

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

Dennis L. Dawes, Position at Large  
 Mayor

Terry F. Harris, District 1, Mayor Pro Tem  
 Daryl J. Lund, District 2  
 Dr. Isaac S. Pope, District 4

Anthony E. Ketchum Sr., District 3  
 Chad E. Taylor, Position at Large  
 Robert J. Spahr, Position at Large

**Regular Meeting of Monday, January 28, 2019**  
**5:00 p.m.**

1. Call to Order. (Mayor)
2. Pledge of Allegiance. (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
<b>CONSENT CALENDAR</b>		
3. <u>Minutes of the Regular City Council Meeting of January 14, 2019.</u> (City Clerk)	APPROVE	1
4. <u>Vouchers and Transfers – Accounts Payable.</u> (City Manager, Finance Director)	APPROVE	3
5. <u>Agreement with FCS Group for a Utility Rates and Capital Facility Charges Study in the Amount of \$66,000.</u> (Public Works Director, Community Development Director, Street/Stormwater Supt., Water Supt., Wastewater Supt.)	APPROVE	5
6. <u>Purchase of a New Kubota Tractor and Associated Implements to J&amp;I Power Equipment in the Amount of \$54,100.</u> (Community Development Director, Airport Operations Coordinator, Airport Office Manager)	APPROVE	16
7. <u>Change Order 3 and Acceptance of Stan Hedwall Sewer Project as Complete and Release Retainage Once All Statutory Requirements are Met.</u> (City Manager, Community Development Director, Public Works Director, Parks and Facilities Manager)	APPROVE	18

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>NEW BUSINESS</b>		
8. <u>Resolution No. 2-2019, First Reading – Application and Acceptance of a WSDOT Grant in the Amount of \$140,184 for Taxiway Realignment Project.</u> (City Manager, Community Development Director, Airport Operations Coordinator)	ADOPT	33
9. <u>Phase 1 Annexation Proposal and Process.</u> (City Manager, Community Development Director, Planning/Building Manager)	APPROVE	36

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>ADMINISTRATION AND CITY COUNCIL REPORTS</b>		
10. <u>Administration Reports.</u>	INFORMATION ONLY	- - -
a. Finance Report. (City Manager, Finance Director)		40
b. City Manager Update. (City Manager)		
11. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	- - -

<b>EXECUTIVE SESSION</b>		
12. Pursuant to RCW 42.30.140(4)(b) – Collective Bargaining.		

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.  
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, FEBRUARY 11, 2019.**

January 14, 2019

The Chehalis city council met in regular session on Monday, January 14, 2019, 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; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Hillary Hoke, Planning & Building Manager; Trent Loughheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlm, Public Works Director; Chun Saul, Finance Director, and Glenn Schaffer, Police Chief. Members of the media included Will Rubin from *The Chronicle*.

1. **National Law Enforcement Appreciation Day**. Mayor Dawes stated National Law Enforcement Appreciation Day was January 9. He wanted the chief and members of the Chehalis Police Department to know that the council supports them and understands the difficult job they do on a daily basis. He stated there had already been six police officers across the nation who had lost their lives since the first of the year.

2. **Citizens Business**. Commissioner Edna Fund announced that Homeless Connect was Thursday, January 24 from 10:00 am to 2:00 pm at the 4-H building at the SWW Fairgrounds. The annual event includes a free lunch, haircuts, coats, socks, and more. Agencies will be on hand to connect individuals to services such as veterans, mental health, substance abuse, DSHS, and housing. This year the event will also be held in Morton on January 25 at the Robert Lyle Community Building.

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

a. Minutes of the regular meeting of December 11, 2018;

b. December 31, 2018 Claim Vouchers No. 124585-124692 in the amount of \$177,293.08; and December 14, 2018 Claim Vouchers No. 124441-124584 and Electronic Funds Transfer No. 112018 in the amount of \$293,764.24;

c. December 31, 2018, Payroll Vouchers No. 40642-40681, Direct Deposit Payroll Vouchers No. 10254-10357, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 215-218 in the amount of \$846,683.30; and

d. Opening a separate interest-bearing account with Security State Bank relating to the tenant deposit from Rich Development Enterprises, LLC.

The motion was seconded by Councilor Lund and carried unanimously.

4. **Resolution No. 1-2019, First and Final Reading – Adopting the Program for Public Information**. City Manager Anderson noted the agenda report indicated suspending the rules to adopt the resolution; however, that was not necessary for a resolution.

Hillary Hoke stated the Program for Public Information (PPI) was a public outreach program to distribute information. The cities of Chehalis and Centralia, and Lewis County joined forces to choose generic topics so everyone was distributing the same basic information. Each agency will also choose specific topics that will be tailored for each agency. The goal is to lower insurance premiums for residents. Information will encourage residents to contact their respective agency to determine which outreach project best fits their property. It was noted that the program was for flood prevention activities and flood insurance information. Ms. Hoke stated possible topics include elevation, flood-proofing, obtaining insurance, and how to lower insurance rates. The materials will be distributed through general mail, flyers, website posting, and eventually social media. Target audiences include flood plain owners, and real estate and insurance agents. Once adopted, the PPI Committee will meet annually to monitor progress and update the program as needed.

Councilor Taylor moved to adopt Resolution No. 1-2019 on first and final reading. The motion was seconded by Councilor Lund and carried unanimously.

5. **Administration Reports**.

a. **National Avenue Realignment Project**. Trent Loughheed stated there were quite a few complaints during construction of the National Avenue Realignment project. All traffic markings have been completed, but some damage needs to be repaired.

January 14, 2019

Mayor Dawes thought damage would continue to happen without some sort of curbing. Mr. Lougheed stated that once the Chamber Way overpass project happens, it is intended to bring all traffic to the upper part of Chamber Way with a round-about, so eventually there will be no traffic under the bridge.

Councilor Harris agreed that there needed to be some kind of delineation to keep people out of the grassy area. City Manager Anderson stated staff would keep assessing any problems and determine if any additional infrastructure was needed.

b. **Airport Economic Update.** Brandon Rakes updated the council on the Washington Aviation Economic Impact Study through the State Department of Transportation to quantify aviation's economic contributions and to summarize the benefits airports provide. Submitted information included the number of businesses, tenants, employees, and sales volumes on Airport property, along with grant history and number of airport staff. Study results won't be available for some time; however, preliminary internal examination indicated a very valuable and healthy Airport. It is estimated that 1,150 people are employed on Airport property (data sourced from ReferenceUSA.com), with annual estimated sales volume of \$235 million. Next steps for economic development include the due diligence phase with Rich Development to conclude by March 15, 2019. If Rich Development remains on the current schedule construction is anticipated by fall of 2019. He anticipated that once construction begins, there would be an increase for Tract 5A and remaining tracts, which would create an ideal time for new marketing relationships with realtors, the Port of Chehalis, and the Lewis EDC.

c. **City Manager Update.** City Manager Anderson echoed the comments made by Mayor Dawes at the beginning of the meeting in regard to law enforcement officers and the entire Police Department.

6. **Councilor Reports/Committee Updates.**

a. Councilor Lund attended the fire consolidation meeting, and the annual Chehalis-Centralia Steam Train meeting in which he was elected Vice President.

b. Councilor Spahr attended the EDC board meeting, and the fire consolidation meeting.

c. Councilor Pope attended the Chehalis Foundation meeting at which City Manager Anderson and Chehalis School Superintendent Ed Rothlin were made ex-officio members. The funding structure for Penny Playground will be presented at the next board meeting.

d. Mayor Dawes attended a meeting relating to 911 communications and options for moving forward, a special Twin Transit board meeting, Business After Hours, and a mayors' meeting. The Historical Museum's annual dinner meeting is February 2 at 4:00 pm at the museum. With regard to the fire consolidation meeting, topics included on-going housing of Chehalis firefighters and borderless response. Mayor Dawes stated the council previously provided direction to the council subcommittee to go forward with certain ideas, fully understanding that anything would take a full council vote. One of the things being looked at was a third-party feasibility study. He wanted to make sure the council was still comfortable with the process, which the council concurred. He noted that whatever is done needs to make financial sense. Mayor Dawes stated a letter was going out to the city's state senator and representatives for assistance for things such as water retention and Recreation Park.

There being no further business to come before the council, the meeting was adjourned at 5:31 pm.

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Dennis L. Dawes, Mayor

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Caryn Foley, City Clerk

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

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

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

**MEETING OF:** January 28, 2019

**SUBJECT:** 2018 Vouchers and Transfers

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**ISSUE**

City Council approval is requested for 2018 Vouchers and Transfers dated January 15, 2019.

**DISCUSSION**

The January 15, 2019 claim vouchers for 2018 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. 124693-124805 and Electronic Funds Transfer No. 122018 and 1220181 in the amount of \$545,232.95 dated January 15, 2019, which includes the transfer of:

- \$ 73,741.17 from the General Fund
- \$ 3,034.00 from the Dedicated Street Fund – 4% Sales Tax
- \$ 223,783.96 from the Transportation Benefit District Fund
- \$ 31,285.96 from the Tourism Fund
- \$ 76,979.16 from the Wastewater Fund
- \$ 38,232.42 from the Water Fund
- \$ 1,964.24 from the Storm & Surface Water Utility Fund
- \$ 96,212.04 from the Airport Fund

**RECOMMENDATION**

It is recommended that the City Council approve the January 15, 2019 Claim Vouchers No. 124693-124805 and Electronic Funds Transfer No. 182018 and 1820181 in the amount of \$545,232.95.

**SUGGESTED MOTION**

I move that the City Council approve the January 15, 2019 Claim Vouchers No. 124693-124805 and Electronic Funds Transfer No. 182018 and 1820181 in the amount of \$545,232.95.

**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:** January 28, 2019

**SUBJECT:** 2019 Vouchers and Transfers

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**ISSUE**

City Council approval is requested for 2019 Vouchers and Transfers dated January 15, 2019.

**DISCUSSION**

The January 15, 2019 claim vouchers for 2019 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. 124806-124872 in the amount of \$485,072.35 dated January 15, 2019, which includes the transfer of:

- \$ 435,032.50 from the General Fund
- \$ 3,604.96 from the Wastewater Fund
- \$ 28,857.52 from the Water Fund
- \$ 194.01 from the Storm & Surface Water Utility Fund
- \$ 17,383.36 from the Airport Fund

**RECOMMENDATION**

It is recommended that the City Council approve the January 15, 2019 Claim Vouchers No. 124806-124872 in the amount of \$485,072.35.

**SUGGESTED MOTION**

I move that the City Council approve the January 15, 2019 Claim Vouchers No. 124806-124872 in the amount of \$485,072.35.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Rick Sahlin, Public Works Director  
Trent Loughheed, Community Development Director  
Don Schmitt, Street / Stormwater Superintendent  
Dave Vasilauskas, Water Superintendent  
Patrick Wiltzius, Wastewater Superintendent

**MEETING OF:** January 28, 2019

**SUBJECT:** Consultant Services Agreement for Evaluation of Water, Wastewater, and Stormwater Utility Rates and Capital Facility Charges

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**ISSUE**

Financial Consulting Solutions Group, Inc. (FCS Group) has submitted a proposed scope and budget agreement to do an update to the City's utility rate and capital facilities charges (CFCs) for the water, wastewater, and stormwater utilities. The administration is submitting the agreement for City Council review and consideration consistent with the City's Strategic Plan and adopted 2019 Budget.

**DISCUSSION**

At the August 30, 2018 strategic planning retreat, the administration was tasked with presenting a scope of work and funding plan for an updated utility rate study to the City Council for consideration by the end of February 2019. The administration selected FCS Group from the city's 2019 Consultant/Engineering Roster. The administration asked FCS Group to provide a scope and budget analysis for water, wastewater, and stormwater rates and capital facility charges.

FCS presented a proposal with a scope of work that includes a rate study, revenue requirements analysis, and capital facilities charge updates at a cost of \$66,000. The proposed study, which can be considered an update to the City's existing plan, includes analysis of the projected revenues for the utilities and an analysis of projected expenditures based on the City's Capital Improvement Plan (CIP) which is designed to identify infrastructure improvements needed to maintain safe and reliable utility service to customers in the coming years.

The last revenue analyses for the water, wastewater, and stormwater utilities was conducted and adopted by the City Council in 2011. It was for five years for water and wastewater with the fifth and final increase effective in November 2015. The stormwater increase was for eight

years with the eighth and final increase effective in November 2018. The last capital charge update was done in 2005.

If the agreement is approved, the results of the study will be reviewed and presented to the City Council. The analysis would be completed by the end of June. Approval of the agreement with FCS is limited to the work related to the rate study and does not change the current rate structure.

**FISCAL IMPACT**

The cost for the proposed utility rate and capital facilities charge analyses is \$66,000. Funding for the analyses will be split evenly between the water, wastewater, and stormwater utilities. Funding is included in the 2019 Adopted Budget.

**RECOMMENDATION**

It is recommended that the City Council authorize the City Manager to execute the agreement with the FCS Group for the water, wastewater, and stormwater study in the amount of \$66,000.

**SUGGESTED MOTION**

I move that the City Council authorize the city manager to execute the agreement with the FCS Group for the water, wastewater, and stormwater study in the amount of \$66,000.



# CITY OF CHEHALIS

## PROPOSAL FOR A UTILITY RATE & CFC UPDATE

Having set its water, sewer, and stormwater rates through 2019, the City of Chehalis has requested an evaluation of its utility rates in the context of needs anticipated for 2020 and subsequent years. In addition, the City wishes to revisit its capital facilities charges (CFCs) to ensure that they recover an equitable share of the cost of system infrastructure from development. We have developed the following task plan to meet the City's needs.

### **Task 1: Project Initiation & Data Collection**

FCS GROUP will provide a data request outlining key information required to complete the study, working with City staff to resolve questions and obtain additional records as needed. Task 1 includes reviewing and validating data provided for the study, identifying any potential data anomalies that could impact the integrity of the study's findings or resulting recommendations. This task also includes the administrative efforts involved with project initiation and ongoing management.

### **Task 2: Capital Facilities Charge (CFC) Update**

Regular CFC updates promote equity between existing customers and growth, ensuring that development bears an equitable share of system costs. Task 2 includes a review of the City's CFCs, considering:

- A current inventory of fixed assets
- Interest accrual as allowed by statute
- The City's most recent capital improvement program (CIP)
- Updated estimates of the customer base that the City's systems will be able to serve

### **Task 3: Revenue Requirement Analysis**

Task 3 involves developing a multi-year financial plan for the City's utilities, and will include the following elements:

- Forecasting operating revenues and expenses. The forecast of rate revenue will be based on recent actual revenue collections and anticipated growth; other revenues and expenses will be projected using the City's most recent budget, adjusting for anticipated changes in annual operating costs resulting from capital projects or other factors.
- Projecting capital expenditures based on the City's CIP. We will develop a funding strategy that considers projections of CFC revenue, available reserves, funding from rate revenue, and if necessary, debt.

- Testing the sufficiency of current system revenues against system needs, defined in terms of cash obligations and any applicable bond coverage requirements.
- Developing up to three (3) sensitivity analyses to assess rate impacts of changes in service levels, capital investment levels, revenue levels, or other factors of interest.

### **Task 4: Documentation**

Task 4 includes preparation of a report to document the assumptions, findings, and recommendations of the study. We will provide a draft for City staff to review and will revise it to incorporate staff input. This task will also include the development of a comparative summary of residential bills for up to ten (10) jurisdictions of interest to the City.

### **Task 5: Meetings & Public Process**

Task 5 includes our attendance (and preparation of any presentation materials) for the following meetings:

- Onsite project kick-off meeting
- Up to three (3) onsite review meetings with City staff
- Up to two (2) onsite City Council meetings to present study results

For any additional meetings requested by the City, we propose to bill based on time and materials expended. We anticipate that such meetings could cost up to \$2,500 each, depending on the number of attendees and level of effort involved (e.g. developing a presentation).

## **BUDGET**

The proposed level of effort to complete the Utility Rate & CFC Update is shown below.

City of Chehalis 2019 Utility Rate & CFC Update						
Task Detail	Ghilarducci Principal	Gonzalez PM	Sr. Analyst	Admin Support	Total Hours	Budget Estimate
Task 1 Project Initiation and Data Collection		6	8	6	20	\$ 2,740
Task 2 Capital Facilities Charge Update	6	18	66	0	90	14,130
Task 3 Revenue Requirement Analysis	6	20	80	0	106	16,460
Task 4 Documentation	4	8	40	0	52	8,120
Task 5 Meetings & Public Process (6 Onsite Meetings)	36	60	24	0	120	23,820
Labour Total	\$13,520	\$20,720	\$30,520	\$510		\$ 65,270
Expenses						730
<b>Total Cost Estimate</b>						<b>\$66,000</b>
<b>Cost Summary:</b>						
Total Hours	52	112	218	6	388	
Billing Rate	\$260	\$185	\$140	\$85		

**CONTRACT AGREEMENT**

**BETWEEN**

**FINANCIAL CONSULTING  
SOLUTIONS GROUP, INC.**

Redmond Town Center  
7525 – 166<sup>th</sup> Ave. NE, Suite D-215  
Redmond, Washington 98052

**AND**

**CITY OF CHEHALIS**

350 N. Market Boulevard  
Chehalis, WA 98532

**PROJECT: UTILITY RATE & CAPITAL FACILITIES CHARGE UPDATE**

**THIS AGREEMENT** combines all understandings between the Parties regarding professional services for the Project named above and supersedes all prior proposals, quotations, solicitations, negotiations, representations, agreements or understandings, whether written or oral.

The performance of the professional services herein described and authorized by the City of Chehalis (Client), as well as payment for such services, shall be in accordance with the terms and conditions presented in this Agreement and the following Sections and Exhibits which are attached and incorporated by reference which, taken together, shall constitute the whole Agreement.

- Section I** - **Relationship of the Parties**
- Section II** - **Contract Provisions**
- Exhibit A** - **Scope of Work and Task Plan**
- Exhibit B** - **Fee Schedule**

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**APPROVED:**

**FINANCIAL CONSULTING  
SOLUTIONS GROUP, INC.**

**APPROVED:**

**CITY OF CHEHALIS**

\_\_\_\_\_  
**Name: John Ghilarducci**

**Title: Principal**

**Date:** \_\_\_\_\_

\_\_\_\_\_  
**Name: Jill Anderson**

**Title: City Manager**

**Date:** \_\_\_\_\_

**SECTION I: RELATIONSHIP OF THE PARTIES**

The City of Chehalis ("Client"), desires to complete a Utility Rate & Capital Facilities Charge Update ("Project"). In furtherance of the Project, the Client hereby contracts with **Financial Consulting Solutions Group, Inc.** ("FCS GROUP") to perform the professional services described in Exhibit A of this Agreement. All services shall be performed under the joint supervision of the Client's Representative, Rick Sahlin, or a designee or designees identified in writing to FCS GROUP by the Client's Representative.

This Agreement shall inure to the benefit of and be binding upon successors, assigns, and legal representatives of each of the Parties hereto. Any assignment or transfer of an interest in this Agreement by either Party without the written consent of the other shall be void.

**SECTION II: CONTRACT PROVISIONS**

**1. Scope of Work:** FCS GROUP shall perform the service for the Client which as defined in Exhibit A of this Agreement.

**2. Time for Completion:** The Scope of Work for the conduct of the study as set forth above is anticipated to be completed by FCS GROUP within a time frame approximating that shown by the following schedule:

- Notice to Proceed:** On or before March 1, 2019
- Completion of Analysis:** On or before June 30, 2019
- Completion of Project:** No later than December 31, 2019

FCS GROUP agrees to perform the work described in the Scope of Work according to the contract schedule. Any delays shall be agreed upon by FCS GROUP and Client prior to the due date. Changes in the schedule caused by Client delays may require additional compensation and a change order.

If FCS GROUP is delayed in the performance of services by conditions which are beyond their control, or by a change in the scope of work, the schedule showing time of performance may be revised. Any revision thereto shall be submitted in writing to the Client for review and approval by the Client Representative. If FCS GROUP's services are temporarily suspended by the Client in the interest of the Project and with written notice to FCS GROUP, and the suspensions last longer than 90 consecutive days, FCS GROUP shall be compensated for any additional labor and direct expenses incurred due to the interruption and resumption of services.

**3. Payment:** FCS GROUP will be paid by the Client on a time and materials basis as outlined below and in accordance with the standard billing rates attached hereto as Exhibit B. Direct expenses will be charged as identified in Exhibit B. FCS GROUP agrees to perform the services as set forth in Exhibit A at a cost not to exceed **\$66,000**. It is understood that FCS GROUP will not exceed this amount without the Client's prior written authorization.

Payment to FCS GROUP for services set forth in Exhibit A shall be: an amount equal to FCS GROUP's standard billing rates as set forth in Exhibit B multiplied by the actual hours worked. Should any unforeseen project delays, not caused by FCS GROUP, and/or any requested amendments to the original scope of work, cause this contract to extend more than 90 days past the original contracted schedule date, any work and/or amendments to the work shall be billed at the standard billing rates in effect for the period of time the work is being performed. If said change in billing rates will cause the project to exceed the amount stated in the preceding paragraph, a change order will be prepared and signed by both parties.

FCS GROUP will invoice Client monthly and payment shall be made within 30 days of receipt of invoice.

**4. Supplemental Agreements:** Supplemental Agreements may be entered into upon mutual written agreement that would increase or decrease the scope and associated costs and payment.

**5. Work to be Accomplished:** All work accomplished will be performed under the direction of the Client Representative or his/her Designee.

**6. Termination:** This contract may be terminated by the Client by giving FCS GROUP written notice of such termination no fewer than fifteen (15) days in advance of the effective date of said termination. FCS GROUP shall be entitled to terminate this agreement only in the case of a material breach by the Client, and upon failure of the Client to remedy said breach within fifteen (15) days of said notice. In the event that the contract is terminated before completion, FCS GROUP shall be paid for the services to date on the basis set forth in Paragraph 3, plus 10% of the total compensation earned to time of termination to compensate for FCS GROUP's rescheduling adjustments, reassignment of personnel, and related costs incurred due to termination. The Client shall notify FCS of termination or abandonment in writing.

**7. Indemnity:** FCS GROUP shall comply with all Federal Government, State and local laws and ordinances applicable to the work to be done under this Agreement.

FCS GROUP hereby agrees to hold the Client harmless from and shall process and defend at its own expense, specific claims, demands or suits at law or equity, arising from FCS GROUP's negligent performance of the provisions of this Agreement; provided that if the Client and FCS GROUP are concurrently negligent, FCS GROUP shall be required to indemnify and defend only in proportion to negligence of FCS GROUP. These indemnity provisions shall not require FCS GROUP to defend or indemnify the Client against any action based solely on the alleged negligence of the Client.

**8. All Work Produced is Joint Property of FCS GROUP and the Client:** The materials, computer programs, reports, calculations, analyses, etc., generated by FCS GROUP under this contract including the final report shall be the joint property of the Client and FCS GROUP. FCS GROUP may retain copies thereof for work paper documentation and their own use unless specifically restricted in writing by the Client as to use.

Computer models use generally available software, such as Microsoft Excel (TM), and FCS GROUP does not intend or imply any warranty of those programs.

**9. Financial Forecasts:** Neither FCS GROUP's name nor the report and its financial projections may be referred to or included in any prospectus or as a part of any offering or representation made in connection with the sale of securities or participation interests to the public, whether through a public or private offering.

The information used in developing the forecast assumptions will be derived from published information and other sources FCS GROUP considers appropriate. However, FCS GROUP cannot assume responsibility for the accuracy of such material. Moreover, forecasts are subject to many uncertainties as to the future; therefore, FCS GROUP cannot represent that the projected financial statements will be representative of the results that actually occur. FCS GROUP will endeavor to include appropriate comments drawing the readers' attention to these matters.

**10. Integrated Agreement:** This agreement together with attachments or addenda, represents the entire and integrated agreement between the Client and FCS GROUP supersedes all prior negotiations, representations, or agreements written or oral. This agreement may be amended by written instrument signed by both the Client and FCS GROUP.

**11. Independent Contractor:** The parties intend that an independent Contractor/Client relationship will be created by this agreement. No agent, employee, or representative of FCS GROUP shall be deemed to be an agent, employee, or representative of the Client for any purpose. FCS GROUP shall be

solely responsible for all acts of its agents, employees, representatives, and subcontractors during the performance of this contract.

**12. Equal Opportunity:** FCS GROUP is committed to the principles of providing equal employment opportunities for all employees. The performance and diversity of our employees will help us meet the challenges of the present and the future in serving our clients. This policy statement is a reaffirmation of our long-standing commitment to provide equal opportunity on the basis of individual merit and personal qualifications to employees and applicants for employment without regard to race, color, religious creed, sex, sexual orientation or preference, gender identity, genetic characteristics or information of employee or family, age, national origin, ancestry, marital status, citizenship, the presence of sensory, mental, or physical disability, pregnancy/childbirth or related condition, medical condition, membership in the military service, veteran's status, political ideology or any other basis protected by applicable federal, state, or local laws.

**13. Notices:** Notices to the Client shall be sent to the following address:

**City of Chehalis**  
Attention: Rick Sahlin, Public Works Director  
2007 NE Kresky Avenue  
Chehalis, WA 98532

Notices to FCS GROUP shall be sent to the following address:

**Financial Consulting Solutions Group, Inc.**  
Attention: John Ghilarducci, Principal  
Redmond Town Center  
7525 – 166<sup>th</sup> Ave. NE, Suite D-215  
Redmond, Washington 98052

## EXHIBIT A: SCOPE OF WORK AND TASK PLAN

### Task 1: Project Initiation & Data Collection

FCS GROUP will provide a data request outlining key information required to complete the study, working with City staff to resolve questions and obtain additional records as needed. Task 1 includes reviewing and validating data provided for the study, identifying any potential data anomalies that could impact the integrity of the study's findings or resulting recommendations. This task also includes the administrative efforts involved with project initiation and ongoing management.

### Task 2: Capital Facilities Charge (CFC) Update

Task 2 includes a review of the City's CFCs, considering:

- ◊ A current inventory of fixed assets
- ◊ Interest accrual as allowed by statute
- ◊ The City's most recent capital improvement program (CIP)
- ◊ Updated estimates of the customer base that the City's systems will be able to serve

### Task 3: Revenue Requirement Analysis

Task 3 involves developing a multi-year financial plan for the City's utilities, and will include the following elements:

- ◊ Forecasting operating revenues and expenses. The forecast of rate revenue will be based on recent actual revenue collections and anticipated growth; other revenues and expenses will be projected using the City's most recent budget, adjusting for anticipated changes in annual operating costs resulting from capital projects or other factors.
- ◊ Projecting capital expenditures based on the City's CIP. We will develop a funding strategy that considers projections of CFC revenue, available reserves, funding from rate revenue, and if necessary, debt.
- ◊ Testing the sufficiency of current system revenues against system needs, defined in terms of cash obligations and any applicable bond coverage requirements.
- ◊ Developing up to three (3) sensitivity analyses to assess rate impacts of changes in service levels, capital investment levels, revenue levels, or other factors of interest.

### Task 4: Documentation

Task 4 includes preparation of a report to document the assumptions, findings, and recommendations of the study. We will provide a draft for City staff to review and will revise it to incorporate staff input.

This task will also include the development of a comparative summary of residential bills for up to ten (10) jurisdictions of interest to the City.

**Task 5: Meetings & Public Process**

Task 5 includes our attendance (and preparation of any presentation materials) for the following meetings:

- Onsite project kick-off meeting
- Up to three (3) onsite review meetings with City staff
- Up to two (2) onsite City Council meetings to present study results

For any additional meetings requested by the City, we propose to bill based on time and materials expended. We anticipate that such meetings could cost up to \$2,500 each, depending on the number of attendees and level of effort involved (e.g. developing a presentation).



**EXHIBIT B: FINANCIAL CONSULTING SOLUTIONS GROUP, INC. FEE SCHEDULE****LABOR**<sup>1</sup>

<b><u>NAME</u></b>	<b><u>TITLE</u></b>	<b><u>HOURLY BILLING RATE</u></b>
John Ghilarducci	Principal	\$260.00
Chris Gonzalez	Project Manager	\$185.00
Consultant Staff	Senior Analyst	\$140.00
Consultant Staff	Analyst	\$130.00
Administrative & Graphic Support		\$85.00

**DIRECT EXPENSES**

Major direct expenses, such as travel, mileage, and lodging, will be charged at cost. Other expenses will not be directly charged unless by mutual agreement of the client and FCS GROUP and specific terms will be established in advance prior to expenditure and billing.

**SUBCONSULTANTS**

When applicable, subconsultants will be charged at invoiced cost plus 10%.

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<sup>1</sup> *Litigation rates are 150% of standard hourly rates for services in support of litigation, settlement negotiations, arbitration and/or mediation processes.*

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Trent Lougheed, Community Development Director  
Brandon Rakes, Airport Operations Coordinator  
Samantha Thayer, Airport Office Manager

**MEETING OF:** January 28, 2019

**SUBJECT:** Purchase of Kubota 4X4 Tractor with Cab, Kubota Front Loader and a Land Pride Brush Mower from J&I Power Equipment with State Contract Number 20212

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**ISSUE**

Replacement of one Kubota M6800S 4X4 tractor with cab that has been budgeted for in the Airport's 2019 Budget.

**DISCUSSION**

The current tractor being used for maintaining the Airport facilities is nearing the end of its reliable useful life. The tractor is 14 years old, has had one engine rebuild, and has accumulated 3839 hours total on the chassis. This machine is used year-round for a variety of required maintenance and safety operations such as mowing, brush cutting, relocating aircraft during an emergency, and earth moving.

As the tractor ages there is a concern that the existing wear and tear will take the machine out of service for an unplanned period, which places an undue hardship on the airfield potentially jeopardizing overall safety. A quote for tractor replacement with a new front loader and brush cutter has been obtained from J & I Power Equipment.

**FISCAL IMPACT**

J & I Power Equipment has offered a \$10,000 trade-in value for our 14-year-old Kubota M6800S 4X4 Tractor, which brings the overall cost for the new tractor and implements to \$54,100, including sales tax of 8.2%. This total dollar amount is below the \$60,000 budgeted for the tractor replacement in the 2019 Airport Budget.

**RECOMMENDATION**

It is recommended that the City Council approve the purchase of a new Kubota M5-091HDC12-1 Tractor, LA1854 Kubota Front Loader, and a RCF2760-02-41 Land Pride Brush Cutter and authorize the City Manager to execute the acquisition with J&I Power Equipment with State Contract Number 20212.

**SUGGESTED MOTION**

I move that the City Council approve the purchase of a new Kubota M5-091HDC12-1 Tractor, LA1854 Kubota Front Loader, and a RCF2760-02-41 Land Pride Brush Cutter and authorize the City Manager to execute the acquisition with J&I Power Equipment with State Contract Number 20212.

**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  
Andrew Hunziker, Parks and Facilities Manager

**MEETING OF:** January 28, 2019

**SUBJECT:** Acceptance and Closeout of Stan Hedwall Sewer Project

---

**ISSUE**

The Stan Hedwall Sewer project, which was funded by the Waste Water Division, is complete. It is recommended that the City Council accept the project as complete, authorize the expenditure of an additional \$4,606.42, and release retainage to Gill Construction after all statutory requirements have been met.

**DISCUSSION**

On June 28, 2018, Gill Construction was awarded the Stan Hedwall Sewer project in the amount of \$248,968.20. A 10% contingency in the amount of \$24,896.82 was also authorized by the City Council, bringing the original total to \$273,865.02. This project consisted of installation of four individual duplex pump stations at the Babe Ruth concessions, Little League concessions, RV park restrooms, and the center area restrooms. The pump stations were connected to a new 2-inch PVC mainline that moves the waste water through the park to a manhole near I-5 where it is then gravity fed to the city sewer collection system. The old sewer system in the park and the tanks have been properly abandoned.

There were added expenses to the project because there was unreliable documentation regarding the location of the underground irrigation, power, and waterlines were. There were several times Gill Construction ran into power or PVC pipe that there was no record of or was not in the location that had been documented. As part of the contract, the city agreed to pay Gill Construction for the parts and labor to fix anything that was broken along the way. We also moved the RV sewage disposal site from the end of the river loop road over to the bathroom facility at the RV park. This was also necessary due to the depth of that pump station that would not have worked at the old location. This work created unanticipated change order expenses that exceeded the original budget by \$4,606.42.

Three change orders were needed:

**CO #1 – \$4,968.84:** Extra electrical J-boxes for splicing wires from pumps and floats to panel; extra conduit for second pump; and added labor.

**CO #2 – \$5,325.73:** Upgrades to electrical panels; external disconnects added to buildings next to panels; and additional wiring from panel in building to pump panel mounted outside on the building.

**CO #3 – \$19,208.67:** Time and materials for unforeseen costs or for things that were broken and fixed during the project. (This change order brought the final budget to \$278,720.31, which was \$4,606.42 more than originally budgeted.)

Change Orders 1 and 2 were within the contingency amount authorized by the City Council and were approved and signed by the City Manager. Change Order 3 brings the project to \$4,606.42 over the original budget and therefore requires City Council approval.

#### **FISCAL IMPACT**

The Stan Hedwall sewer project cost of \$278,471.44 was funded by the Waste Water Division and was a project planned and completed in 2018.

#### **RECOMMENDATION**

It is recommended that the City Council:

- 1) Approve an additional expenditure of \$4,606.42;
- 2) Approve Change Order #3 (Three); and
- 3) Accept the Stan Hedwall Sewer project as complete and authorize release of retainage after all statutory requirements have been met.

#### **SUGGESTED MOTION**

I move that the City Council:

- 1) Approve an additional expenditure of \$4,606.42;
- 2) Approve Change Order #3 (Three); and
- 3) Accept the Stan Hedwall Sewer project as complete and authorize release of retainage after all statutory requirements have been met.

## CONTRACT CHANGE ORDER NO. 1

PROJECT: Stan Hedwall Sewer	
CONTRACTOR: Gill Construction	
PHONE: 360-508-0165	ADDRESS: 4010 Jackson Hwy
EMAIL: mgill@gill-construction.com	CITY/STATE/ZIP: Chehalis/WA/98532

	AMOUNT	SALES TAX	TOTAL WITH TAX
ORIGINAL CONTRACT AMOUNT	\$230,100.00	\$18,868.20	\$248,968.20
PREVIOUSLY APPROVED CO(S)	\$0	\$0	\$0
CURRENT CONTRACT AMOUNT	\$4,592.28	\$376.56	\$4,968.84
NET CHANGE THIS CO	\$4,592.28	\$376.56	\$4,968.84
CONTRACT AMOUNT	234,20.25	\$19,360.23	\$253,937.04

CHANGE ORDER DESCRIPTION:
<ul style="list-style-type: none"> <li>Added extra electrical J-boxes for splicing wires from pumps and floats to the panel</li> <li>Added extra conduit for second pump</li> <li>Added Labor</li> </ul> <p>See attached documents</p>

ENGINEER REVIEW AND APPROVAL:	
ENGINEER:	SIGNATURE:
PHONE:	DATE:
EMAIL:	

**Acceptance by Contractor:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name / Title

\_\_\_\_\_  
Date

**Acceptance by City:**

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

Gill Anderson  
\_\_\_\_\_  
Print Name

10-22-18  
\_\_\_\_\_  
Date



Travers Sound &  
Telecommunication Systems, Inc.  
(TST, Inc. dba Travers Electric)

Commercial/Industrial  
Telecom Division  
#TRAVEST954D8



122 Sturdevant Rd. • Chehalis, WA 98532  
360-748-0059 • Fax 360-748-7395

Travers Electric, Inc

Residential Division  
#TRAVEEI315LA



October 18, 2018

To: Matt Gill  
Re: Stan Hedwall Park – Change Order #2

Matt,

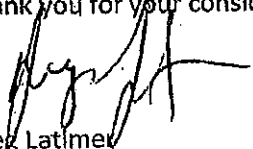
Travers Electric submits the below pricing per revisions made to project scope:

Material Adder	\$1,060.25
Labor Adder	\$3,040.00
<b>Changer Order #2 Total</b>	<b>\$4,100.25</b>

Inclusions:

1. Adding j-boxes for splicing cords from pumps and floats.
2. Adding extra conduit for second pump to splice box.

Thank you for your consideration on this project.

  
Greg Latimer  
Estimator/Project Manager

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



TST, Inc. dba Travers Electric

122 Sturdevant Rd.  
WA 98532

# Estimate

Date	Estimate #
10/17/2018	1303

Name / Address
Stan Hedwall Change Order #2

Project

Item	Qty	Description
J-BOXES	8	Round Underground Pull Box
J-BOXES	4	Rectangular Underground Pull Box
884PJB	4	8x8x4 PVC J-Box
12126PJB	4	12x12x6 PVC J-Box
114R90	8	1 1/4 Rigid 90 Degree Ell
114RCP	8	1 1/4 Rigid Coupling
34R90	4	3/4 Rigid 90 Degree Ell
34RCP	4	3/4 Rigid Coupling
12SLN	16	1/2 Sealing Locknut
34SLN	8	3/4 Sealing Locknut
		Materials Subtotal

<b>Subtotal</b>	\$1,060.25
<b>Sales Tax (0.0%)</b>	\$0.00
<b>Total</b>	\$1,060.25

## CONTRACT CHANGE ORDER NO. 2

PROJECT: Stan Hedwall Sewer	
CONTRACTOR: Gill Construction	
PHONE: 360-508-0165	ADDRESS: 4010 Jackson Hwy
EMAIL: mgill@gill-construction.com	CITY/STATE/ZIP: Chehalis/WA/98532

	AMOUNT	SALES TAX	TOTAL WITH TAX
ORIGINAL CONTRACT AMOUNT	\$230,100.00	\$18,868.20	\$248,968.20
PREVIOUSLY APPROVED CO(S)	\$4,592.28	\$376.56	\$4,968.84
CURRENT CONTRACT AMOUNT	\$234,922.28	\$19,263.62	\$253,937.04
NET CHANGE THIS CO	\$4,922.12	\$403.61	\$5,325.73
CONTRACT AMOUNT	\$239,844.40	\$19,667.24	\$259,262.77

CHANGE ORDER DESCRIPTION:
<ul style="list-style-type: none"> <li>Upgrades to electrical panels</li> <li>External disconnects added to buildings next to panels</li> <li>Additional wiring from panel in building to pump panel mounted outside on the building</li> </ul> <p>See attached documents</p>

ENGINEER REVIEW AND APPROVAL:	
ENGINEER:	SIGNATURE:
PHONE:	DATE:
EMAIL:	

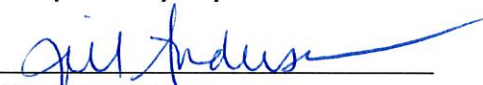
**Acceptance by Contractor:**

\_\_\_\_\_  
Signature


\_\_\_\_\_  
Print Name / Title

\_\_\_\_\_  
Date

**Acceptance by City:**

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

  
\_\_\_\_\_  
Print Name

  
\_\_\_\_\_  
Date

## Matt Gill

---

**From:** greg@traverseelectric.net  
**Sent:** Monday, September 24, 2018 2:31 PM  
**To:** Matt Gill  
**Subject:** RE: Stan Headwall

This is my breakout.  
Change order #1  
For each controller 5 hours  
For each 60 amp disconnect 2.5 hours  
For larger feeders to controllers 15 hours  
For a larger sub panel feeder at the little league field 2 hours  
For adding more wire for the dual pumps and making up the extra motor 1.5 hours each  
My bid time 1.5 hours

Labor credit  
Controllers 3.5 hours total  
Switches 3.5 hours total  
Feeders to controllers 10 hours total  
Feeder to panel 1.5 hours total  
Credit for 250' underground conduit and wire 5 hours total

**From:** Matt Gill <mgill@gill-construction.com>  
**Sent:** Monday, September 24, 2018 9:42 AM  
**To:** greg@traverseelectric.net  
**Subject:** Stan Headwall

Hi Greg,

After talking with the City, we have three options:

1. Provide a detailed breakdown of your requested 31 hours of extra labor needed to complete the changes.
2. Do the project for the original contract of \$12,500.00.
3. Close the subcontract between Gill Construction and Travers Electric

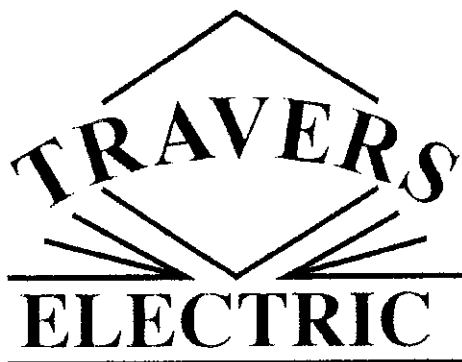
I need an answer on what you plan to do by 3:00pm today. If you plan to provide a breakdown of labor, I will need that submitted to me by 3:00pm as well. If you have any questions, feel free to call me.

Thanks,  
Matt



Travers Sound &  
Telecommunication Systems, Inc.  
(TST, Inc. dba Travers Electric)

Commercial/Industrial  
Telecom Division  
#TRAVEST954D8



122 Sturdevant Rd. • Chehalis, WA 98532  
360-748-0059 • Fax 360-748-7395

Travers Electric, Inc

Residential Division  
#TRAVEE1315LA



September 5, 2018

To: Matt Gill  
Re: Stan Hedwall Park – Grinder Pump Electrical Wiring (Revised)

Matt,

Travers Electric submits the below bid for the electrical portion of the above referenced project:

Base Bid - \$16,895.00\* plus applicable taxes  
\*Quoted prices valid for 15 days.

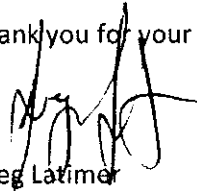
Inclusions:

1. One 40-amp 240-volt single-phase feeder from electrical panel to septic controller.
2. Conduit and wiring from controller to pump tank.
3. Control wiring from controller to floats.
4. Installation of controller and controller disconnect.
5. Add one sub-panel at little league building.
6. State Labor & Industries Electrical Permit.

Exclusions:

1. Pumps, controller, and floats.
2. Installation of pumps and floats.
3. Trenching, backfill, compaction, and locates.
4. Saw-cutting, patching, and landscape restoration.
5. Repairs to existing code violations.
6. Overtime labor rates.

Thank you for your consideration on this project.

  
Greg Latimer  
Estimator

I authorize Travers Electric to perform the work described in this document. My signature constitutes approval of payment per terms. Any changes to the above scope of work shall be made in writing and will require written approval prior to commencement of work.

Travers Electric does not guarantee any customer-provided equipment or materials to be free of defect or in compliance with current codes, standards, including UL Listing.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Travers Sound &  
Telecommunication Systems, Inc.  
(TST, Inc. dba Travers Electric)

Commercial/Industrial  
Telecom Division  
#TRAVEST954D8



122 Sturdevant Rd. · Chehalis, WA 98532  
360-748-0059 · Fax 360-748-7395

Travers Electric, Inc.  
Residential Division  
#TRAVEEI315LA



April 24, 2018

To: Matt Gill  
Re: Stan Hedwall Park – Grinder Pump Electrical Wiring

Matt,

Travers Electric submits the below bid for the electrical portion of the above referenced project:

Base Bid - \$12,500.00\* plus applicable taxes

\*Quoted prices valid for 15 days.

Inclusions:

1. One 20-amp 240-volt single-phase feeder from electrical panel to septic controller.
2. Conduit and wiring from controller to pump tank.
3. Control wiring from controller to floats.
4. Installation of controller.
5. Add one sub-panel at little league building.
6. State Labor & Industries Electrical Permit.

Exclusions:

1. Pumps, controller, and floats.
2. Installation of pumps and floats.
3. Trenching, backfill, compaction, and locates.
4. Saw-cutting, patching, and landscape restoration.
5. Repairs to existing code violations.
6. Overtime labor rates.

Thank you for your consideration on this project.

Greg Latimer  
Estimator

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

I authorize Travers Electric to perform the work described in this document. My signature constitutes approval of payment per terms. Any changes to the above scope of work shall be made in writing and will require written approval prior to commencement of work.

Travers Electric does not guarantee any customer-provided equipment or materials to be free of defect or in compliance with current codes, standards, including UL Listing.

## CONTRACT CHANGE ORDER NO. 3

PROJECT: Stan Hedwall Sewer	
CONTRACTOR: Gill Construction	
PHONE: 360-508-0165	ADDRESS: 4010 Jackson Hwy
EMAIL: mgill@gill-construction.com	CITY/STATE/ZIP: Chehalis/WA/98532

	AMOUNT	SALES TAX	TOTAL WITH TAX
ORIGINAL CONTRACT AMOUNT	\$230,100.00	\$18,868.20	\$248,968.20
PREVIOUSLY APPROVED CO(S)	\$9,514.40	\$780.17	\$10,294.57
CURRENT CONTRACT AMOUNT	\$239,844.40	\$19,667.24	\$259,262.77
NET CHANGE THIS CO	\$17,752.93	\$1,455.74	\$19,208.67
CONTRACT AMOUNT	\$257,597.33	\$21,122.98	\$278,471.44

CHANGE ORDER DESCRIPTION:
<ul style="list-style-type: none"> <li>Time and material to fix any unforeseen cost or things that were broken and then fixed</li> </ul> <p>See attached documents</p>

ENGINEER REVIEW AND APPROVAL:	
ENGINEER:	SIGNATURE:
PHONE:	DATE:
EMAIL:	

**Acceptance by Contractor:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name / Title

\_\_\_\_\_  
Date

**Acceptance by City:**

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

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

# Gill Construction and Development LLC

4010 Jackson Hwy  
Chehalis, WA 98532

Date 10/12/2018

Project Stan Headwall Sanitary Sewer Improvements

Project # N/A



## WORK ORDER

**Description of Work:** Repair of 3" sewer used as forcemain for Soccer field restrooms. Excavation and repair to determine extent of existing conditions. Encountered issues at 10am. Repaired and backfilled at 230pm.

Middle restroom electrical lines broke. Repaired one by Cole. Other repaired on 7/13. Irrigation repaired as well.

Repairs to waterline servicing Babe Ruth. Repairs took place between 8-1030

Provide sleeve for waterline crossing

Added valves and valve cans per Russ Cox

Repaired irrigation/electrical not located

Relocate and repair waterline in conflict at Babe Ruth

Add waterline, frost free and turnout to RV dump

Date	Description	Quantity	Unit	Rate	Total
<b>11-Jul</b>	<b>Conflicting Utilities at Soccer &amp; Middle</b>				
	304 Excavator	5	HR	\$	625.00
	Labor	5	HR	\$	450.00
	Materials	1	LS	\$	50.38
<b>13-Jul</b>	<b>Repair of Waterline and Electrical</b>				
	304 Excavator	3.5	HR	\$	437.50
	Labor	4	HR	\$	360.00
	Materials	1	LS	\$	55.18
<b>13-Jul</b>	<b>Sleeves for Waterline</b>				
	304 Excavator	1	HR	\$	125.00
	Labor	1	HR	\$	90.00
	Materials	1	LS	\$	112.68
<b>16-Jul</b>	<b>Valves and Valve Cans</b>				
	Labor	2	HR	\$	180.00



	Materials	1	LS	\$	764.38
<b>19-Jul</b>	<b>Repair Irrigation/Waterline Sleeve</b>				
	Labor	2	HR	\$	180.00
	Irrigation Materials	1	LS	\$	53.04
	Sleeve Materials	1	LS	\$	112.68
<b>20-Jul</b>	<b>Repair Water to Little League</b>				
	Labor	1	HR	\$	90.00
	Materials	Provided	By		Chehalis
	Repair Water to Soccer				
	Labor	2	HR	\$	180.00
	Materials	1	LS	\$	8.05
	Irrigation at Middle Field				
	Labor	1	HR	\$	90.00
<b>23-Jul</b>	<b>Repair Irrigation Wiring</b>				
	Labor	1	HR	\$	90.00
<b>25-Jul</b>	<b>Valve Cans/Electrical Repair (RV)/Wait for PUD</b>				
	304 Excavator	5	HR	\$	625.00
	Labor	6	HR	\$	540.00
	Materials	1	LS	\$	375.29
	Pipe and Supplies	1	LS	\$	970.48
	Form Material	1	LS	\$	54.00
	Core	1	LS	\$	350.00
<b>26-Jul</b>	<b>Repair 3" Water (X2)/Repair Electrical (X2)</b>				
	304 Excavator	5	HR	\$	750.00
	Labor	2	HR	\$	180.00
	Repairs	Provided	By		Chehalis
<b>27-Jul</b>	<b>Pour Valve Cans/4" PVC for RV Hookups</b>				
	304 Excavator	5	HR	\$	750.00
	Labor	4	HR	\$	360.00
	Pipe and Supplies	1	LS	\$	118.19
	Concrete	1	LS	\$	298.64
	5/8" Gravel	15	TN	\$	270.00
<b>8-Sep</b>	<b>Relocate Waterline to Accom. Pump @ BR</b>				
	304 Excavator	2	HR	\$	250.00
	Labor	2	HR	\$	180.00
	Pipe and Supplies	1	LS	\$	87.72
<b>11-Sep</b>	<b>Relocate Waterline to Accom. Pump @ RV. Add Waterline for Washdown</b>				
	304 Excavator	6	HR	\$	750.00
	Labor	6	HR	\$	540.00
	Pipe and Supplies	1	LS	\$	12.62
	Frost Free	1	EA	\$	70.30
<b>8-Oct</b>	<b>RV Dump Station</b>				
	304 Excavator	8	HR	\$	1,000.00

	Labor	1	HR	\$	90.00
	Dump Truck	3	HR	\$	360.00
	5/8" Gravel	37.43	TN	\$	346.23
<b>9-Oct</b>	<b>RV Dump Station</b>				
	304 Excavator	8	HR	\$	1,000.00
	Labor	5	HR	\$	450.00
	Dump Truck	2	HR	\$	240.00
	5/8" Gravel	14.25	TN	\$	131.82
	Concrete	1	LS	\$	30.00
	Pipe and Supplies	1	LS	\$	23.15
<b>10-Oct</b>	<b>RV Dump Station</b>				
	Labor	2	HR	\$	180.00
	Total			\$	15,437.33
	OH&P			\$	2,315.60
	Tax			\$	1,455.74
	<b>Grand Total</b>			<b>\$</b>	<b>19,208.67</b>

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

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

**MEETING OF:** January 28, 2019

**SUBJECT:** Approval for Application and Acceptance of a Washington State Department of Transportation Grant for the Taxiway Realignment Project

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**ISSUE**

The Chehalis-Centralia Airport wishes to apply for and accept a grant from the Washington State Department of Transportation (WSDOT). This grant supplements a Federal Aviation Administration (FAA) grant that was previously awarded to the City for the Taxiway Realignment Project, which is included in the Airport Improvement Program (AIP).

**DISCUSSION**

Under the Airport Improvement Program, the FAA pays for 90% of the approved projects with the remaining costs split between the state and the sponsor. The City has received an award of FAA funds for the upcoming Taxiway Realignment Project and is now eligible to apply for funds available from the State of Washington for 5% of the project, which is \$140,184. The grant requires approval by the City as sponsors/owners of the Airport for the application and acceptance of the funding. This planned AIP project will:

- Realign taxiway connectors to 90 degrees
- Replace REILS for runway 16
- Create run-up areas for runways 16 and 34

Construction is planned for Summer 2019. FAA is funding 90% of the project. The remaining 10% of funding will be split between WSDOT (5%) and the Chehalis-Centralia Airport (5%). The City's local match is included in the adopted 2019 Budget.

**RECOMMENDATION**

It is recommended that the City Council adopt Resolution No. 2-2019 on first and final reading, and authorize the City Manager to apply for and accept the WSDOT grant supplementing AIP Project Number 3-53-0012-018-2018 in the amount of \$140,184 for airport construction.

**SUGGESTED MOTION**

I move that the City Council adopt Resolution No. 2-2019 on first and final reading, and authorize the City Manager to apply for and accept the WSDOT grant supplementing AIP Project Number 3-53-0012-018-2018 in the amount of \$140,184 for airport construction.

**RESOLUTION NO. 2-2019**

**A RESOLUTION OF THE CITY OF CHEHALIS,  
WASHINGTON, AUTHORIZING THE SUBMITTAL OF A  
GRANT APPLICATION FOR AIRPORT IMPROVEMENTS  
TO THE WASHINGTON STATE DEPARTMENT OF  
TRANSPORTATION.**

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

**Section 1.** The City of Chehalis hereby authorizes the submittal of a grant application for airport aid to the Washington State Department of Transportation for the specific purpose of realigning taxi ways and relocating the Runway Ends Identification Lighting (REIL) for runway 16.

**Section 2.** The elected officials support the application. The City further authorizes the City Manager to be the authorized representative of the City for signature purposes on any application with the Department of Transportation.

**Section 3.** The sponsor has the required matching funds available.

**ADOPTED** by the City Council of the City of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form and content:

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

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council  
**FROM:** Jill Anderson, City Manager  
**BY:** Trent Lougheed, P.E., Community Development Director  
Hillary Hoke, Planning & Building Manager  
**MEETING OF:** January 28, 2019  
**SUBJECT:** Annexation Proposals and Process

---

**ISSUE**

City Council direction is requested regarding the implementation of Phase I of a multi-phase annexation process, which was introduced at the May 14, 2018 City Council meeting.

**OVERVIEW OF PROPOSED PLAN**

At the request of Lewis County and direction from the City Council, the City has been reviewing areas of the UGA to potentially annex over the last few years. The purpose of the annexations is to clean up and straighten out the UGA/City Limits boundaries into a more logical configuration. To keep the annexation process more manageable for all involved, it is recommended that the annexations be divided into three phases.

As the potential annexation areas were reviewed, eight different areas were identified (see attached map). Per RCW 35.13.005 and 35A.14.005, the City can only annex areas that are currently within its UGA boundary. This eliminated the areas just North of the City, identified as 6 and 8 on the attached map,

It is proposed that Areas 1, 2, 5 and 7 be included in Phase I. These areas are a comparable mixture of residential and commercial properties:

- Area 1 – On the hill accessed through Prospect Avenue
- Area 2 – Alderwood Estates
- Area 5 – Properties along Interstate Avenue
- Area 7 – Owned by the City (Lintott/Alexander Park).

Areas 1, 2, 5, and 7 also under the 5% target value of the combined assessed value of areas proposed to be annexed. If the combined assessed value of all the parcels proposed for annexation exceeds 5% of the total assessed value of a special purpose district, said district may

request studies, market analyses, and other documentation to determine the impacts of the annexation. Those studies, analyses, etc., would be conducted and paid for by the City. As a result of annexation, a special purpose district may be required to relinquish some of its assets to the City, such as, vehicles, equipment, personnel, etc. Therefore, the proposed Annexation Plan is phased in such a way to include less than 5% of the total assessed value of any special purpose district to prevent the delays and costs related to the studies that would be required if it exceeded 5% of the total assessed value, in addition to the benefit of minimizing the impact to the special district.

Phase II would include Areas 3 and 4 (and potentially additional properties across Market Boulevard/Jackson Highway from these two areas to straighten out the southern border).

Phase III would include revising the UGA boundary to include all parcels in areas 6 & 8. Upon approval of the UGA boundary revision, annexation of those areas could be pursued.

If the City Council approves proceeding with the Annexation Plan, the next step would be to initiate a process that is largely set forth in the RCW. There are multiple steps and actions that would need to take place before the Approval to proceed with Annexations would be official, including public hearings and notifications to the property owners that would be impacted by the process.

### **THE PROCESS**

Upon determination of areas to include in Phase I the process will be as follows:

1. Begin process with a licensed surveyor of developing legal descriptions and maps of areas to be annexed. Properties and rights-of-way must be included.
2. Concurrently with step 1, reach out to affected property owners and Lewis County. Property owners will be asked to reaffirm their willingness to participate and will be provided with information on the impacts of annexation. It is anticipated that monthly utility rates and yearly property taxes will be reduced for those areas to be annexed. Coordination will be sought with Lewis County to identify any right-of-way or annexation boundary issues.
3. Once legal descriptions, maps and outreach processes are complete, the annexation proposal will be presented to Council for direction to proceed. Following this initial presentation to Council, the City has 60 days to schedule a meeting for formal approval. At this meeting, the Council must decide the following:
  - a. Whether to accept, reject or geographically modify the annexation proposal.
  - b. Whether to require the simultaneous adoption of a comprehensive plan.
  - c. Whether to require the assumption of all or any portion of existing city indebtedness by the areas to be annexed.

4. With Council approval, a formal Petition to Annex will be prepared. Upon completion of the application, Council will be presented with the application and a Resolution of Notice of Intent to Annex. By approval of the Resolution, a public hearing date will be set.
5. Within 3 days of Resolution approval, the application must be submitted to the Lewis County Assessor for certification.
6. After certification is complete, an Ordinance to adopt the Petition for Annexation may be prepared for consideration at the public hearing. First reading of that Ordinance may happen at the public hearing.
7. After conclusion of the public hearing and second/final reading of the Ordinance, a formal application for submittal to the Boundary Review Board (BRB) will be required.

In order to comply with the legal process related to annexations, staff is working closely with the City Attorney's Office, specifically Mark Scheibmeir, who has significant experience with annexations.

#### **FISCAL IMPACT**

Survey and mapping costs will vary depending on the amount of work and size of area(s) to be annexed, so the total cost is unknown at this time.

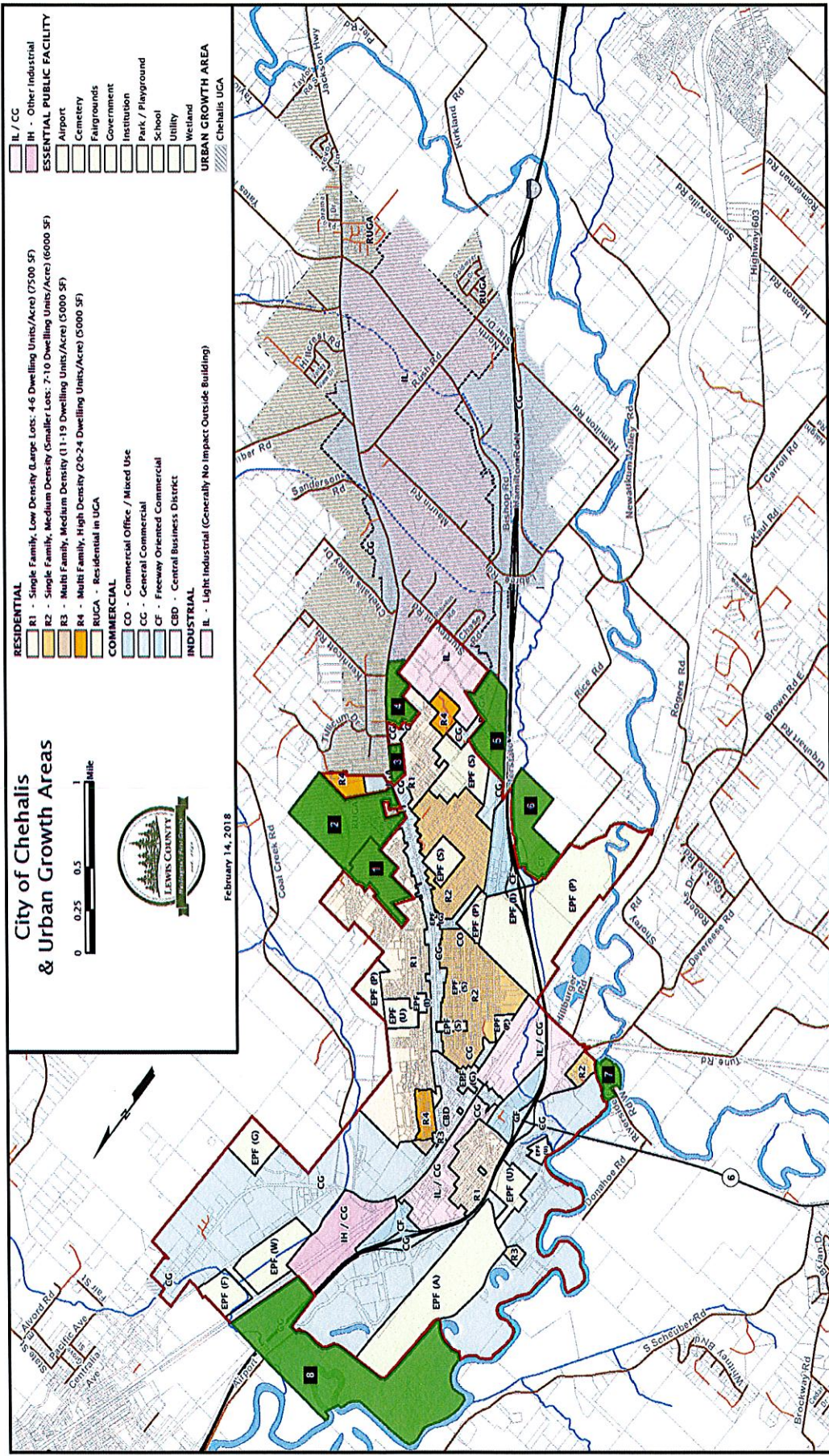
#### **RECOMMENDATION**

It is recommended that the City Council provide direction to proceed with the Phase I proposal to annex Areas 1, 2, 5, and 7 as identified on the attached map.

#### **SUGGESTED MOTION**

I move that the City Council direct staff to proceed with the Phase I proposal to annex properties within Areas 1, 2, 5, and 7 as identified on the attached map.





**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:** January 28, 2019  
**SUBJECT:** 2018 Fourth Quarter Financial Status Report

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**DISCUSSION**

This document provides a summary review of the City's financial activities through the fourth quarter and fund balances as of December 31, 2018.

The reports have been formatted to be consistent with the budget (as amended) for ease of comparison and review of information. Comparisons and variances shown are based on straight line projections. The percentage year-to-date target for December is 100% (12 of 12 months).

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

The second sets of reports provide two-year comparative financial data of actual revenues and expenditures compared to the budget (as amended) for the General Fund and the major enterprise funds.

The treasurer's report provides a summary balance of the city's cash and investments as of December 31, 2018.

**ALL FUNDS, CITY-WIDE OVERVIEW**

At the end of December 2018, on a city-wide basis, the city has received 102.5% of the 2018 revenue budget (including transfers-in) and expensed 90.3% of the total 2018 approved appropriations (including transfers-out).

Expenditures in all of the City's funds were within the approved appropriations. Revenues for all of the City's funds met or exceeded the 2018 budget projections, except for the Wastewater Fund (which met 98.3% of the budget).

Total actual revenues exceeded the budget amount by \$626,809, and total expenditures were \$2,462,220 below the budget amount.

The ending fund balance was increased by \$2,418,995 or 13.6% from the beginning of the year.

**Bottom Line:** The City operated within the budget parameters and overall revenue receipts met or exceeded the 2018 budget projections.

### **GENERAL FUND OVERVIEW**

The General Fund has received \$9,611,585 or 101.8% of its annual budgeted revenues (including other funding sources) and incurred expenditures (including transfers-out and other use of funding sources) of \$9,849,765 or 93.8% of the 2018 budget.

The 2018 budget (as amended) had projected a net decrease in ending fund balance of \$1,058,101; however, actual decrease in the fund balance at the end of the year was \$238,180, resulting in a positive variance of \$819,921.

The 2018 amended budget anticipated an ending fund balance of \$984,341 at the end of 2018. Actual ending fund balance as of December 31, 2018 was \$1,804,262, which is about 18.3% of the total 2018 general fund expenditures. The City Council policy is to maintain a minimum of a 10% reserve.

### **General Fund Revenues:**

Total tax revenues make up 87.3% of total general fund revenues. Total tax revenues through the end of December 2018 were \$8,390,282 or 102.0% of the 2018 budget. This is \$165,592 above the 2018 budgeted amount and a \$294,691 or 3.6% increase from 2017.

Property Tax revenues were \$1,593,865 or 97.2% of the 2018 budget. This is \$45,355 below the 2018 budget projection. 2017 actual property tax revenues were 91.1% of the 2017 budget. Revenue projections for delinquent tax have been higher than actual. This will be reviewed during 2019 to see if a 2019 revenue budget amendment is needed.

Sales and Use Tax revenues were \$5,108,799 or 104.1% of the 2018 budget. This total includes \$193,769 for Criminal Justice and Brokered Natural Gas Sales Taxes and \$4,915,030 of regular local sales and use tax. 2018 year-to-date actual revenues exceeded the budgeted amount by \$199,671; and a \$376,782 or 8.0% increase from 2017.

About \$505,849 or 10.3% of the 2018 local sales and use tax revenues were 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 sales tax revenues will decline as the projects are completed. Sales tax revenues trend will be closely monitored throughout the year.

Utility Tax revenues through December were \$1,632,282 or 100.4% of the 2018 budgeted amount. This is \$47,604 decrease from 2017. The combined water, sewer, gas, and cable utility taxes decreased by \$76,406, whereas the combined electricity and telephone utility taxes increased by \$32,552 from 2017.

License and Permit fee revenues were \$172,745 or 91.7% of the 2018 budget. This includes business licenses and permit fees and non-business licenses and permit fees, such as building permit fees, animal licenses, and gun permits. Business license and permit revenues totaled \$107,342 or 101% of the 2018 budget; however, non-business license and permit revenues were \$65,403 or 79.6% of the 2018 budget. Building permit fee revenues decreased by \$29,228 from 2017.

State Shared revenues were \$244,993 or 98.8% of the 2018 budget. This category includes Multimodal transportation, Streamlined Sales Tax (SST) 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 distributed in 2018 was \$44,584 or 123.6% of the budget. 2018 SST mitigation payment distribution was \$3,584 or 27.8% of the budgeted amount.

Charges for goods and services revenues were \$325,859 or 101.4% of the 2018 budget. This category includes charges for fire and police services, plan check review fees, and recreation program fees. Recreation program fee revenues were \$200,705 (101.4% of the 2018 budget) and makes up about 62% of the revenues in this category. Plan check fee revenues were \$30,716 or 102.4% of the 2018 budgeted amount.

### **General Fund Expenditures and Transfers-out**

The 2018 expenditures and required transfers are budgeted at \$10,496,273, including \$9,675,601 for operating appropriations and \$820,672 for debt service, capital expenditures, and transfers-out.

At the end of December 2018, total expenditures and transfers were \$9,849,765 or 93.8% of the 2018 amended budget. This is \$646,507 lower than the budgeted amount.

Police and Fire make up 58.2% (\$5,251,969) of the general fund operating expenditures, or 53.3% of the total general fund expenditures and transfers.

Public Works Streets and Facilities & Parks make up 15.6% (\$1,535,078) of the total general fund expenditures.

City administration departments (City Council, City Manager, City Clerk, Human Resources, and Finance) make up 7.5% (\$734,241) of the total general fund expenditures. These departments provide administrative support services to other departments city-wide. A portion of the costs are allocated to the city's enterprise funds (utilities and airport funds) utilizing certain cost allocation factors. Certain expenditures (i.e. audit and IT expenditures, etc.) in the non-

departmental department are also allocated to the enterprise funds. This cost allocation is included in the budget in “contra expenses” lines, which is also commonly referred to as “indirect cost allocation”. Total general fund indirect costs allocated to the enterprise funds in 2018 was \$436,944 (105.5% of the 2018 budget), which is about 35.7% of the total expenditures for these departments before the allocation.

**Bottom Line:** All departments operated within the budget parameters.

## **ENTERPRISE FUNDS**

### **Wastewater Fund**

Total revenues and other fund sources through the end of December were \$5,481,201 or 98.3% of the 2018 budget. Wastewater sales revenues were \$5,325,223 or 97.8% of the 2018 budget. This is \$122,569 below the projected amount. Investment interest earnings through December was \$73,385 (122.3% of the 2018 budget) and a \$46,309 increase from 2017.

Overall total expenditures including debt service and capital expenditures were 99.3% of the 2018 budget: Operating expenditures were 89.9% of the 2018 amended budget, and debt service and capital outlay expenditures were 99.3% of the 2018 budget.

Operating revenues exceeded current operating expenditures by \$2,468,036.

Fund balance was increased by \$279,362 during 2018 from the beginning of the year.

### **Water Fund**

Total 2018 revenues and other fund sources through December were \$3,282,9041 or 111.0% of the 2018 budget. Water sales revenues were \$3,100,706 or 110.2% of the 2018 budget. Investment interest earnings totaled \$115,129 (122.0% of the 2018 budget) and \$76,519 increase from 2017.

Overall total expenditures including debt service and capital expenditures were \$90.9% of the 2018 amended budget: Operating expenditures were 97.5% of the 2018 budget, and debt service and capital outlay expenditures were 74.4% of the 2018 budget.

Operating revenues exceeded current operating expenditures by \$1,003,697.

Fund balance was increased by \$343,932 during 2018 from the beginning of the year.

### **Storm and Surface Water Fund**

Total revenues and other fund sources through December were \$673,821 or 107.1% of the 2018 budget.

Overall total expenditures were 70.4% of the 2018 budget: Operating expenditure were 97.1% of the 2018 budget, and capital expenditures were 13.1% of the 2018 budget.

Operating revenues exceeded current operating expenditures by \$196,629.

Fund balance was increased by \$166,439 during 2018 from the beginning of the year.

### **Airport Fund**

Total revenues and other fund sources through December were \$2,704,048 or 114.1% of the 2018 budget. Fuel sales revenues were \$524,221 or 107.9% of the 2018 budget, and rents and lease revenues were \$1,152,429 or 103.6% of the 2018 budget.

Overall total expenditures were \$2,024,255 or 91.3% of the 2018 budget: Operating expenditures were 99.8% of the 2018 budget, and debt service and capital expenditures were 91.3% of the 2018 budget.

Fund balance was increased by \$679,793 during 2018 from the beginning of the year. About \$400,937 of the increase is attributable to FAA and state grants received in 2018 for the Airport Apron Rehabilitation project expenditures incurred in 2017.

### **TREASURER'S REPORT – CASH AND INVESTMENT**

The city's total cash, deposits, and investments as of December 31, 2018 were \$20,203,176.

About 86.3% (\$17,430,658) of the city's cash is invested and earns interests. The remaining 13.7% (\$2,772,518) is deposited in non-interest-bearing checking accounts 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 \$2,767,468
- Money Market Account \$87,257
- Local Government Investment Pool (LGIP) \$14,968,048
- U.S. Securities (held at U.S Bank Safekeeping) \$2,375,353

Total investment interest earnings through December 2018 totaled \$285,834. This is a \$187,135 or 290% increase from 2017. This is in result of shifting about \$8 million from the city's checking account to the LGIP account during 2018, coupled with an increase in LGIP interest rates. The average net LGIP interest rates for 2018 and 2017 were 1.9037% 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**



## **Fourth Quarter Council Financial Report**

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

**The City of Chehalis, Washington**



City of Chehalis  
 Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
 2018 Fourth Quarter Financial Statements - All Funds  
 As of December 31, 2018 (Preliminary)  
 Date Prepared: 1/18/2019

Fund Type/Name	Beg Cash			Revenues & Transfers				Expenditures & Transfers				Changes in Fund Balance				End Cash	
	Actual 1/1/2018	Amended Budget	YTD 12/31/2018 Actual	YTD 12/31/2018 Actual	Variance Positive (Negative)	YTD % of Budget	Amended Budget	YTD 12/31/2018 Actual	Variance Positive (Negative)	YTD % of Budget	Amended Budget	YTD 12/31/2018 Actual	Amended Budget	YTD 12/31/2018 Actual	Amended Budget	Actual 12/31/2018	
<b>General Funds:</b>																	
General Fund	\$ 2,042,442	\$ 9,438,172	\$ 9,611,585	\$ 173,413	\$ 173,413	101.8%	\$ 10,496,273	\$ 9,849,765	\$ 646,508	93.8%	\$ (1,058,101)	\$ (238,180)	984,341	\$ 1,804,262	128,027	163,773	
Dedicated Street Fund	117,842	191,125	221,086	29,961	29,961	115.7%	180,940	175,155	5,785	96.8%	10,185	45,931	100,109	101,209	100,109	101,209	
Building Abatement Fund	90,313	9,796	10,896	1,100	1,100	111.2%	-	-	-	0.0%	9,796	10,896	92,868	93,841	92,868	93,841	
Compensated Absences Fund	-	92,868	93,841	973	973	101.0%	-	-	-	0.0%	92,868	93,841	93,331	94,311	93,331	94,311	
Automotive/Equip. Reserve Fund	463	92,868	93,848	980	980	101.1%	-	-	-	0.0%	92,868	93,848	1,398,676	2,257,396	1,398,676	2,257,396	
<b>Total General Funds</b>	<b>2,251,060</b>	<b>9,824,829</b>	<b>10,031,256</b>	<b>206,427</b>	<b>206,427</b>	<b>102.1%</b>	<b>10,677,213</b>	<b>10,024,920</b>	<b>652,293</b>	<b>93.9%</b>	<b>(852,384)</b>	<b>6,336</b>					
<b>Special Revenue Funds:</b>																	
Arterial Street Fund	114,125	148,500	165,925	17,425	17,425	111.7%	160,060	154,908	5,152	96.8%	(11,560)	11,017	102,565	125,142	970,655	1,110,158	
Transportation Benefit Dist. Fund	360,055	1,110,600	1,168,582	57,982	57,982	105.2%	500,000	418,479	81,521	83.7%	610,600	750,103	229,451	265,943	229,451	265,943	
Tourism Fund	313,086	233,800	253,743	19,943	19,943	108.5%	317,435	302,886	14,549	95.4%	(83,635)	(49,143)	21	24,190	21	24,190	
Community Block Grant Fund	111	900	24,079	23,179	23,179	2675.4%	990	-	990	0.0%	(90)	24,079	71,043	86,259	71,043	86,259	
HUD Block Grant Fund	70,943	100	15,316	15,216	15,216	15316.0%	-	-	-	0.0%	100	15,316	1,373,735	1,608,692	1,373,735	1,608,692	
<b>Total Special Revenue Funds</b>	<b>858,320</b>	<b>1,493,900</b>	<b>1,627,645</b>	<b>133,745</b>	<b>133,745</b>	<b>18316.9%</b>	<b>978,485</b>	<b>876,273</b>	<b>102,212</b>	<b>89.6%</b>	<b>515,415</b>	<b>751,372</b>					
<b>Debt Service Funds:</b>																	
2011 G.O. Bond Fund	-	102,510	102,507	(3)	(3)	100.0%	102,510	102,506	4	100.0%	-	1	-	-	-	1	
<b>Total Debt Service Funds</b>	<b>-</b>	<b>102,510</b>	<b>102,507</b>	<b>(3)</b>	<b>(3)</b>	<b>100.0%</b>	<b>102,510</b>	<b>102,506</b>	<b>4</b>	<b>100.0%</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	
<b>Capital Project Funds:</b>																	
Public Facilities Reserve Fund	90,185	928,748	930,481	1,733	1,733	100.2%	829,660	581,028	248,632	70.0%	99,088	349,453	189,273	439,638	47,942	62,712	
First Quarter REET Fund	176,107	114,700	129,469	14,769	14,769	112.9%	242,865	242,864	1	100.0%	(128,165)	(113,395)	56,198	71,769	56,198	71,769	
Second Quarter REET Fund	264,738	114,650	130,220	15,570	15,570	113.6%	323,190	323,189	1	100.0%	(208,540)	(192,969)	293,413	574,119	293,413	574,119	
<b>Total Capital Project Funds</b>	<b>531,030</b>	<b>1,158,098</b>	<b>1,190,170</b>	<b>32,072</b>	<b>32,072</b>	<b>102.8%</b>	<b>1,395,715</b>	<b>1,147,081</b>	<b>248,634</b>	<b>82.2%</b>	<b>(237,617)</b>	<b>43,089</b>					
<b>Proprietary Funds:</b>																	
Garbage Fund	7,024	6,445	6,773	328	328	105.1%	7,505	6,091	1,414	81.2%	(1,060)	682	5,964	7,706	5,964	7,706	
Wastewater Fund	4,833,519	5,574,837	5,481,201	(93,636)	(93,636)	98.3%	5,554,192	5,201,839	352,353	93.7%	20,705	279,362	4,854,224	5,112,881	4,854,224	5,112,881	
Water Fund	7,093,160	2,958,084	3,282,904	324,820	324,820	111.0%	3,231,767	2,938,972	292,795	90.9%	(273,683)	343,932	6,819,477	7,437,092	6,819,477	7,437,092	
Storm & Surface Water Fund	1,098,223	629,380	673,821	44,441	44,441	107.1%	721,225	507,382	213,843	70.4%	(91,845)	166,439	1,006,378	1,264,662	1,006,378	1,264,662	
Airport Fund	371,625	2,369,689	2,704,048	334,359	334,359	114.1%	2,218,232	2,024,255	193,977	91.3%	151,457	679,793	523,082	1,051,418	523,082	1,051,418	
<b>Total Proprietary Funds</b>	<b>13,403,551</b>	<b>11,538,495</b>	<b>12,148,747</b>	<b>610,252</b>	<b>610,252</b>	<b>105.3%</b>	<b>11,732,921</b>	<b>10,678,539</b>	<b>1,054,382</b>	<b>91.0%</b>	<b>(194,426)</b>	<b>1,470,208</b>	<b>13,209,125</b>	<b>14,873,759</b>	<b>13,209,125</b>	<b>14,873,759</b>	
<b>Fiduciary Funds:</b>																	
Firemen's Pension Fund	729,330	177,478	181,794	4,316	4,316	102.4%	78,500	33,805	44,695	43.1%	98,978	147,989	828,308	877,319	828,308	877,319	
City Agency Fund	10,890	360,000	-	(360,000)	(360,000)	0.0%	360,000	-	360,000	0.0%	-	-	10,890	10,890	10,890	10,890	
<b>Total Fiduciary Funds</b>	<b>740,220</b>	<b>537,478</b>	<b>181,794</b>	<b>(355,684)</b>	<b>(355,684)</b>	<b>33.8%</b>	<b>438,500</b>	<b>33,805</b>	<b>404,695</b>	<b>7.7%</b>	<b>98,978</b>	<b>147,989</b>	<b>839,198</b>	<b>888,209</b>	<b>839,198</b>	<b>888,209</b>	
<b>TOTAL ALL CITY FUNDS</b>	<b>\$ 17,784,181</b>	<b>\$ 24,655,310</b>	<b>\$ 25,282,119</b>	<b>\$ 626,809</b>	<b>\$ 626,809</b>	<b>102.5%</b>	<b>\$ 25,325,344</b>	<b>\$ 22,863,124</b>	<b>\$ 2,462,220</b>	<b>90.3%</b>	<b>\$ (670,084)</b>	<b>\$ 2,418,995</b>	<b>\$ 17,114,147</b>	<b>\$ 20,203,176</b>	<b>\$ 17,114,147</b>	<b>\$ 20,203,176</b>	

Note: May contain rounding differences of +/-

City of Chehalis  
 Comparative Revenues and Expenditures - Budget to Actual  
 December 2018 and 2017  
 Wastewater Fund

Wastewater Fund (#404)	2017	YTD	2017	YTD Target % of Budget*		100.0%	2018	2018-2017
	Amended Budget	12/31/2017 Actual	YTD % of Budget	2018 Amended Budget	YTD 12/31/2018 Actual	YTD % of Budget	YTD Variance^	YTD Variance
<b>Revenues:</b>								
Charges for Goods & Services	\$ 5,349,972	\$ 5,450,050	101.9%	\$ 5,447,792	\$ 5,325,223	97.8%	\$ (122,569)	\$ (124,827)
Intergovernmental Revenues	13,500	590,043	4370.7%	10,905	25,918	237.7%	15,013	(564,125)
Late Payment Fees	50,000	49,150	98.3%	51,000	50,528	99.1%	(472)	1,378
Interest Earnings	3,000	27,076	902.5%	60,000	73,385	122.3%	13,385	46,309
Rental Income	3,545	3,545	100.0%	3,545	3,545	100.0%	-	-
Miscellaneous Other	3,000	1,334	44.5%	1,100	1,984	180.4%	884	650
<b>Total Revenues</b>	<b>5,423,017</b>	<b>6,121,198</b>	<b>112.9%</b>	<b>5,574,342</b>	<b>5,480,583</b>	<b>98.3%</b>	<b>(93,759)</b>	<b>(640,615)</b>
<b>Other Fund Sources:</b>								
Custodial Activities	555	563	101.4%	555	618	111.4%	63	55
Debt Proceeds	925,100	287,924	31.1%	-	-	0.0%	-	(287,924)
<b>Total Other Fund Source</b>	<b>925,655</b>	<b>288,487</b>	<b>31.2%</b>	<b>555</b>	<b>618</b>	<b>111.4%</b>	<b>63</b>	<b>(287,869)</b>
<b>Total Revenues &amp; Fund Sources</b>	<b>\$ 6,348,672</b>	<b>\$ 6,409,685</b>	<b>101.0%</b>	<b>\$ 5,574,897</b>	<b>\$ 5,481,201</b>	<b>98.3%</b>	<b>\$ (93,696)</b>	<b>\$ (928,484)</b>
<b>Expenditures:</b>								
<b>Operating Expenditures:</b>								
Operating Expenditures	\$ 3,554,370	\$ 3,043,760	85.6%	\$ 3,349,574	\$ 3,012,547	89.9%	\$ 337,027	\$ (31,213)
<b>Total Operating Expenditures:</b>	<b>3,554,370</b>	<b>3,043,760</b>	<b>85.6%</b>	<b>3,349,574</b>	<b>3,012,547</b>	<b>89.9%</b>	<b>337,027</b>	<b>(31,213)</b>
<b>Other Expenditures:</b>								
Custodial Activities	555	563	101.4%	600	618	103.0%	(18)	55
Debt Service	1,868,127	1,868,285	100.0%	1,909,145	1,895,658	99.3%	13,487	27,373
Capital Expenditures	1,113,100	976,385	87.7%	294,873	293,016	99.4%	1,857	(683,369)
Transfers-out	-	-	0.0%	-	-	0.0%	-	-
<b>Total Other Expenditures</b>	<b>2,981,782</b>	<b>2,845,233</b>	<b>95.4%</b>	<b>2,204,618</b>	<b>2,189,292</b>	<b>99.3%</b>	<b>15,326</b>	<b>(655,941)</b>
<b>Total Expenditures</b>	<b>\$ 6,536,152</b>	<b>\$ 5,888,993</b>	<b>90.1%</b>	<b>\$ 5,554,192</b>	<b>\$ 5,201,839</b>	<b>93.7%</b>	<b>\$ 352,353</b>	<b>\$ (687,154)</b>
<b>Changes in Fund Balance</b>	<b>\$ (187,480)</b>	<b>\$ 520,692</b>	<b>-277.7%</b>	<b>\$ 20,705</b>	<b>\$ 279,362</b>	<b>1349.2%</b>	<b>\$ 258,657</b>	<b>\$ (241,330)</b>
<b>Operating Income (deficit)</b>	<b>\$ 1,868,647</b>	<b>\$ 3,077,438</b>	<b>164.7%</b>	<b>\$ 2,224,768</b>	<b>\$ 2,468,036</b>	<b>110.9%</b>	<b>\$ 243,268</b>	<b>\$ (609,402)</b>

Foot Note:

\* The target percentage of budget is calculated as the month of reporting (12 for December) divided by the number of months (12) in the year.

^ Variance from YTD target amount to YTD actual amount. Positive variance, if YTD revenue > target amount and YTD expenditure < target amount.

City of Chehalis  
Comparative Revenues and Expenditures - Budget to Actual  
December 2018 and 2017  
Wastewater Fund

Wastewater Fund (#404)	2017	YTD	2017	YTD Target % of Budget*		100.0%	2018	2018	2018-2017
	Amended Budget	12/31/2017 Actual	YTD % of Budget	2018 Amended Budget	YTD 12/31/2018 Actual	YTD % of Budget	YTD Variance^	YTD Variance	YTD Variance
<b>Revenues:</b>									
Charges for Goods & Services	\$ 5,349,972	\$ 5,450,050	101.9%	\$ 5,447,792	\$ 5,325,223	97.8%	\$ (122,569)	\$ (124,827)	
Intergovernmental Revenues	13,500	590,043	4370.7%	10,905	25,918	237.7%	15,013	(564,125)	
Late Payment Fees	50,000	49,150	98.3%	51,000	50,528	99.1%	(472)	1,378	
Interest Earnings	3,000	27,076	902.5%	60,000	73,385	122.3%	13,385	46,309	
Rental Income	3,545	3,545	100.0%	3,545	3,545	100.0%	-	-	
Miscellaneous Other	3,000	1,334	44.5%	1,100	1,984	180.4%	884	650	
<b>Total Revenues</b>	<b>5,423,017</b>	<b>6,121,198</b>	<b>112.9%</b>	<b>5,574,342</b>	<b>5,480,583</b>	<b>98.3%</b>	<b>(93,759)</b>	<b>(640,615)</b>	
<b>Other Fund Sources:</b>									
Custodial Activities	555	563	101.4%	555	618	111.4%	63	55	
Debt Proceeds	925,100	287,924	31.1%	-	-	0.0%	-	(287,924)	
<b>Total Other Fund Source</b>	<b>925,655</b>	<b>288,487</b>	<b>31.2%</b>	<b>555</b>	<b>618</b>	<b>111.4%</b>	<b>63</b>	<b>(287,869)</b>	
<b>Total Revenues &amp; Fund Sources</b>	<b>\$ 6,348,672</b>	<b>\$ 6,409,685</b>	<b>101.0%</b>	<b>\$ 5,574,897</b>	<b>\$ 5,481,201</b>	<b>98.3%</b>	<b>\$ (93,696)</b>	<b>\$ (928,484)</b>	
<b>Expenditures:</b>									
<b>Operating Expenditures:</b>									
Operating Expenditures	\$ 3,554,370	\$ 3,043,760	85.6%	\$ 3,349,574	\$ 3,012,547	89.9%	\$ 337,027	\$ (31,213)	
<b>Total Operating Expenditures:</b>	<b>3,554,370</b>	<b>3,043,760</b>	<b>85.6%</b>	<b>3,349,574</b>	<b>3,012,547</b>	<b>89.9%</b>	<b>337,027</b>	<b>(31,213)</b>	
<b>Other Expenditures:</b>									
Custodial Activities	555	563	101.4%	600	618	103.0%	(18)	55	
Debt Service	1,868,127	1,868,285	100.0%	1,909,145	1,895,658	99.3%	13,487	27,373	
Capital Expenditures	1,113,100	976,385	87.7%	294,873	293,016	99.4%	1,857	(683,369)	
Transfers-out	-	-	0.0%	-	-	0.0%	-	-	
<b>Total Other Expenditures</b>	<b>2,981,782</b>	<b>2,845,233</b>	<b>95.4%</b>	<b>2,204,618</b>	<b>2,189,292</b>	<b>99.3%</b>	<b>15,326</b>	<b>(655,941)</b>	
<b>Total Expenditures</b>	<b>\$ 6,536,152</b>	<b>\$ 5,888,993</b>	<b>90.1%</b>	<b>\$ 5,554,192</b>	<b>\$ 5,201,839</b>	<b>93.7%</b>	<b>\$ 352,353</b>	<b>\$ (687,154)</b>	
<b>Changes in Fund Balance</b>	<b>\$ (187,480)</b>	<b>\$ 520,692</b>	<b>-277.7%</b>	<b>\$ 20,705</b>	<b>\$ 279,362</b>	<b>1349.2%</b>	<b>\$ 258,657</b>	<b>\$ (241,330)</b>	
<i>Operating Income (deficit)</i>	<i>\$ 1,868,647</i>	<i>\$ 3,077,438</i>	<i>164.7%</i>	<i>\$ 2,224,768</i>	<i>\$ 2,468,036</i>	<i>110.9%</i>	<i>\$ 243,268</i>	<i>\$ (609,402)</i>	

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^ Variance from YTD target amount to YTD actual amount. Positive variance, if YTD revenue > target amount and YTD expenditure < target amount.

City of Chehalis  
 Comparative Revenues and Expenditures - Budget to Actual  
 December 2018 and 2017  
 Storm and Surface Water Fund

Storm Water Fund (#406)	2017	YTD	2017	YTD Target % of Budget*	100.0%	2018	2018	2018-2017
	Amended Budget	12/31/2017 Actual	YTD % of Budget	2018 Amended Budget	YTD 12/31/2018 Actual	YTD % of Budget	YTD Variance^	YTD Variance
<b>Revenues:</b>								
Charges for Goods & Services	\$ 550,910	\$ 681,603	123.7%	\$ 611,100	\$ 647,207	105.9%	\$ 36,107	\$ (34,396)
Intergovernmental Revenue	-	-	0.0%	-	-	0.0%	-	-
Fines and Forfeitures	5,000	5,794	115.9%	5,000	8,900	178.0%	3,900	3,106
Interest Earnings	1,000	5,128	512.8%	13,250	17,371	131.1%	4,121	12,243
Other Misc. Revenues	-	697	0.0%	-	297	0.0%	297	(400)
<b>Total Revenues</b>	<b>556,910</b>	<b>693,222</b>	<b>124.5%</b>	<b>629,350</b>	<b>673,775</b>	<b>107.1%</b>	<b>44,425</b>	<b>(19,447)</b>
<b>Other Fund Sources:</b>								
Custodial Activities	-	25	0.0%	30	46	153.3%	16	21
Debt Proceeds	-	-	0.0%	-	-	0.0%	-	-
<b>Total Other Fund Sources</b>	<b>-</b>	<b>25</b>	<b>0.0%</b>	<b>30</b>	<b>46</b>	<b>153.3%</b>	<b>16</b>	<b>21</b>
<b>Total Revenues &amp; Fund Sources</b>	<b>\$ 556,910</b>	<b>\$ 693,247</b>	<b>124.5%</b>	<b>\$ 629,380</b>	<b>\$ 673,821</b>	<b>107.1%</b>	<b>\$ 44,441</b>	<b>\$ (19,426)</b>
<b>Expenditures:</b>								
<b>Operating Expenditures:</b>								
Operating Expenditures	524,798	429,821	81.9%	491,175	477,146	97.1%	14,029	47,325
<b>Total Operating Expenditures</b>	<b>524,798</b>	<b>429,821</b>	<b>81.9%</b>	<b>491,175</b>	<b>477,146</b>	<b>97.1%</b>	<b>14,029</b>	<b>47,325</b>
<b>Other Expenditures:</b>								
Custodial Activities	100	25	25.0%	50	46	92.0%	4	21
Capital Expenditures	-	-	0.0%	230,000	30,190	13.1%	199,810	30,190
Transfers-out	-	-	0.0%	-	-	0.0%	-	-
<b>Total Other Expenditures</b>	<b>100</b>	<b>25</b>	<b>25.0%</b>	<b>230,050</b>	<b>30,236</b>	<b>13.1%</b>	<b>199,814</b>	<b>30,211</b>
<b>Total Expenditures</b>	<b>524,898</b>	<b>429,846</b>	<b>81.9%</b>	<b>721,225</b>	<b>507,382</b>	<b>70.4%</b>	<b>213,843</b>	<b>77,536</b>
<b>Changes in Fund Balance</b>	<b>\$ 32,012</b>	<b>\$ 263,401</b>	<b>822.8%</b>	<b>\$ (91,845)</b>	<b>\$ 166,439</b>	<b>-181.2%</b>	<b>\$ 258,284</b>	<b>\$ (96,962)</b>
<i>Operating Income (deficit)</i>	<i>\$ 32,112</i>	<i>\$ 263,401</i>	<i>820.3%</i>	<i>\$ 138,175</i>	<i>\$ 196,629</i>	<i>142.3%</i>	<i>\$ 58,454</i>	<i>\$ (66,772)</i>

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City of Chehalis  
 Comparative Revenues and Expenditures - Budget to Actual  
 December 2018 and 2017  
 Airport Fund

Airport Fund (#407)	2017	YTD	2017	YTD Target % of Budget*		100.0%	2018	2018	2018-2017
	Amended Budget	12/31/2017 Actual	YTD % of Budget	2018 Amended Budget	YTD 12/31/2018 Actual	YTD % of Budget	YTD Variance^	YTD Variance	YTD Variance
<b>Revenues:</b>									
Intergovernmental Revenues	\$ 1,305,191	\$ 962,586	73.8%	\$ 308,000	\$ 400,937	130.2%	\$ 92,937	\$ (561,649)	
Fuel sales	533,622	480,895	90.1%	486,000	524,221	107.9%	38,221	43,326	
Other Misc. Revenues	3,095	3,020	97.6%	1,700	43,760	2574.1%	42,060	40,740	
Late Payment Fees	-	-	0.0%	-	60	0.0%	60	60	
Interest Earnings	5,325	11,852	222.6%	-	10,971	0.0%	10,971	(881)	
Rents & Royalties	981,437	1,062,374	108.2%	1,112,500	1,152,429	103.6%	39,929	90,055	
<b>Total Revenues</b>	<b>2,828,670</b>	<b>2,520,727</b>	<b>89.1%</b>	<b>1,908,200</b>	<b>2,132,378</b>	<b>111.7%</b>	<b>224,178</b>	<b>(388,349)</b>	
<b>Other Fund Sources:</b>									
Custodial Activities	168,424	175,936	104.5%	182,059	290,623	159.6%	108,564	114,687	
Interfund Loan Receipts	-	-	0.0%	279,430	279,427	100.0%	(3)	279,427	
Proceeds from Sale of Capital Assets	1,440	7,290	506.3%	-	1,620	0.0%	1,620	(5,670)	
Debt Proceeds (Bonds/Loans)	300,000	300,000	100.0%	-	-	0.0%	-	(300,000)	
Operating Transfers In	-	-	0.0%	-	-	0.0%	-	-	
<b>Total Other Fund Sources</b>	<b>469,864</b>	<b>483,226</b>	<b>102.8%</b>	<b>461,489</b>	<b>571,670</b>	<b>123.9%</b>	<b>110,181</b>	<b>88,444</b>	
<b>Total Revenues &amp; Fund Sources</b>	<b>\$ 3,298,534</b>	<b>\$ 3,003,953</b>	<b>91.1%</b>	<b>\$ 2,369,689</b>	<b>\$ 2,704,048</b>	<b>114.1%</b>	<b>\$ 334,359</b>	<b>\$ (299,905)</b>	
<b>Expenditures:</b>									
Operating Expenditures	1,207,247	1,075,307	89.1%	1,070,331	1,067,955	99.8%	2,376	(7,352)	
<b>Total Operating Expenditures</b>	<b>1,207,247</b>	<b>1,075,307</b>	<b>89.1%</b>	<b>1,070,331</b>	<b>1,067,955</b>	<b>99.8%</b>	<b>2,376</b>	<b>(7,352)</b>	
<b>Other Expenditures:</b>									
Custodial Activities	168,424	174,130	103.4%	182,014	190,628	104.7%	(8,614)	16,498	
Debt Service	1,648,602	1,598,830	97.0%	336,014	336,349	100.1%	(335)	(1,262,481)	
Capital Expenditures	1,854,005	1,601,780	86.4%	613,073	412,733	67.3%	200,340	(1,189,047)	
Interfund Loan Payment	-	-	0.0%	16,800	16,590	98.8%	210	16,590	
<b>Total Other Expenditures</b>	<b>3,671,031</b>	<b>3,374,740</b>	<b>91.9%</b>	<b>1,147,901</b>	<b>956,300</b>	<b>83.3%</b>	<b>191,601</b>	<b>(2,418,440)</b>	
<b>Total Expenditures</b>	<b>\$ 4,878,278</b>	<b>\$ 4,450,047</b>	<b>91.2%</b>	<b>\$ 2,218,232</b>	<b>\$ 2,024,255</b>	<b>91.3%</b>	<b>\$ 193,977</b>	<b>\$ (2,425,792)</b>	
<b>Changes in Fund Balance</b>	<b>\$ (1,579,744)</b>	<b>\$ (1,446,094)</b>	<b>91.5%</b>	<b>\$ 151,457</b>	<b>\$ 679,793</b>	<b>448.8%</b>	<b>\$ 528,336</b>	<b>\$ 2,125,887</b>	
<b>Operating Income (deficit)</b>	<b>\$ 1,621,423</b>	<b>\$ 1,445,420</b>	<b>89.1%</b>	<b>\$ 837,869</b>	<b>\$ 1,064,423</b>	<b>127.0%</b>	<b>\$ 226,554</b>	<b>\$ (380,997)</b>	

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