meeting that meets both the state's and city's requirements.

Councilor Harris asked what would prevent the state from dictating which types of businesses a city must license. Mr. Hillier stated the city's ordinance would control. He thought it would be difficult for the state to dictate the city's ordinance.

Councilor Spahr asked if the state begins licensing for cities, will they begin taking part of the revenue. Deborah King stated she was ensured by the state that they will not take any revenue, which is guaranteed for four years. Mayor Dawes was not confident that the state wouldn't eventually start taking some of the money. He thought it should be something that AWC keeps an eye on.

Councilor Spahr moved to pass Ordinance No. 992-B on first reading. The motion was seconded by Councilor Harris and carried unanimously.

October 8, 2018

6. **Administration Reports.** City Manager Anderson introduced Hillary Hoke as the city's new Planning/Building Manager. Hillary spent a number of years with the city of Chehalis as a permit technician before an opportunity for advancement with the city of Centralia. City Manager Anderson also noted the terrible fire that occurred at the Glas Guy last week. She acknowledged the efforts of the Chehalis and District 6 firefighters, and other mutual aid responders. Unfortunately, the building was a total loss, but no one was hurt and the fire was contained to the one building.

7. **Report on Recent Facility Improvements.** Andrew Hunziker provided a report on projects completed over the last year by the Parks and Facilities crew. Projects included Penny Playground bathroom renovation, new paint and roof; shelter and building painting at Alexander Park; paint at girls' fastpitch facility; library landscape overhaul; concrete floor in parks maintenance shop; renovated downtown benches; downtown bathroom mural; added recycling containers; painted garbage can lids; downtown hanging baskets and flower beds; and city hall wall and curb painting, and landscaping. Mr. Hunziker noted that several of the projects were in partnership with the CCRT, Twin Cities Rotary, Eagle Scouts, and local artists.

8. **Councilor Reports/Committee Updates.**

a. Councilor Taylor stated he has been approached about problems with the homeless population at Stan Hedwall Park, specifically relating to bathrooms and the RV shower facilities. Andrew Hunziker stated that the shower facilities are to be used only by those staying at the RV park, unfortunately, the showers are open all night, so they are not monitored at all times. He stated there have been some instances around the soccer area. He stated it is a public park and there was not much that could be done, but it is somewhat concerning. Chief Schaffer stated the police department has received only one official complaint, but have heard of other instances through rumor mills. He stated the police department patrols the park regularly.

Councilor Harris stated a person has "moved into" the bus shelter at Westside Park. Chief Schaffer stated he was working with Twin Transit so that future shelters or remodeling of shelters are designed to inhibit habitation. There is also laws that prohibit using a transit property contrary to what it is designed for. Councilor Taylor state Twin Transit will also assist when people are "living" in bus stops.

b. Councilor Pope again expressed his appreciation to Hillary Hoke for her efforts while working for the city of Centralia in regards to Pope's Kids Place.

c. Councilor Harris thanked Andrew Hunziker and his staff with their help with Christmas decorations. He also appreciated the efforts of first responders in the Glas Guy fire. He also thanked those involved in the writing of the agreement with Rich Development.

d. Mayor Dawes stated the council budget committee attended several meetings with department staff last week; and the mayors' meeting where several issues were discussed with local legislative representatives.

City Manager Anderson reminded everyone about the 60-hour closure of the Chamber Way bridge beginning at 7:00 pm on October 17, to complete the project.

9. **Executive Session.** Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(g) – Review Performance of a Public Employee not to exceed 7:00 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:33 pm. (Note: Councilor Spahr left the meeting at 6:33 pm. The executive session began at 6:37 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 7:01 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: October 22, 2018

SUBJECT: Vouchers and Transfers

ISSUE

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

DISCUSSION

The October 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. 123872-124029 and Electronic Funds Transfer No. 92018, 920181 and 102018 in the amount of \$505,442.13 dated October 15, 2018, which includes the transfer of:

- \$184,144.78 from the General Fund
- \$368.30 from the Dedicated Street Fund – 4% Sales Tax
- \$17,193.82 from the Transportation Benefit District Fund
- \$23,932.61 from the Tourism Fund
- \$90.00 from the 1982-93 Community Development Block Grant Fund
- \$18,746.90 from the Public Facilities Reserve Fund
- \$587.26 from the Garbage Fund
- \$140,876.34 from the Wastewater Fund
- \$38,632.68 from the Water Fund
- \$10,096.81 from the Storm & Surface Water Utility Fund
- \$70,772.63 from the Airport Fund

RECOMMENDATION

It is recommended that the City Council approve the October 15, 2018 Claim Vouchers No. 123872-124029 and Electronic Funds Transfer No. 92018, 920181 and 102018 in the amount of \$505,442.13.

SUGGESTED MOTION

I move that the City Council approve the October 15, 2018 Claim Vouchers No. 123872-124029 and Electronic Funds Transfer No. 92018, 920181 and 102018 in the amount of \$505,442.13.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Trent Lougheed, Community Development Director
Celest Wilder, Development Review Specialist

MEETING OF: October 22, 2018

SUBJECT: Appointment of Community Stakeholders to the Newly Formed Multi-Jurisdictional Ad-Hoc Committee for the Program for Public Information

ISSUE

Authorization was provided to staff by the City Council during the September 24, 2018, to appoint Mr. Duane Taylor and Mr. Kenneth Frazier as community stakeholders to the newly formed multi-jurisdictional ad-hoc committee on the Program for Public Information (PPI). The City Council is now being asked to make the temporary appointments official.

DISCUSSION

The PPI committee is a multi-jurisdictional advisory ad-hoc committee formed in an effort to review the area's flooding situation, inventory existing public information efforts, formulate messages appropriate for different audiences, and recommend a master list of public information initiatives. The resulting projects will receive increased credit under the Community Rating System (CRS), which lowers flood insurance premiums based on city and county programs.

The PPI program's purpose is to provide a more informed population as it relates to floods, the hazards flooding creates, and mitigation options to reduce post-flood losses. A minimum of 50% community stakeholder involvement is required. Mr. Duane Taylor and Mr. Ken Frazier are willing to serve on the committee. Both gentlemen have a vested interest in the goals of the PPI committee as they are both business owners whose offices lay partially or completely within the city's Special Flood Hazard Area (SFHA). Both Mr. Taylor and Mr. Frazier serve a customer base in the SFHA, as well. Additionally, Mr. Frazier works in conjunction with local jurisdictions to provide residents with documentation required to obtain flood insurance and mitigate flood related losses.

The city's representatives on the PPI committee will include Hillary Hoke, Planning/Building Manager and Celest Wilder, Development Review Specialist/Building Inspector.

The committee will meet three times before November 13, 2018 to discuss the goals and content of the PPI; to review the draft PPI document; and to revise the final draft and recommend for adoption. Annual or semi-annual meetings will be held thereafter to discuss implementation progress and project goals.

FISCAL IMPACT

There is no fiscal impact related to this agenda item.

RECOMMENDATION

It is recommended that the City Council approve the appointments of Mr. Duane Taylor and Mr. Kenneth Frazier as stakeholders to the PPI committee.

SUGGESTED MOTION

I move that the City Council approve the appointments of Mr. Duane Taylor and Mr. Kenneth Frazier as stakeholders to the PPI committee.

City of Chehalis APPLICATION FOR APPOINTMENT

Date 10-3-2018

(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 Duane E Taylor

Present employer Self Taylor & Sons Investments Inc. (DBA Escp Signs)

Employer address 627 NW Middle St. Phone No. 360-748-6461

Fax No. 360-748-4299 E-mail Duane@csc-pacific.com

Home address 121 Clagato dr. Home Phone No. 360-269-3021

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

If yes, please explain _____

Date available for appointment _____

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

Approximately how many hours each month can you devote to city business? 2-4 hrs

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

After owning 2 business that have been effected by flood water and being a member of our community for over 36 years, this issue is very important to me

Signature Duane Taylor

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

City of Chehalis APPLICATION FOR APPOINTMENT

Date 9/21/2018

(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 PPI

Please print

Name KEN FRAZIER

Present employer FORESIGHT SURVEYING INC

Employer address 1583 N NATIONAL AVE, CHEHALIS Phone No. 360-748-4000

Fax No. _____ E-mail FORESIGHT@LOCALACCESS.COM

Home address 2619 EUREKA AVE, CENTRALIA Home Phone No. _____

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

If yes, please explain _____

Date available for appointment SEPT 20, 2018

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

Approximately how many hours each month can you devote to city business? ^X 3

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

PROFESSION LAND SURVEY WITH KNOWLEDGE OF FLOODING AND FLOOD DOCUMENTS.
FLOOD PLAIN OWNER.

Signature *Ken Frazier*

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

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Judy Schave, HR/Risk Manager

DATE: October 22, 2018

SUBJECT: Proposed 2017–2019 IAFF Local 2510 Collective Bargaining Agreement

ISSUE

The Collective Bargaining Agreement (CBA) between IAFF Local 2510 (Fire Personnel) and the City expired on December 31, 2016. The City’s negotiating team has been working with the Union over the last two years to negotiate the terms of a new agreement.

DISCUSSION

In 2016, the City’s negotiating team started meeting with representatives of IAFF Local 2510 to discuss the positions for each side. Several issues were brought to the table, to include wages, longevity pay, management rights, vacation use, Health Savings Account contributions, clothing and equipment, and disciplinary action, just to name a few.

The City’s team presented its comparable “like” cities based on population and assessed valuation. Because so many of the smaller fire departments are moving towards districts and/or fire authorities, it was extremely difficult to find many “like” cities to present for comparison during this negotiation cycle. This continued trend will only complicate future negotiations with the Union when it comes to wage comparison.

After several months of negotiating, and with no resolution in sight, a labor relations mediator was assigned by the Public Employment Relations Commission to meet with both sides to see if an agreement could be reached. The mediation process started in June 2017 and continued through February 2018. Several “what if” proposals were presented by both parties; however, an agreement could not be reached and the mediator declared impasse. This resulted in moving to the final step of the process, which was to set an Interest Arbitration Hearing.

Interest arbitration is the process in which issues not resolved in the bargaining negotiation between the employer and the labor union may be taken forward to an impartial arbitrator for the final resolution. Arbitration is the alternative to court action which is considered equally final and binding.

Both parties continued to negotiate up and until days before the arbitration hearing, which was scheduled for September 17, 18 and 19. With the help of both labor attorneys the two sides were able to come to a tentative settlement on all outstanding issues, subject to ratification by both parties. As most negotiations go, neither side prevailed in all areas, but what was agreed on will be a good foundation for both parties moving forward. Because ratification could not occur by September 17, the parties jointly asked the arbitration panel to postpone the scheduled arbitration hearing in this matter.

The proposed 2017-2019 CBA includes the following changes:

- Section 10, Longevity Pay: Union longevity to be increased to \$25 per five year increment. These payments would there be: \$25 at 5 years, \$50 at 10 years, \$75 at 15 years, \$100 at 20 years, \$125 at 25 years, and an additional \$25 every five years thereafter until separation from employment with the City of Chehalis
- Section 12, Clothing and Equipment: New provision affirming commitment to come into compliance with all safety standards
- Section 12, Clothing and Equipment: New provision regarding City compliance in providing personal protective equipment
- Section 12, d, Clothing and Equipment: \$50 allowance per employee for personal tools/equipment
- Section 12, e, Clothing and Equipment: New provision providing for annual report to be prepared by Union members and reviewed by Fire Chief with copies of the final report going to the City Manager, City Council, and Union members.
- Section 16, b, Vacation: Agreement on an MOU addressing modifications to vacation use to include advance electronic notice to Chief regarding vacation usage that will cause variation in scheduled personnel
- Section 17, b, ii and iii, Medical: HSA payments to be modified to provide for two payments with the first to be made in January and the second to be made in June. The first payment would constitute 60% of the total with the second payment constituting the remaining 40% of total
- Section 24, b, Grievances and Arbitration: Insertion of language into existing grievance provisions clarifying that neither the union nor a union member may grieve a verbal warning
- Section 32, Term of Agreement: January 1, 2017 through and including December 31, 2019
- Appendix A, A.1, Compensation, Firefighter/Engineer and Captain: A base wage increase of 4%/4%/2% for the years 2017, 2018, and 2019 (Exhibit A)

It is the Administration's understanding that the IAFF Local #2510 will be voting on this agreement after it is ratified by the City Council. If the members do not ratify the agreement, negotiations would resume immediately and the arbitration hearing would be rescheduled. There is cautious optimism that the agreement will be approved by all parties.

FISCAL IMPACT

A lump sum for the retroactive payments due if the agreement is adopted was included in the 2018 Budget in anticipation that an agreement would be adopted. The adopted 2018 Budget also includes funds for the proposed salary adjustments; however, a budget amendment may be needed to account for the full fiscal impact of the proposed contract.

The proposed CBA will increase the 2016 base wages of the represented fire employees by 4% in 2017, 4% in 2018 and 2% in 2019. Other financial impacts include an annual \$50 tool/equipment allowance per employee, and new rules for longevity pay to include \$25 increments for every five years of service.

RECOMMENDATION

It is recommended that the City Council approve the 2017-2019 Collective Bargaining Agreement between the City and IAFF Local 2510 (Fire Personnel) and authorize the City Manager to execute the related documents.

SUGGESTED MOTION

I move that the City Council approve the 2017-2019 Collective Bargaining Agreement between the City and IAFF Local #2510 (Fire Personnel) and authorize the City Manager to execute the related documents.

CITY OF CHEHALIS
and
INTERNATIONAL ASSOCIATION OF
FIRE FIGHTERS,
LOCAL 2510

AGREEMENT

JANUARY 1, 2017 Through DECEMBER 31, 2019

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COLLECTIVE BARGAINING AGREEMENT
BY AND BETWEEN
CITY OF CHEHALIS, WASHINGTON
AND
LOCAL UNION NO. 2510 OF THE
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

THIS AGREEMENT is made and entered into on the ____ day of October, 2018 by and between the CITY OF CHEHALIS, WASHINGTON, hereinafter referred to as the "Employer" and THE INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS, LOCAL 2510, hereinafter referred to as the "Union."

Section 1. Preamble.

The purpose of this Agreement is to achieve and maintain harmonious relations between the Employer and the Union, to provide for equitable and peaceful adjustments of differences that may arise and to establish standards of wages, hours and other conditions of employment.

Section 2. Recognition.

The Employer recognizes the Union as the exclusive bargaining representative for, and this Agreement shall cover, all public employees of the Employer employed in its Fire Department in the classifications of Firefighter/Engineer and Fire Captain.

Section 3. Management Rights.

The Employer retains the exclusive right to manage the Fire Department. Therefore, all powers, authorities, functions and rights not specifically and expressly restricted by this Agreement are retained by the Employer and shall continue to be subject to exclusive management control.

Section 4. Union Security.

(a) Upon receipt from the Union of a voluntarily signed authorization by an employee covered by this Agreement, the Employer shall deduct from the employee's wage the dues, fees and costs authorized by the employee, including regular monthly Union membership dues payable by the employee to the Union during the period provided for in the signed authorization, which may be indefinite. The Employer shall remit said monthly dues to the Union on a monthly basis.

(b) Employee may revoke Employee's authorization for Payroll deduction, after Employee provides written notice to the Union. Every effort will be made to end the deduction effective on the first payroll after the request is received from the Union to Human Resources.

(c) Hold Harmless. The Union shall indemnify and hold the City harmless against any and all claims, demands, suits, grievances, or other liability that arise out of or by reason of actions taken or not taken by the City pursuant to the dues deduction provisions of this Section.

Section 5. Discrimination.

The Employer and the Union shall not unlawfully discriminate against any employee for activity on behalf of, or membership in the Union. Except as permitted by law, the Employer and the Union agree that there shall be no unlawful discrimination against any employee because of race, creed, color, national origin, religion, age, sex, marital status, disability or handicap.

Section 6. Union Business.

The Union agrees to conduct its business off the job as much as possible. Representatives of the Union having business with individual members of the Union may confer with such officers or members during the course of the work day, for a reasonable time, provided that permission is first obtained from the Fire Chief. Employees elected to Union office shall be granted a leave of absence for a reasonable length of time to perform Union business including attendance at conventions and conferences. Such a leave of absence shall be granted by the Fire Chief if an adequate replacement can be found for the Union official during the period of the leave and the Employer incurs no overtime costs for such replacement.

Section 7. Wages.

- (a) Employees shall be compensated in accordance with the wage schedule attached to this Agreement and identified as Appendix "A", which Appendix, by this reference, is incorporated herein and made a part hereof, together with such other compensation in accordance with other aspects of pay as set forth in other provisions of this Agreement.
- (b) Employees shall be eligible for a one-step increase upon successful completion of a twelve (12) month probation, and on subsequent anniversary dates not to exceed at any time, the maximum step for the classification contained in Appendix "A".
- (c) The overtime rate of pay will be calculated in accordance with the provisions of the Fair Labor Standards Act, the requirements of the Wage and Hour Division of the U.S. Department of Labor, and the Washington State Department of Labor and Industries. Where terms of this Agreement are more favorable to the employee than state or federal law, the terms of this Agreement will be followed.

Section 8. Call-back Pay.

- (a) Any employee called to work while off duty shall be paid for all hours worked at the rate of one and one-half (1 1/2) times the employee's regular hourly rate with a minimum guarantee of one hour.
- (b) Compensatory Time. All employees may elect to accrue compensatory time in lieu of receiving overtime wages. Compensatory time shall accrue at the rate of time and one half (1 1/2) for each overtime hour worked for any authorized hours worked beyond regularly scheduled shifts, overtime shifts, mandatory training/meetings, or emergency call-back and shall be subject to the following conditions:
 - (i) An employee shall be permitted to accumulate up to three hundred sixty (360) hours of compensatory time. Such accrued time shall be cumulative from year to year. Compensatory time exceeding the aforementioned limit shall be paid to the employee at the hourly rate in effect at the time the employee accrued the compensatory hours, with the oldest accrued hours paid out first.
 - (ii) When taken as time off work, compensatory time shall be paid at the employee's current rate of pay.
 - (iii) The Fire Chief or designee shall have the authority to approve or deny expenditure of compensatory time.
 - (iv) Compensatory time expenditure will follow the same guidelines as vacation scheduling as outlined in the Vacation provisions of this Agreement.

- (v) An employee may convert all, or parts thereof, accrued compensatory time to wages, paid to the employee at the hourly rate in effect at the time the employee accrued the compensatory hours, with the oldest accrued hours paid out first. Any employee desiring to cash out compensatory time in December must present a request, in writing, to the Fire Chief or designee no later than November 25th.
- (vi) When the employment of an employee is terminated (for whatever reason) or in the case of an employee's death, accrued compensatory time up to the maximum of three hundred sixty (360) hours shall be paid to the employee or his/her estate at the hourly rate in effect at the time the employee accrued the compensatory hours.

Section 9. Holidays.

Effective January 1, 2017, due to the unusual nature of their work schedule, employees shall receive in lieu of holiday pay 104 hours off per year without loss of pay, accrued at the rate of 8.66 hours per month in accordance with Appendix B.

- (a) If employees are working a forty (40) hour work week they may, in lieu of working on a holiday, give up their 8.00 hours per holiday.

Section 10. Longevity Pay.

Based upon the length of continuous employment in the City's service, employees in the bargaining unit shall receive twenty-five (\$25.00) per month after completing five (5) years of service, and an additional twenty-five (\$25.00) per month for every five- (5) year period completed until retirement from the City.

Section 11. Shift Changes.

Upon receipt of the prior approval of the Fire Chief or designee, employees of one job classification may exchange shifts of employment in the same job classifications provided:

- (a) Such shift change does not impose any additional cost on the Employer with the exception of sick leave provisions covered by this Agreement; and
- (b) The Employer is not responsible for enforcing any agreements made between employees.

Section 12. Clothing and Equipment.

The Employer shall maintain the quality and condition of uniforms, bunker gear and personal protective equipment, and other equipment to standards consistent with those set by the National Fire Protection Association (NFPA) and by the manufacturers of the uniforms, bunker gear, and other equipment. This Agreement does not prohibit the Employer from obtaining the best price possible by bidding with businesses supplying the department with uniforms and cleaning that meet industry standards for the activities and responsibilities executed by the employees.

- (a) There shall be a quartermaster system for the purchase and maintenance of all uniform, clothing and equipment needs of the employee.
- (b) The proper uniform shall consist of such items of apparel and equipment as approved and/or required by the Employer. A listing of apparel and equipment which is applicable under the quartermaster system shall be maintained for employee/employer reference.
- (c) Employees required by the Fire Chief to wear a uniform shall be furnished with all the necessary apparel and equipment on a quartermaster system. An individual will be assigned as the Department Quartermaster. This person, under the direction of the Fire Chief and with

input from the members of the standards committee, will develop a program for the purchase and replacement of uniform clothing and equipment as defined in Department standards and guidelines. The standards committee shall consist of one Fire Captain, and two Firefighter/Engineers, and two reserve firefighters. Once the minimum quantity has been recommended by the Committee and approved by the Fire Chief, the Employer will furnish each employee with the appropriate quantity of uniform apparel and equipment. All protective clothing and equipment shall be furnished by the Employer. Replacement of worn apparel and equipment will be on an as-needed basis. The cleaning of apparel and equipment shall be provided by the Employer on a weekly basis.

- (d) The employer recognizes that firefighters utilize a wide range of tools to complete their duties and that employees routinely purchase tools for use on the job. Because of this, the employer will reimburse each employee up to \$50 annually for the purchase of personal tools, equipment, or PPE that is not otherwise supplied or replaced by the employer.
- (e) On an annual basis, the Union and the Fire Chief will cooperate in preparing a report addressing status and conditions of Fire Department resources and equipment, operational status and readiness, and perceived areas of Fire Department strengths and weaknesses. The Union employees shall be responsible for gathering information and preparing a draft report for review by the Fire Chief. The Fire Chief shall retain freedom to edit and revise the report at the Fire Chief's discretion to generate a final version. The final version of the report shall be signed by the Fire Chief and a representative of the Union employees that compiled the report, and will be provided by the Fire Chief to the City Manager, the City Council, and Union members.

Section 13. Working Out of Classification.

Any Employee who is designated by the Fire Chief or designee to perform work in a classification other than that to which he/she is regularly assigned shall be compensated for such work at five percent (5%) over his/her base rate of pay. When working out of classification for vacations, short-term sick leave and other short term absences, the designation will be made on a shift by shift basis. For other absences, the designation shall be made on the basis of seniority as herein defined, except for bona fide training situations where the regular shift officer on duty at the time allows a firefighter to act in the capacity of a shift officer under the regular shift officer's supervision and direction.

- (a) Upon completion of the next Captain's examination, the Fire Chief will develop a list of Senior Firefighters, which will no longer be based on seniority. This list will largely be determined from the Captain's exam scores.
- (b) An employee who is temporarily assigned by the Fire Chief to Acting Chief or Acting Assistant Chief for a period in excess of thirty-nine (39) consecutive work hours, and who performs the job duties of such position, shall be compensated at fifteen percent (15%) over his/her existing base wage for all hours worked. In no case will the total amount being paid be greater than the person currently occupying this position.

Section 14. Funeral Leave.

Employees shall be granted one (1) full twenty-four (24) shift off without loss of pay because of a death in his/her immediate family. If funeral services are to be conducted more than 500 miles from Chehalis, Washington, an additional twenty-four (24) hour shift off without loss of pay shall be granted. Immediate family is defined herein as grandfather, grandmother, father, mother, father-in-law, mother-in-law, sister, brother, spouse, son and daughter.

Section 15. Sick Leave.

- (a) Sick Leave Defined – Sick leave is defined as approved leave with pay while an employee is absent from work as a result of illness or injury. Sick leave shall be granted for the following reasons:
 - (i) Personal illness or physical incapacity resulting from causes beyond the employee's control; or
 - (ii) Enforced quarantine of the employee by a physician; or
 - (iii) Illness within the immediate family (spouse and legal dependents of the employee residing in the employee's home) of the employee necessitating the employee's absence from work; or
 - (iv) Medical or dental treatment within the immediate family (as defined above) of the employee, necessitating employee's absence from work. Employees shall attempt to schedule medical or dental appointments during off duty hours.
 - (v) If the Employee's spouse returns home and assumes responsibility for the care of a sick child or dependent, the Firefighter shall return to work.
- (b) Employees shall accrue sick leave at the rate of twenty-two (22) shift hours per month until he/she has accumulated a maximum of one thousand four hundred forty (1,440) hours. Upon death or termination of employment, an employee, or surviving spouse, shall be paid an amount equal to the employee's accumulated but not used sick leave up to a maximum of seven hundred twenty (720) hours, based on the accrual rate of eight (8) shift hours per month. Cash out of any unused sick leave shall be forfeited if employment is terminated by the employee without giving thirty (30) days prior written notice or if the employee is discharged for cause.
- (c) Light Duty Assignment. An employee who is disabled may be assigned to limited duty by the Fire Chief when it is determined by the employee's physician, subject to confirmation by a physician selected by the Employer, that the employee can perform limited productive work.
- (d) Disability Coverage. An employee who is absent due to a job-related temporary illness or disability for which State Industrial Insurance or other such benefits are received shall be entitled to LEOFF II Disability Supplement Benefits as provided in R.C.W. 41.04.500, et seq.

Section 16. Vacation.

Employees shall receive vacation time off without loss of pay according to Appendix B.

- (a) To streamline the process and allow greater selection capability, department vacations will be scheduled in the following manner.
 - (i) Vacations will be selected within the personnel of their assigned shifts.
 - (ii) Vacations will be scheduled by rank, then seniority.
 - (iii) Vacations will only be taken in the amounts accumulated.
 - (iv) Vacations may be taken in no less than 1 hour increments for the first hour and no less than .5 hour increments after the first hour.

- (v) Appropriate request forms will be submitted, approved and returned prior to the vacation time being taken.
- (b) Shift officers will determine shift staffing needs during the request period, ensure the time requested is adequately covered with accumulated vacation time, note the members name and the vacation shifts on the calendar, approve or deny the request and ensure the request form is placed in the designated basket for approval and signature. In addition, see attached MOU.
- (c) Vacation and holiday leave may be carried over from one calendar year to the next so long as the total carried over is not greater than five hundred forty four (544) hours. Employees may carry over additional amounts of vacation with prior approval of the Employer.

Section 17. Medical:

- (a) For medical coverage effective January 1, 2017, all employees in the bargaining unit will remain enrolled in the AWC Regence High Deductible Health Plan. The Employer and employee contribution rates for monthly medical premiums shall be as outlined below.

AWC Regence High Deductible Health Plan

	2017, 2018 and 2019 Rates	2017, 2018 and 2019 Employer Contribution	2017, 2018 and 2019 Employee Contribution
Employee	As established by AWC	100 % of full premium	\$0.00
Spouse	As established by AWC	100 % of full premium	\$0.00
1 st Dependent	As established by AWC	100 % of full premium	\$0.00
2 nd Dependent	As established by AWC	100 % of full premium	\$0.00

- (b) Effective January 1, 2017, each employee in the bargaining unit, while employed by the City and remaining enrolled in the AWC Regence High Deductible Health Plan, shall receive as excess medical benefit dollars the following employer paid contributions to tax-favorable accounts established by the employee. Payments shall be prorated for any employee hired after January 1st of each year and for any employee separating from employment for any reason.
 - (i) Annual contribution limits for HSA are established under the Internal Revenue Code and differ for individuals with "self only" coverage versus "family" coverage. For the purposes of this agreement, any employee known to qualify for "self only" coverage for any part of the year will be treated as such for the entire year and will receive contributions to tax-favorable accounts based on "self only" coverage status as described below. Individual employees are responsible for any potential tax consequences should their status of "family" or "self only" coverage change during the course of the year.
 - (ii) Employer contributions to tax-favorable accounts for employees qualifying for "family" coverage status:

	2017	2018	2019
Voluntary Employees' Beneficiary Association (VEBA)	\$166.40 per month	\$166.40 per month	\$166.40 per month
Health Savings Account (HSA)	\$2,500.00 March	\$2,500.00 March	\$4,050 January
	\$3,200.00 May	\$3,200.00 May	\$2,700 June
	\$1,050.00 August	\$1,050.00 August	

- (iii) Employer contributions to tax-favorable accounts for employees qualifying for "self only" coverage status:

	2017	2018	2019
Voluntary Employees' Beneficiary Association (VEBA)	\$445.57 per month	\$445.57 per month	\$445.57 per month
Health Savings Account (HSA)	\$2,500.00 March	\$2,500.00 March	\$2,040.00 January
	\$700.00 May	\$700.00 May	\$1,360.00 June
	\$200.00 August	\$200.00 August	

Note: Individually and collectively, employee and dependent insurance plan eligibility as well as eligibility and rules for tax-favored accounts will be governed by the underwriting rules, policies, laws and codes of the AWC Employee Benefit Trust, the administrator of the tax-favored account, and the Internal Revenue Code, as applicable, as long as insurance and/or administrative services are provided through that source.

- (c) The Employer will deduct from each employee's paycheck, on a pre-tax basis, \$75 per month to be contributed to the Washington State Council of Firefighters Employee Benefit Trust.
- (d) Insurance Re-opener. Any change of plans, coverages, benefits or companies shall be made only with the prior consent of the Union (unless changed by the insurance company) and will be subject to re-opening by either party.
- (e) During the term of this Agreement either party may notify the other in writing of its desire to re-open this Agreement, provided such re-opener shall be limited to Medical Coverage, Dental Coverage, and Vision Coverage only.
- (f) All members of the Union who have participated in the Medical Expense Reimbursement Plan for not less than one (1) month, prior to being promoted or reassigned to a non-represented position, will continue to be plan participants until they are no longer employed by the City. These employees will continue to have appropriate contribution amounts deducted in the same manner as the Union.
- (g) The Employer and the Union recognize that the cost of providing health care coverage to employees and their dependents has been an important on-going issue, and agree to meet

periodically during the term of this agreement to discuss wellness programs and other means of containing health care costs to the extent possible.

Section 18. Dental Coverage.

Effective January 1, 2017, based upon December 2016 hours, the Employer shall remit the required premiums for Washington Teamsters Welfare Trust Dental Plan A to the Trust for each eligible employee covered by this Agreement, who has eighty (80) hours or more compensable hours in the preceding month. The premium payments shall be made to the Trust office in Seattle, Washington by the 10th day of each month.

Section 19. Vision Coverage.

Effective January 1, 2017, based upon December 2016 hours, the Employer shall remit the required premiums for Washington Teamsters Welfare Trust Vision Plan EXT to the Trust for each eligible employee covered by this Agreement, who has eighty (80) hours or more compensable hours in the preceding month. The premium payments shall be made to the Trust office in Seattle, Washington by the 10th day of each month.

Section 20. Long-term Disability Coverage.

During the life of this Agreement, the Employer shall continue to make available a long-term disability insurance policy. Employees desiring to purchase the long-term disability insurance shall pay all premium costs. The specific insurance provider of this benefit may be changed upon mutual agreement of the Union and the Employer. The employee monthly premium shall be paid by the employee each month by means of payroll deduction.

Section 21. Work Schedule.

The normal workday or shift for employees shall be twenty-four (24) hours, commencing at 8:00a.m. The normal work schedule for said employees shall consist of one (1) shift on and three (3) shifts off. The normal work week shall average forty-two (42) hours, and the normal work month shall average one hundred eighty-two (182) hours for said employees. The Fire Chief may require an employee to work a different schedule when necessary subject to a forty (40) hour workweek.

Section 22. Training.

Mandatory training is that at which an employee's attendance is required by the Employer. Mandatory training shall be considered compensable hours worked at the employee's applicable rate of pay, subject to the employee's workweek. Employees directed to attend mandatory training shall be provided with at least two (2) weeks notification for unscheduled shift changes. Voluntary training shall not be considered compensable hours worked, although the Employer may pay for all or part of the training. An employee's work schedule may be adjusted to accommodate the employee's request for voluntary training.

Section 23. Civil Service Rules.

Except as provided in this Agreement, the Chehalis Civil Service Commission's rules and regulations pertaining to hiring, promotion, demotion, discipline, and retention (including termination and reduction in force), shall prevail.

Section 24. Grievances and Arbitration.

- (a) All grievances, defined as a dispute or disagreement concerning the interpretation, application or an alleged violation of a specific provision of this Agreement, shall be settled as provided in this Section.

- (b) If an employee has a grievance, the employee must first submit the grievance in writing signed by the employee to the Union Grievance Committee for an initial determination of merit, and if the Union Grievance Committee decides that the grievance lacks merit, no further action is necessary on the Union's part, but the employee may proceed without a Union finding of merit. If the Union has a grievance, it shall submit it to the Employer directly. If the Employer has a grievance, it shall submit it to the Union Grievance Committee in writing signed by the Fire Chief or other Employer representative. If the Union Grievance Committee decides that the grievance lacks merits, no further action is necessary on the Union's part, but the Employer may proceed on its own. All grievances shall be presented to the Fire Chief as soon as practicable after the occurrence on which the same is based, but in no event later than twenty days excluding Sunday, if the same is a dismissal grievance, or later than twenty days if the grievance arises from any other cause. The failure to submit such grievances within such period shall constitute a bar to further action thereon. All disciplinary actions taken by the City against bargaining unit members are subject to the grievance procedure, if the Union Grievance Committee believes that a grievance has merit, except for verbal reprimands, which are not subject to the grievance procedure and may not be grieved by either an employee or the Union. Any written documentation of a verbal reprimand must clearly express that the employee has only received a verbal reprimand.
- (c) Any grievance not adjusted by the Fire Chief and the Union within twenty (20) days, excluding Sunday, from the date of submission may, upon the written request of either party, be referred to the City Manager for adjustment.

If within five (5) calendar days, after submission of the grievance to the City Manager, no adjustment has been made to the satisfaction of both parties, the grievance may, upon written request of either party, be referred to an arbitrator selected by the parties thereto. In the event the parties fail to select an arbitrator within five (5) calendar days, the Public Employment Relations Commission may be requested by mutual agreement to assign a PERC staff member to act as arbitrator, or submit a list of seven (7) qualified and approved arbitrators, from which list the arbitrator shall be selected by each party alternatively striking one name from the list until only one name remains.

- (d) The decision of the arbitrator shall be final and binding upon both parties. The arbitrator shall have no power to change, alter, detract from or add to the provisions of this Agreement, and any dismissal of the grievance by the arbitrator, whether on the merits or on procedural grounds, shall bar any further arbitration.
- (e) Each party shall bear the expenses of preparing and presenting its own case. The expense, if any, of the arbitrator, together with incidental expenses mutually agreed upon in advance, shall be borne equally by the parties hereto.

Section 25. Strike.

Neither the Union nor its members, agents, representatives, employees or persons acting in concert with them, shall incite, encourage or participate in a strike, walkout, work slowdown or work stoppage of any nature whatsoever. In the event of any strike, walkout, work slowdown, or work stoppage, or a threat thereof, the Union and its officers will do everything within their power to end or avert the same.

Section 26. General Provisions

- (a) This Agreement shall be subject to all present and future applicable federal or state laws, executive orders of the President of the United States pursuant to law, and rules and regulations of governmental authority. Should any provision or provisions become unlawful by

virtue of the above, or by declaration of any court of competent jurisdiction, such action shall not invalidate the entire Agreement. Any provisions of this Agreement not declared invalid shall remain in full force and effect for the life of the Agreement.

- (b) The Agreement expressed herein in writing constitutes the entire Agreement between the parties and no express or implied statement or previously written or oral statements shall add to or supersede any of its provisions, excepting written mutually executed Memoranda of Understanding and/or amendments.
- (c) The parties acknowledge that, during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter appropriate for collective bargaining, and that the exercise of that right and opportunity is set forth in this Agreement. Therefore, the Employer and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waive the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter, except as otherwise provided herein, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement.

Section 27. Prevailing Rights.

Present rights and privileges generally prevailing for the employees with the knowledge of the Fire Chief which are not included in this Agreement, shall remain in force unchanged and unaffected in any manner by this Agreement. It is the intent of this Article to protect the existing rights of the employees.

Section 28. EMT Status.

Every member of the bargaining unit shall obtain and maintain EMT certification status while employed with the Chehalis Fire Department. Employees must obtain EMT certification within one year of their initial regular appointment, or following the first available EMT certification exam.

Section 29. Meals.

Employees shall provide their own meals while on shift.

Section 30. Seniority.

The word seniority, as the term is used in this Agreement, shall mean the length of continuous service of an individual covered by this Agreement commencing with the date of employment with the Chehalis Fire Department (or, when applicable, as a Firefighter/Engineer or Fire Captain with the Chehalis Police & Fire Services Department).

- (a) Seniority as herein defined shall not apply to bona fide supervisory training situations conducted on shift under the direction of their shift officer.

Section 31. Educational Assistance.

The Employer will pay tuition and books when employees attend accredited college courses approved by the Employer.

Section 32. Term of Agreement.

This Agreement shall become effective at 12:01 o'clock a.m. on January 1, 2017, and shall continue in effect through and including December 31, 2019.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed this _____ day of October, 2018.

CITY OF CHEHALIS, WASHINGTON

INTERNATIONAL ASSOCIATION OF FIRE
FIGHTERS, LOCAL 2510

By _____
Jill Anderson, City Manager

By _____
Kevin Reynolds, President

APPENDIX A
BETWEEN
CITY OF CHEHALIS, WASHINGTON
AND
CHEHALIS FIRE DEPARTMENT
LOCAL UNION NO. 2510 OF THE
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

A.1

December 25, 2016 through December 24, 2017 wages (represents a 4% increase)

Classification	Step A	Step B	Step C	Step D	Step E
Firefighter/Engineer	\$4,562	\$4,780	\$5,008	\$5,248	\$5,496
Captain	\$5,398	\$5,558	\$5,925	\$6,217	\$6,512

Note: Due to the signing date of this agreement, retroactive payment of increased 2017 and 2018 base wages and longevity will be made as part of the standard payroll process in the month following the signing date. Retroactive payment for all overtime, out-of-class pay and comp cash outs will be made as part of the standard December 2018 payroll.

December 25, 2017 through December 24, 2018 wages (represents a 4% increase)

Classification	Step A	Step B	Step C	Step D	Step E
Firefighter/Engineer	\$4,744	\$4,971	\$5,208	\$5,458	\$5,716
Captain	\$5,614	\$5,780	\$6,162	\$6,466	\$6,772

December 25, 2018 through December 24, 2019 wages (represents a 2% increase)

Classification	Step A	Step B	Step C	Step D	Step E
Firefighter/Engineer	\$4,839	\$5,070	\$5,312	\$5,567	\$5,830
Captain	\$5,726	\$5,896	\$6,285	\$6,595	\$6,907

APPENDIX B
BETWEEN
CITY OF CHEHALIS, WASHINGTON
AND
CHEHALIS FIRE DEPARTMENT
LOCAL UNION NO. 2510 OF THE
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS

Vacation and Holiday Accrual Schedule

Completed Years of Service	Vacation Hours Accrued Rate Per Month	Holiday Hours Accrued Rate Per Month	Total Hours Accrued Per Month	Total Hours Accrued Annually
0	8	8.66	16.66	199.92
1	8	8.66	16.66	199.92
2	8	8.66	16.66	199.92
3	8	8.66	16.66	199.92
4	8	8.66	16.66	199.92
5	12	8.66	20.66	247.92
6	12	8.66	20.66	247.92
7	12	8.66	20.66	247.92
8	12	8.66	20.66	247.92
9	12	8.66	20.66	247.92
10	12	8.66	20.66	247.92
11	12	8.66	20.66	247.92
12	14	8.66	22.66	271.92
13	14	8.66	22.66	271.92
14	14	8.66	22.66	271.92
15	14	8.66	22.66	271.92
16	14	8.66	22.66	271.92
17	14	8.66	22.66	271.92
18	14	8.66	22.66	271.92
19	14	8.66	22.66	271.92
20 or more	16	8.66	24.66	295.92

MEMORANDUM OF UNDERSTANDING

The City of Chehalis and IAFF, Local 2510 hereby agree to the following terms as part of the resolution of their 2017-2019 collective bargaining agreement.

The intent of the parties in entering into this Memorandum is to supplement the existing language that is contained in Section 16 of their collective bargaining agreement, and to incorporate this Memorandum into Section 16 of their collective bargaining agreement. This Memorandum is subject to the parties' grievance procedure.

- 1) The ERS will be updated before leave is taken.
- 2) The PAS board in the fire station will be maintained.
- 3) The current practice of the parties regarding vacation selection and utilization will be maintained except as is specifically set forth in this Memorandum.
- 4) The current practice of the parties regarding vacation selection and utilization includes but is not limited to the following working conditions: bargaining unit members have the right and ability to take vacation leave on short notice (for instance, during the same shift that a request is made) provided minimum staffing (currently 2 bargaining unit members) is maintained; once approved, vacation leave is not provisional and cannot be cancelled by the City; vacation leave can be taken in minimum blocks of 1 hour, followed by 1/2 hour increments; the Shift Captain has the authority to approve vacation leave requests, including short notice requests.
- 5) As part of this Memorandum, the Fire Chief will be electronically notified as soon as possible about any vacation leave request that is made with less than 72-hours notice. However, the same standard that is set forth in paragraph 4 above would be applicable to the approval of such a short notice vacation leave request, regardless of whether the Shift Captain or the Fire Chief made the determination about whether to approve the short-term vacation leave request in a particular instance. If the Fire Chief did not respond to electronic notice of a vacation leave request within one hour in a particular instance, the Shift Captain would then proceed to act on the request using the current practice.
- 6) In the case of "same shift" requests to take vacation leave, and only in those cases, (i.e. in cases where a bargaining unit member asks for the first time to take vacation leave during the same shift in which the member wants to utilize their vacation leave), any approval of the vacation leave request would be provisional and subject to an "all call" emergency call back. If a regional "all call" emergency (major earthquake, major flooding,

Mt. St. Helens erupting, etc.) occurred subsequent to approval of the vacation leave request, but before the member had left the fire station to utilize their vacation leave, and only under those circumstances, then approval for the leave would be rescinded. Vacation leave requests would not be rescinded in more routine call back situations. If a member is requested to return from "same shift" leave time in the absence of an "all call" emergency, the member would have the option to choose whether to return or to remain away for the duration of the approved leave time before returning. If a regional "all call" emergency occurred after a bargaining unit member had left the fire station in order to utilize their vacation leave, then that member would be subject to the same expectations as would be the case with any off-duty member in the event of a regional "all call" emergency during the duration of their vacation leave. In the event of an "all call" emergency call back, members returning to work from a "same shift" leave will be compensated at the ordinary hourly rate and unused but approved "same shift" leave time would be credited back.

- 7) As part of this Memorandum, the Fire Chief and the Shift Captains may build a mutually agreeable schedule that would ensure minimum staffing of three was maintained on a limited number of dates when special events (like training) were occurring, provided there was sufficient advance notice provided to bargaining unit members so that they had reasonable notice that, in effect, short notice vacation requests would not be granted on those dates.**
- 8) The parties will agree to continue to evaluate in a collaborative fashion the current practice that is in place regarding vacation leave selection and utilization during the rest of the term of their collective bargaining agreement through mutually agreeable forums, such as labor management meetings, etc.**

DATED _____, 2018.

City of Chehalis

IAFF, Local 2510

MEMORANDUM OF UNDERSTANDING

Whereas, International Association of Fire Fighters Local 2510 and the City of Chehalis are signatory to a Collective Bargaining Agreement (CBA), and;

Whereas, on _____, 2018, the parties completed mediation on a CBA, anticipated to be ratified and signed during _____ 2018, with an effective date of January 1, 2017, and;

Whereas, terms and conditions of the CBA include continued enrollment by all bargaining unit members in the AWC Regence High Deductible Health Plan and continued employer funding through excess medical benefit dollars of tax-favorable Voluntary Employees' Beneficiary Association (VEBA) and Health Savings Accounts (HSA) established by the eligible employee, and;

Whereas, the parties desire a clear understanding of the terms and conditions under which these tax favorable accounts are administered and funded;

Therefore, it is agreed that in addition to the language contained in Section 17 Medical of the CBA, the following terms, conditions and responsibilities shall apply:

For Voluntary Employees' Beneficiary Association (VEBA) accounts:

Each eligible employee:

1. Must establish an account with "limited VEBA Plan coverage" administered by VEBA Trust, a non-profit voluntary employees' beneficiary association (VEBA) authorized under Internal Revenue Code § 501(c)(9).
2. Bears the sole responsibility for evaluating their own eligibility to participate in a VEBA account in conjunction with an HSA account and High Deductible medical plan, and any other medical reimbursement programs the employee or family members may enroll in, and is responsible for maintaining eligibility and for any consequences if eligibility is not maintained.
3. Is responsible for paying all administrative and operating fees and all other costs associated with administration of the program and the employee's individual account.
4. Is responsible for any taxes that may be due on funds and for providing/maintaining required documentation of eligible expenses.
5. Is responsible for selection of investments, selection and maintenance of beneficiary information and all other administrative, investment and tax issues associated with the employee's VEBA account.

The Employer:

1. Bears no responsibility for selection or performance of investments or for the performance or customer service provided by VEBA Trust or its associates.
2. In accordance with the schedule established in Section 17 Medical of the CBA, will submit contributions to VEBA Trust for each employee's VEBA account.

For Health Savings Accounts (HSA):

Each eligible employee:

1. Must establish an account with an established benefits administrator mutually agreed upon by both parties.
2. Bears the sole responsibility for evaluating their own eligibility to participate in an HSA in conjunction with a VEBA account and High Deductible medical plan, and any other medical reimbursement programs the employee or family members may enroll in, and is responsible for maintaining eligibility and for any consequences if eligibility is not maintained.
3. Is responsible for paying all administrative and operating fees and all other costs associated with administration of the program and the employee's individual account with the exception of those fees specifically listed below as Employer responsibilities.
4. Is responsible for any taxes that may be due on funds and for providing/maintaining required documentation of eligible expenses.
5. Is responsible for selection of investments, selection and maintenance of beneficiary information and all other administrative, investment and tax issues associated with the employee's HSA account.

The Employer:

1. Is responsible for payment of monthly administrative fees to the agreed upon administrator of the account up to the maximum amount of \$4.00 per month for each active IAFF member participating in the HSA program described in this agreement.
2. Bears no responsibility for selection or performance of investments or for the performance or customer service provided by AWC, the HSA account administrator or their associates.
3. In accordance with the schedule established in Section 17 Medical of the CBA, will submit contributions to the mutually agreed upon account administrator for each employee's HSA account.

Executed this _____ day of _____, 2018.

Jill Anderson, City Manager
City of Chehalis

Kevin Reynolds, President
IAFF Local 2510

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Judy Schave, HR/Risk Manager

DATE: October 22, 2018

SUBJECT: Addendum to Manager Contract for a Cost of Living Adjustment Consistent with Terms of Original Employment Agreement

ISSUE

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

DISCUSSION

On October 8, the City Council met with City Manager Anderson for her annual review, which was very positive. City Manager Anderson's employment agreement provides for an annual adjustment of salary based upon an annual performance review by the City Council and the Consumer Price Index All Washington (CPI/W).

The Administration has prepared an amendment to the employment agreement to reflect a cost of living increase of 3.2% effective with the pay period beginning October 25, 2018. This adjustment is based on the August 2018 Consumer Price Index All Washington (CPI/W), as outlined in the employment agreement.

FISCAL IMPACT

The annual cost of the proposed salary adjustment is approximately \$4,600 and is included in the 2019 proposed budget.

RECOMMENDATION

It is recommended that the City Council amend the Employment Agreement with City Manager Jill Anderson to reflect a 3.2% cost of living increase effective October 25, 2018.

SUGGESTED MOTION

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

ADDENDUM TO CITY MANAGER EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of October, 2018, by and between the **CITY OF CHEHALIS, WASHINGTON, a municipal corporation**, hereinafter referred to as "City", and **TRACIE JILL ANDERSON**, hereinafter referred to as "Manager".

WITNESSETH:

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

WHEREAS, the parties have agreed to certain changes to the 2016 City Manager Employment Agreement, which changes should be reduced to writing; now, therefore,

IN CONSIDERATION of the above-referenced recitals and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Paragraph 5.a. of the 2016 City Manager Employment Agreement shall be, and the same hereby is, amended to read as follows:

a. **Base Salary.** For services rendered by Manager, City shall pay a base annual salary of One Hundred Forty-Eight Thousand Five Hundred Twenty-Five and 44/100 Dollars (\$148,525.44), payable in equal monthly installments on the last working date of each month of the year effective October 2018. Said pay is subject to normal deductions and withholding as customarily occurs with City employees.

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

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

CITY OF CHEHALIS, WASHINGTON

By _____
Its Mayor

CITY

Tracie Jill Anderson

MANAGER

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Trent Lougheed, Community Development Director
Rick Sahlin, Public Works Director
Don Schmidt, Street Superintendent

MEETING OF: October 22, 2018

SUBJECT: Engineering Services Agreement for the Pacific Avenue Reconstruction Project

ISSUE

An engineering services agreement with RB Engineering for the Pacific Avenue Reconstruction Project is being presented for City Council's review and approval.

DISCUSSION

Reconstruction of Pacific Avenue from Park Street to Main Street is one of the top priority projects for the city to address failing stormwater mains and aging water mains within the project limits. RB Engineering was selected from the city's engineering roster to provide design, bidding, and construction services for the project.

The attached engineering services agreement with RB Engineering includes the following:

- Surveying and base mapping
- Construction documents (plans, specifications, and engineering) to show the general scope, extent and character of the work to be furnished and performed by contractor(s)
- Bidding services including contract agreement forms, general and supplementary conditions, bid forms, invitations to bid, instructions to bidders, and to assist in the preparation of other related documents
- Construction services including, monthly progress reports, project schedule, and project close-out

It is anticipated that the design of the Pacific Avenue Reconstruction Project will be completed and the project bid by March, 2019.

FISCAL IMPACT

The proposed cost for the engineering services agreement is \$134,200 and will not be exceeded without permission from the city. General construction management services for construction of the project are part of this agreement and will not require a contract amendment at a later date.

The cost of these services will be split between the street (Transportation Benefit District), storm, and water funds based on a percentage of the anticipated construction cost.

RECOMMENDATION

It is recommended that the City Council approve the engineering services agreement with RB Engineering for an amount not to exceed \$134,200 for design of the Pacific Avenue Reconstruction Project.

SUGGESTED MOTION

I move that the City Council approve the engineering services agreement with RB Engineering for an amount not to exceed \$134,200 for design of the Pacific Avenue Reconstruction Project.



DESIGN → PERMIT → MANAGE

August 16, 2018

Trent Lougheed
Community Development Director
City of Chehalis
1321 S Market Blvd
Chehalis, WA 98532
tlougheed@ci.chehalis.wa.us

Re: NW Pacific Ave Reconstruction Project
RBE No. 18073

Dear Trent:

RB Engineering (RBE) appreciates the opportunity to provide this scope of work for your project. The following has been prepared based on our understanding of the proposed project and scoping meeting conducted with City staff.

Task 20 – Project Management and Permitting

This task includes RBE's management of the project through permitting and design. It also includes all coordination with sub-consultants and project owner.

RBE Services

1. Coordinate with utility locate service prior to project topographic surveying.
2. Coordinate with Surveyor during field topographic and or boundary survey services.
3. Conduct walk through to verify utility locate and completeness of topographic survey.
4. Coordinate with the review agency to discuss preliminary site and design plans.
5. Coordinate with dry utility companies that include phone, cable and gas services.
6. Prepare NPDES Stormwater Construction Permit.
7. Prepare and coordinate public notice advertisements.
8. Prepare for and attend review agency meetings.

Client Responsibilities

- Review conceptual designs and provide feedback on project at 30%, 60% and 90% design.

Task 30 – Surveying Services

For this task RBE will provide a qualified licensed surveyor to conduct onsite topographic and/or boundary surveying for the project.

Surveyor Services

1. Coordinate design locate services for NW Pacific Ave. and NW Prindle.
2. Perform survey research and provide right-of-way plan.
3. Perform field topographic surveying of full width right-of-way for NW Pacific Ave. and NW Prindle.

Client Responsibilities

- Pay all review agency recording fees.

Deliverables

- Site Topographic Survey Mapping.

91 SW 13th Street - Chehalis, WA 98532 - Office (360) 740-8919 - Email Civilpros@RBEngineers.com

- Road Right of Way Mapping.

Task 50 – Construction Documents

This task includes development of the final civil engineering construction documents, specifications and technical reports required to achieve construction permits for the project.

RBE Services

1. Prepare final road geometric design and alignment.
2. Prepare Street Light Illumination Design and Line Loss Design Calculations.
3. Prepare a set of construction plans that includes the following estimated sheets:

C0.1	Civil Cover Sheet
C0.2	Project Data and Notes
C0.3	Existing Topography and Utilities
C1.1	NW Pacific Ave. Storm Replacement Plan and Profile – 20 Scale
C1.2	Drainage Details and Notes
C2.0	NW Prindle Water Main Plan and Profile – 20 Scale
C2.1	NW Pacific Ave. Water Main Plan and Profile – 20 Scale
C2.2	NW Pacific Ave. Water Main Plan and Profile – 20 Scale
C2.3	Water Standard Details and Notes
C3.1	NW Pacific Ave. Road Plan and Profile – 20 Scale
C3.2	NW Pacific Ave Road Plan and Profile – 20 Scale
C3.3	Intersection and Curb Ramp Details – 10 Scale
C3.4	Commercial Driveway Details – 10 Scale
C3.5	Road Standard Details and Notes
C3.6	Road Standard Details and Notes
C4.1	Street Tree and Lighting Plan – 40 Scale
C4.2	Street Light and Tree Details and Notes
C5.2	Sign and Pavement Marking Plan – 40 Scale
C5.2	Standard Sign and Pavement Marking Details
C6.1	Temporary Erosion and Sedimentation Control Plan – 40 Scale
C6.2	T.E.S.C. Details and Notes

4. Prepare the Bid Specification Documents, Bidders Instructions and Project Material Specifications.
5. Conduct final review of design plans and reports.
6. Plot plans and print and bind reports for final submittal package.

Client Responsibilities

- Meet with RBE to review and comment on design plans during final design development.
- Pay for all permit applications and plan review fees; provide signatures as needed.

Assumptions

- Engineers Joint Contract Documents Committee general conditions and bidding forms.
- Geotechnical Findings and Road Structural Section to be provided by Owner.

Deliverables

- Review Agency approved Civil Construction Drawings.
- Final Bid Specification Documents.

Task 60 – Project Bidding Services

This task includes RBE's assistance to the client in soliciting construction bids to qualified site work contractors.

RBE Services

1. Distribute bid documents.
2. Provide responses to bidder questions during the bid process.
3. Prepare addenda if needed to address questions.
4. Attend bid opening and review for completeness.

Client Responsibilities

- Coordinate and publish bid notice.
- Provide responses to bidder questions during the bid process.
- Issue addenda if needed to address questions.
- Conduct bid opening and open bids, review for completeness.
- Review bids for accuracy and completeness.
- Conduct reference checks to verify experience and qualifications of low bid contractor.
- Prepare notice of award and request construction bond and insurance certificate.
- Prepare final contract for signatures.
- Issue notice to proceed.

Assumptions

- Hard copies of construction documents will be billed at RBE's current rates and paid by the bidding contractors.

Task 70 – Construction Engineering and Management

This task includes RBE's management of the project through construction. Per our scoping meeting, I have budgeted 10 hours a week for the following services along with budget to prepare the final record drawings from contractor redlines.

RBE Services

1. Setup construction project forms.
2. Attend pre-construction meeting.
3. Attend Contractor bi-weekly meetings.
4. Review and reply to RFI's.
5. Review inspection and testing reports by third party testing company.
6. Conduct onsite inspections as needed.
7. Project coordination with contractor's surveyor and review site staking.
8. Conduct final walk through with contractor, client and create punch list letter.
9. Complete Record Drawings from contractor markups and submit to client and review agency.

Client Responsibilities

- Contract directly with construction testing firm for compaction and special testing.
- Review project submittals.
- Prepare and approve recommended field orders.
- Prepare and approve change orders.
- Review and process contractor pay requests.
- Provide daily inspection services.

Assumptions

- Contractor will provide all construction staking as part of the construction bid.

Deliverables

- RBE Inspection Reports.
- Electronic copy of all construction documentation.
- Final record drawings in electronic and hard copy for client and review agency.

Task 90 – Reimbursable Expenses**RBE Services**

- Full size plotting - \$3.00 per sheet
- Full size scanning - \$1.75 per sheet
- Report binding materials – Cost plus 15%
- Agency fees paid by RBE – Cost plus 15%
- Sub-consultant fees paid by RBE - Cost plus 15%
- Overnight mailing and shipping – Cost plus 15%

RBE Task Summary and Lump Sum Fee

Task	Description of Work	RBE Fee
10	Pre-Application Meeting and Feasibility	Not Included
20	Project Management	\$7,000
30	Surveying Services	\$10,700
40	Preliminary Engineering	Not Included
50	Construction Documents and Specs.	\$88,000
60	Project Bidding Services	\$4,000
70	Construction Engineering and Management	\$24,000
80	Special Reports and Studies	Not Included
90	Reimbursable Expenses	\$500

RBE Total Lump Sum Fee = \$134,200

2018 RBE Billing Rates

Item	Employee Description	Hourly Rate
1	Principal Engineer	\$140
2	Project Engineer	\$120
3	Project Manager	\$110
4	Design Engineer	\$100
5	Sr. Design Technician	\$95
6	Design Technician	\$85
7	Permit Coordinator	\$65
8	Office Clerical Staff	\$48

Work Not Included in RBE Lump Sum Contract Scope of Work

1. Boundary Survey
2. Final Platting Process
3. Building Flood Elevation Certification
4. SEPA Environmental Checklist
5. JARPA Shorelines Application
6. Washington State Fisheries HPA Permit
7. Geotechnical Report
8. Onsite Soils Gradation Testing
9. Onsite Soils Infiltration Testing
10. Wetland Analysis or Report
11. Archeological Site Review and Report

12. Traffic Trip Generation
13. Level 1 or 2 Traffic Study
14. Building Permit Coordination, Application or Submittal
15. Landscape and Irrigation Design Plans

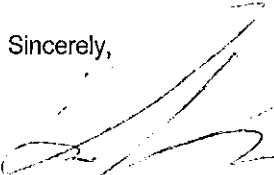
Schedule

We anticipate a design period of 4 months with anticipated milestone dates below based receiving a signed agreement to begin by mid-September.

Complete site topographic survey	October 22, 2018
95% Constructing Drawings and Specifications	January 31, 2019
Final Bid Documents	February 15, 2019
Advertise for Bid	March 4, 2019

If you find this scope of work acceptable, please sign the attached work authorization contract and return a copy to us. We can begin project progress upon receipt of your signed contract. I look forward to working with you on this project. If you have any questions, please call me at (360) 740-8919.

Sincerely,



Robert W. Balmelli PE
President

Enclosure(s): Work Authorization Contract, Brochure, Firm Profile, Business Card

This fee proposal and scope of work are based on information available at this time. There may be a point in the future when the scope of work may change based on survey findings, or requirements stipulated by the City, County, or State. At that time, you will be given an opportunity to decide how you would like to proceed. Your options will be to stop work or to authorize the revised scope and associated costs. Fee estimates shown are accurate for 60 days following date of proposal.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Trent Lougheed, Community Development Director
Celest Wilder, Development Review Specialist

MEETING OF: October 22, 2018

SUBJECT: Floodplain Management Planning Annual Progress Report

ISSUE

As a requirement for Community Rating System (CRS) accreditation, an annual Floodplain Management Planning Progress Report is required to be submitted to the governing board, local media, and the state National Flood Insurance Program (NFIP) coordinating office.

DISCUSSION

The Lewis County Multi-Jurisdictional Hazard Mitigation Plan, adopted by the city on October 24, 2016, lists five specific goals in its mitigation strategy to:

1. **Reduce** the vulnerability of Lewis County communities to natural disasters;
2. **Optimize** allocation of hazard mitigation resources and sharing of information;
3. **Ensure** that our community is capable of initiating and sustaining emergency response operations during and after disasters;
4. **Maintain** continuity of public services during and after disasters; and
5. **Maximize** available resources for hazard mitigation activities and disaster recovery

Attached is a copy of the progress report prepared for the five goals, and a narrative of the aspects of each goal as they apply to flood hazard mitigation.

FISCAL IMPACT

There is no fiscal impact associated with this agenda item.

RECOMMENDATION

This report is for public information purposes only.

SUGGESTED MOTION

No action is required.



Community Development Department
1321 S Market Blvd. Chehalis, WA 98532
(360) 345-2229 / Fax: (360) 345-1039
www.ci.chehalis.wa.us email: comdev@ci.chehalis.wa.us

Floodplain Management Planning Annual Progress Report

The Lewis County Multi-Jurisdictional Hazard Mitigation Plan, adopted by the City of Chehalis on October 24, 2016, lists five specific goals in its mitigation strategy. Below are the goals listed, the progress completed to reach the goals outlined, and a plan for future tentative projects in order to complete the mitigation strategy.

Goal 1: Reduce the vulnerability of Lewis County communities to natural disasters

- **City Staff continue to develop and reasonably maintain cost-effective activities and programs to:**
 - **Maintain and update hazard and disaster data**
 - Updated hazard mapping with County GIS Staff
 - **Reduce impact to existing development, infrastructure and facilities.**
 - Inform and educate general public on methods of retrofitting flood protection controls
 - **Reduce vulnerability of new development through comprehensive land use planning**
 - All new development follows a comprehensive project review process to ensure that minimum required hazard mitigations are incorporated in to the planning and building process.
 - **Educate citizens, and both private and public sector organizations on flood hazards, techniques to reduce vulnerability, resources available, and disaster preparedness outreach.**
 - Correspondence sent four times annually to specific target audiences
 - **Monitor effectiveness of activities currently in place.**
 - Developing PPI program to enhance the effectiveness of current activities
 - **Update activities and programs as needed.**
 - Ongoing as needed.

Goal 2: Optimize allocation of hazard mitigation resources and sharing of information

- **Plan participants will coordinate local and regional activities/programs as appropriate to cost-effectively reduce disaster vulnerability for Lewis County communities.**
 - Maintain information available at various locations
 - City of Chehalis Community Development
 - Lewis County Public Services
 - Lewis County Emergency Management Office
 - Timberland Regional Library
 - City of Chehalis Website
 - Participate in the newly created multi-jurisdictional PPI committee to create a program that provides for a more informed population as it relates to floods, associated hazards, and both pre and post disaster mitigation options.

Goal 3: Ensure that our community is capable of initiating and sustaining emergency response operations during and after disasters

- **Plan participants will strive to**
 - **Develop and maintain the capability of emergency services organizations to detect emergency situations and promptly initiate emergency response operations.**
 - The city participates in ongoing training programs with Washington State Emergency Management, Lewis County Emergency Management, and other neighboring jurisdictional staff members.
 - **Cost-effectively protect critical public facilities from natural hazard impacts.**
 - Public critical facilities are assessed and monitored for compliance with natural hazard impact protection, and the appropriate action is taken if necessary to ensure their safety.
 - **Ensure that emergency services facilities and their associated utility and communications systems are capable of providing critical services.**
 - Monitored in conjunction with protection of the facilities themselves for natural hazard impact protection.
 - **Ensure access to key health care facilities and designated evacuation routes and shelters remain open and operable before, during, and after disaster events.**
 - Within the City of Chehalis, no key healthcare facilities are located within the SFHA,
 - Multi-jurisdictional effort to maintain access to nearest trauma center in neighboring jurisdiction.

- **Retrofit and/or relocate shelters or structures for vehicles and equipment needed for emergency services operation to withstand disaster impacts.**
 - City of Chehalis Fire Department personnel on duty, and all associated equipment needed for emergency services operation have been relocated to a temporary location out of the floodplain.
 - Permanent location will either be located outside of the floodplain, or elevated a minimum of 3 feet above the Base Flood Elevation.

Goal 4: Maintain continuity of public services during and after disasters

- **Plan participants will strive to:**
 - **Prepare and maintain plans to guide decision-making, resource allocation, and re-establishment of operations before, during, and after a disaster.**
 - City staff members participate in ongoing training programs with Washington State Emergency Management, Lewis County Emergency Management, and other neighboring jurisdictional staff members.
 - **Protect important records, documents, and information systems from the impacts of disasters.**
 - Records archives, dedicated document storage areas, and information systems department are located outside of the SFHA.
 - **Reduce the disaster vulnerability of buildings and facilities used for routine operations.**
 - Vulnerability assessed in conjunction with essential critical facility assessments.

Goal 5: Maximize available resources for hazard mitigation activities and disaster recovery

- **Plan participants will:**
 - **Comply with state and federal requirements to ensure continued eligibility of participating jurisdictions for federal pre-disaster and disaster relief funding.**
 - Ongoing training and education with State and County Emergency Management to ensure requirements are met.
 - **Work cooperatively to identify and pursue hazard mitigation grant and funding opportunities.**
 - Actively participate in multi-jurisdictional training and education opportunities relating to mitigation grants and funding opportunities
 - **Share and disseminate information regarding hazard mitigation grant and funding opportunities with public agencies, not-for-profit organizations, business and industry.**

- Multi-jurisdictional PPI committee is focusing on this subject. Plan is in draft stage and is anticipated to be adopted prior to the end of the year.
- **Participants will develop community “neighborhood” preparedness plans.**
 - Work with Emergency Management offices and personnel at the City, County, and State levels. to develop and implement.

This report will be updated annually as part of the City’s ongoing efforts to maintain Community Rating System membership requirements.

Celest Wilder, CFM

***Development Review Specialist
Building Inspector***

**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: October 22, 2018

SUBJECT: Ordinance No. 992-B, Second and Final Reading – Amending Chehalis Municipal Code Title 5 Relating to Business Licensing

ISSUE

Petition to Amend Title 5 of the Chehalis Municipal Code pertaining to business licenses and to add an additional chapter pertaining to Special Events.

The Washington State Legislature passed HB2005 in 2017 mandating that cities shall partner with Washington State to issue business licenses. Chehalis is required to complete this process by the end of 2018.

In addition, the Washington Cities Insurance Authority (WCIA) has requested that we update our code for special events to ensure complete coverage for the city and minimize risks to the public at large.

Both of these changes affect Chapter 5.04 of the Chehalis Municipal Code.

In order to avoid potential conflicting sections of code, this section is now being proposed to be replaced in its entirety, however, no other significant changes have been made since the first reading with the exception of the following modifications:

- Definitions have been added for “Business Licensing Service” and “Development Review Committee”
- References of City maintaining business license information
- 5.04.020 (D) has been revised to remove references to:
 - Owning, renting, and leasing of establishments

- Meeting with customers even when no sales or orders are solicited
- Investigating and resolving customer complaints
- In-store stocking of goods, regardless of where sale and delivery takes place

DISCUSSION

Washington State is mandating the change to have the State Department of Revenue administer city business licenses, which provides online application options. It also allows companies doing business in multiple cities to easily obtain business licenses for every city they do business in. (For example, plumbers and roofing companies.)

The existing code simply states “No person shall engage in business in the City without first obtaining a license for such business issued by the city as provided herein.” The proposed ordinance provides for the following:

- Persons or businesses with less than \$2,000 annual value of products, gross proceeds or income and does not maintain a place of business within the City can obtain their permit at no cost. (For example, those renting temporary tenant spaces with a registered business address outside of the City.)
- Provides definition as to what constitutes “business”
- Lists many samples of activities requiring business licenses
- Lists exceptions that do not require a business license

Special Event Permitting

WCIA recently did an audit of the city’s permitting and during that audit it was determined that the city does not have complete coverage for special events, such as parades and other events that utilize city streets.

The addition of Section 5.04.130 relating to Parades, Athletic Events, and Other Special Events specifies requirements of special events permitting as required for coverage under WCIA. The proposed ordinance provides for the following:

- Provides definition as to what constitutes “special events”
- Lists many samples of activities requiring special event permits
- Lists exceptions that do not require a permit
- Provides application submittal requirements
- Lists grounds for denial of applications
- Conditions of Permit
- Process of Appeal
- Insurance Requirements
- Fees
- Violations and Revocations

The Planning Commission unanimously voted 5 to 0, to recommend that the City Council adopt updates for both the administering of business licenses and requirements for special events.

FISCAL IMPACT

None by this action. The Washington State Department of Revenue will issue the majority of business licenses for Chehalis. There will be no charge to the City of Chehalis for this service.

RECOMMENDATION

It is recommended that the City Council pass Ordinance No. 992-B on the second and final reading.

SUGGESTED MOTION

I move that the City Council pass Ordinance No. 992-B on the second and final reading.

ORDINANCE NO. 992-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, PROVIDING FOR THE REGULATION AND LICENSING OF BUSINESSES; ESTABLISHING LICENSE FEES; PROVIDING FOR SPECIAL REQUIREMENTS FOR CERTAIN TYPES OF BUSINESSES; ESTABLISHING A LICENSE FOR PARADES, ATHLETIC EVENTS, AND OTHER SPECIAL EVENTS; ESTABLISHING A PENALTY FOR THE VIOLATION HEREOF; REPEALING ORDINANCE NO. 701-B, PASSED THE 27TH DAY OF AUGUST, 2001, SECTION 2, ORDINANCE NO. 847-B, PASSED THE 28TH DAY OF SEPTEMBER, 2009, AND ORDINANCE NO. 959-B, PASSED THE 11TH DAY OF JULY, 2016, CODIFIED AS CHAPTER 5.04 OF THE CHEHALIS MUNICIPAL CODE; AND PROVIDING FOR AN EFFECTIVE DATE HEREOF.

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

5.04.010 Definitions.

The following terms shall have the following meanings, except where the context clearly indicates that a different meaning is intended and except where any section of this chapter concerning a particular business contains a specific provision to the contrary. Terms not defined herein shall have their accepted and usual meaning.

“BLS” is the Business Licensing Service within the Washington State Department of Revenue providing business licensing services to the city.

“Business” includes all activities engaged in with the object of gain, benefit, or advantage to the person engaging therein or to another person or class, directly or indirectly, including any activity conducted for the sale of goods or providing of services for a profit.

“DRC” means the city Development Review Committee.

“Engage in business” means to commence, conduct, or continue in business, or to exercise corporate or franchise powers as well as to liquidate a business when the liquidators thereof hold themselves out to the public as conducting such business. For out-of-city businesses, “engage in business” shall refer to the point of sale, not the point of delivery.

“License” shall include and be used interchangeably with the term “permit” and shall mean the official approval or authorization of the city to engage in business or to carry on or conduct a special event within the corporate limits of the city for which a license or permit is required pursuant to the provisions of this chapter.

“Person” shall include and be used interchangeably with the terms “company,” “corporation,” “individual,” “owner,” “partnership,” “proprietorship,” and “sole proprietorship” and shall mean

any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, joint venture, club, business trust, association, society, or group of individuals acting as a unit, whether mutual, cooperative, fraternal, religious, profit, nonprofit, or otherwise.

“Standard business” means to engage in a business in the city for a continuous period of 30 days or more.

“Temporary business” means to engage in business for a period of less than 30 days or to operate a business out of a vehicle, truck, trailer, other mobile unit, or from a building, structure, or leasehold improvement which is not taxed as a part of the real property on which the business is located.

5.04.020 License required.

A. No person shall engage in business in the city without first obtaining a license for such business.

B. For purposes of the license by this chapter, any person or business whose annual value of products, gross proceeds of sales, or gross income of the business in the city is equal to or less than \$2,000 and who does not maintain a place of business within the city, shall obtain a business license from the Washington Department of Revenue, at no cost. The threshold does not apply to regulatory license requirements or activities that require a specialized permit.

C. This section sets forth examples of activities that constitute engaging in business in the city and establishes safe harbors for certain of those activities so that a person who meets the criteria may engage in de minimus business activities in the city without having to pay a business license fee. The activities listed in this section are illustrative only and are not intended to narrow the definition of "engaging in business." If an activity is not listed, whether it constitutes engaging in business in the city, shall be determined by considering all the facts and circumstances and applicable law.

D. Without being all inclusive, any one of the following activities conducted within the city by a person, or its employee, agent, representative, independent contractor, broker, or another acting on its behalf constitutes engaging in business and requires a person to register and obtain a business license.

1. Current and future business license holders
2. Soliciting sales
3. Making repairs or providing maintenance or service to real or tangible personal property, including warranty work and property maintenance
4. Providing technical assistance or service, including quality control, product inspections, warranty work, or similar services on or in connection with tangible personal property sold by the person or on its behalf
5. Soliciting, negotiating, or approving franchise, license, or other similar agreements
6. Collecting current or delinquent accounts
7. Picking up and transporting tangible personal property, solid waste, construction debris, or excavated materials.
8. Providing disinfecting and pest control services, employment and labor pool services, home nursing care, janitorial services, appraising, landscape architectural services, security

system services, surveying, and real estate services including the listing of homes and managing real property

9. Rendering professional services such as those provided by accountants, architects, attorneys, auctioneers, consultants, engineers, professional athletes, barbers, baseball clubs and other sports organizations, chemists, consultants, psychologists, court reporters, dentists, doctors, detectives, laboratory operators, teachers, and veterinarians

10. Training or recruiting agents, representatives, independent contractors, brokers or others, domiciled or operating on a job in the city, acting on its behalf, or for customers or potential customers

11. Delivering goods in vehicles owned, rented, leased, used, or maintained by the person or another acting on his/her behalf

E. The city expressly intends that engaging in business include any activity sufficient to establish nexus for purposes of applying the license fee under the law and the constitutions of the United States and the State of Washington. Nexus is presumed to continue as long as the taxpayer benefits from the activity that constituted the original nexus generating contact or subsequent contacts.

5.04.030 License application.

Applications for a standard business license ~~in conformance with this chapter~~ shall be made ~~in writing to the city on such form(s) as shall be prescribed and provided through the Washington State Department of Revenue BLS website.~~ Applications for a temporary license or special event license shall be made in writing to the city.

5.04.040 General provisions.

A. The provisions of this chapter shall apply to all business licenses of the city, except where a chapter concerning the particular business contains a specific provision to the contrary, in which case the specific provision shall apply.

~~B. Nothing in any city ordinance shall be deemed to prohibit the city from using computers or organizing information concerning licenses, or from storing or processing such information. The city shall, however, maintain each license application in a permanent file either manually or electronically.~~

~~BC.~~ This chapter shall not be interpreted as limiting the number of licenses that may be issued or as limiting the number of businesses of any particular kind that may be operated within the corporate limits of the city. No city officer or employee may refuse to issue a license because of the officer's or employee's belief that there are enough of a particular type of business in the city already.

~~CD.~~ Any business in the city, whether or not properly licensed, may be inspected by city officers and employees authorized to enforce provisions of ordinances relating to such business or to the premises upon or within which such business is conducted. In the absence of any emergency and in the absence of sound reasons whereby an inspection cannot be made within regular business hours, inspections shall be made during normal business hours. Immediately upon arriving at a place of business for the purpose of making an inspection, the city officer or employee making the inspection shall identify himself or herself and shall state that the purpose of the visit is to make an inspection. No person having control of any business premises shall refuse to permit a

city officer or employee to enter for the purpose of making an inspection. If entry is refused, the city officer or employee shall leave and pursue appropriate legal action relating to the specific circumstance. Refusal by any applicant or licensee to allow inspection of any business premises shall be grounds to deny any related business license application and to revoke any previously issued business license.

~~DE.~~ No city ordinance relating to business licenses shall be interpreted as granting or attempting to grant to any city officer or employee any discretionary authority to issue a license or to refuse to issue a license. The license shall be issued to each applicant complying with all applicable Washington State laws and city ordinances and a license shall be refused for any applicant failing to comply with all such laws and ordinances.

~~EF.~~ No person shall be issued a city business license if the laws and regulations of the state of Washington or the United States government require such person to have a license or permit under state or federal law or regulation and such person does not possess such state or federal license or permit.

5.04.050 Fees.

A. The license fees for a business license shall be as provided in the city's development regulations (CMC Title 17), Appendix Chapter 'A', Schedule of Fees and Charges.

B. The fee for a ~~business license for a~~ standard business license shall be paid in full at the time the application is submitted to BLSthe city, and annually thereafter on or before its anniversary date. The fee for a ~~business license for a~~ temporary business license or special event license shall be paid in full at the time the application is submitted to the city. No license fee shall be prorated. The city may charge a 10 percent late fee for all license payments not timely made.

5.04.060 License duration.

A. The duration of a standard business license shall be one year from its date of issue. Provisions shall be made to stagger the anniversary dates such that the total number of business licenses issued by the city will expire approximately equally throughout the calendar year.

B. The duration of a temporary business license shall be the term designated by the applicant, not to exceed 30 continuous days.

5.04.070 Form – Display.

All business licenses issued under this chapter shall be designated "City of Chehalis Business License." The person to whom said license is issued shall at all times prominently display the license in a conspicuous place accessible by the general public at the location of said business. Any person making contact with the general public in the city outside of the local business location, while representing a licensed business (e.g. contractors, sales representatives, solicitors, etc.), shall have a copy of said valid business license upon their person, and make said copy available for public inspection on request.

5.04.080 Exemptions.

~~The provisions of this chapter shall not apply to nor affect the following persons, sales, or services:~~

~~A. If a person, or his/her employee, agent, representative, independent contractor, broker, or~~

another acting on the person's behalf, engages in no other activities in or with the city, but the following, it need not register and obtain a business license:

1. Garage sales, lawn sales, attic sales, rummage sales, flea market sales, or any other similar casual sale of tangible personal property conducted on an infrequent basis not to exceed three times per each calendar year and three days per event, and which is advertised by any means whereby the public at large is or can be made aware of said sale;
2. Persons selling personal property or providing a service pursuant to an order or process of a court of competent jurisdiction;
3. Persons acting in accordance with their powers and duties as public officials;
4. Any person selling or advertising for sale an item(s) of personal property which are specifically named or described in the advertisement in which separate items do not exceed five in number;
5. Persons, sales, or services arising out of community promotional events, farmer's market located within the city, or any other community event determined by the DRC to be exempt from the requirements of this chapter.

6. Meeting with suppliers of goods and services as a customer

7. Meeting with government representatives in their official capacity, other than those performing contracting or purchasing functions

8. Attending meetings, such as board meetings, retreats, seminars, and conferences, or other meetings wherein the person does not provide training in connection with tangible personal property sold by the person or on its behalf. This provision does not apply to any board of director member or attendee engaging in business such as a member of a board of directors who attends a board meeting.

9. Renting tangible or intangible property as a customer when the property is not used in the city

10. Attending, but not participating in, a "trade show" or "multiple vendor event"

11. Conducting advertising through the mail

12. Soliciting sales by phone from a location outside the city

B. A seller located outside the city merely delivering goods into the city by means of common carrier is not required to register and obtain a business license, provided that it engages in no other business activities in the city.

5.04.090 Location.

A business license issued pursuant to the provisions of this chapter shall contain the street address of the location of the business for which the license is issued if the primary business

office is located within the city limits. Any business having no physical location within the city shall comply with the requirements of the section "Form – display." Any business that shall change its business location within the corporate limits of the city or operate its business at an additional business location within the corporate limits of the city shall make separate application for an amended business license for the new business location or additional business location. No fee shall be charged for the amended application. A business terminating or otherwise going out of business within the city shall be required to notify the city.

5.04.100 Revocation of business license.

A. A business license may be revoked by the city in the event the licensee shall fail to pay the license renewal fee, or shall fail to comply with any of the terms and provisions of any city ordinance, rule, regulation or condition of approval, including but not limited to, the Revised Code of Washington (RCW).

B. A business license may be revoked by the DRC upon a finding that a business constitutes a defined public nuisance (CMC 7.04.130), or has failed or refused to respond to any abatement notice issued to such premises or use.

C. The DRC is authorized to revoke any business license upon a finding that criminal activity has been perpetrated on or within a business premises by the licensee.

D. Except as provided in paragraph B and C above, notice of revocation of a business license shall be mailed by the city to the licensee at the address of the licensee listed on the business license application by certified mail, return receipt requested, not less than 10 days prior to the effective date of such revocation. Said notice shall state the reason for revocation. In the event the reason for revocation shall be cured prior to the effective date of such revocation, the business license shall be reinstated. In the event the reasons stated for revocation are not cured prior to the effective date of revocation, the license shall be deemed revoked.

E. Any business license that has been revoked may only be reinstated by a finding by the DRC that either an error in the review process was made causing the revocation to occur initially, or the subject business has demonstrated that the conditions causing the revocation have been corrected.

F. Any licensee that has had a business license revoked may apply for a new business license for substantially the same, or a new, business. The city shall not be required to issue any such license unless the DRC finds that the application complies with all applicable regulations, and the conditions causing the original revocation have been corrected.

5.04.110 Special licenses – Additional requirements.

A. For-Hire Vehicles.

1. Definitions.

a. "For-hire driver" means any person in charge of or driving a taxicab carrying passengers or baggage for hire, as herein defined; provided, however, that the provisions of this chapter shall not apply to drivers of motor vehicles used in interstate commerce nor to drivers of motor vehicles operated by any municipal or privately owned and licensed transit system.

b. "Motor vehicle" means every self-propelled vehicle by or upon which any person may be transported or carried upon a public street, highway, or alley; provided, however, the provisions of this chapter shall not apply to vehicles used exclusively upon stationary tracks or rails or propelled by the use of overhead electric wires, or vehicles used by hotel or motel keepers to convey their guests to and from hotels or motels free of charge or reward and used exclusively for that purpose only.

c. "Taxicab" shall be synonymous with the term "for-hire vehicle" and means and includes every motor vehicle used for the transportation of passengers for hire not operated exclusively over a fixed and definite route and which is under the control of the person(s) transported therein. The term shall include any motor vehicle operated for compensation either wholly within the city or to or from a point outside the city.

2. For-Hire Driver's Endorsement Required. No person, firm, partnership, or corporation owning, controlling, or engaged in a taxicab business shall employ as the driver of any taxicab or permit any taxicab to be operated by a driver who does not have in his possession a valid and subsisting for-hire driver's endorsement issued by the police department.

3. For-Hire Driver's Endorsement Qualifications. Each applicant for a for-hire driver's endorsement must possess the following qualifications:

- a. Be at least 21 years of age;
- b. Possess a valid Washington driver's license with proper endorsement;
- c. Have no more than three traffic infraction violations and/or criminal traffic convictions within a five-year period immediately preceding the issuance of a for-hire driver's endorsement;
- d. Have no convictions for any alcohol or controlled substance offense and no addiction to the use of any alcohol or controlled substance;
- e. Have no conviction of any offense involving moral turpitude or intent to defraud.

4. For-Hire Driver's Endorsement Application Investigation. When an application for a for-hire driver's endorsement, duly signed and sworn to and accompanied by the required certificate of a health officer, has been received, the chief of police shall investigate the statements contained therein and may obtain such other information concerning the applicant's character, integrity, personal habits, past conduct, and general qualifications as will show the applicant's ability and skill as a driver of a taxicab, and his honesty, integrity, and character for the purpose of determining whether the applicant is a suitable person to drive a taxicab within the corporate limits of the city. All applications for for-hire driver's endorsement shall become null and void after 60 days from the date of filing of such application if the applicant for any reason fails or neglects to obtain an endorsement.

5. Display of Licenses and State Permits. Every owner or operator of a taxicab in the city shall at all times carry in such vehicle permits issued by the Washington State Department of

Licensing showing such vehicle to be properly bonded for the protection of the public and also the licenses and endorsements issued pursuant to this chapter.

6. Trip Sheets.

a. Every person owning or operating a taxicab licensed by the city shall keep an accurate daily record on a trip sheet, the form and size to be determined and approved by the chief of police, for each shift such equipment is operated. All daily trip sheets shall be kept on file for a period of three years at the address for which the taxicab license is issued, unless otherwise specified or directed by the chief of police. All daily trip sheets shall be open for inspection by the chief of police at any time either while carried in the taxicab or at the address of the licensee. It shall be unlawful for any person to fail to make available any trip sheet for inspection upon request by the chief of police.

b. The following information shall be contained on each trip sheet:

- i. Driver's name, as endorsed, and for-hire driver's endorsement number;
- ii. Driver's residence address and telephone;
- iii. Name of the vehicle's owner and vehicle number;
- iv. Date, time, and place of origin and dismissal of each trip;
- v. Fare paid;
- vi. Number of passengers paying or not paying and any other items for which a charge was or was not made;
- vii. Beginning and ending odometer mileage of the vehicle for each shift worked;
- viii. Beginning and ending time for each shift worked.

c. The driver of any taxicab shall, on request of any passenger paying him a fare for any trip, issue a receipt showing such information for the trip. Failure to keep an accurate daily trip sheet or the withholding of a trip sheet or fare moneys collected by a for-hire driver from his employer or his duly authorized agent shall be grounds for suspension or revocation of his for-hire driver's endorsement.

7. Direct Route of Travel. Any driver of a taxicab employed to carry passengers to a definite point shall take the most direct route possible that will carry the passenger safely and expeditiously to the passenger's destination.

8. Vehicle Inspection and Insurance. Every licensee shall, before commencing operation, file with the chief of police a certificate of inspection showing all vehicles licensed pursuant to this chapter to have been inspected by a reliable automotive concern approved by the chief of police and to be certified as safe for taxicab operation by the automotive concern. Annually thereafter the vehicle must be reexamined by a reliable automotive concern and recertified as to safety of operation pursuant to the terms and conditions of this chapter. In addition, every taxicab licensee shall, before commencing operation, file with the chief of police a liability and property damage insurance policy issued by an insurance company authorized to transact business in the state of Washington providing for property damage insurance in a sum of not less than \$25,000 and for personal liability insurance in a sum of not less than \$300,000 for the injury of one person or for injuries resulting from any one accident. In addition to the inspections provided herein, all vehicles operating under the authority of this chapter shall be available for inspection at any time

and at any place by the chief of police, who shall order any taxicab to cease operation immediately if, in his determination, the vehicle is in an unsafe condition, and shall notify the operator or driver in writing thereof. No person shall drive or operate any taxicab without complying with the certification and insurance procedures set forth herein or which is in an unsafe condition or without proper equipment, as determined by the chief of police.

9. Endorsement Suspension and Revocation.

a. The chief of police is authorized and directed to enforce the terms and provisions of this section. If it is determined that any licensee has violated or failed to comply with any provision of this section, the chief of police shall make a written record of such findings, specifying therein the particulars of any such violation, and thereupon the endorsement of any such driver may be suspended or revoked for a period to be fixed by the chief of police, in which event the endorsement shall be surrendered to the chief of police. In the event of revocation of an endorsement, such endorsement shall be canceled, and in the event of a suspension, the endorsement shall be returned to the licensee after expiration of the period of suspension. Any revocation or suspension of an endorsement for violation of any of the provisions of this section shall be in addition to penalties otherwise provided for in this chapter.

b. Any applicant for an endorsement hereunder who shall be denied the issuance of an endorsement, or any licensee whose endorsement is revoked or suspended by the chief of police, shall have the right to appeal the denial of an endorsement or the revocation or suspension of an endorsement to the city council by filing with the city clerk a written notice of appeal within 10 days after the determination of denial of the issuance of an endorsement or the determination of a revocation or suspension of an endorsement. The notice of appeal shall specify an address at which the licensee may be given notice of hearing on the appeal.

c. After the filing of such appeal, the city clerk shall set a time and place, not more than 30 days from such notice of appeal, for hearing thereon. At the hearing, the licensee shall be entitled to appear in person and be represented by counsel and offer such evidence pertinent and material to the denial of the issuance of an endorsement or the revocation or suspension of an endorsement. Upon filing notice of appeal, the chief of police shall immediately submit to the city council such records, data, reports, and information as he has in his possession supporting the denial of the issuance of an endorsement or an order of suspension or revocation.

d. Immediately after such hearing, the city council shall determine whether the denial, revocation, or suspension shall be sustained and its action in that respect shall be final and conclusive in all respects. From the time of filing the written notice of appeal by the licensee until the hearing and action thereon by the city council, any order of the chief of police relative to a suspension or revocation shall be stayed.

B. Pawnbrokers and Second-Hand Dealers. Chapter 19.60 RCW, entitled "Pawnbrokers and Second-Hand Dealers," as the same now appears or may hereafter be amended, is adopted by this reference. The chief of police shall require additional information from persons applying for a license for a pawnbroker or second-hand dealer. Such additional information shall include, but not be limited to, whether the applicant has ever been convicted of a crime, and if so, the time, place, and nature of the crime, and any other information he may

deem necessary. The chief of police shall investigate each applicant for said license to determine whether or not he has found the applicant to be of good character. No license will be issued to any person who has been convicted of the offense(s) of burglary, robbery, theft, or of receiving stolen goods. No license granted shall be assignable or transferable.

C. Alarm System Operators and/or Operations, and Locksmiths. No license will be issued to any person who has been convicted of the offense(s) of burglary, robbery, theft, or of receiving stolen goods. No license granted shall be assignable or transferable.

D. Hulk Haulers, Scrap Processors, Motor Vehicle Wreckers, and Tow Truck Operators.

1. Chapter 46.79 RCW, entitled "Hulk Haulers or Scrap Processors Licenses," enacted by Laws of 1971, Extraordinary Session, Chapter 110, as the same now appears or may hereafter be amended, is adopted by this reference.

2. Chapter 46.80 RCW, entitled "Motor Vehicle Wreckers," enacted by Laws of 1977, Extraordinary Session, Chapter 253, as the same now appears or may hereafter be amended, is adopted by this reference.

3. Chapter 46.55 RCW, entitled "Abandoned, Unauthorized, and Junk Vehicles ... Tow Truck Operators," enacted by Laws of 1985, Chapter 377, as the same now appears or may hereafter be amended, is adopted by this reference.

E. Mobile Ice Cream Vendors

1. Definition. "Mobile ice cream vendor" means a person, firm or corporation, either as a principal or agent, which engages in the mobile vending of pre-packaged ice cream and/or frozen novelty items for immediate human consumption who conducts business from a vehicle or other conveyance upon public streets, sidewalks, alleys, or other public ways of the city.

2. Form-Display. All licenses for mobile ice cream vendors issued by the city shall be prominently displayed upon all vehicles from which a mobile ice cream vendor conducts business. No license shall be issued to a mobile ice cream vendor selling from a truck or other motor vehicle unless the vehicle is licensed by the Washington State Department of Labor & Industries (L&I) as a mobile food vending unit and displays the permanent metal insignia issued by L&I upon the vehicle.

3. Restrictions.

a. No mobile ice cream vendor shall sell or vend from his or her vehicle, or conveyance:

i. Within 400 feet of a public or private school grounds during the hours of regular school session, classes, or school-related events in said public or private school, except when authorized by said school.

ii. Within 300 feet of a city park, except when authorized by the city.

iii. On any main roads, including but not limited to Market Boulevard, Main Street, National Avenue, Kresky Avenue, Chamber Way, Louisiana Avenue, Arkansas Way, State Street, or Jackson Highway.

iv. Within the Central Business District of Chehalis

b. No customer shall be served on the street side of the mobile ice cream unit. All service must be on the curb side when the mobile ice cream unit is on or abutting a public street.

c. The Hours of operation for mobile ice cream vendors shall be from 10:00 a.m. to dusk.

4. Compliance.

a. All mobile ice cream vendors shall comply with Lewis County Health Department regulations when applicable (if serving anything other than pre-packaged items).

b. No mobile ice cream vendor shall conduct business so as to violate any ordinances of the city, including but not limited to those regulating traffic and rights-of-way, obstructing the road, causing a hazard, noise restrictions, or any regulation in Chapter 7 of the CMC, as now in effect or hereafter amended.

F. The chief of police is authorized to conduct background investigations on applicants applying for a special business license. A fee for said background investigations may be collected from each applicant applying for said special license as established in the city's development regulations (CMC Title 17), Appendix Chapter 'A', Schedule of Fees and Charges.

5.04.120 Penalty for violation.

Any person engaging in any business activity within the corporate limits of the city without being licensed therefor pursuant to the terms and provisions of this chapter, or, having previously been licensed therefor, conducts a business under a license that has been revoked, or violates any of the other terms and provisions of this chapter, shall, upon conviction, be fined in a sum not to exceed \$1,000.

5.04.130 Parades, athletic Events, and Other Special Events.

A. Definitions.

“Special Events” include any activity which is to be conducted on public property or on a public right-of-way; any event held on private property which would have a direct significant impact on traffic congestion; or traffic flow to and from the event over public streets or right-of-way; or which would significantly impact public streets or right-of-way near the event; or which would significantly impact the need for city-provided emergency services, such as police, fire, or medical aid. It is presumed that any event on private property which involves an open invitation to the public to attend or events where the attendance is by private invitation of 100 or more people are each presumed to be an event that will have a direct significant impact on the public streets, right-of-way or emergency services. Special events might include but are not limited to: fun runs/walks, athletic competitions, auctions, bike-a-thons, public fundraisers, parades, carnivals, festivals, shows or exhibitions, film/movie events, circuses, block parties, and fairs.

“Special Events protected under the First and Fourteenth Amendments” include any event involving political or religious activity intended primarily for the communication or expression of ideas.

“Use” shall mean to construct, erect, or maintain in, on, over, or under any street, right-of-way, park, or other public place, any building, structure, sign, equipment, or scaffolding, to deface any public right-of-way by painting, spraying, or writing on the surface thereof, or to otherwise occupy in such a manner as to obstruct the normal public use of any public street, right-of-way, park, or other public place within the city, including a use related to special events.

B. Permit required.

A special event permit or authorization from the city is required for any event in a park, public place, or on private property where it will significantly impact public sidewalks, roadways, or services. A safety plan is required to be submitted with a special event permit. Such special event permit and safety plan shall be in addition to any street or park use, or other regular permits as may be required by ordinance.

Event permit applications for use of public parks must be made to and approved by the city’s recreation department; however, any impact to the right-of-way occasioned by the use of the parks may also require a right-of-way permit.

Primary traffic routes through the city such as Market Boulevard, Chehalis Avenue, State Street, Main Street, and National Avenue, as well as primary traffic routes around the core downtown business area, will only be considered for closure when the event is organized by a recognized community organization and the event serves a broader community purpose. For example, the summer festival organized by local non-profit organizations and the holiday parade held by the Chamber of Commerce.

When such an event will be an exercise of rights protected by the First and Fourteenth Amendments to the United States Constitution, the application shall be processed promptly, without charging a fee for political or religious activities or imposing terms or conditions that infringe upon constitutional freedoms, and in a manner that respects the liberty of applicants and the public.

A special event permit may not be required for the following:

1. Parades, athletic events, or other special events that are fully sponsored or conducted in full by the city (a review process through the DRC may still be applicable in these instances)
2. Funeral and wedding processions
3. Groups required by law to be so assembled
4. Gatherings of 30 or fewer people in a city park, unless merchandise or services are offered for sale or trade
5. Temporary sales conducted by businesses, such as holiday sales, grand opening sales, or anniversary sales
6. Garage sales and rummage sales by private property owners on private property per CMC 5.04.090

7. Other similar events and activities which do not directly affect or use city services or right-of-way property

Any person desiring to sponsor a parade, athletic event, or special event should apply for a special event permit by filing an application with the city at least 28 days prior to the date on which the event is to occur.

Waiver of Application Deadline: Upon a showing of good cause or at the discretion of the DRC or city, the city shall consider an application that is filed after the filing deadline if there is sufficient time to process and investigate the application and obtain police and other city services for the event. Good cause can be demonstrated by the applicant showing that the circumstance that gave rise to the permit application did not reasonably allow the participants to file within the time prescribed, and the event is for the purpose of exercising rights under the First and/or Fourteenth Amendments of the United States Constitution.

C. Grounds for denial of application.

The city may deny an application for a special event permit if:

1. The applicant provides false or misleading information
2. The applicant fails to complete the application or to supply other required information of documents or the applicant declares or shows an unwillingness or inability to comply with the reasonable terms or conditions contained in the proposed permit
3. The proposed event would conflict with another proximate event, interfere with construction or maintenance work in the immediate vicinity, or unreasonably infringe upon the rights of abutting property
4. The proposed event would unreasonably disrupt the orderly or safe circulation of traffic and would present an unreasonable risk of injury or damage to the public
5. There are not sufficient safety personnel or other necessary city staff to accommodate the event.

In the event subsection 3 or 4, above applies, the city shall offer the applicant the opportunity to submit an alternative date or place for the proposed event before denying the application.

D. Permit conditions.

The city may condition the issuance of a special event permit by imposing reasonable requirements concerning the time, place, and manner of the event, and such requirements as are necessary to protect the safety and rights of persons and property, and the control of traffic.

The following conditions apply to all special event permits:

1. Alteration of the time, place, and manner of the event proposed on the event application
2. Conditions concerning the area of assembly and disbanding of an event occurring along a route
3. Conditions concerning accommodation of pedestrians or vehicular traffic, including restricting the event to only a portion of the street or right-of-way

Conditions on special event permits not protected under the First and Fourteenth Amendments of the U.S. Constitution include, but are not limited to:

1. There shall be no items thrown from roadway to sidewalk, this includes candy during a parade
2. Requirements for the use of traffic cones or barricades
3. Requirements for the provision of first aid or sanitary facilities
4. Requirements for use of event monitors and providing notice of permit conditions to event participants
5. Restrictions on the number and type of vehicles, animals, or structures at the event, and inspection and approval of floats, structures, and decorated vehicles for fire safety
6. Compliance with animal protection ordinances and laws
7. Requirements for use of garbage containers, cleanup, and restoration of city property
8. Restrictions on the use of amplified sound and compliance with noise ordinance, regulations, and laws including but not limited to CMC 7.04.130
9. Notice to residents and/or businesses regarding any activity which would require a street closure. It shall be the responsibility of the applicant to notify impacted property and/or business owners who would be affected
10. Restrictions on the sale and/or consumption of alcohol
11. Elimination of an activity which cannot be mitigated to a point as to ensure public safety and welfare, or which causes undue liability risk to the city
12. Requirements regarding the use of city personnel and equipment
13. Compliance with any other applicable federal, state, or local law or regulation

E. Appeal procedure.

The applicant shall have the right to appeal the denial of a permit or a permit condition, including the amount of fees or clean-up deposits imposed pursuant to section “Fees for City Services” and “Cleanup Deposits.”

If an applicant wishes to appeal the DRC decision, a written notice shall be given to the DRC listing the reasons approval for the permit should be granted. The DRC shall review at the next meeting and issue a decision.

Should the applicant wish to appeal the DRC decision, a written Notice of Appeal shall be filed with the City Manager within three (3) business days after receipt or personal delivery of a notice of denial or permit conditions from the city. The written Notice of Appeal shall set forth the specific grounds for the appeal and attach any relevant documents for consideration. The City Manager shall hear the appeal provided from the designated city official and the applicant. The appeal shall be scheduled no later than fourteen (14) business days after receipt of a timely and proper Notice of Appeal.

Should the applicant wish to appeal the City Manager’s decision, the applicant may appeal the decision to the Hearings Examiner pursuant to the procedure contained in Chehalis Municipal Code 17.09.150. The decision of the Hearings Examiner shall be final.

F. Indemnification agreement, insurance, and fees.

No indemnification agreement or insurance requirement shall be imposed when prohibited by the First and Fourteenth Amendment to the United States Constitution. Political or religious activity intended primarily for the communication or expression of ideas shall be presumed to be a constitutionally protected event.

1. Indemnification agreement.

Prior to the issuance of a permit for a special event not protected under the First and Fourteenth Amendments of the U.S. Constitution, the permit applicant and authorized officer of the sponsoring organization must agree to reimburse the city for any costs incurred by it in repairing damage to city property and indemnify, defend, and hold the city, its officers, employees, volunteers, and agents harmless from all causes of action, claims, or liabilities occurring in connection with the permitted event, except those which occur due to the city's sole negligence.

2. Insurance.

The following insurance shall be required in connection with the issuance of a permit for a special event not protected under the First and Fourteenth Amendments of the U.S. Constitution.

- a. Commercial General Liability insurance with minimum limits of \$1,000,000 per occurrence; and
- b. \$2,000,000 general aggregate unless waived by the city

The Community Development Department is authorized and directed to require written proof of such insurance prior to permit issuance. The insurance policy shall be written on an occurrence basis, shall name the city as an additional insured using ISO form CG 20 26, or coverage at least as broad, shall be written for a period not less than twenty-four (24) hours prior to the event and extending for a period not less than twenty-four (24) hours following the completion of the event. The applicant shall provide the city and all additional insureds for the event with written notice of any policy cancellation within two (2) business days of their receipt of such notice.

3. Fees for city services when needed or determined by DRC.

- a. Upon approval of an application for a permit for a special event not protected under the First and Fourteenth Amendments of the U.S. Constitution, the DRC shall provide the applicant with a statement of the estimated cost of providing city personnel and equipment. The applicant/sponsor of the event shall be required to prepay these estimated costs for city services and equipment ten (10) days prior to the special event. City services and equipment may include the use of police officers and public employees for traffic and crowd control, pickup and delivery of traffic control devices, picnic tables, extraordinary street sweeping, and any other needed, requested, or required city services and the cost of operating the equipment to provide such services.
- b. If the actual cost for city services and equipment on the date(s) of the event is less than the estimated cost, the applicant/sponsor will be refunded the difference by the city in a timely manner. If the actual cost for city services and equipment on the date(s) of the

event is greater than the estimated cost, the applicant/sponsor will be billed for the difference.

- c. Permit fees and fees for the use of city services and equipment may be waived in part or in full by the city if in review of the application it is found that the event is of sufficient public benefit to warrant the expenditure of city funds without reimbursement by the applicant/sponsor and would not result in the private financial gain of any individual or "for profit" entity.

G. Cleanup deposits.

The applicant/sponsor of an event, not protected under the First and Fourteenth Amendments of the U.S. Constitution, involving the sale of food or beverages for immediate consumption, erection of structures, horses or other large animals, water aid stations, or any other event likely to create a substantial need for cleanup, may be required to provide a cleanup deposit prior to the issuance of a special event permit.

The cleanup deposit may be returned after the event if the area used for the permitted event has been cleaned and restored to the same condition as existed prior to the event.

If the property used for the event has not been properly cleaned or restored, the applicant/sponsor shall be billed for the actual cost by the city for cleanup and restoration. The cleanup deposit shall be applied toward the payment of the bill.

H. Revocation of permits.

Any permit issued under this ordinance may be summarily revoked by the city at any time when, by reason of disaster, public calamity, riot, or other emergency or exigent circumstances, the city determines the safety of the public or property requires such immediate revocation. The city may also summarily revoke any permit issued pursuant to this ordinance if the city finds that the permit has been issued based upon false information or when the permittee exceeds the scope of the permit or fails to comply with any condition of the permit. Notice of such action revoking a permit shall be delivered in writing to the permittee by personal service or certified mail at the address specified by the permittee in the application or by any means approved by the applicant, such as email or telephone.

I. Violation – penalty.

It shall be unlawful for any person to sponsor or conduct a special event requiring a special event permit pursuant to this ordinance unless a valid permit has been issued and remains in effect for the event. It is unlawful for any person to participate in such an event with the knowledge that the sponsor of the event has not been issued a required, valid permit or with knowledge that a once valid permit has expired or been revoked.

The special event permit authorizes the permittee/sponsor to conduct only such an event as is described in the permit, and in accordance with the terms and conditions of the permit. It is unlawful for the permittee/sponsor to willfully violate the terms and conditions of the permit, or for any event participant with knowledge thereof to willfully violate the terms and conditions of

the permit or to continue with the event if the permit is revoked or expired.

Any person or organization violating the provisions of this chapter shall be guilty of a misdemeanor, and upon conviction thereof, shall be subject to a penalty of a fine of not more than five hundred dollars (\$500.00).

5.04.140 Savings Clause

If any section, sentence, clause, phrase, part, or portion of this ordinance is for any reason held to be invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

5.04.150 Repeal.

Ordinance No. 701-B, passed the 27th day of August, 2001, Section 2, Ordinance No. 847-B, passed the 28th day of September, 2009, and Ordinance No. 959-B, passed the 11th day of July, 2016, codified in the Chehalis Municipal Code as chapter 5.04, shall be, and the same hereby are, repealed.

5.04.160 Effective date.

The effective date of this ordinance shall be the _____ day of _____, 2018.

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 22nd day of October, 2018.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Lodging Tax Advisory Committee
Mayor Pro Tem Terry Harris, Chair
Alicia Bull, Centralia-Chehalis Chamber of Commerce
Rick Burchett, Chehalis-Centralia Railroad & Museum
Todd Chaput, Holiday Inn Express & Suites
Gloria Choi, Econo Lodge
Chip Duncan, Veterans Memorial Museum
Jena Sorenson, Riverside Golf Club

BY: Kiley Franz, City Manager's Administrative Assistant

MEETING OF: October 22, 2018

SUBJECT: Lodging Tax Advisory Committee Recommendations for 2019 Tourism Funds
and Reappointment of Committee Members

ISSUE

The Lodging Tax Advisory Committee (LTAC) met on Friday, October 12, 2018 to review requests from ten organizations for 2019 tourism funds.

DISCUSSION

The Chehalis LTAC reviews and makes funding recommendations to the City Council to fund various non-profit organizations or government entities for marketing, activities, operations, and expenditures designed to increase tourism.

In 2013, the state legislature passed a bill which, among other things, changed the role of the LTAC and what action can be taken by the City Council. Legislation provides that requests be submitted to the LTAC that is responsible for preparing a list of candidates and funding recommendations to the City Council. In the past, it was believed that the City Council had to either accept the recommendations or not accept them.

However, an informal opinion was issued by the State Attorney General's Office that clarifies lodging tax awards. The informal opinion states that the roles of the LTAC and the municipality are clear: the LTAC is to make recommendations and the municipality is to make a final determination. A municipality may award amounts different from the LTAC, but only after

satisfying procedural requirements of the state statute. A municipality must submit its proposed change(s) to the advisory committee for review and comment at least 45 days before final action on the proposal.

The attachments to this report include the minutes from the October 12 LTAC meeting; current tourism tax revenue report; and 2019 tourism fund projections and requests. Funding request applications were provided to each council member.

Upon City Council approval, all recipients must enter into an agreement with the city for use of the funds. They are required to report on a quarterly basis how the funds were spent.

Summary of Requests Submitted

With a projected beginning fund balance of \$229,451, plus projected revenues of \$225,985, the estimated revenues for 2019 totaled \$455,436. A \$50,000 reserve was set aside for projects/activities that may come up during the year. The LTAC also set aside another \$50,000 to the Recreation Park Project Fund, which fund now totals \$100,000. A total of \$305,436 estimated revenue was appropriated for lodging tax recipients. The committee unanimously agreed to make the following recommendations to the City Council:

<u>Organization</u>	<u>Request</u>	<u>Recommendation</u>
1. Chehalis-Centralia Railroad & Museum	\$ 35,000	\$ 35,000
2. Lewis County Historical Museum	\$ 40,000	\$ 40,000
3. Veterans Memorial Museum	\$ 30,000	\$ 30,000
4. Southwest Washington Fair	\$ 10,000	\$ 0
5. Friends of the Chehalis Community Renaissance	\$ 46,000	\$ 46,000
6. Centralia-Chehalis Chamber (Visitor Center Services)	\$ 40,000	\$ 40,000
7. Discover Lewis County	\$ 10,000	\$ 0
8. Chehalis Wedding Show	\$ 12,435	\$ 12,435
9. Youth Athletic Tournaments	\$ 20,000	\$ 20,000
10. Shaw Aquatic Center – Pool Liner	<u>\$ 100,000</u>	<u>\$ 82,000</u>
Total	\$ 343,435	\$ 305,435

Membership

According to the resolution establishing the LTAC, the City Council is to review membership on an annual basis and make changes as appropriate. In accordance with state law, the committee must have at least five members, appointed by the City Council. Membership must include at least two representatives of businesses required to collect hotel-motel tax, two people involved in activities that are authorized to be funded by the tax, and one elected official who serves as chairperson. The number of persons representing businesses that collect the tax and the number of persons involved in activities authorized to be funded by the tax must be equal. There is no established term of membership.

Committee members include Todd Chaput, Holiday Inn Express & Suites; Gloria Choi, Econo Lodge, and Jena Sorenson, Riverside Golf Club, representing businesses required to collect the tax. Members representing activities funded by the tax are Alicia Bull, Centralia-Chehalis Chamber of Commerce; Rick Burchett, Chehalis-Centralia Railroad & Museum; and Chip Duncan, Veterans Memorial Museum. Mayor Pro Tem Terry Harris is the City Council representative and acts as committee chair.

RECOMMENDATION

The Lodging Tax Advisory Committee recommends that the City Council approve its recommendations individually and collectively for use of lodging tax funds for 2019. It is also recommended that the City Council reappointment Todd Chaput, Gloria Choi, Jena Sorenson, Alicia Bull, Rick Burchett, and Chip Duncan to the city's Lodging Tax Advisory Committee.

1st SUGGESTED MOTION

I move that the City Council approve, both individually and collectively, the candidates and funding amounts of the Lodging Tax Advisory Committee for use of lodging tax funds for 2019.

2nd SUGGESTED MOTION

I move that the City Council reappoint the memberships of Todd Chaput, Gloria Choi, Jena Sorenson, Alicia Bull, Rick Burchett, and Chip Duncan to the Lodging Tax Advisory Committee.

**Chehalis Lodging Tax Advisory Committee
Meeting Minutes
October 12, 2018**

The Lodging Tax Advisory Committee (LTAC) met on Friday, October 12, 2018, at 9:15 A.M. in the basement meeting room of Chehalis city hall to review applications for 2019 tourism funding. Members present were: Mayor Pro Tem Terry Harris, Chair; Alicia Bull, Centralia-Chehalis Chamber of Commerce; Rick Burchett, Chehalis-Centralia Railroad and Museum; Todd Chaput, Holiday Inn; Gloria Choi, Econo Lodge; Chip Duncan, Veterans Memorial Museum; and Jena Sorenson, Riverside Golf Club. Chehalis administration included Caryn Foley, City Clerk; and Kiley Franz, City Manager's Administrative Assistant.

Call to Order

The meeting was called to order at 9:16 A.M. by Mayor Pro Tem Harris.

Mayor Pro Tem welcomed everyone to the meeting. He began by asking if there were any questions before funding interviews proceeded; there were none.

2019 Funding Request Presentations

The comments below are in addition to the information provided in each organization's application.

1. Chehalis-Centralia Railroad and Museum (CCRM) – \$35,000 (Bill Deutscher, Chad Taylor, and Coralee Taylor)

Funding is used for marketing and promotion of the steam train. Coralee Taylor explained the pre-promotion planning, which includes e-mail messaging, social media advertising, newspaper ads, rack cards, etc. The ability to purchase tickets online is now available.

Questions/Comments:

- Mr. Chaput noted that the steam train had brought a train enthusiast group with around 50 guests to the area for a two-night period.
- Ms. Bull mentioned that when guests visit the chamber, the steam train is frequently a topic of interest. Ms. Bull and Mr. Duncan added that a better line of communication with the museum would be appreciated; the chamber currently fields many calls when guests are unable to reach the museum. Coralee will coordinate a possible call-service provided by the chamber for the museum.
- Ms. Choi asked if the steam train operated year-round. It was explained that trains run regularly May through September, with special events for like Pumpkin Rides, Polar Express, Valentine's Day, and Easter trains.

2. Chehalis Community Development Department for Athletic Tournaments - \$20,000 (Lilly Wall and Trent Loughheed)

The request will fund athletic tournaments; this year nine tournaments were played over eight weekends, bringing roughly 3,000 visitors to the area.

Questions/Comments:

- Mr. Duncan asked for clarification regarding rent, utilities, and salaries. Ms. Wall explained that these helped to offset the cost of maintenance staff required for repairs, maintenance, and general tournament preparations.

- Ms. Bull asked if the tournaments were profitable? Ms. Wall stated they were not this year. She explained that while the City owns outdoor facilities, indoor facilities need to be rented and/or janitorial fees need to be paid for such use.

3. Chehalis Community Development Department for the Shaw Aquatics Center (Pool Liner) - \$100,000 (Lilly Wall and Trent Lougheed)

The request will be used in addition to the previously awarded \$100,000 to offset the cost to re-line the pool with life-time warranty materials. Ms. Wall explained that the City was now required by the Washington State Health Department to refinish the pool by 2020. Mr. Lougheed explained that the only bid received this year was double the anticipated cost; next year he anticipated more bids, which may lower the cost.

Questions/Comments:

- Ms. Bull – The overall cost of the project is \$268,000, will the City be providing the remaining monies? Yes, as well as anticipated future maintenance of the pool.
- Ms. Choi – Has the issue of parking been addressed? Ms. Wall stated that the Recreation Park Project does include a plan for additional parking, and a parking lot by Green Hill School is currently available for use. With the completion of the Recreation Park Project, pathways through the park to the aquatics center will make it more accessible.

4. Chehalis Community Renaissance Team – \$46,000 (Annalee Tobey)

The request is to fund year-round, general promotion and marketing of Chehalis, using both social media and print. Ms. Tobey explained that the Chehalis Community Renaissance Team planned to use these funds to produce the Experience Chehalis brochure, the Lewis County Visitor’s Guide, the Experience Chehalis social media sites, website, and e-newsletter.

Questions/Comments:

- Ms. Choi – Regarding the mural, is there a new one? Yes, the design committee has been working to add color to the downtown core. The public restrooms have two separate murals on them depicting local themes, and garbage can lids are in the process of being painted to add small splashes of color throughout downtown Chehalis.
- Mr. Chaput noted that he was glad that Ms. Tobey and the Chehalis Community Renaissance Team were willing to produce a Lewis County Visitor’s Guide even though Lewis County and the City of Centralia have pulled funding, adding that small communities need to work together for mutual benefit.

5. Lewis County Historical Museum – \$40,000 (Jason Matteson)

Funds would be used for operations of the museum, marketing of events, and general promotion of the museum. Attendance for special events has increased, with over 800 visitors attending the mythology exhibit held this year. Mr. Matteson briefly covered multiple events the museum is looking to host in 2019, including a 100-year exhibit for the Centralia tragedy, a graffiti exhibit, a pie social for the 4th of July, and a UFO-fest.

6. Southwest Washington Fair - \$10,000 (Steve Walton)

Mr. Walton explained that 2019 will be the 100-year anniversary for the Southwest Washington Fair. The fair is one of the largest single attractions in the area, having over 70,000 visitors to the fair annually. Mr. Walton

explained that the marketing budget for the fair has been extremely lean and is requesting funds to help promote the fair in neighboring counties. Promotion would include print, social media, and radio campaigns.

7. Discover Lewis County - \$10,000 (Steve Walton)

Mr. Walton explained that Discover Lewis County was created four years ago and is an online marketing campaign to attract visitors to Lewis County. Mr. Walton explained that the requested funds would be used to create a video marketing campaign to be advertised across Washington, Oregon, and northern California. Mr. Walton informed the committee that kiosks have been installed across the county to promote restaurants, businesses, hiking trails, and other such facilities throughout Lewis County.

Questions/Comments:

- Mr. Chaput – How is the association with the Washington State Tourism Commission? Mr. Walton is unsure and explained that Ms. Tamara Hayes would be the appropriate contact.
- Mayor Pro Tem Harris noted that the city council may have a difficult time funding a program that has lost monetary support from the county, but assured Mr. Walton that the assessment of the application would be free of bias.

8. Veterans Memorial Museum – \$30,000 (Chip Duncan)

Funds will be used for the general marketing of the museum and its events. Mr. Duncan explained that the focus of the museum will be to capture an audience that will maintain the museum over the next 20 years. Mr. Duncan informed the committee that the Veterans Museum is pursuing state and federal grants to expand the museum. Mr. Duncan explained that any funds received from the lodging tax advisory committee would be used to promote the museum in NW Leisure Magazine and other possible print and social media advertisement opportunities.

Questions/Comments:

- Mr. Chaput inquired about the \$243,000 cost for building and maintenance repairs. Mr. Duncan explained that the cost was actually associated with a federal grant in which funds needed to be matched by the museum, they were taken from that account since it was the easiest account to transfer the money from.
- Ms. Bull and Mayor Pro Tem Harris complimented Mr. Duncan on his efforts since becoming the director at the museum.

9. Centralia-Chehalis Chamber of Commerce – \$40,000 (Alicia Bull)

Funds will be used for the Chamber to serve as the official visitor center for Chehalis. The Chamber collects all requests for visitor information, and helps marketing and promotion of Chehalis events, including the STP, the Trick or Treat Trolley, and the Santa Parade. She noted the same request has been made to the City of Centralia and has been partially funded in the past. Ms. Bull noted that the chamber has been using reserve funds and membership dues to make up for the deficit in lodging tax funds received the previous year.

Questions/Comments:

- Mayor Pro Tem Harris told Ms. Bull of his recent trip to Illinois and the chamber of commerce there. He also noted the wonderful job that Ms. Bull and the chamber have done with local tourism marketing and support services.

- Mr. Chaput expressed concern at Ms. Bull’s mention of use of reserve funds. Ms. Bull explained that these funds are from a capital facilities fund and that the chamber will not tap into funds that will bring them to a zero balance.

10. Chehalis Wedding Show – \$12,435 (Matt Shannon)

Mr. Shannon stated this year’s event was very successful; attendance was up from the previous year. Mr. Shannon informed the committee that this year the venue had been changed to City Farm in downtown Chehalis and will remain so for 2019.

Questions/Comments:

- Mr. Chaput stated the weddings attributed to over 1200 rooms booked last year, and over 1300 booked so far this year.

Determine Allocation Recommendations to City Council

Included in the agenda packet were 2019 projected revenues. With a projected beginning fund balance of \$229,451, plus projected revenues of \$225,985, estimated revenues total \$455,436. A \$50,000 reserve was set aside for projects/activities that may come up. The committee also allocated another \$50,000 to the Recreation Park fund, which fund now totals \$100,000. A total of \$305,436 estimated revenue was appropriated for lodging tax recipients.

The committee unanimously agreed to make the following recommendations to the city council with the following notes:

- Chehalis Community Development: Shaw Aquatic Center’s Pool Liner – No objections to funding this project, but the committee was hesitant to take any funding away from tourist based organizations to fund this project in full.

<u>Organization</u>	<u>Request</u>	<u>Recommendation</u>
1. Chehalis-Centralia Railroad & Museum	\$ 35,000	\$ 35,000
2. Lewis County Historical Museum	\$ 40,000	\$ 40,000
3. Veterans Memorial Museum	\$ 30,000	\$ 30,000
4. Southwest Washington Fair	\$ 10,000	\$ 0
5. Chehalis Community Renaissance Team	\$ 46,000	\$ 46,000
6. Centralia-Chehalis Chamber (Visitor Center Services)	\$ 40,000	\$ 40,000
7. Discover Lewis County	\$ 10,000	\$ 0
8. City (Chehalis Wedding Show)	\$ 12,435	\$ 12,435
9. Comm. Development Dept. (Youth Athletic Tournaments)	\$ 20,000	\$ 20,000
10. Comm. Development Dept. (Shaw Aquatics – Pool Liner)	<u>\$ 100,000</u>	<u>\$ 82,000</u>
Total	\$ 343,435	\$305,435

The recommendations will be reviewed by the city council on October 22, 2018 at 5:00 P.M.

The meeting concluded at 1:49 P.M.

Minutes respectfully submitted by Kiley Franz, City Manager’s Administrative Assistant.

**City of Chehalis
Tourism (Hotel/Motel) Tax Revenue**

	Month-by-Month Comparisons												2018	% Chg
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	% Chg			
January	6,140	9,277	8,521	9,323	13,351	10,705	12,679	14,744	15,710	15,031	15,031	15,031	4.3%	
February	5,623	7,479	8,218	8,546	10,994	10,658	13,811	12,586	14,619	15,059	15,059	15,059	3.0%	
March	5,996	7,797	8,133	11,792	8,984	9,132	12,336	12,876	15,467	17,313	17,313	17,313	11.9%	
April	6,153	9,848	8,705	9,262	10,073	10,345	14,891	18,753	18,022	16,865	16,865	16,865	-6.4%	
May	6,824	11,553	11,093	13,366	13,774	12,882	19,100	20,463	21,930	20,487	20,487	20,487	-6.6%	
June	6,300	11,250	11,272	11,613	11,838	13,580	17,152	19,714	20,874	19,188	19,188	19,188	-8.1%	
July	10,143	16,307	16,087	12,640	14,181	16,837	24,869	20,407	23,406	20,877	20,877	20,877	-10.8%	
August	13,704	17,571	19,447	17,727	17,423	21,247	24,917	23,832	25,227	25,303	25,303	25,303	0.3%	
September	16,931	18,531	20,803	19,631	23,712	26,186	28,626	30,160	29,132	28,991	28,991	28,991	-0.5%	
October	17,948	20,489	21,030	22,607	25,479	26,177	27,388	28,907	33,146					
November	12,609	13,828	15,837	16,172	16,896	19,608	20,066	23,734	22,574					
December	11,831	11,571	12,140	12,345	13,742	16,841	17,810	19,509	18,548					
Totals	120,203	155,502	161,285	165,025	180,447	194,197	233,645	245,683	258,654	179,115	179,115	179,115	-30.8%	

First Quarter	17,759	24,553	24,872	29,662	33,328	30,494	38,826	40,206	45,796	47,403	47,403	47,403	3.5%
Second Quarter	19,277	32,652	31,069	34,241	35,686	36,808	51,142	58,929	60,825	56,540	56,540	56,540	-7.0%
Third Quarter	40,779	52,409	56,337	49,998	55,315	64,269	78,412	74,399	77,764	75,172	75,172	75,172	-3.3%
Fourth Quarter	42,388	45,888	49,007	51,124	56,117	62,626	65,265	72,149	74,268				-100.0%

Adopted budget 233,000
 Percent received year-to-date 76.9%
 Target percent 75.0%

Last year this period (9 months) 184,386
 Current year this period (9 months) 179,115
 Increase (decrease) (5,271) -3%

10/12/2018

2019 Chehalis Tourism Fund Projections and Requests

Projected Beginning Fund Balance	\$ 229,451.00
Estimated Revenue	\$ 225,985.00
Total Estimated Revenue	\$ 455,436.00
Recommended Ending Fund Balance	\$ 50,000.00
Recreation Park Categorized Reserve	\$ 100,000.00
Total Estimated Available Revenue	\$ 305,436.00

	2018 Awarded	2019 Requests	2019 Recommendations	2019 Council Action
Facilities				
Chehalis-Centralia Railroad and Museum	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	
Lewis County Historical Museum	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	
Veterans Memorial Museum	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	
Events				
Southwest Washington Fair	N/A	\$ 10,000.00	-	
Marketing/Tourism				
Chehalis Community Renaissance Team	\$ 40,000.00	\$ 46,000.00	\$ 46,000.00	
Centralia-Chehalis Chamber of Commerce	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	
Discover Lewis County	N/A	\$ 10,000.00	-	
City				
Chehalis Wedding Show	\$ 12,435.00	\$ 12,435.00	\$ 12,435.00	
Community Development - Youth Tournaments	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	
Community Development - Shaw Aquatics Center	\$ 100,000.00	\$ 100,000.00	\$ 82,000.00	
Totals	\$ 317,435.00	\$ 343,435.00	\$ 305,435.00	\$ -

**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: October 22, 2018
SUBJECT: Financial Reports Third Quarter Ended September 30, 2018

DISCUSSION

This document provides a summary review of the City financial activity for the third quarter ended 9/30/2018 and fund balances as of September 30, 2018.

The reports have been formatted to be consistent with the adopted budget for ease of comparison and review of information.

First report provides a summary review of all City funds with their beginning fund balance, total revenues and transfers in, total expenditures and transfers out, ending fund balances, and changes in fund balances during the year.

Second set of reports provides two-year comparative financial reports for revenues and expenditures for the General Fund and the major enterprise funds.

Treasurer's report provides a summary of the city's cash and investments as of September 30, 2018.

A 75.0% (9 of 12 months) is used as the target % for comparing the actual year-to-date outcome to the 2018 amended budget.

ALL FUNDS, CITY-WIDE OVERVIEW

At the end of September 2018, on a city-wide basis, the city received 74.6% of the 2018 revenue budget (including other funding sources and non-revenues) and expensed 62.5% of the total 2018 appropriations (including transfers out and other use of resources).

While most recurring operating expenditures are within normal budget projections, capital and debt service expenditures are below the target at about 48.9% of the 2018 budgeted amount.

At the end of September, the total city-wide revenues exceeded total expenditures by \$2,222,893 and increased the ending fund balance by the same amount (a 13% increase from the beginning of the year).

For most funds, the revenues exceeded current year expenditures and shows increase in ending fund balance, with the following exceptions:

At the end of September, there are five (5) funds showing their ending fund balances decreased from the beginning fund balances, which means total expenditures exceeded total revenues:

The General Fund's ending fund balance shows \$549,921 decrease from the beginning fund balance. This is explained in detail in the General Fund overview section below.

The Arterial Street Fund shows \$11,792 decrease from the beginning fund balance. The only revenue source for this fund is the state fuel tax revenues. The year-to-date revenue is 82.7% of the 2018 budget, and the expenditures is 84.1% of the 2018 budgets. It is anticipated that the year-end revenue will be at least 100% of the 2018 budget. The expenditures for the remainder of the year will need to be monitored to ensure that it does not exceed the 2018 appropriation.

The Community Development Block Grant (CDBG) Fund shows \$672 decrease in fund balance. This fund also has a negative fund balance of \$561. A loan repayment of \$286 was received and an unanticipated legal service cost in the amount of \$1,557 for recording a foreclosure of a property. We are expecting a loan repayment from a foreclosure sale of a property within the next few months and hope to bring the fund balance up to positive. The 2018 second budget amendment provided a \$600 transfer in from the General Fund; however, additional \$567 legal cost was incurred since the budget amendment. We will need another budget amendment before the year end.

The First Quarter REET Fund shows \$46,805 decrease in fund balance. This was an anticipated decrease, as the 2018 budget included \$152,165 use of the beginning fund balance. Total revenues received through the end of September 2018 was \$97,780, with a transfer out of \$144,585 to other funds (\$4,585 to the Debt Service Fund and \$140,000 to the Public Facilities Reserve Fund for the library roof repair project and for the fire station improvement project).

The Second Quarter REET Fund shows \$95,806 decrease in fund balance. This is anticipated, as the 2018 budget included \$232,540 use of the beginning fund balance. Total revenues received through the end of September 2018 was \$98,294. A total of \$194,100 was transferred out to other funds: \$4,585 to the Debt Service Fund and \$189,515 to the Public Facilities Reserve Fund for the library roof repair project and capital improvement projects at Recreation Park.

BOTTOM LINE: The City operated within the budget parameters, and overall revenues and expenditures are within the budget projections.

GENERAL FUND OVERVIEW

The 2018 amended budget includes use of beginning fund balance in the amount of \$1,072,316, which is appropriated as follows: \$223,871 for various one-time expenditures, \$270,440 carryforward of 2017 unspent appropriations relating to police and fire collective bargaining agreements and fire station capital improvement, \$186,893 new appropriations for increased expenditures, \$92,866 transfer to the Compensated Absences Reserve and \$92,866 transfer to the Automotive and Equipment Reserve Funds. A \$140,183 revenue budget reduction for property tax revenue projection, net of other revenues is also reflected in the use of the beginning fund balance. The second budget amount in September 2018 required an additional \$65,197 use of the beginning fund balance, of which the fire station asbestos cleaning costs is one of the main components.

Total revenues and other receipts are 74.2% of the 2018 budget, and the expenditures and transfers out are 71.9% of the 2018 budget. A significant portion of this variance is from the Non-departmental department, which is explained in more detail in General Fund Expenditures section below.

At the end of third quarter, the general fund expenditures and transfers out exceeded the revenues and other receipts by \$549,921 (51.3% of the 2018 budget).

General Fund Revenues:

Total tax revenues make up about 86.0% of total general fund revenues. Total tax revenues through the end of September 2018 are \$5,953,709 (73.3% of the 2018 budget). This is \$135,910 below the 75% target amount; however, it is \$175,100 (or 3.0%) increase from this time last year.

Property Tax revenues are \$924,608 (56.4% of the 2018 budget). This is about \$304,807 below the 75% target amount; however, this is a normal at this time of year. The second half of 2018 property tax is due in October, and the city will receive a remittance from the Lewis County in November.

Sales and Use Tax revenues are \$3,792,182 (79.8% of the 2018 budget). This is \$228,086 above the 75% target amount and \$317,974 (or 9.2%) increase from September 2017.

About \$379,229 (10.3%) of the year-to-date sales tax revenues are from construction and construction related activities (construction of buildings, specialty trade contractors, and heavy and civil engineering constructions), which is considered one-time nature, as the sale tax revenues will decline as the projects are complete. September 2018 sales tax receipts showed a 4.4% decrease in sales taxes from aggregated construction groups.

Marketplace Fairness Act (extending retail sales tax collections and/or reporting to remote sellers and internet sales) that went in effect on January 1, 2018 has some impact on the increase of local sales and use tax. However, the revenue gain from the Marketplace Fairness Act is offset by the reduction in the Streamlined Sales Tax (SST) mitigation payment.

The City of Chehalis has received SST mitigation payments an accumulated amount of \$200,448 over a ten-year period from 2008 to 2017, an average annual receipt of \$20,045 (or an average \$5,011 quarterly). However, 2018 receipts to date shows that the city received \$3,538.82 in the first quarter but nothing for the second quarter. The calculation report provided by the Department of Revenues shows that the gain from the Marketplace Fairness offset exceeded the SST mitigation amount calculated by \$5,573.66, thus no SST mitigation payment was distributed to the City for the second quarter 2018.

Utility Tax revenues are \$1,195,832 (71.3% of the 2018 budget). This is \$62,609 below the 75% target amount and a \$146,120 decline from September 2017. The combined water, sewer, and garbage utility taxes are about 78.5% of the 2018 budget. However, Gas utility tax is at 59.4% of the 2018 budget, Cable utility tax is at 38.6% of the 2018 budget, and Telephone utility tax is at 72.5% of the 2018 budget.

License and Permit fee revenues are \$126,204 (69.8% of the 2018 budget). Building permit fee is 53.5% of the 2018 budget and is about \$16,000 below the 75% target amount.

State Shared revenues are \$205,176 (90.6% of the 2018 budget). This category includes Multimodal transportation, Streamlined Sales Tax Mitigation, Criminal Justice Special Program, Marijuana Enforcement, Marijuana Excise Tax, DUI cities, Liquor Excise Tax and Liquor Board Profits, and PUD privilege tax. Marijuana Excise tax revenue to-date is \$36,063 (190% of the 2018 budget).

Charges for goods and services revenues are \$275,721 (76.5% of the 2018 budget). This category includes charges for fire and police services, plan check review fees, and parks & recreation program fees. Parks and recreation fees make up 53% of the budget in this category and is a key factor for the year-to-date revenue exceeding the 75% target amount. Parks and recreation program revenues to-date is \$179,263 (92.3% of the 2018 budget). Plan check fees revenues are 44.9% of the 2018 budget. This is about \$14,300 below the 75% target amount.

General Fund Expenditures and Transfers Out

The 2018 appropriations and required transfers are budgeted at \$10,402,168, including \$9,502,081 for operating appropriations and \$900,087 for capital outlays, debt service, and transfers out.

At the end of September 2018, total expenditures are \$7,475,777 (71.9% of the 2018 budget).

Police and Fire make up 55% (\$4,118,370) of the total general fund expenditures.

Street and Facilities and Parks make up 16% (\$1,195,745) of the total general fund expenditures.

City administrative departments (City Council, City Manager, City Clerk, Human Resources, and Finance) make up 8% (\$536,204) of the total general fund expenditures.

Most departments operated within the budget parameters. Exceptions are:

Police department expenditures are 76.6% of the 2018 budget and \$50,879 above the 75% target amount. Wages, benefits and overtime expenditure to-date exceeded the 2018 budget by \$30,226. This is attributable to one-time payment for vacation, sick and comp time buy out upon retirement of an employee. Small tools and insurance. In addition, certain expenditures budget (i.e. small tools and insurance, etc.) was spent early in the year rather than spreading it over to 12 months.

Non-Departmental department expenditures are 60.5% of the 2018 budget. This is \$162,417 below the 75% target. 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 progress as of 9/30/2018. A \$50,000 contribution to the Main Street Tax Program is budgeted, but the payment wasn't made until October.

ENTERPRISE FUNDS

Wastewater Fund

Total revenue through the end of September are \$4,086,354 (73.9% of the 2018 budget), which is about \$61,000 below the 75% target amount. Investment interest earnings through September is \$46,162 (307.7% of the 2018 budget). However, wastewater sales revenue is 72.9% of the 2018 budget. This is about \$113,533 below the 75% target amount.

Overall expenditures are 60.6% of the 2018 budget: Operating expenditures are 67.2% of the 2018 budget, and debt service and capital outlay expenditures are 50.7% of the 2018 budget.

Water Fund

Total revenue through the end of September are \$2,261,911 (78.5% of the 2018 budget). Investment interest earnings are \$62,872 which is 383.4% of the 2018 budget. Water sales revenues are \$2,165,184 (76.9% of the 2018 budget).

Overall expenditures are 55.2% of the 2018 budget: Operating expenditures are 73.5% of the 2018 budget, and debt service and capital outlay expenditures are 9.2% of the 2018 budget.

Storm and Surface Water Fund

Total revenues through the end of September are \$502,801 (87.0 % of the 2018 budget).

Overall expenditures are 49.9% of the 2018 budget: Operating expenditures are 67.1 % of the 2018 budget, and debt service and capital outlay expenditures are 13.1% of the 2018 budget.

Airport Fund

Total revenues through the end of September are \$1,591,808 (67.2% of the 2018 budget). Fuel sales revenues are 81.4% of the 2018 budget, and rents and Lease revenues are 74.7% of the 2018 budget. However intergovernmental revenues (FAA grants) is 56.3% of the 2018 budget. It is anticipated that the remaining grant payment will be received by the year end.

Operating expenditures are 74.3% of the 2018 budget. However debt service and capital outlay expenditures are 45.0% of the 2018 budget.

TREASURER'S REPORT – CASH AND INVESTMENT

The city's total cash and investment balance as of September 30, 2018 is \$20,007,075.

About 86% (\$17,328,736) of the city's cash is invested and earn interests. The remaining 14% (\$2,765,563) is held at the city or deposited in checking accounts (non-interest bearing) to cover on-going operational needs. A summary of cash funds and investment types are as follows:

Cash on-hand \$5,050
Deposits in Checking Accounts \$2,673,289
Money Market Account \$87,224
Local Government Investment Pool \$14,881,760
U.S. Securities (held at U.S Bank) \$2,359,752

Total investment interest earnings through September 2018 amounted to \$172,549, which is about 292% increase from September 2017 (\$59,198). This is result of shifting about \$7 million from the city's checking account to the LGIP account in 2018, in conjunction with an increase in LGIP interest rates. The average interest rates for 2018 and 2017 are 1.7369% and 0.9502%, respectively.

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



Third Quarter Council Financial Report

**For the Period Ended
September 30, 2018
(January through September)**

The City of Chehalis, Washington

City of Chehalis
Third Quarter Financial Statements - All Funds
September 30, 2018

	General Fund #001		Dedicated Str Fund #003		Bldg Abatement #004		Arenal Str Fund #002		TSD Fund #003		2011 G.O. Bond #000		
	Budget	YTD Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
Beginning Fund Balance	2,041,941	2,042,442	117,842	117,842	90,313	90,313	114,125	114,125	360,055	360,055	0	0	
Revs. & Transfers In	9,339,852	6,925,856	185,125	148,255	9,796	858	148,500	122,816	850,600	870,009	102,510	13,755	
Exps. & Transfers Out	(10,402,468)	(7,475,777)	(180,940)	(131,035)	0	0	(160,060)	(134,608)	(500,000)	(174,621)	(102,510)	(13,753)	
Ending Fund Balance	969,625	1,492,521	122,027	135,062	100,109	91,171	102,565	102,333	710,655	1,055,443	0	0	
Changes in Fund Balance	(1,072,316)	(549,921)	17,220	17,220	858	858	(11,792)	(11,792)	695,388	695,388	0	0	
	Tourism Fund #007		Compr Abs Fund #010		CDBG Fund #015		HUD BG Fund #017		2011 G.O. Bond #000		2011 G.O. Bond #000		
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
Beginning Fund Balance	313,086	313,086	0	0	111	111	70,943	70,943	0	0	0	0	
Revs. & Transfers In	233,800	182,354	92,868	93,389	900	885	100	14,900	102,510	13,755	102,510	13,755	
Exps. & Transfers Out	(317,435)	(123,414)	0	0	(990)	(1,557)	0	0	(102,510)	(13,753)	(102,510)	(13,753)	
Ending Fund Balance	229,451	372,025	92,868	93,389	21	(561)	71,043	85,843	0	0	0	0	
Changes in Fund Balance	58,940	58,940	93,389	93,389	(672)	(672)	14,900	14,900	0	0	0	0	
	Public Exp. Reserve #301		Auto/Eq Reserve #302		1st QTR REET Fund #305		2nd QTR REET Fund #306		Garbage Fund #402		2011 G.O. Bond #000		
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
Beginning Fund Balance	90,185	90,185	463	463	176,107	176,107	264,738	264,738	7,024	7,024	0	0	
Revs. & Transfers In	528,748	719,296	92,868	93,393	90,700	97,780	90,650	98,294	6,445	6,734	102,510	13,755	
Exps. & Transfers Out	(829,660)	(513,051)	0	0	(242,865)	(144,585)	(323,190)	(194,100)	(7,505)	(4,503)	(102,510)	(13,753)	
Ending Fund Balance	189,273	296,430	93,331	93,856	23,942	129,302	32,198	168,932	5,964	9,255	0	0	
Changes in Fund Balance	206,245	206,245	93,393	93,393	(46,805)	(46,805)	(95,806)	(95,806)	2,231	2,231	0	0	
	Wastewater Fund #204		Water Fund #405		Storm/Surface Wtr #406		Airport Fund #407		Firemen's Pension #611		2011 G.O. Bond #000		
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
Beginning Fund Balance	4,822,426	4,833,519	7,192,608	7,093,160	1,100,553	1,098,223	371,625	371,625	729,330	729,330	0	0	
Revs. & Transfers In	5,529,897	4,086,355	2,980,084	2,261,911	578,130	502,800	2,369,689	1,591,808	1,774,778	1,114,481	102,510	13,755	
Exps. & Transfers Out	(5,512,192)	(3,340,367)	(3,210,767)	(1,771,494)	(721,225)	(359,737)	(2,218,232)	(1,314,214)	(78,500)	(25,220)	(102,510)	(13,753)	
Ending Fund Balance	4,840,131	5,579,507	6,863,925	7,583,577	957,458	1,241,286	523,082	651,219	828,308	815,591	0	0	
Changes in Fund Balance	745,988	745,988	490,417	490,417	143,063	143,063	279,594	279,594	86,261	86,261	0	0	
		City Agency Fund #633		ALL FUNDS TOTALS		ALL FUNDS TOTALS		ALL FUNDS TOTALS		ALL FUNDS TOTALS		ALL FUNDS TOTALS	
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	10,890	10,890	17,874,365	17,784,181	17,874,365	17,784,181	17,874,365	17,784,181	17,874,365	17,784,181	17,874,365	17,784,181	
Revs. & Transfers In	360,000	0	24,058,740	17,942,829	24,058,740	17,942,829	24,058,740	17,942,829	24,058,740	17,942,829	24,058,740	17,942,829	
Exps. & Transfers Out	(360,000)	0	(25,168,239)	(15,720,036)	(25,168,239)	(15,720,036)	(25,168,239)	(15,720,036)	(25,168,239)	(15,720,036)	(25,168,239)	(15,720,036)	
Ending Fund Balance	10,890	10,890	16,764,866	20,007,074	16,764,866	20,007,074	16,764,866	20,007,074	16,764,866	20,007,074	16,764,866	20,007,074	
Changes in Fund Balance	0	0	(1,103,495)	2,222,893	(1,103,495)	2,222,893	(1,103,495)	2,222,893	(1,103,495)	2,222,893	(1,103,495)	2,222,893	

Note: In some instances, ending fund balances include non-cash components, such as prepaid insurance and inventory. Resulting variances are considered immaterial.

To: The Honorable Mayor and Council
 Via: Tracie J Anderson, City Manager
 From: Chun Saul, Finance Director
 Prepared by: Betty Brooks, Payroll Accountant
 Date: 10/12/2018
 Subject: Monthly Financial Reports for Period Ended September 2018

City of Chehalis
Comparative Financial Reports
September 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 YTD	2018	2018	2018	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	
	Budget	YTD Actual	% to Budget	% to Budget	Budget	YTD Actual	% to Budget	% to Budget	Target	Amount	from Target	%	Variance	from	%	Variance	from	%	Variance	from	%	Variance	from	
GENERAL FUND (#001)																								
Tax Revenues:																								
Property Taxes [*]	1,792,460	924,443	51.6%	51.6%	1,639,220	924,608	56.4%	75.0%	1,229,415	1,229,415	(304,807)	-18.6%											165	
Sales and Use Taxes ^{**}	4,180,791	3,474,208	83.1%	83.1%	4,752,128	3,792,182	79.8%	75.0%	3,564,096	3,564,096	228,086	4.8%											317,974	
Utility Taxes	1,656,731	1,341,952	81.0%	81.0%	1,677,920	1,195,832	71.3%	75.0%	1,258,441	1,258,441	(62,609)	-3.7%											(146,120)	
Other Taxes	43,050	38,006	88.3%	88.3%	50,222	41,087	81.8%	75.0%	37,667	37,667	3,420	6.8%											3,081	
Total Tax Revenues	7,673,032	5,778,609	75.3%	75.3%	8,119,490	5,953,709	73.3%	75.0%	6,089,619	6,089,619	(135,910)	-1.7%											175,100	
Other Revenues:																								
Licenses and Permits	210,550	148,803	70.7%	70.7%	180,835	126,204	69.8%	75.0%	135,627	135,627	(9,423)	-5.2%											(22,599)	
Grants	495,412	845,201	170.6%	170.6%	1,267	31,702	2502.1%	75.0%	950	950	30,752	2427.1%											(813,499)	
State Shared Revenues	183,661	185,560	101.0%	101.0%	226,507	205,178	90.6%	75.0%	169,880	169,880	35,298	15.6%											19,618	
Charges for Goods and Services	325,265	325,611	99.9%	99.9%	360,330	275,721	76.5%	75.0%	270,248	270,248	5,473	1.5%											(49,890)	
Fines and Forfeitures	144,945	86,114	59.4%	59.4%	140,685	87,358	62.1%	75.0%	105,514	105,514	(18,156)	-12.9%											1,244	
Misc. & Other Revenues	314,673	237,809	75.6%	75.6%	300,738	245,383	81.8%	75.0%	225,555	225,555	20,428	12.7%											8,174	
Total Other Revenues	1,675,506	1,829,098	109.2%	109.2%	1,210,382	972,146	80.3%	75.0%	907,774	907,774	64,372	5.3%											(856,952)	
Total Revenues	\$ 9,348,538	\$ 7,607,707	81.4%	81.4%	\$ 9,329,852	\$ 6,925,855	74.2%	75.0%	\$ 6,997,393	\$ 6,997,393	\$ (71,538)	-0.8%												(681,852)

Foot Note:

^{*} Excludes percentage of property tax allocated to the Firemen's Pension Fund.

^{**} Includes Local Sales & Use Tax, Brokered Natural Gas and Criminal Justice Sales & Use Tax (excludes Transportation Benefit District Sales Tax)

* The expected percentage is calculated as follows: since the report is for the 9 months of the year, 9 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
September 2018 and 2017

GENERAL FUND (#001)	A		B		C=B/A		D		E		F=E/D		G		H		H ^A		I=G-F		J=E-B		
	2017	2017	2017	2017	2017	2017	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2017-2018	2017-2018	
DEDUCTIONS	Budget	YTD Actual	YTD Actual	% to Budget	Budget	YTD Actual	YTD Actual	% to Budget	Target	Amount	Target	Amount	Target	%	Target	Amount	Variance	from	Target	%	YTD Incr	(decr)	
Expenditures by Department:																							
City Council	\$ 92,351	47,933	51.9%	77,498	55,325	71.4%	75.0%	58,124	58,124	(2,799)	3.6%	7,392											
Municipal Court	480,523	324,805	67.6%	489,082	327,928	67.0%	75.0%	366,812	366,812	(38,884)	8.0%	3,123											
City Manager	312,582	132,819	42.5%	262,340	186,291	71.0%	75.0%	196,755	196,755	(10,464)	4.0%	53,472											
Finance	232,471	161,168	69.3%	273,990	178,611	65.2%	75.0%	205,493	205,493	(26,882)	9.8%	17,443											
City Clerk	79,915	41,391	51.8%	81,252	50,534	62.2%	75.0%	60,939	60,939	(10,405)	12.8%	9,143											
Facilities and Parks	850,411	703,279	0.0%	1,073,729	788,981	73.5%	75.0%	805,297	805,297	(16,316)	1.5%	85,702											
Non-Departmental	611,351	427,102	69.9%	1,118,120	676,173	60.5%	75.0%	838,590	838,590	(162,417)	14.5%	249,071											
Human Resources	80,594	64,937	80.6%	110,749	65,443	59.1%	75.0%	83,062	83,062	(17,619)	15.9%	506											
Police	2,944,719	2,247,623	76.3%	3,179,926	2,434,540	76.6%	75.0%	2,384,945	2,384,945	49,595	-1.6%	186,917											
Fire	2,225,620	1,683,964	75.7%	2,307,015	1,683,830	73.0%	75.0%	1,730,261	1,730,261	(46,431)	2.0%	(134)											
Public Works - Streets	590,064	398,952	67.6%	607,651	406,764	66.9%	75.0%	455,738	455,738	(48,974)	8.1%	7,812											
Planning & Building	482,332	307,669	0.0%	352,976	239,764	67.9%	75.0%	264,732	264,732	(24,968)	7.1%	(67,905)											
Recreation	481,645	393,917	0.0%	467,840	381,592	81.6%	75.0%	350,880	350,880	30,712	-6.6%	(12,325)											
Total Functional Expenditures	\$ 9,464,568	\$ 6,935,559	73.3%	\$10,402,168	\$ 7,475,776	71.9%	75.0%	\$ 7,801,628	\$ 7,801,628	\$ (325,852)	3.1%	\$ 540,217											
Change in Cash Balance	\$ (116,030)	\$ 672,148	-579.3%	\$ (1,072,316)	\$ (549,921)	51.3%	75.0%	\$ (804,235)	\$ (804,235)	\$ 254,314	23.7%	\$ (1,222,069)											

Key:

* The expected percentage is calculated as follows: since the report is for the 9 months of the year, 9 is divided by 12 - the number of months in the year.

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

H^A Actual expensed less the target (expected) amount

City of Chehalis
Comparative Financial Reports
September 2018 and 2017

	A		B		C=B/A		D		E		F=E/D		H ^A		I=F-G		J=E-B		
	2017	2017	2017	2017	2017 YTD	2018	2018	2018	2018	2018	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2018 YTD	2017-2018	2017-2018	
	Budget	YTD Actual	% to Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Target Amount	Variance from Target	% to Budget	YTD Actual	YTD Actual	Variance from Target	Variance from Target	YTD Incr (decr)	YTD Incr (decr)	YTD Incr (decr)	
WASTEWATER FUND (#404)																			
Revenues:																			
Charges for Goods & Services	\$ 5,349,972	\$ 4,044,727	75.6%	\$ 3,972,311	72.9%	\$ 5,447,792	\$ 3,972,311	72.9%	\$ 4,085,844	\$ (1,353)	72.9%	\$ 4,085,844	\$ (1,353)	\$ (1,353)	\$ (1,353)	\$ (72,416)	\$ (72,416)	\$ (72,416)	\$ (72,416)
Intergovernmental Revenues	13,500	13,412	99.3%	25,918	237.7%	10,905	25,918	237.7%	8,179	17,739	237.7%	8,179	17,739	162.7%	162.7%	12,506	12,506	12,506	12,506
Late Payment Fees	50,000	37,605	75.2%	36,496	71.6%	51,000	36,496	71.6%	38,250	(1,754)	71.6%	38,250	(1,754)	-3.4%	-3.4%	(1,109)	(1,109)	(1,109)	(1,109)
Rental Income	3,545	3,545	100.0%	3,545	100.0%	3,545	3,545	100.0%	2,659	886	100.0%	2,659	886	25.0%	25.0%	-	-	-	-
Interest Earnings	3,000	18,829	627.6%	15,000	46.162	15,000	46,162	307.7%	11,250	34,912	307.7%	11,250	34,912	232.7%	232.7%	27,333	27,333	27,333	27,333
Other Misc. Revenues	3,000	1,334	44.5%	1,334	44.5%	1,100	1,334	123.3%	825	531	123.3%	825	531	48.3%	48.3%	22	22	22	22
Total Revenues	5,423,017	4,119,452	76.0%	4,085,788	73.9%	5,529,342	4,085,788	73.9%	4,147,007	(61,219)	73.9%	4,147,007	(61,219)	414.89%	414.89%	(33,664)	(33,664)	(33,664)	(33,664)
Expenditures:																			
Operating Expenditures	2,804,370	1,916,129	68.3%	2,223,316	67.2%	3,307,574	2,223,316	67.2%	2,480,681	(257,365)	67.2%	2,480,681	(257,365)	7.8%	7.8%	307,187	307,187	307,187	307,187
Total Expenditures:	2,804,370	1,916,129	68.3%	2,223,316	67.2%	3,307,574	2,223,316	67.2%	2,480,681	(257,365)	67.2%	2,480,681	(257,365)	7.8%	7.8%	307,187	307,187	307,187	307,187
Excess Revenues over (under) Expenditures	2,618,647	2,203,323	84.1%	1,862,472	83.8%	2,221,768	1,862,472	83.8%	1,666,326	(196,146)	83.8%	1,666,326	(196,146)	-8.8%	-8.8%	(340,851)	(340,851)	(340,851)	(340,851)
Other Increase in Fund Resources:																			
Custodial Receipts	555	563	101.4%	566	102.0%	555	566	102.0%	416	150	102.0%	416	150	27.0%	27.0%	3	3	3	3
Debt Proceeds (Bonds/Loans)	1,165,100	590,943	50.7%	-	0.0%	-	-	0.0%	-	-	0.0%	-	-	-75.0%	-75.0%	(590,943)	(590,943)	(590,943)	(590,943)
Total Other Increases in Fund Resources	1,165,655	591,506	50.7%	566	102.0%	555	566	102.0%	416	150	102.0%	416	150	27.0%	27.0%	(590,940)	(590,940)	(590,940)	(590,940)
Other Use of Fund Resources:																			
Custodial Disbursements	555	544	98.0%	566	94.3%	600	566	94.3%	450	116	94.3%	450	116	-19.3%	-19.3%	22	22	22	22
Debt Service - Principal	1,846,181	938,123	50.8%	961,842	51.0%	1,886,717	961,842	51.0%	1,415,038	(453,196)	51.0%	1,415,038	(453,196)	24.0%	24.0%	23,719	23,719	23,719	23,719
Debt Service - Interest	43,937	9,935	22.6%	13,607	60.7%	22,428	13,607	60.7%	16,821	(3,214)	60.7%	16,821	(3,214)	14.3%	14.3%	3,672	3,672	3,672	3,672
Capital Outlay	1,113,100	903,099	81.1%	141,035	47.8%	294,873	141,035	47.8%	221,155	(80,120)	47.8%	221,155	(80,120)	27.2%	27.2%	(762,064)	(762,064)	(762,064)	(762,064)
Total Other Use of Fund Resources	3,003,773	1,851,701	61.6%	1,117,050	50.7%	2,204,618	1,117,050	50.7%	1,653,464	(536,414)	50.7%	1,653,464	(536,414)	24.3%	24.3%	(734,651)	(734,651)	(734,651)	(734,651)
Changes in Cash Balance	\$ 780,529	\$ 943,128	120.8%	\$ 745,988	421.4%	\$ 17,705	\$ 745,988	421.4%	\$ 13,278	\$ 732,710	421.4%	\$ 13,278	\$ 732,710	4138.4%	4138.4%	\$(197,140)	\$(197,140)	\$(197,140)	\$(197,140)
<i>Total revenues & other funding sources</i>	6,588,672	4,710,958		4,086,354	73.9%	5,529,697	4,086,354	73.9%	4,147,423	(61,069)	73.9%	4,147,423	(61,069)	-624,604	-624,604	-624,604	-624,604	-624,604	-624,604
<i>Total Expenditures and other funding use</i>	5,808,143	3,767,830		3,340,366	60.6%	5,512,192	3,340,366	60.6%	4,134,145	(793,779)	60.6%	4,134,145	(793,779)	-427,464	-427,464	-427,464	-427,464	-427,464	-427,464
	780,529	943,128		745,988		17,705	745,988		13,278	732,710		13,278	732,710			(197,140)	(197,140)	(197,140)	(197,140)

Key:

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

H^A Actual expensed less the target (expected) amount

City of Chehalis
Comparative Financial Reports
September 2018 and 2017

	A		B		C=B/A		D	E		F=E/D		G	H		H^A		I=F-G		J=E-B		
	2017	Budget	2017	YTD Actual	2017	% to Budget		2018	Budget	2018	YTD Actual		2018	% to Budget	2018	YTD Actual	2018	YTD Variance		2018	YTD Variance
WATER FUND (#405)																					
Revenues:																					
Charges for Goods & Services	\$ 2,688,600	\$ 2,238,515	83.3%	\$ 2,165,184	76.9%	75.0%	\$ 2,814,784	\$ 2,165,184	75.0%	\$ 2,111,088	\$ 54,096	1.9%	\$ (73,331)								
Late Payment Fees	28,000	23,879	85.3%	23,041	74.3%	75.0%	31,000	23,250	75.0%	23,250	(209)	-0.7%	(838)								
Interest Earnings	10,000	14,718	147.2%	16,400	383.4%	75.0%	16,400	50,572	308.4%	12,300	50,572	308.4%	48,154								
Other Misc. Revenues	2,121	968	45.6%	1,000	742.3%	75.0%	1,000	750	75.0%	750	6,673	667.3%	6,455								
Total Revenues	2,728,721	2,278,080	83.5%	2,258,520	78.9%	75.0%	2,863,184	2,258,520	78.9%	2,147,388	111,132	3.9%	(19,560)								
Expenditures																					
Operating Expenditures	1,930,472	1,819,882	94.3%	1,687,889	73.5%	75.0%	2,297,091	1,722,818	73.5%	1,722,818	(34,929)	1.5%	(131,793)								
Total Expenditures	1,930,472	1,819,882	94.3%	1,687,889	73.5%	75.0%	2,297,091	1,687,889	73.5%	1,722,818	(34,929)	1.5%	(131,793)								
Excess Revenues over (under) Expenditures	798,249	458,398	57.4%	570,631	100.8%	75.0%	566,093	570,631	100.8%	424,570	146,061	-25.8%	112,233								
Other Increase in Fund Resources																					
Proceeds from Sale of Capital Assets & Insurance	-	-	0.0%	-	0.0%	75.0%	-	2,733	0.0%	-	2,733	-75.0%	2,733								
Custodial Receipts (Non-Rev Taxes)	150	66	44.0%	100	658.0%	75.0%	100	75	658.0%	75	583	583.0%	592								
Proceeds from Debt Issuance (Bonds/Loans)	1,000,000	2,050,000	205.0%	16,800	0.0%	75.0%	16,800	12,600	0.0%	12,600	(12,600)	-75.0%	(2,050,000)								
Total Other Increase in Fund Resources	1,000,150	2,050,066	205.0%	16,900	20.1%	75.0%	16,900	12,675	20.1%	12,675	(9,284)	-54.9%	(2,046,676)								
Other Use of Fund Resources																					
Custodial Disbursements	105	66	63.2%	100	378.0%	75.0%	100	75	378.0%	75	303	-303.0%	312								
Interfund Loan Disbursements	-	-	0.0%	279,430	0.0%	75.0%	279,430	209,573	0.0%	209,573	(209,573)	0.0%	-								
Debt Service- Principal	135,077	135,077	100.0%	297,827	7.7%	75.0%	297,827	223,370	7.7%	223,370	(200,370)	67.3%	(112,077)								
Debt Service - Interest	12,730	11,596	91.1%	45,749	5.2%	75.0%	45,749	34,312	5.2%	34,312	(31,929)	69.8%	(9,213)								
Capital Outlay	1,603,000	744,269	46.4%	290,570	19.9%	75.0%	290,570	57,843	19.9%	217,928	(160,085)	55.1%	(686,426)								
Total Other Use of Fund Resources	1,750,912	891,008	50.9%	913,676	9.2%	75.0%	913,676	83,604	9.2%	685,258	(601,654)	65.8%	(807,404)								
Change in Cash Balance	\$ 47,487	\$ 1,617,456	3406.1%	\$ (330,683)	-148.3%	75.0%	\$ (330,683)	\$ 490,418	-148.3%	\$ (248,013)	\$ 738,431	223.3%	\$ (1,127,038)								
<i>Total revenues & other funding sources</i>	3,728,871	4,328,146		2,880,084	78.5%		2,880,084	2,261,911	78.5%	2,160,063	101,848		(2,066,236)								
<i>Total Expenditures and other funding use</i>	3,681,384	2,710,690		3,210,767	55.2%		3,210,767	1,771,493	55.2%	2,408,076	(636,593)		(839,197)								
	47,487	1,617,456		(330,683)			(330,683)	490,418		(248,013)	738,431		(1,127,038)								

Key:
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 H=(D*G) (annual budgeted amount x expected % amount)
 H^A Actual expensed less the target (expected) amount

City of Chehalis
Comparative Financial Reports
September 2018 and 2017

	A		B		C=B/A		D		E		F=E/D		G		H		H^A		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	2017-2018	2017-2018	
	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Budget	YTD Actual	% to Budget	Target *	Target %	Amount	Variance from Target	YTD	YTD	YTD	YTD	Variance from Target	YTD	YTD	YTD	YTD	YTD
STORM FUND (#406)																							
REVENUES																							
Revenues:																							
Charges for Goods & Services	\$ 550,910	\$ 528,779	96.0%	\$ 571,100	\$ 485,001	84.9%	\$ 571,100	\$ 485,001	84.9%	75.0%	75.0%	\$ 428,325	\$ 56,676	9.9%									\$ (43,778)
Intergovernmental Revenue	-	-	0.0%	-	-	0.0%	-	-	0.0%	75.0%	75.0%	-	-	0.0%									-
Fines and Forfeitures	5,000	3,946	78.9%	5,000	6,269	125.4%	5,000	6,269	125.4%	75.0%	75.0%	3,750	2,519	50.4%									2,323
Interest Earnings	1,000	3,669	366.9%	2,000	11,297	564.9%	2,000	11,297	564.9%	75.0%	75.0%	1,500	9,797	489.9%									7,628
Other Misc. Revenues	-	-	0.0%	-	197	0.0%	-	197	0.0%	75.0%	75.0%	-	197	0.0%									197
Total Revenues	556,910	536,394	96.3%	578,100	502,764	87.0%	578,100	502,764	87.0%	75.0%	75.0%	433,575	69,189	12.0%									(33,630)
Expenditures:																							
Operating Expenditures	524,798	257,844	49.1%	491,175	329,509	67.1%	491,175	329,509	67.1%	75.0%	75.0%	368,381	(38,872)	7.9%									71,665
Total Expenditures	524,798	257,844	49.1%	491,175	329,509	67.1%	491,175	329,509	67.1%	75.0%	75.0%	368,381	(38,872)	7.9%									71,665
Excess Revenues Over (under) Expenditures	32,112	278,550	867.4%	86,925	173,255	199.3%	86,925	173,255	199.3%	75.0%	75.0%	65,194	108,061	-124.3%									(105,295)
Other Increase in Fund Resources:																							
Custodial Receipts	-	25	0.0%	30	37	123.3%	30	37	123.3%	75.0%	75.0%	23	14	48.3%									12
Total Other Increase of Fund Resources	-	25	0.0%	30	37	123.3%	30	37	123.3%	75.0%	75.0%	23	14	48.3%									12
Other Use of Fund Resources:																							
Custodial Disbursements	100	25	25.0%	50	37	74.0%	50	37	74.0%	75.0%	75.0%	38	(1)	0.0%									12
Capital Outlay	-	-	0.0%	230,000	30,190	13.1%	230,000	30,190	13.1%	75.0%	75.0%	172,500	(142,310)	61.9%									30,190
Total Other Use of Fund Resources	100	25	25.0%	230,050	30,227	13.1%	230,050	30,227	13.1%	75.0%	75.0%	172,538	(142,311)	61.9%									30,202
Changes in Cash Balance	\$ 32,012	\$ 278,550	870.1%	\$ (143,095)	\$ 143,065	-100.0%	\$ (143,095)	\$ 143,065	-100.0%	75.0%	75.0%	\$(107,321)	\$250,386	175.0%									\$(135,485)
Total revenues & other funding sources	556,910	536,419		578,130	502,801	87.0%	578,130	502,801	87.0%			433,598	69,203										-33,818
Total Expenditures and other funding use	524,898	257,869		721,225	359,736	49.9%	721,225	359,736	49.9%			540,919	-181,183										101,867
	32,012	278,550		(143,095)	143,065		(143,095)	143,065				(107,321)	250,386										(135,485)

Key:

* The expected percentage is calculated as follows: since the report is for the 9 months of the year, 9 is divided by 12 - the number of months in the year.

^A 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^A Actual expensed less the target (expected) amount

City of Chehalis
Comparative Financial Reports
September 2018 and 2017

A	B		C=B/A		D	E	F=E/D		G	H	H ^A	I=F-G	J=E-B
	2017	2017	2017	% to Budget			2018	2018					
AIRPORT FUND (#407)	Budget	YTD Actual	2017	% to Budget	2018	YTD Actual	2018	% to Budget	2018	YTD	2018	YTD	2017-2018
										Target	Variance	Variance	YTD Incr
										Amount	from Target	from Target	(decr)
Revenues:													
Intergovernmental Revenues	\$ 1,305,191	\$ 952,686	73.0%	73.0%	\$ 308,000	\$ 173,484	56.3%	75.0%	\$ 231,000	\$ (57,516)	\$ (79,202)	\$ (79,202)	
Fuel sales	533,622	390,390	73.2%	73.2%	486,000	395,665	81.4%	75.0%	364,500	31,165	5,275	5,275	
Other Misc. Revenues	3,095	3,020	97.6%	97.6%	1,700	43,760	2574.1%	75.0%	1,275	42,485	2499.1%	40,740	
Rents & Royalties	981,437	789,176	80.4%	80.4%	1,112,500	831,318	74.7%	75.0%	834,375	(3,057)	(22,437)	42,142	
Late Payment Fees	-	-	0.0%	0.0%	-	60	0.0%	75.0%	-	60	0.0%	60	
Interest Earnings	5,325	11,349	213.1%	213.1%	-	7,044	0.0%	75.0%	-	7,044	0.0%	(4,305)	
Total Revenues	2,828,670	2,146,621	75.9%	75.9%	1,908,200	1,451,331	76.1%	75.0%	1,431,150	20,181	1.1%	(695,230)	
Expenditures:													
Operating Expenditures	1,169,247	831,153	71.1%	71.1%	1,070,331	795,172	74.3%	75.0%	802,748	(7,576)	0.7%	(35,981)	
Total Expenditures	1,169,247	831,153	71.1%	71.1%	1,070,331	795,172	74.3%	75.0%	802,748	(7,576)	0.7%	(35,981)	
Excess Revenues over (under) Expenditures	1,659,423	1,315,468	79.3%	79.3%	837,869	656,159	78.3%	75.0%	628,402	27,757	-3.3%	(659,309)	
Other Increase in Fund Resources:													
Custodial Receipts	168,424	133,110	79.0%	79.0%	182,059	138,857	76.3%	75.0%	136,544	2,313	1.3%	5,747	
Interfund Loan Receipts	-	-	0.0%	0.0%	279,430	-	0.0%	75.0%	209,573	(209,373)	0.0%	-	
Proceeds from Sale of Capital Assets	1,440	7,290	506.3%	506.3%	-	1,620	0.0%	75.0%	-	1,620	0.0%	(5,670)	
Total Other Increase in Fund Resources	169,864	140,400	82.7%	82.7%	461,489	140,477	30.4%	75.0%	346,117	(205,640)	-44.6%	77	
Other Use of Fund Resources:													
Custodial Disbursements	168,424	94,769	56.3%	56.3%	182,014	99,309	54.6%	75.0%	136,511	(37,202)	20.4%	4,540	
Interfund Loan Disbursements	-	-	0.0%	0.0%	16,800	-	0.0%	75.0%	12,600	(12,600)	0.0%	-	
Debt Service - Principal	1,597,850	1,544,140	96.6%	96.6%	312,745	308,858	98.8%	75.0%	234,559	74,299	-23.8%	(1,235,282)	
Debt Service - Interest	44,382	41,650	93.8%	93.8%	23,269	19,213	82.6%	75.0%	17,452	1,761	-7.6%	(22,437)	
Capital Outlay	1,554,005	1,330,821	85.6%	85.6%	613,073	89,662	14.6%	75.0%	459,805	(370,143)	60.4%	(1,241,159)	
Total Other Use of Fund Resources	3,364,661	3,011,380	89.5%	89.5%	1,147,901	517,042	45.0%	75.0%	860,927	(343,885)	30.0%	(2,494,338)	
Changes in Cash Balance	\$(1,535,374)	\$(1,555,512)	101.3%	101.3%	\$ 151,457	\$ 279,594	184.6%	75.0%	\$ 113,592	\$ 166,002	-109.6%	\$ 1,835,106	
<i>Total revenues & other funding sources</i>	2,998,534.00	2,287,021			2,369,689	1,591,808	67.2%		1,777,267	-165,459		-695,213	
<i>Total Expenditures and other funding use</i>	4,533,908.00	3,842,533			2,218,232	1,312,214	59.2%		1,663,675	-351,461		-2,530,319	
	(1,535,374.00)	(-1,555,512)			151,457	279,594			113,592	166,002		1,835,106	

Key:

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

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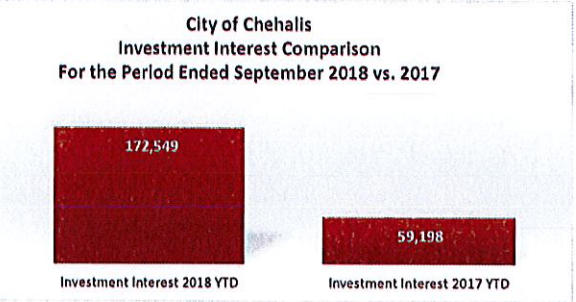
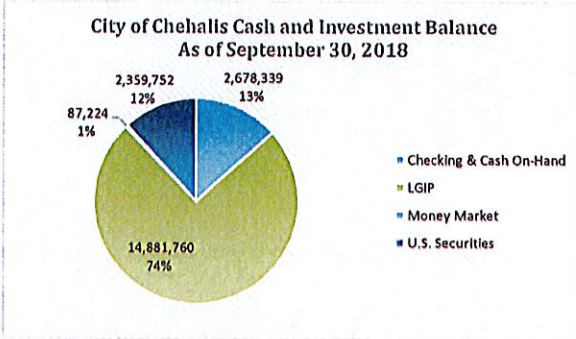
RECOMMENDATION/COUNCIL ACTION DESIRED

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

Reviewed by _____, City Manager

City of Chehalis
Cash & Investment Balance as of September 30, 2018

Fund	Checking & Cash On-Hand	LGIP	Money Market	U.S. Securities	Total Cash & Investment 9/30/2018	Restricted Amount	Unrestricted Amount	Investment Interest 2018	Investment Interest 2017
								YTD	YTD
General Fund	394,552	1,010,746	87,224		1,492,522	103,604	1,388,918	15,420	4,308
TBD Fund	271,868	783,575			1,055,443		1,055,443	8,195	32
Wastewater Fund	409,362	4,651,496		518,649	5,579,507	1,879,904	3,699,603	46,162	18,829
Water Fund	708,196	5,034,278		1,841,103	7,583,577	548,209	7,035,368	62,872	14,718
Stormwater Fund	143,867	1,097,419			1,241,286		1,241,286	11,297	3,669
Airport Fund	150,933	500,286			651,218		651,218	7,044	11,349
Firemen's Pension Fund	25,182	790,409			815,591	815,591	(0)	7,459	2,367
Total other funds	574,379	1,013,552	-	-	1,587,930	15,631	1,572,300	14,100	3,926
Total Cash	2,678,339	14,881,760	87,224	2,359,752	20,007,075	3,362,938	16,644,137	172,549	59,198
% of Total	13%	74%	0%	12%	100%	17%			



City of Chehalis Cash & Investment - All Funds

Account Type	Balance 9/30/20	% of Total
Checking	\$ 2,673,289	13.36%
Money Market	87,224	0.44%
LGIP	14,881,760	74.38%
US Securities	2,359,752	11.79%
Cash On-hand	5,050	0.03%
Total	\$ 20,007,075	100.00%

Category	Balance	% of Total
Interest Bearing Balance	\$ 17,328,736	86.61%
Non-Interest Bearing Balance	2,678,339	13.39%
Total	\$ 20,007,075	100.00%

Balance by Funds

Fund	Balance 9/30/20	% of Total
General Fund	\$ 1,492,522	7.5%
TBD Fund	1,055,443	5.3%
Wastewater Fund	5,579,507	27.9%
Water Fund	7,583,577	37.9%
Storm Water Fund	1,241,286	6.2%
Airport Fund	651,218	3.3%
Firemen's Pension Fund	815,591	4.1%
All Other Funds	1,587,930	7.9%
Total	\$ 20,007,075	100.0%

Category	Balance	% of Total
Restricted/Reserved Balance	\$ 3,362,938	16.8%
Unrestricted Balance	16,644,137	83.2%
Total	\$ 20,007,075	100.00%

Year	YTD Interest Earnings
2018	\$ 172,549
2017	\$ 59,198

LGIP Net Earnings Rate, Average 2018, 1.7369%
LGIP Net Earnings Rate, Average 2017, 0.9502%

	Cash/Checking	Investments	Fund Total	Cash On-Hand	Total Cash & Investments
001 GENERAL FUND	390,702.40	1,097,969.47	1,488,671.87	3,850.00	1,492,521.87
003 DEDICATED STREET FUND-4% SALES TAX	33,031.74	102,029.97	135,061.71		135,061.71
004 BUILDING ABATEMENT FUND	20,204.94	70,966.30	91,171.24		91,171.24
102 ARTERIAL STREET	82,111.02	20,221.73	102,332.75		102,332.75
103 TRANSPORTATION BENEFIT DISTRICT FUI	271,867.79	783,574.71	1,055,442.50		1,055,442.50
107 TOURISM	73,323.85	298,702.39	372,026.24		372,026.24
110 COMPENSATED ABSENCES RESERVE	2,868.00	90,520.61	93,388.61		93,388.61
195 1982-93 COMM DEVELOP BLK GRANT	560.37 CR	0.40 CR	560.77 CR		(560.77)
197 HUD BLOCK GRANT	468.66	85,374.21	85,842.87		85,842.87
198 GAMBLING ENFORCEMENT	0.00	0.00	0.00		-
199 FEDERAL & STATE GRANTS	0.00	0.00	0.00		-
200 2011 G.O. BOND FUND	1.87	0.00	1.87		1.87
301 PUBLIC FACILITIES RESERVE	193,784.88	102,645.47	296,430.35		296,430.35
302 AUTOMOTIVE EQUIPMENT RESERVE	2,873.96	90,981.90	93,855.86		93,855.86
305 FIRST QUARTER PERCENT REET	48,627.24	80,674.59	129,301.83		129,301.83
306 SECOND QUARTER PERCENT REET	97,912.06	71,020.52	168,932.58		168,932.58
402 GARBAGE	8,840.80	414.47	9,255.27		9,255.27
403 PARKING FUND	0.00	0.00	0.00		-
404 WASTEWATER FUND	409,311.93	5,170,144.89	5,579,456.82	50.00	5,579,506.82
405 WATER FUND	707,495.89	6,875,381.51	7,582,877.40	700.00	7,583,577.40
406 STORM & SURFACE WATER UTILITY	143,867.41	1,097,418.87	1,241,286.28		1,241,286.28
407 AIRPORT FUND	150,482.84	500,285.55	650,768.39	450.00	651,218.39
414 WASTEWATER CAPITAL FUND	0.00	0.00	0.00		-
415 WATER CAPITAL FUND	0.00	0.00	0.00		-
416 STORMWATER CAPITAL FUND	0.00	0.00	0.00		-
417 AIRPORT CAPITAL FUND	0.00	0.00	0.00		-
611 FIREMEN'S PENSION	25,181.84	790,409.05	815,590.89		815,590.89
625 W/S DEF-REF BONDS TRUST FUND	0.00	0.00	0.00		-
633 CITY AGENCY FUND	0.00	0.00	0.00		-
990 Treasurer's Equity	0.00	0.00	0.00		-
Grand Total:	2,662,398.75	17,328,735.81	19,991,134.56		19,991,134.56
Cash On-Hand				5,050.00	5,050.00
Municipal Count Trust Account	10,890.00		10,890.00		10,890.00
TOTAL	2,673,288.75	17,328,735.81	20,002,024.56	5,050.00	20,007,074.56

Totals are through period: 9