

CHEHALIS CITY COUNCIL AGENDA
 CITY HALL
 350 N MARKET BOULEVARD, CHEHALIS, WA 98532

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

Regular Meeting of November 14, 2011

6:00 p.m.

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

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

PUBLIC HEARING		
3. <u>2012 Proposed Budget and Revenue Sources, Taxes and Levies.</u> (City Manager, Finance Manager)	CONDUCT PUBLIC HEARING	

PRESENTATIONS		
4. <u>Update on the Chehalis Community Pool Project.</u> (Chehalis Foundation President Mike Austin)	---	

CONSENT CALENDAR		
5. <u>Minutes of the Regular Meeting of October 24, 2011.</u> (City Clerk)	APPROVE	1
6. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	9
7. <u>Resolution No. 17-2011, First and Final Reading – Declaring City Property as Surplus.</u> (Community Development Director, City Clerk)	ADOPT	11

STAFF AND CITY COUNCIL REPORTS		
8. <u>Administration Reports.</u>		
a. Update on debt issuance. (City Manager, Finance Manager)	INFORMATION ONLY	
b. Community Rating System annual repetitive loss progress report. (Community Development Director)	INFORMATION ONLY	14
9. <u>Council Reports.</u>		
a. Councilor reports. (City Council)	INFORMATION ONLY	
b. Council committee reports. (City Council)	INFORMATION ONLY	

NEW BUSINESS		
10. <u>Ordinance No. 881-B, First Reading – Revision of Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2012.</u> (Wastewater Superintendent)	PASS	18
11. <u>Ordinance No. 883-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2012.</u> (Finance Manager)	PASS	27
12. <u>Ordinance No. 884-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2012.</u> (Finance Manager)	PASS	30
13. <u>Ordinance No. 882-B, First Reading – Adopting the 2012 Budget.</u> (Finance Manager)	PASS	32
14. <u>Lodging Tax Advisory Committee (LTAC) Recommendations for 2012 Tourism Funding and Reappointment of Memberships.</u> (Councilor Harris)	APPROVE RECOMMENDATIONS OF THE LTAC FOR 2012 TOURISM FUNDING AND REAPPOINTMENT OF MEMBERSHIPS	36

THE CITY COUNCIL MAY ADD AND TAKE ACTION ON
OTHER ITEMS NOT LISTED ON THIS AGENDA

NEXT REGULAR CITY COUNCIL MEETING WILL BE ON MONDAY, NOVEMBER 28, 2011

October 24, 2011

The Chehalis city council met in regular session on Monday, October 24, 2011, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 5:45 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Peggy Hammer, Human Resources Administrator; Eva Lindgren, Finance Manager; and Herta Fairbanks, Public Works Director. Members of the media included Bianca Fortis from *The Chronicle* and Bruce Hunting from KITI.

1. Work Session – Chehalis-Centralia Airport Quarterly Update. Airport Manager Allyn Roe and City Representative Frank DeVaul briefed the council on activities taking place at the airport over the past three months.

Mr. Roe reported they recently closed out the FAA Airport Improvement Program grant for the purchase of a truck/snowplow, restriping of the runway, and new weather equipment totaling approximately \$195,000. He indicated they were working with a large tenant to construct a new 15,000 square foot hangar facility with associated parking.

Mr. Roe stated they planned to approve their 2012 budget next month, adding overall it looked pretty good. He reported an increase in revenues even after making some rental adjustments on some commercial property. Mr. Roe noted every five years or so the leases automatically adjust, or they have the properties reappraised.

Councilor Dawes asked how the lease rates had been. Mr. Roe reported they just finished up a 10-year reappraisal and the value went up approximately 26 percent.

Mr. Roe reported they recently met with representatives for Joint Base Lewis-McChord who are reaching out to the smaller airports in the Puget Sound Region to let them know about increased military activities over the next couple of years. He noted they had noticed this with an increase of complaints from the community, primarily from helicopters involved with night and low level operations in the area.

Mr. Roe reported, last July, the Airport Board selected W.H. Pacific from Bothell, Washington, as its five year on-call engineering consultant, noting they had represented the airport for the past five years. He indicated they'd been working with them on a project for 2012-2013 for the installation of approach lighting at the north end of the airport. Mr. Roe noted a series of five or six light stations would be installed to provide increased safety and would reduce the minimum requirement for landing in adverse weather conditions.

Mr. Roe reported they just wrapped up their annual audit with no issues or findings. They also recently started work on the fabrication of the kiosks for the City and the Chehalis Community Renaissance Team.

Councilor Harris inquired about the instrument landing system (ILS). Mr. Roe stated they had a GPS approach, which was very similar to an ILS. He added the only difference was the ILS had a ground-base equipment instrument landing system. Mr. Roe stated when they had the trees removed just north of the airport it allowed them to go into another category where planes can land in even worse conditions. He reported the new approach would be published by the FAA next April and would be a real benefit during the morning hours for planes flying in from outside the community. Mr. Roe indicated the new approach would also benefit Providence Hospital, noting they were pretty much right in line with the runway allowing the Medivac Helicopters to come in on their approach.

Councilor Taylor asked if there was anything on the horizon for development or new businesses coming in. Mr. Roe reported a few years ago they had interest from developers who wanted to take a large piece of property and develop it out with sub-tenants, but now more of the small individual tenants were approaching them directly.

Councilor Lund stated when he was a kid the airport looked similar to a cow pasture. He noted over the last few years they had really dressed it up, showing the pride we have in our community. Councilor Lund thanked Mr. Roe for the work being done.

Mayor Ketchum announced the council would take a six minute recess and reopen the regular meeting at 6:00 p.m.

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2. **Lodging Tax Advisory Committee (LTAC) Recommendations for 2012 Tourism Funding and Reappointment of Memberships.** Mayor Ketchum requested that the council pull the item from the agenda, so more information could be put together by the administration. The consensus of the council was to pull the item and bring it back to the council at the first regular meeting of November.

3. **Citizen Business.**

a. Karla Hooper (Market Street Pub) and Joel Wall (The Shire) reported they recently found out about the policy change regarding outdoor events. Mr. Wall asked if there was a possibility of getting the time changed to allow live music until 1:00 a.m., as opposed to midnight. He reported they host a number of events and benefits throughout the year, adding the outdoor events was a way to keep their businesses vital.

Mayor Ketchum suggested they set up a meeting with City Manager MacReynold to discuss the issue.

b. Tiffany Simpkins (67 SW 11th Street) reported she wanted to cancel her garbage service with LeMay, Inc., but was told by both LeMay and the City that she cannot cancel it. Ms. Simpkins stated she understood the ordinance, which requires residents to have garbage service in the city; however, in the ordinance under section 8.04.100 §J it states 'it is not unlawful for any resident to take their own trash to an approved solid waste disposal site,' which was what she would like to do.

Mayor Ketchum indicated, because she had contacted a lawyer, the council could not discuss the matter with her, and suggested she start a dialog with City Manager MacReynold to try and work something out.

4. **Proclamation – Domestic Violence Awareness Month.** Mayor Ketchum presented Human Response Network Executive Director Joan Caywood with a proclamation declaring October as "Domestic Violence Awareness Month" in the city of Chehalis.

5. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of October 10, 2011; and
- b. Claim Vouchers No. 101221-101362 in the amount of \$237,607.20 dated October 14, 2011.

The motion was seconded by Councilor Taylor and carried unanimously.

6. **Administration Reports.**

a. **September and Quarterly Financial Report.** Eva Lindgren reported the largest variance in the general fund revenues had to do with the proceeds from long-term debt. She noted later in the meeting the council would hopefully take action on an item, which should eliminate that variance by December.

Councilor Pope commented on the 'licenses and permits' budget line item, noting it went from \$66,080 in 2010 to \$120,200 in 2011. Ms. Lindgren reported the difference was driven by anticipated revenue from Green Hill School for some very large projects. Councilor Spahr stated he had heard that Green Hill was adding a \$4 million addition.

Ms. Lindgren reported the largest variance in the general fund expenditures was in the non-departmental fund. She noted this had to do with the interfund loans, which could not be paid until debt was issued. Ms. Lindgren reported community development showed a negative variance from 'expected' of over \$80,000. She noted the administration would be recommending a change to the Chehalis Municipal Code (CMC) that would allow some of the capital maintenance expenditures to be moved to the REET funds, which would eliminate that particular variance.

Councilor Dawes noted, with regards to community development, it was also fair to say that there was a significant amount of revenue that comes in for recreational programs, and suggested that was something they needed to keep in mind.

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Ms. Lindgren reported she needed to do some rebalancing between the general fund and the arterial street fund to cover the large positive variance in the street fund, and the negative ending fund balance in the arterial street fund.

Ms. Lindgren reported on the wastewater fund, noting there had been some deferral on capital expenditures relating to the State Avenue Pump Station. She noted some of the expenditures budgeted for this year would be re-budgeted into 2012. Ms. Lindgren noted the council should expect the budgeting for those capital expenditures to be reduced in the next budget amendment.

Ms. Lindgren reported on the water fund, noting there may be some capital outlay deferrals in this fund as well, but she didn't remember any specifics.

Councilor Spahr noted the water sales were comparable to last year, but the budget was considerably higher and asked if there was some anticipated revenue. Ms. Lindgren reported there were several different types of water sale revenues and believed there was some expectation of an increase. She noted she would take a look at it and respond to the council by email.

Councilor Taylor asked if there was a way to add an actual total dollar amount for each fund. Ms. Lindgren reported that particular information was listed on the quarterly report. Councilor Taylor stated it would be nice to see the numbers associated with each fund on one page.

Ms. Lindgren briefly reviewed the quarterly report which included: estimated and actual beginning fund balances; revenues and transfers in; expenditures and transfers out; and the ending fund balance for each fund. She gave a quick overview of the different accounts and investments that the city has, and how each fund was associated.

b. **Quarterly Sales and Use Tax Report.** Ms. Lindgren reported the city showed a 30.3 percent increase for September receipts over 2010. She noted there was a business that made a very large one time purchase associated with the increase. Ms. Lindgren stated back in March 2011 they had a negative 22.4 percent drop, which was associated with a business that had a large one time only use tax payment in 2010.

Councilor Harris stated, according to the October report that Ms. Lindgren emailed out, they were still slightly above year-to-date.

7. **Council Reports.**

a. **Update from Councilor Dawes.** Councilor Dawes reported he recently attended an Association of Washington Cities (AWC) Regional meeting down in Vancouver, Washington. He noted one of the topics for discussion was State shared revenues. Councilor Dawes reported the city received \$121,169 in State shared revenues, which was made up of streamlined sales tax mitigation, liquor tax, liquor profits, and municipal criminal justice.

Councilor Dawes reported the Democratic Party was talking about potentially floating a tax measure in February. His concern was a lot of school districts run M & O levies at that time, adding historically if you run two tax measures on one ballot, one was going to fail. He suggested AWC talk with the School Directors Association and the Legislature and tell them that it might be very critical to some people.

Councilor Dawes reported he attended the North Lewis County Regional Fire Authority Planning Committee meeting along with Councilors Lund and Spahr on October 19. He noted their first presentation to talk about where they were at was scheduled with the Centralia Rotary Club on December 6 at noon. Councilor Dawes reported the three sub-committees they were working on were: facilities, fleets, and operations. He noted they made the decision to not meet separately, which was a big stride in where they were going with the whole project. Councilor Dawes stated it wasn't going to be a foot-race to the finish, but he hoped the process would start moving a little faster.

Councilor Dawes reported he and Councilor Spahr attended the Chamber's Business After Hours event at the Helly Hansen Outlet Store in Centralia.

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b. **Update from Councilor Spahr.** Councilor Spahr reported, along with the events that Councilor Dawes spoke about, he also attended the Lewis County Economic Development Council Board meeting. He added they had some projects on-line that were coming up, but no announcements had been made just yet.

c. **Update from Councilor Pope.** Councilor Pope gave an update on the Chehalis Foundation pool project. He reported they put a community program together to go after matching funds for the \$100,000. Councilor Pope noted they also submitted for a couple of grants, which would help out with the costs of the project. He stated he would like to have Foundation President Mike Austin come to the next council meeting to make an official presentation on the program they have outlined. Councilor Pope reported they were asking high school and grade school kids to participate in the effort, so they can have a buy-in that it's their swimming pool.

d. **Update from Mayor Ketchum.** Mayor Ketchum reported his biggest event was last Friday, at which time he attended Councilor Lund's 50th birthday party.

8. **Ordinance No. 878-B, First and Final Reading – Debt Issuance, and Ordinance No. 879-B, First and Final Reading – Bond Registration.** Ms. Lindgren introduced the members of the team she worked with on putting the city's bond issuance together, which included: Alan Dashen, financial advisor with Dashen & Associates; Lindsay Coates, legal counsel with Foster Pepper PLLC; and Jim Blumenthal, underwriter with Martin Nelson & Company.

Ms. Lindgren reported the council had received a revised ordinance that included some language changes, and some additional flexibility around the par value.

Ms. Lindgren reported the parameters of the bond sale were spelled out in Section 5 of the ordinance, which specified: the maximum aggregate principal amount (\$1,300,000); the interest rate (may not exceed 5 percent); final maturity (December 1, 2026); and price (not less than 95.00 percent or more than 115.00 percent of the par value of the bonds).

Ms. Coates reported a new statute went into affect July 22, 2011, that delegated the authority to issue bonds. She noted previously they would go out and get pricing terms the day of the council meeting and present it to the council as a 'take it or leave it' deal; however, the new statute allowed more flexibility to where they can set parameters that allow staff to work with the financial advisor and underwriter to price on the most beneficial day for the city. Ms. Coates reported, under the new parameters, Section 5 of the ordinance outlined each item that had to be established by statute. With regard to the pricing parameter in Section 5 (h), she gave the following example: If the city needed \$1.2 million for a project the investors might pay the city 98 percent of that price (that being the value on the market that day), so the city might need to up the price of the bonds and adjust the interest rates in order to get the actual dollar amount the city would be seeking for the project.

Mr. Dashen provided the council a sample of bond structures for 'Generate Overall Premium Bonds' and 'Generate Overall Discount Bonds,' and briefly explained how each worked. He stated, basically, if the city sold 'premium bonds' it would get some extra money, and with 'discount bonds' it wouldn't get quite as much money as needed.

Councilor Spahr noted there might be some who wonder why we don't just go to the bank and borrow what we need. Ms. Lindgren explained that the city really couldn't do that, adding local banks were not willing to go out 15 years for this type of loan. She noted there were a few banks out there that do; however, they don't have a presence in our community and they were not looking at expanding into it. Ms. Lindgren stated from the feedback she received, the most the city could look at was a 5 year loan. Mr. Dashen added they always look at bank loans before bond issues. He noted they also hypothetically estimate what a bond bank would charge for 15 years, adding the bond structure being presented was at a much lower interest rate.

Councilor Spahr asked how someone would go about buying the bonds. Mr. Blumenthal reported when they get ready to sell the bonds they would advertise the issue in the local newspaper using a display ad. He noted they usually advertise a week prior to the sale of the bonds when they lock in the interest rate. Mr. Dashen added the city council could not buy the bonds, noting it would be a direct conflict of interest.

Councilor Taylor moved that the council pass Ordinance Nos. 878-B and 879-B on first and final reading.

Councilor Dawes seconded the motion.

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City Manager MacReynold reported the reason the city was looking at bonds was because of the city hall building. He stated the council purchased the building with a short-term loan in hopes of making it a city facility. City Manager MacReynold noted, in moving through a process, it was determined that putting city hall, police, and municipal court would be the best use for the building. He reported, based on the law, we could only borrow from our utilities for three years and we were now at the point where we need to look at a long-term approach on how to pay off the loan to our utilities.

Councilor Dawes stated he wanted to speak in favor of the motion, adding when he first got on the council one of the things he wanted to work on was to get a financial package put together to pay the building off. He noted the interfund loan provided a short-term approach, and over the last two years the budget committee has wanted to see something brought to the council. Councilor Dawes stated he was pleased to see the culmination of the project, noting they had set aside revenues in the REET tax fund and some in the general fund as a way to pay the debt off.

The motion carried unanimously.

9. Ordinance No. 880-B, First Reading – Amending Section 3.32.020 of Ordinance No. 658-B Providing for Use of Real Estate Excise Tax Funds. Ms. Lindgren reported, while working on the debt issuance and reading through the CMC, she realized that although we had a budget amendment in place to charge some of the park and facilities costs to the REET funds, the city actually could not do so with the way the CMC was currently written. She noted we would be compliant with state law, but not with our own code. Ms. Lindgren requested the ordinance be considered and passed on first and final reading.

Councilor Spahr moved to pass Ordinance No. 880-B on first and final reading.

The motion was seconded by Councilor Taylor and carried unanimously.

10. Resolution No. 18-2011, First and Final Reading – Revising the City's Capital Improvement Plan (CIP). Ms. Lindgren first thanked Bob Nacht for taking on the project on her behalf. With regards to the CIP, Ms. Lindgren reported they added a new column to identify the funding source. She noted they were able to identify several water and wastewater projects that could potentially be funded by the general obligation bond, which was critical because in Ordinance No. 878-B it specified that only projects that have been approved in the annual budget and the CIP will be considered eligible for funding by the general obligation bond.

Ms. Lindgren reported there was very little money left in the automotive equipment reserve (AER) fund. She noted a lot of the projects that were originally identified as being funded by the AER fund, were replaced with 'To Be Determined' (TBD), until they know what fund will pay for them.

Ms. Lindgren reported, for 2011, she had to address shifting some of the parks and facilities maintenance costs out of the general fund to the REET funds. She indicated the State Auditor's Office wanted to see anything associated with REET funding identified in the CIP.

Ms. Lindgren reported, in 2012 and beyond, she identified the REET funding to be used for debt service payments, and also picked up the general fund portion. She noted by demonstrating that the council was fully aware of what the administration was attempting to do, that should satisfy the Auditor's Office.

Ms. Lindgren reported this CIP was far more reflective of what's going on in the annual budgets for both 2011 and 2012. She stated they already talked with the budget committee about making it a more united effort, so that the CIP and annual budget tie more closely together going forward.

Councilor Taylor inquired about the funding sources listed as 'TBD' and asked if all vehicles and equipment would come out of the AER fund. He also asked if there was a way to figure out what the AER fund needs to have in it to cover future acquisitions. Ms. Lindgren indicated almost every one of the TBD items were originally listed as AER, adding that just wasn't realistic. She noted there were other possible funding sources, such as the gambling enforcement fund, but right now they have not determined how some of the acquisition would be funded.

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Ms. Lindgren reported one of the purposes of having a capital asset inventory was to have control over our assets and even though we are cash basis, it can be used to calculate depreciation using the estimated life of the assets. She noted by doing depreciation you have an idea of how much of your capital assets you're using up, which should tell you how much you actually need to set aside each year.

Councilor Dawes reported, in the past, pretty much every vehicle used by a general fund was purchased out of the AER fund. He noted at one time each department put money away as part of their budgetary expenses into that fund, and at some point it all got comingled, which was probably why we are in the situation we are now. Councilor Dawes suggested the items listed as 'TBD' were probably at one time each departments AER fund.

Councilor Taylor stated it would just be nice to know how much money they need to have in the AER fund, suggesting perhaps the funding sources just need to be drilled down.

City Manager MacReynold reported the frustration the administration has had over the past four years was declining revenues. He stated we've always known that the missing piece to make it a functional fund was the information that identifies all of our equipment that would be funded from that fund, and then what the life expectancy is on what we currently have. City Manager MacReynold suggested, by knowing the life expectancy, we could know every year what items would need to be replaced and how much was going to be needed in the fund. He stated right now was probably not a good time put \$300,000 in the AER fund because currently that would mean quite a few employee positions.

Councilor Dawes suggested it was one of those things where when times are better we need to put the money in, and when times get tough we need to have the fiscal restraint not to go in there and go after it.

Mr. Nacht reported it was important to note that the CIP had an annual review and revision process and would be brought back to the council sometime during the second quarter next year. He noted the council would have an opportunity to make any revisions at that time. Mr. Nacht felt it was also important to note that the CIP document was a collaborative effort between all of the city departments, particularly fire, police and public works. He noted as the finances ebb and flow, so would the columns in the document.

Councilor Harris inquired about the Louisiana Avenue/Airport Road extension project, noting the CIP budgeted funding in the water and wastewater funds in 2012, as well as in 2013-2014. Mr. Nacht stated he could not say for certain, but it was his recollection that the numbers in the CIP related to the TIB grant. He noted there would have to be budget adjustments as the grant monies come in and go out. Councilor Harris stated he feared they were not going to get the road connected until 2014. Mr. Nacht believed the construction would start in 2012 and probably go on for a few years.

Herta Fairbanks reported they just attended a sounding board meeting for the I-5/Mellen Street project, at which time the Washington State Department of Transportation (WSDOT) laid out their schedule for the Mellen Street interchange work and the connection to Airport Road. She reported the good news was they would be starting the project in 2012, but the bad news was they've guaranteed Airport Road would be closed for at least two years, potentially three. Ms. Fairbanks indicated there were a lot of moving pieces to WSDOTS' scope. She reported they planned to start by creating the collector/distributor lanes between Harrison Avenue and Mellen Street, and at the same time they would also start on closing down Airport Road from Mellen Street to where Louisiana Avenue would connect. Ms. Fairbanks reported the closure would impact a lot of things and the only part WSDOT would commit to leaving open was the road down to the meat shop, so they could continue their business.

City Manager MacReynold reminded the council that this was not an Airport Road/Louisiana Avenue project, but a Mellen Street project, and our piece was a very small piece of a much bigger project, which would drive their timeline for multiple years.

Councilor Taylor wondered if they would allow the connection over the dike to be looped around. Ms. Fairbanks felt the unpaved portion of Louisiana Avenue was going to be the least of WSDOT's concern, noting their focus would be on the new interchange and what they could do there first.

Councilor Harris inquired about the \$15 million Chamber Way Bridge Replacement listed on the CIP, noting he assumed that was for the railroad bridge. Ms. Fairbanks stated it was in fact the railroad bridge.

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Councilor Taylor stated in the future he would like to see the actual amounts needed for the automotive equipment reserve fund and the arterial street fund. He wanted to know how much the budget committee should be putting into those funds, so the city can actually buy or replace vehicles and equipment, and maintain the streets. City Manager MacReynold stated Councilor Taylor made a good point.

Councilor Lund didn't believe things were going to get better anytime soon. He noted his vendors are saying sales are down fifty percent and they were laying people off. Councilor Lund stated he hoped they don't go out and get a bunch of bonds and put the city in debt, because it might be tough to pay them back.

Councilor Dawes moved that the council adopt Resolution No. 18-2011 on first and final reading.

The motion was seconded by Councilor Pope and carried unanimously.

11. **Liquor Tax Initiative.** Councilor Taylor inquired about the liquor tax initiative, wondering if it were to pass, do we know how it will affect the city monetarily. City Manager MacReynold stated he believed the city received about \$90,000 in tax revenue annually, which would obviously go away. He noted at this point they didn't know what the affect of other stores selling liquor would have on the city, with reference to sales tax.

Councilor Dawes didn't believe AWC took a stand one way or the other on the issue. He suggested the original intention of initiatives were probably very honorable, but as they've found out, well intentioned acts don't always come out to be as well intentioned as the author thought they should be.

12. **Lodging Tax Funding.** Councilor Lund stated he always thinks about the kids in our town, and how important they are to our future. He brought up the issue of the ballfields, adding if we had some help with them perhaps we could get more people here to spend their money, which would give the city more revenue to buy vehicles and equipment. Councilor Lund wondered if they shouldn't give direction to the City Manager to prepare a presentation for the LTAC to reconsider helping out more with the ballfields.

Councilor Harris noted they would first have to have a project and it would need to go before the LTAC for a recommendation before the council could act on it. He added staff made two very good presentations at the last meeting of the LTAC.

Councilor Pope agreed it would be good to look at the fund for future help with the ballfields. He reported there was a field behind Olympic School that was currently in the planning stage for soccer, football and baseball fields, and a walking path. He reported the Chehalis Foundation had invested money into that project, and suggested if the council wanted to help out that would be one project they could look also at.

Councilor Taylor stated it might be a good time to look at what the council's been asked to do, what services they've been asked to provide for the people that live here, and what things they've had to cut back on because of the economy. He suggested that giving the money away may not be the right decision and urged caution.

Councilor Harris reported the number one source of putting heads-in-beds was our sports tournaments, and the second was the Bridal Fair.

The consensus of the council was to have staff look and see what they could come up with. City Manager MacReynold stated the administration would be more than happy to look into it. He understood and agreed that the programs that bring families and kids to the area have a positive financial impact on the community.

The council continued their discussion on potential projects for the city and the possibility of reducing some of the recommendations of the LTAC, to see if they want to give those funds out in 2012 or hold them back for other purposes.

There being no further business to come before the council, the meeting adjourned at 7:36 p.m.

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Mayor



Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of October 24, 2011.

CITY OF CHEHALIS
AGENDA REPORT

DATE: October 31, 2011
TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager 
PREPARED BY: Michelle White, Accounting Tech II 
SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

1. Claim Voucher No. 92011 and Claim Vouchers No. 101363 through 101487 in the amount of \$263,683.18 dated October 31, 2011 and the transfer of \$49,873.77 from the General Fund, \$28,790.47 from the Tourism Fund, \$320.24 from the 1982-93 Community Development Block Grand Fund, \$45.29 from the Garbage Fund, \$20,636.38 from the Wastewater Fund, \$157,799.59 from the Water Fund, \$1,350.30 from the Storm & Surface Water Utility Fund, and \$4,867.14 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED



The administration recommends that the council approve the October 31, 2011 Claim Voucher No. 92011 and Claim Vouchers No. 101363 through 101487 in the amount of \$263,683.18.

SUGGESTED MOTION

I move to approve the October 31, 2011 Claim Voucher No. 92011 and Claim Vouchers No. 101363 through 101487 in the amount of \$263,683.18.

Reviewed by: , City Manager

CITY OF CHEHALIS
AGENDA REPORT

DATE: October 31, 2011
TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager 
PREPARED BY: Michelle White, Accounting Tech II 
SUBJECT: Payroll Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

1. Payroll Vouchers No. 35136 through 35209, Direct Deposit Payroll Vouchers No. 2656 through 2726, and Electronic Federal Tax Payment No. 104 in the amount of \$640,059.45 dated October 31, 2011, and the transfer of \$444,816.89 from the General Fund, \$4,328.19 from the Arterial Street Fund, \$15,318.17 from the Gambling Enforcement Fund, \$610.41 from the Garbage Fund, \$76,886.65 from the Wastewater Fund, \$77,303.46 from the Water Fund, \$15,764.78 from the Storm & Surface Water Utility Fund, and \$5,030.90 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the October 31, 2011, Payroll Vouchers No. 35136 through 35209, Direct Deposit Payroll Vouchers No. 2656 through 2726, and Electronic Federal Tax Payment No. 104 in the amount of \$640,059.45.

SUGGESTED MOTION

I move to approve the October 31, 2011, Payroll Vouchers No. 35136 through 35209, Direct Deposit Payroll Vouchers No. 2656 through 2726, and Electronic Federal Tax Payment No. 104 in the amount of \$640,059.45.

Reviewed by:  _____, City Manager

**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Bob Nacht, Community Development Director
DATE: October 17, 2011
SUBJECT: Resolution No. 17-2011; Declaring Two Pianos Surplus

ISSUE

The Community Development department has accumulated two pianos over the years. Neither one can be maintained in tune and the cost to repair them would be more than they are worth.

DISCUSSION

Both pianos are currently being stored and are not playable. The administration contacted a piano restoration company, and he was not interested in acquiring them – it would cost him too much to restore them and could not recover his costs.

One of the pianos (the top picture on the attachment) was donated to the V.R. Lee Community Building by the Chehalis Kiwanis Club. That piano was used many years ago for entertainment during rentals of the building, including auditions for the Kiwanis Variety Show. A piano cannot be moved around in a building and maintain its tuning. Trying to keep this piano in tune became quite expensive for the city, and was discontinued many years ago. The storeroom where it is kept is needed for tables and chairs for the rental activities in the building.

The administration has contacted the Chehalis Kiwanis Club regarding the disposition of this donation. The Club has indicated that the city may try to dispose of it in any appropriate manner.

The other piano (the bottom picture) has been stored in the carpenter shop for at least 15 years. The current administration does not know where it came from, and Andy Sennes does not remember where it came from either. The facilities division needs to use the space where it is stored for other items. This piano appears to be in better condition than the other one, so it may be of some value to a collector.

The piano in the carpenter shop does have a city property tag that must be retired. The audit requirements for the property disposal would be accomplished by the finance manager.

RECOMMENDATION / COUNCIL ACTION DESIRED

The administration recommends that the council adopt Resolution No. 17-2011 on first and final reading.

SUGGESTED MOTION

I move that the council adopt Resolution No. 17-2011 on first and final reading.

Reviewed by  City Manager



RESOLUTION NO. 17-2011

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

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

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

1. Piano - Full size upright (Mfg. - Decker Brothers) Located in facilities carpenter shop
2. Piano – Full size upright (Mfg. - McPhail Piano Co. of Boston) Located at VR Lee Building

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

ADOPTED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this 14th day of November, 2011.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

CITY OF CHEHALIS
AGENDA REPORT

TO: The Honorable Mayor and City Council
FROM: Bob Nacht, Community Development Director
DATE: November 9, 2011
SUBJECT: Community Rating System (CRS) Repetitive Loss Progress Report

ISSUE

The city is required to re-certify its CRS program annually to maintain the community's CRS classification.

DISCUSSION

The repetitive loss progress report is a required element of the re-certification process and is attached. If the city does not re-certify, flood insurance policy holders inside the city would lose the 25% premium discounts they currently enjoy as a result of the city's participation in the CRS program.

The local news media and state NFIP coordinating office are also required to receive a copy of the report as part of the re-certification process.

RECOMMENDATION/COUNCIL ACTION DESIRED

This report is for information only; no council action is necessary.

SUGGESTED MOTION

None at this time.

Reviewed by



City Manager

510 OPTION 2 PROGRESS REPORT

Community: Chehalis, WA

This report is prepared for submittal for continued credit under the National Flood Insurance Program's Community Rating System (CRS). It is designed to provide a short update and report on accomplishments toward implementing the community's floodplain management plan. Copies of the report shall be distributed to the local media, the City of Chehalis City Council, and will be made available to the public. It is also submitted to the state and the Federal Emergency Management Agency as part of our annual CRS Recertification.

1. Name of the floodplain management plan: *City of Chehalis CRS Repetitive Loss Plan*

Date adopted: *Adopted: September 1994; Updated November 22, 1999; Updated June 14, 2004.*

Location where copies are available for review: *City of Chehalis
Community Development Department
1321 S. Market Blvd., Chehalis, WA 98532*

2. Summarize any floods that occurred during the year:
No floods occurred during this reporting period.

What impact did the floods have on the repetitive loss area?
There was no impact to the repetitive loss area.

3. On a separate sheet, list each element or objective of the original plan and note how much was accomplished during the previous year (this can be a photocopy of the plan's recommendations with a note describing implementation of each). *Attached*
4. Were any objectives not reached or is implementation behind schedule? If so, state why:
No.
5. Should new projects be started or should any of the recommendations or objectives be revised?
No.

For more information, contact: Bob Nacht

Phone: 360.345.2227

**CITY OF CHEHALIS
ATTACHMENT
TO
CRS 510 PROGRESS REPORT**

QUESTION #3 (element or objective of the original plan):

Section D "Appropriate Activities" from the Chehalis Repetitive Loss Plan, pages 7 and 8 (attached), identifies five activities to be accomplished to reduce or eliminate repetitive flood losses:

1. (Require elevation of new buildings/additions to the FPE or FOR level):
In the past year the city has required elevation certificates for all applicable buildings constructed and/or repaired. At least 20 homes have been elevated since the December 2007 flood event. Most of these homes were elevated through utilization of the Increased Cost of Compliance Coverage provided as part of the flood insurance coverage for the structure. Elevation certificates for applicable buildings are on file at the Community Development Office.
2. (Inspect/maintain drainage areas to eliminate obstructions and debris):
The Public Works Department has accomplished this activity on a regular basis during the past year. Both scheduled maintenance and citizen complaints regarding obstructions are responded to on a priority basis.
3. (Provide area residents with information):
Information is mailed to owners of all flood prone properties within the city. Reference is made in that mailing to information and assistance available at the Community Development Office.
4. (Mail annual notice to all residents of repetitive loss properties):
This activity is accomplished in addition to #3 above.
5. (Continue to participate in the Lewis County/Flood Authority flood damage reduction projects):
The City of Chehalis assisted FEMA with development of the hydraulic model of the Chehalis River drainage basin affecting the city. Chehalis and ten other governmental agencies have formed the 'Chehalis River Basin Flood Authority' to identify a basin-wide approach to flood damage reduction. Hydraulic modeling of the basin is a key component being developed by the Authority. Chehalis continues to partner with Lewis County, Centralia and the Flood Authority to implement flood damage reduction projects. Chehalis and Centralia have formed a 'cooperative' to prioritize local flood control projects associated with transportation improvements.

*(Taken from pages 7 & 8 of the 2004 Repetitive Loss Plan,
Revised as necessary)*

D. Appropriate Activities

(Set goals; Action plan)

Based on the review of the flood hazard mitigation list, it is recommended that the community development and public works departments implement the following activities. The first two will help keep the area's repetitive flood problem from getting worse. The last three will help the residences protect themselves. Each of the five activities listed below will be, or are being, accomplished within existing staffing levels and within the current and proposed operating budget of the city. The community development department has developed extensive file information on historical flood data and unique floodplain characteristics.

1. If new buildings are located in the flood hazard zone, or if the existing buildings are added to (or substantially improved), their lowest floors must be at least one foot above the 100-year flood level or to the December 2007 (flood of record) flood level, whichever is higher, based on documented data. Variances from this requirement may be appropriate in some circumstances, but the property owner must acknowledge the responsibility for any damage.

2. Continue to inspect all drainage areas at least twice a year and within a week after a flood. If there is debris found that could cause a problem with the free flow of the water then it should be removed as soon as possible after it is found. A response protocol has been set up in the city's public works stormwater maintenance division.

3. Provide each of the area's residents with information on flood proofing and assist them with site evaluations on request. Books designed to be understood by the layperson are available for free from the city "Flood Protection Library" at the Community Development office, Timberland Regional Library, and directly from FEMA and the Corps.

There are numerous other pamphlets and books that can be obtained from the Lewis County Emergency Management Department. These pamphlets and books are free and citizens are urged to contact the Chehalis Community Development Department for information unique to their property, and the Lewis County Emergency Services office for information on emergency preparedness for flooding events.

4. Mail an annual notice to the residents of repetitive loss properties. The notice should remind them about the hazard, the need to keep insurance in force, and related topics. It should be sent each year during the fall and possibly again in the winter. The first notice was sent on September 28, 1994, and such notices have been sent annually since then.

5. Continue to participate in the regional flood damage reduction projects, and the Chehalis River Basin Flood Authority to identify and implement both structural and non-structural solutions to flood damage in the Chehalis area.

CITY OF CHEHALIS

AGENDA REPORT

DATE: November 2, 2011

TO: The Honorable Mayor and City Council

FROM: Herta Fairbanks, Public Works Director
Patrick Wiltzius, Wastewater Superintendent

SUBJECT: Revision of Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2012

ISSUE

Proposed new rates for the treatment of sewage for 2012 have been calculated for Lewis County Water & Sewer District #4 (LCSD #4) and the City of Napavine. The proposed rates are being presented for council review and approval.

DISCUSSION

In 1994, Chehalis, Napavine, and LCSD #4 modified their prior interlocal agreement for the provision of sewer services. Governance issues regarding the interceptor and sewage treatment are outlined in this agreement. The agreement provides that Napavine and LCSD #4 pay for the delivery and treatment of sewage based on applicable costs for operation and maintenance of the system.

It has been previously established that calculation of the rates for treatment are to be based on applicable expenditures and flow data from the previous year. No changes have been made to the rate calculation methodology that was initially adopted in 2002. Current and proposed new rates are presented in the table below for comparison.

	Napavine	LCSD #4
2011 rate/month	\$8,482	\$5,064
2012 rate/month	\$10,720	\$6,192
\$ change/month	\$2,238	\$1,128
% change/month	26.4%	22.3%

The rate changes proposed for next year are a result of differences in expenditures and flows used to calculate the rates. As compared to 2009, the applicable expenditures for 2010 were up by approximately 3.6%. This was primarily due to increases in salaries, power and operating supplies. As compared to 2009, the total flow to the Chehalis treatment plant in 2010 was about the same.

But, the flow contributed from LCSD #4 (as a percentage of total flow) was up 17.7% from 2009, and the flow from Napavine was up 22.1% from 2009. The increase is most probably due to the growth in both of those communities.

The result of the increase in expenditures is that the proposed rates for 2012 are higher than those calculated for 2011. As you recall, they were significantly lower for 2011 as compared to 2010. Over time the trend in rates should average out the annual highs and lows and show a modest increase due to inflation (The table below shows this). On average, rates for Napavine increase by 4.3% per year while those for LCSD #4 increase by 3.4%.

	2005	2006	2007	2008	2009	2010	2011	2012	avg.
Napavine	\$8,912	\$8,980	\$9,018	\$10,194	\$8,122	\$10,454	\$8,482	\$10,720	\$9,360
% difference		0.8	0.4	13.0	-20.3	28.7	-18.9	26.4	4.3
LCSD#4	\$5,614	\$5,407	\$5,387	\$5,908	\$4,522	\$6,230	\$5,064	\$6,192	\$5,540
% difference		-3.7	-0.4	9.7	-23.5	37.8	-18.7	22.3	3.4

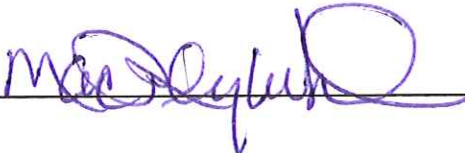
The attached ordinance has been prepared repealing rates for 2011 and establishing rates for 2012. The proposed rates have been discussed with LCSD #4 and the City of Napavine and no objections were raised to their implementation.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council pass Ordinance No. 881-B amending sewer rates for the City of Napavine and Lewis County Water & Sewer District #4 on first reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 881-B amending sewer rates for the City of Napavine and Lewis County Water & Sewer District #4 on first reading.

REVIEWED BY: , CITY MANAGER

ORDINANCE NO. 881-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON AMENDING SECTION 13.16.070, ORDINANCE NO. 860-B, PASSED THE 13TH DAY OF DECEMBER, 2010, AS CODIFIED IN THE CHEHALIS MUNICIPAL CODE.

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

Section 1. Section 13.16.070 of the Chehalis Municipal Code shall be, and the same hereby is, amended to read as follows:

13.16.070 Wastewater customers.

A. Rates charged to the city of Napavine and Lewis County Water & Sewer District #4 for the operation and maintenance of the interceptor and related facilities shared with the city and for the treatment of sewage by the city are as follows:

1. Napavine - \$10,720 per month; and
2. Lewis County Water & Sewer District #4 - \$6,192 per month.

B. These rates shall be adjusted annually based upon their flows and operations and maintenance costs of the interceptor and the wastewater treatment plant.

Section 2. Effective date.

The effective date of this ordinance shall be the 2nd day of January, 2012.

PASSED by the city council of the city of Chehalis, Washington, and **APPROVED** by its mayor, at a regularly scheduled open public meeting thereof this _____ day of _____, 2011.

Mayor

ATTEST:

City Clerk

Approved as to form and content:

City Attorney

O&M Rate Calculations for Napavine and LCSD#4

10/18/11

Introduction

In 1994, the cities of Chehalis and Napavine, along with Lewis County Water & Sewer District #4 (collectively known as the Sewer Operating Board) entered into an agreement for the provision of sewer services. Governance issues regarding the interceptor and sewage treatment are outlined in the agreement.

The agreement provides for the establishment of a rate to be charged to Napavine and Lewis County Water & Sewer District #4 (LCSD#4) for the delivery and treatment of sewage. The agreement states the rate shall be based on applicable costs for the operation and maintenance (O&M) of the system.

Last year's monthly rates, the tenth year that the rates were based on flow, were \$8,482 for Napavine and \$5,064 for LCSD#4.

Rates for 2011

The calculation for setting the rates is unchanged from 2002 and is listed below:

$$\text{Monthly Sewer Charge} = ((\text{yearly interceptor O\&M costs} \times \% \text{ of ownership of interceptor}) + (\text{yearly WWTP O\&M cost} \times \% \text{ of flow to the WWTP})) / 12$$

In this calculation, interceptor costs are calculated based on percentage ownership from segment A to G in the interceptor. (See attached ownership map)

The rate for any given year uses actual flows and expenditures from two years prior. This allows for actual yearly expenditures and flows to be tabulated and subsequent rate calculations to be provided to the entities during the budget process for the year in which the rate is to be charged.

Expenditures - The proposed rates for 2012 were developed using actual 2010 expenditures. 2013 rates will use actual expenditures from 2011. Expenditures also include any relevant capital costs but do not include any direct costs for the new wastewater treatment plant. (Napavine and Lewis County Sewer District are paying a percentage of the yearly loan repayment).

Flows – Flows for Napavine and LCSD#4 are measured at the North Star Rd. and Hamilton Rd. metering stations. Chehalis staff check and record flow data for Lewis County Sewer District from the North Star Rd. metering station and Napavine flow data from the Hamilton Rd. metering station on a daily basis. If problems are experienced with the flow meters, flows will be estimated from previous data on record.

Calculation of *Yearly Interceptor O&M costs*

1. Starting in 2006, O&M costs for the collection system were broken down specifically in a separate collection system budget. This was a change from past practice when costs for the collection system had to be calculated.
2. The percent of collection system costs due to interceptor O&M is calculated by using the ratio of sewer line (measured in feet) for the interceptor to the sewer line for Chehalis' entire collection system. The General Sewer Plan states that the interceptor is comprised of 28,565 feet of sewer line and the Chehalis collection system includes 249,003 feet of sewer line. This means the interceptor comprises 11.5% of collection system.

3. **Yearly interceptor O&M costs based on % of ownership** is then calculated by multiplying the total applicable collection system expenditures for 2010 by % of the interceptor as part of collection system by the % of ownership in the interceptor – from segment A to G. (LCSD#4 – 11.1%, Napavine – 23.7%)

Calculation of Yearly WWTP O&M cost based on % of flow to the WWTP

4. Yearly WWTP O&M expenditures were calculated utilizing the 2010 actual year end expenditures from the budgets for wastewater division administration, WWTP and poplar tree plantation.

5. WWTP O&M costs were then multiplied by the ratio of flow contributed by each entity to the total flow received by the WWTP in 2010. (Napavine = 70.7 MG / 658.4 MG = 10.7%, LCSD#4 = 41.3 MG / 658.4 MG = 6.3%) This portion of the rate factors in flow, so that inflow and infiltration (I&I) is paid for by the contributing entity.

6. To determine the final rate for each entity - **Yearly interceptor O&M costs** and **Yearly WWTP O&M cost based on % of flow to the WWTP** are added. This rate is then divided by 12 to get a monthly rate.

Informational Data

2010 Applicable Wastewater Expenditures	\$1,124,211
2010 Applicable Collection System Expenditures	\$ 291,103

	Ownership of Interceptor (A-G)	2010 Flow to WWTP	% Flow to WWTP
Chehalis	65.2%	546.4 MG	83.0%
Napavine	23.7%	70.7 MG	10.7%
LCSD#4	11.1%	41.3 MG	6.3%

Actual Calculations –

$$\text{Napavine} = ((\$1,124,211 \times 10.7\%) + (\$291,103 \times 11.5\% \times 23.7\%)) / 12 = \$10,720/\text{month}$$

Old rate = \$8,482 New rate = \$10,720 % of increase = 26.4%

$$\text{LCSD\#4} = ((\$1,124,211 \times 6.3\%) + (\$291,103 \times 11.5\% \times 11.1\%)) / 12 = \$6,192/\text{month}$$

Old rate = \$5,064 New rate = \$6,192 % of increase = 22.3%

Explanation of change

The rate changes proposed for 2012 are a result of differences in expenditures and flows used to calculate the rates. As compared to 2009, the applicable expenditures for 2010 were up by approximately 3.6%. This was primarily due to increases in salaries, power and operating supplies. As compared to 2009, the total flow to the Chehalis treatment plant in 2010 was about the same. But, the flow contributed from LCSD #4 (as a percentage of total flow) was up 17.7% from 2009, and the flow from Napavine was up 22.1% from 2009.

The result of the increase in expenditures and contributing flows is that the proposed rates for 2012 are higher than those calculated for 2011. As you recall, they were significantly lower for 2011 as compared to 2010. Over time the trend in rates should average out the annual highs and lows and show a modest increase due to inflation.

>end

2010 Wastewater Division Budget					
Administration 404.11.535					
		Not Included	2010 Expended	% of cost applicable	Applicable Costs
010 11 00	SALARIES & WAGES		\$99,682		
010 11 02	ADMIN SUPPORT SALARIES & WAGES		\$21,272		
010 11 xx	SUPPORT SALARIES & WAGES				
010 12 02	ADMIN SUPPORT OVERTIME				
535 010 21	PERSONNEL BENEFITS		\$36,434		
010 21 02	ADMIN SUPPORT PERSONNEL BENEFITS		\$8,081		
010 21 07	PERSONNEL BENEFITS - UI Taxes		\$305		
535 010 24	UNIFORMS & CLOTHING				
535 010 31	OFFICE & OPERATING SUPPLIES		\$1,640		
535 010 32	FUEL		\$547		
535 010 35	SMALL TOOLS & MINOR EQUIPMENT		\$840		
535 010 41	PROFESSIONAL SERVICES (legal - city atty.)	\$18,373			FEMA Mapping for Chehalis
535 010 42	COMMUNICATIONS (for PW)		\$2,240		
535 010 43	TRAVEL		\$34		
535 010 44	ADVERTISING		\$10		
535 010 45	RENTALS				
535 010 46	INSURANCE		\$93,739		
535 010 47	PUBLIC UTILITY SERVICES		\$1,126		
535 010 48	REPAIR & MAINTENANCE		\$1,176		
535 010 49	MISC.		\$409		
535 010 53	EXTERNAL TAXES & OPER ASSESS		\$84,773		
535 010 54	INTERFUND TAXES & OPER ASSESS		\$195,619		
535 010 91	INTERFUND PAYMENT FOR SERVICE (City Hall)		\$338,197		
535 010 92	INTERFUND PAYMENT FOR SERVICE (Engineering)	\$69,544			not used by L or N
535 010 93	INTERFUND PAYMENT FOR SERVICE (Vehicle shop)		\$10,301		
535 010 94	INTERFUND PAYMENT FOR SERVICE (Wtr mtr reader)	\$47,696			Water Meter Reader - not used by L or N
535 xxx xx	MISC. 050.21 thru 080.49		\$5,488		
535 030 01	DEPRECIAMORT/DEPLETION EXPENSE				
594.041.00	PROF. SERVICES	\$44,899			State Ave PS
94.030-047	UTILITY SERVICES				
94.030-049	CAPITAL MISC.				
594 035 41	PROFESSIONAL SERVICES				
594 035 63	OTHER IMPROVEMENTS				
594 035 64	MACHINERY & EQUIPMENT				
594 035 65	CONSTRUCTION PROJECTS	\$9,996			Outfall retainage
	GRAND TOTAL ADMIN	\$190,508	\$901,914	10	\$90,191
2009 Wastewater Division Budget					
WWTP 404.16.535					
535 010 46	INSURANCE				
535 040 43	TRAVEL		\$105		
535 040 49	MISC.		\$767		
535 050 31	OFFICE & OPERATING SUPPLIES		\$61,905		
535 050 32	FUEL		\$8		
535 050 35	SMALL TOOLS & MINOR EQUIPMENT (>\$1,000<\$5,000)		\$5,199		
535 050 41	PROFESSIONAL SERVICES (for maint.)		\$215		
535 050 44	ADVERTISING				
535 050 45	RENTALS (for maint. purposes)		\$5,024		
535 050 48	REPAIR & MAINTENANCE (outside contractor)		\$21,912		
535 080 11	SALARIES & WAGES (WWTP / Lab)		\$320,296		
535 080 12	OVERTIME - On Call / Callouts (WWTP / Lab)		\$8,849		
080 11 05	SALARIES & WAGES PART TIME (WWTP / Lab)		\$1,433		
535 080 21	PERSONNEL BENEFITS (WWTP / Lab)		\$134,264		
080 21 05	PERSONNEL BENEFITS PART TIME (WWTP / Lab)		\$386		
535 080 24	UNIFORMS & CLOTHING & SAFETY (WWTP / Lab)		\$1,213		
535 080 31	OFFICE & OPERATING SUPPLIES		\$165,317		
535 080 32	FUEL		\$4,948		
535 080 35	SMALL TOOLS & MINOR EQUIPMENT (>\$1,000<\$5,000)		\$64		
535 080 41	PROFESSIONAL SERVICES		\$22,227		
535 080 42	COMMUNICATIONS		\$17,081		
535 080 44	ADVERTISING		\$91		
535 080 45	RENTALS & LEASES		\$283		
535 080 47	PUBLIC UTILITY SERVICE		\$119,017		
535 080 48	REPAIR & MAINTENANCE (outside contractor)		\$1,458		
535 080 49	MISCELLANEOUS		\$33,250		
	GRAND TOTAL WWTP	\$0	\$925,313	100	\$925,313
2009 Wastewater Division Budget					
Poplar Tree Planation 404.18.535					
535 040 43	TRAVEL		\$30		
535 040 49	MISCELLANEOUS		\$75		
535 050 31	OFFICE & OPERATING SUPPLIES		\$7,345		
535 050 32	FUEL		\$165		
535 050 35	SMALL TOOLS & MINOR EQUIPMENT (>\$1,000<\$5,000)				
535 050 41	PROFESSIONAL SERVICES		\$3,087		
535 050 44	ADVERTISING				
535 050 45	RENTALS (for maint. purposes)				
535 050 48	REPAIR & MAINTENANCE (outside contractor)		\$5,542		
535 050 49	MISCELLANEOUS (maint.)				
535 055 11	SALARIES & WAGES (PTP)		\$34,715		
535 080 11	SALARIES & WAGES (PTP)		\$12,090		
535 080 12	OVERTIME - OnCall / Callout (PTP)		\$24		
535 080 13	SALARIES & WAGES PART TIME (PTP - 1 seasonal)				
535 055 21	PERSONNEL BENEFITS (PTP)		\$13,802		
535 080 21	PERSONNEL BENEFITS (PTP)				
080 21 05	PERSONNEL BENEFITS PART TIME (PTP)		\$3,256		

535 080 24	UNIFORMS & CLOTHING & SAFETY (PTP)		\$151		
535 080 31	OFFICE & OPERATING SUPPLIES		\$3,775		
535 080 32	FUEL		\$2,673		
535 080 35	SMALL TOOLS & MINOR EQUIPMENT (>\$1,000<\$5,000)				
535 080 41	PROFESSIONAL SERVICES		\$17,479		
535 080 42	COMMUNICATIONS		\$659		
535 080 44	ADVERTISING		\$118		
535 080 45	RENTALS & LEASES				
535 080 47	PUBLIC UTILITY SERVICE		\$565		
535 080 48	REPAIR & MAINTENANCE (outside contractor)				
535 080 49	MISCELLANEOUS (permits and etc.)		\$3,157		
	GRAND TOTAL PTP	\$0	\$108,706	100	\$108,706
	2009 Wastewater Division Budget				
	Collections 404,17,535				
535 040 43	TRAVEL		\$45		
535 040 49	TRAINING		\$75		
535 050 31	OFFICE & OPERATING SUPPLIES		\$15,576		
535 050 32	FUEL		\$144		
535 050 34	ITEMS PURCHD FOR INV & RESALE (coll sys parts)		\$0		
535 050 35	SMALL TOOLS & MINOR EQUIPMENT (>\$1,000<\$5,000)		\$13,356		
535 050 41	PROFESSIONAL SERVICES (for maint.)				
535 050 44	ADVERTISING				
535 050 45	RENTALS (for maint. purposes)		\$354		
535 050 48	REPAIR & MAINTENANCE (outside contractor)		\$18,580		
535 050 49	MISCELLANEOUS (maint. manuals)				
535 080 11	SALARIES & WAGES		\$130,843		
535 080 12	OVERTIME On Call / Callouts		\$3,624		
080 11 05	SALARIES & WAGES PART TIME				
535 080 21	PERSONNEL BENEFITS		\$44,579		
080 21 05	PERSONNEL BENEFITS PART TIME				
535 080 24	UNIFORMS & CLOTHING & SAFETY		\$203		
535 080 31	OFFICE & OPERATING SUPPLIES		\$480		
535 080 32	FUEL		\$7,419		
535 080 35	SMALL TOOLS & MINOR EQUIPMENT (>\$1,000<\$5,000)		\$64		
535 080 41	PROFESSIONAL SERVICES		\$13,612		
535 080 42	COMMUNICATIONS		\$8,049		
535 080 44	ADVERTISING				
535 080 45	RENTALS & LEASES		\$539		
535 080 47	PUBLIC UTILITY SERVICE		\$30,085		
535 080 48	REPAIR & MAINTENANCE (outside contractor)		\$251		
535 080 49	MISCELLANEOUS		\$3,224		
	GRAND TOTAL COLLECTIONS	\$0	\$291,103	100	\$291,103

Rate Calculation

2010 Applicable Collections Costs	\$291,103
2010 Applicable Admin, WWTP, PTP Costs	\$1,124,211
2010 LCSD#4 flow (MG)	41.3
2010 Napavine Flow (MG)	70.7
2010 Total Flow (MG)	658.4
2011 Rate for Napavine	\$8,482.00
2011 Rate for LCSD#4	\$5,064.00

	2010 flow %*	2010 rate	2011 rate	2012 rate	\$ diff. from 2011	% change from 2011
Napavine	10.7	\$10,454	\$8,482	\$10,720	\$2,238	26.4
LCSD#4	6.3	\$6,230	\$5,064	\$6,192	\$1,128	22.3

* based upon last years flow

** Interceptor ownership

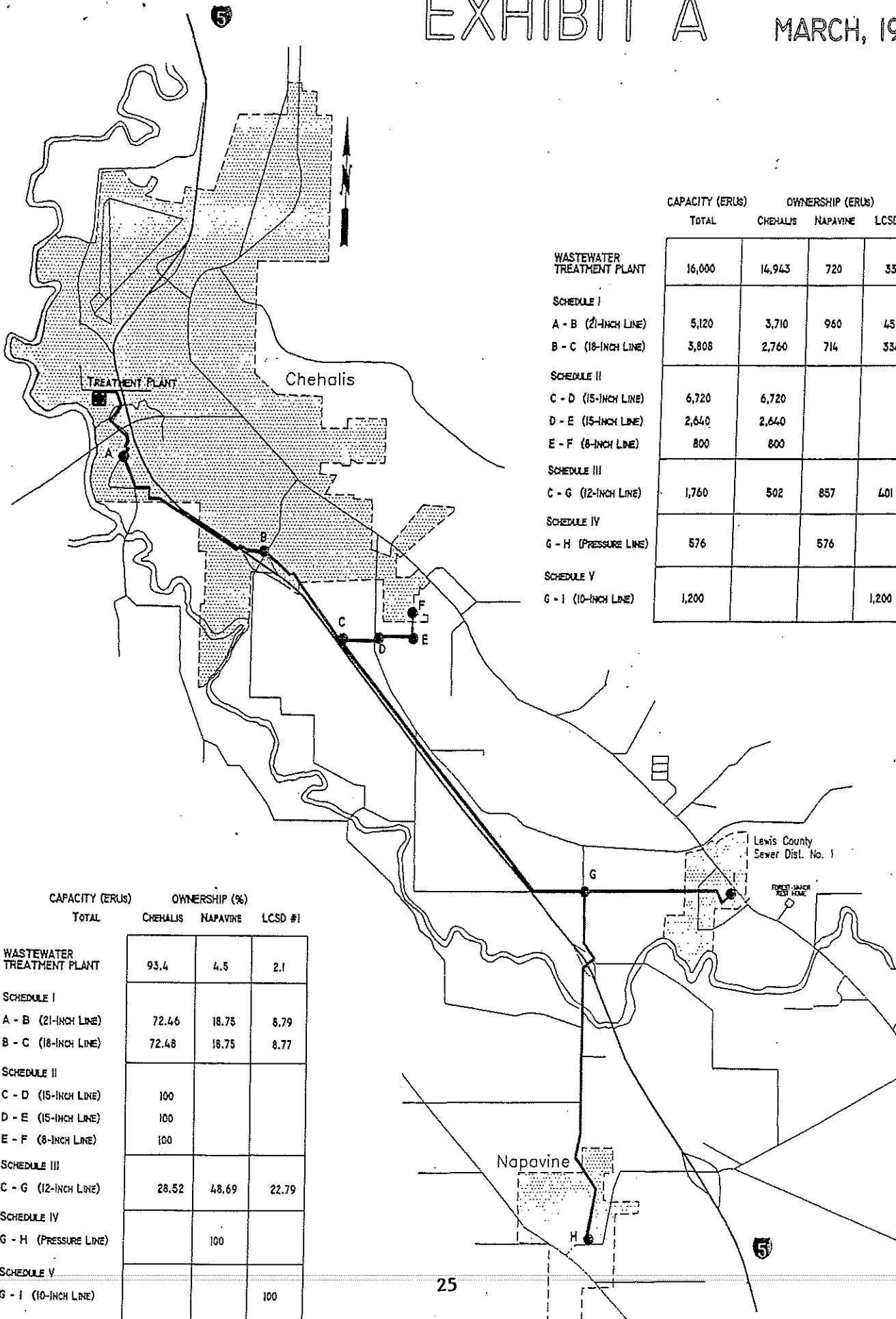
N(2531 ERUs owned out of 10,688=23.7% ownership)
L(1185 ERUs owned out of 10,688 = 11.1% ownership)

new rate	N	\$10,719.70
	L	\$5,191.96

	2005	2006	2007	2008	2009	2010	2011	2012	yrly avg.
Napavine	\$8,912	\$8,980	\$9,018	\$10,194	\$8,122	\$10,454	\$8,482	\$10,720	\$9,360
%diff		0.8	0.4	13.0	-20.3	28.7	-18.9	26.4	4.3
LCSD#4	\$5,614	\$5,407	\$5,387	\$5,908	\$4,522	\$6,230	\$5,064	\$6,192	\$5,540
%diff		-3.7	-0.4	9.7	-23.5	37.8	-18.7	22.3	3.4

EXHIBIT A

MARCH, 1994



	CAPACITY (ERUS)			OWNERSHIP (ERUS)	
	TOTAL	CHEHALIS	NAPAVINE	LCSD #1	
WASTEWATER TREATMENT PLANT	16,000	14,943	720	337	
SCHEDULE I					
A - B (21-INCH LINE)	5,120	3,710	960	450	
B - C (18-INCH LINE)	3,808	2,760	714	334	
SCHEDULE II					
C - D (15-INCH LINE)	6,720	6,720			
D - E (15-INCH LINE)	2,640	2,640			
E - F (8-INCH LINE)	800	800			
SCHEDULE III					
C - G (12-INCH LINE)	1,760	502	857	401	
SCHEDULE IV					
G - H (PRESSURE LINE)	576		576		
SCHEDULE V					
G - I (10-INCH LINE)	1,200			1,200	

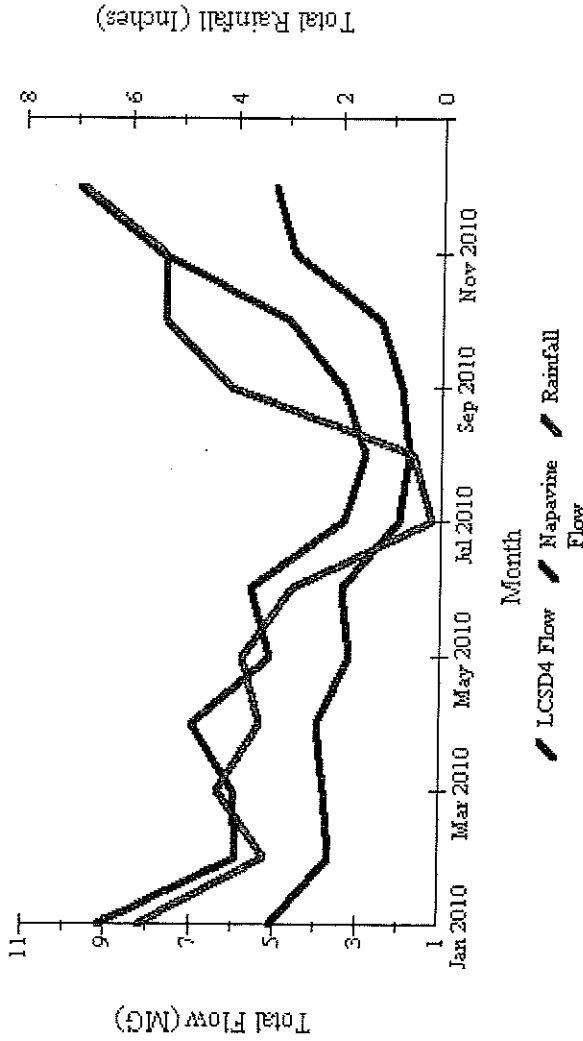
	CAPACITY (ERUS)		OWNERSHIP (%)	
	TOTAL	CHEHALIS	NAPAVINE	LCSD #1
WASTEWATER TREATMENT PLANT	93.4	4.5	2.1	
SCHEDULE I				
A - B (21-INCH LINE)	72.46	18.75	8.79	
B - C (18-INCH LINE)	72.48	18.75	8.77	
SCHEDULE II				
C - D (15-INCH LINE)	100			
D - E (15-INCH LINE)	100			
E - F (8-INCH LINE)	100			
SCHEDULE III				
C - G (12-INCH LINE)	28.52	48.69	22.79	
SCHEDULE IV				
G - H (PRESSURE LINE)		100		
SCHEDULE V				
G - I (10-INCH LINE)				100

LCSD4 & Napavine Monthly Flow Summary

Total Flow by Month

Month	LCSD4 Flow MGD	Napavine Flow MGD	Rainfall inches
Jan 2010	5.07	9.18	5.77
Feb 2010	3.66	5.88	3.39
Mar 2010	3.79	5.98	4.28
Apr 2010	4.01	6.96	3.49
May 2010	3.26	5.14	3.86
Jun 2010	3.43	5.63	2.89
Jul 2010	2.04	3.36	0.19
Aug 2010	1.81	2.88	0.59
Sep 2010	2.01	3.45	4.09
Oct 2010	2.55	4.73	5.31
Nov 2010	4.60	7.79	5.36
Dec 2010	5.11	9.71	6.92
Minimum	1.81	2.88	0.19
Maximum	5.11	9.71	6.92
Average	3.44	5.89	3.85
Total	41.34	70.69	46.14

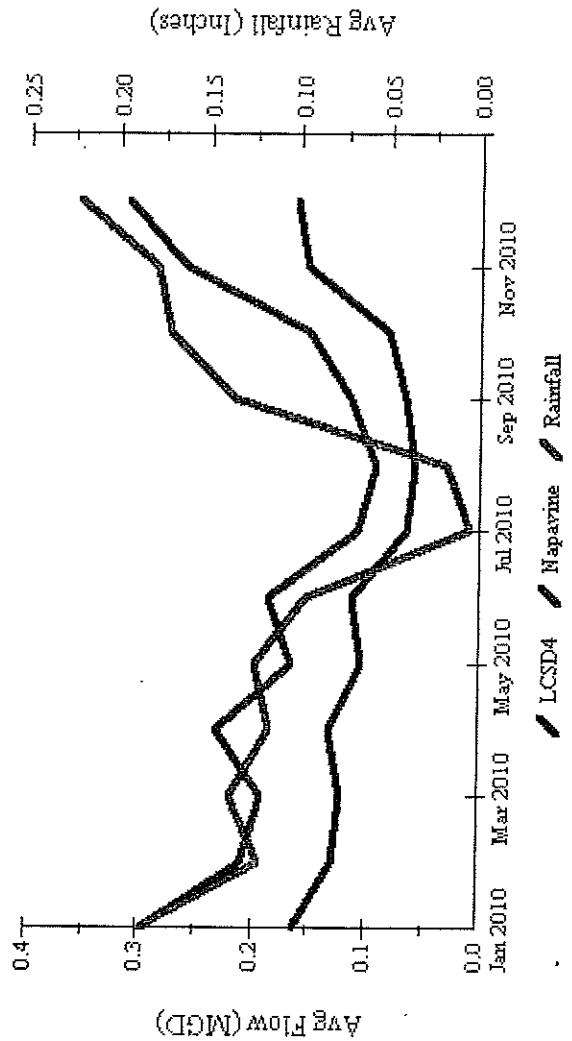
LCSD4 & Napavine Monthly Flow Summary



Avg. Flow by Month

Month	LCSD4 Flow MGD	Napavine Flow MGD	Rainfall inches
Jan 2010	0.16	0.30	0.19
Feb 2010	0.13	0.21	0.12
Mar 2010	0.12	0.19	0.14
Apr 2010	0.13	0.23	0.12
May 2010	0.11	0.17	0.12
Jun 2010	0.11	0.19	0.10
Jul 2010	0.07	0.11	0.01
Aug 2010	0.06	0.09	0.02
Sep 2010	0.07	0.11	0.14
Oct 2010	0.08	0.15	0.17
Nov 2010	0.15	0.26	0.18
Dec 2010	0.16	0.31	0.22
Minimum	0.06	0.09	0.01
Maximum	0.16	0.31	0.22
Average	0.11	0.19	0.13

LCSD4 & Napavine Monthly Flow Summary



**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager
DATE: November 9, 2011
SUBJECT: **Ordinances 883-B and 884-B - Adoption of Tax Levies**

ISSUE

Two ordinances have been prepared in connection with levying property taxes for collection in 2012. These are required in order for property taxes to be collected on behalf of the City.

DISCUSSION

Ordinance No. 883-B establishes the city's levies of ad valorem taxes (i.e., property taxes) for general operations; the Firefighters' Pension Fund; and Emergency Medical Services (EMS).

Ordinance No. 884-B is required under the provisions of Referendum 47. It identifies the changes, in both dollar amounts and percentage terms, in the City's general operations property tax levy; the firefighters' pension levy; and EMS levy for next year compared to this year.

This year, the draft 2012 Budget proposes to reinstate the firefighters' pension tax levy. According to RCW 41.16.060, every city is required to impose an annual levy of 22.5 cents per assessed value to assist in funding the firefighters' fund. This levy may only be waived, lessened or used for other purposes if a qualified actuary determines that the levy is not needed in order to maintain the soundness of the fund. Without the imposition of this tax for 2012, the General Fund would have to start subsidizing the Firefighters' Pension Fund operations.

The general property tax levy will increase slightly based upon the estimated value of new construction, improvements to property, any increase in the value of state assessed property, and any refunds made this year. However, general property taxes are not increasing by the one percent allowed by statute, nor will the City use any of its banked capacity based on past direction of the city council and discussion with the council budget committee.

The tax rates for 2012 will be approximately \$1.888 for the general levy; \$0.225 for the firefighters' pension levy; and \$0.361 for the EMS levy per \$1,000 of assessed value. The rates for 2011 were \$1.886; \$0.000; and \$0.361 per \$1,000 of assessed value for the general levy, the firefighters' pension levy, and the EMS levy, respectively.


RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council pass Ordinances 883-B and 884-B on first reading.

SUGGESTED MOTIONS

I move that the council pass Ordinance No. 883-B on first reading.

I move that the council pass Ordinance No. 884-B on first reading.

Reviewed by  , City Manager

ORDINANCE NO. 883-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, DETERMINING AND FIXING THE AMOUNT OF REVENUE TO BE RAISED BY AD VALOREM TAXES DURING THE CALENDAR YEAR 2012 AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.

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

Section 1. The amount of revenue to be raised by ad valorem taxes during 2012 for general city operations shall be, and the same hereby is, determined and fixed in the sum of One Million Two Hundred Five Thousand Dollars (\$1,205,000).

Section 2. The amount of revenue to be raised by ad valorem taxes during 2012 for firefighters' pension fund shall be, and the same hereby is, determined and fixed in the sum of One Hundred Forty-Four Thousand Dollars (\$144,000).

Section 3. The amount of revenue to be raised by ad valorem taxes during 2011 for emergency medical services shall be, and the same hereby is, determined and fixed in the sum of Two Hundred Thirty-One Thousand Dollars (\$231,000).

Section 4. The effective date of the ordinance shall be the _____ day of _____, 2011.

PASSED by the city council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this _____ day of _____, 2011, on first reading

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

ORDINANCE NO. 884-B

**AN ORDINANCE OF THE CITY OF CHEHALIS,
WASHINGTON, STATING THE AMOUNTS AND
PERCENTAGES OF CHANGE IN PROPERTY TAX
LEVY IN CALENDAR YEAR 2012.**

WHEREAS, the City of Chehalis, Washington, properly gave notice of a public hearing held the 14th day of November, 2011, to consider the city budget for 2012, including possible property tax increases and other revenues, pursuant to RCW 84.55.120; and,

WHEREAS, the city's actual levy amounts for general operations; firefighters' pension; and Emergency Medical Services (EMS) levies were \$1,192,344; \$0; and \$228,273, respectively, in 2011; and,

WHEREAS, the population of this city is less than 10,000; and now, therefore,

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

Section 1. The 2011 general operations property tax levy for collection in 2012 is One Million Two Hundred Five Thousand Dollars (\$1,205,000), which is an increase of Zero Dollars (\$0) and Zero Percent (0.0%) over the amount levied in 2010 for collection in 2011. Increases for the amounts allowed under the new construction and improvements to property provisions of RCW 84.55.010 and refunds, are only reflected in the total levy amount.

Section 2. The 2011 firefighters' pension property tax levy for collection in 2012 is One Hundred Forty-Four Thousand Dollars (\$144,000), which is an increase of One Hundred Forty-Four Thousand Dollars (\$144,000) over the amount levied in 2010 for collection in 2011. Since this reinstated tax was not levied in 2010 for collection in 2011, a percentage increase is not applicable.

Section 3. The 2009 voter-approved EMS property tax levy for collection in 2012 is Two Hundred Thirty-One Thousand Dollars (\$231,000), which is an increase of Zero Dollars (\$0) and Zero Percent (0.0%) over the amount levied in 2010 for collection in 2011. Increases for the amounts allowed under the new construction and improvements to property provisions of RCW 84.55.010 and refunds are only reflected in the total levy amount.

PASSED by the city council of the city of Chehalis, Washington during a regularly scheduled open public meeting thereof this _____ day of _____, 2011, on first reading.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager
DATE: November 8, 2011
SUBJECT: **Ordinance 882-B – 2012 Budget Adoption, First Reading**

ISSUE

Ordinance 882-B has been prepared for the purpose of adopting the 2012 Budget. The two levy ordinances reflected in this budget are being presented to the Council concurrently.

DISCUSSION

During September and October, the Council Budget Committee attended four meetings during which budget presentations were made, discussed and reviewed. Ordinance 882-B reflects the budget presented to the committee, with certain adjustments and corrections based on the discussion between the committee and the administration. This proposed budget reflects the latest benefit cost rates available. Additional changes may be made to the ordinance prior to its second reading based upon discussion and/or direction from the city council.

The following are some key items of note for this proposed budget:


- In accordance with RCW 41.16.060, it is proposed that the firefighter pension property tax levy of 22.5 cents per \$1,000 of assessed value be reinstated. This increase would keep the Firemen's Pension Fund solvent and is required by law.
- Although the City's Three-Year Financial and Organizational Strategy Plan has identified 2012 as the year in which rates and fees will be reviewed, with one exception, no rate or fee increases are reflected in this budget. With the committee's concurrence, a small fee increase for the Organic Waste Disposal Pass has been incorporated into the Garbage Fund budget.
- Review of the Wastewater and Water Funds show that these funds will draw down their fund balances by a total of almost \$1.9 million from January 1st to December 31st of 2012. An in-house rate study is planned for early 2012 and recommendations may be made to the city council for consideration.
- This proposed budget reflects the Lodging Tax Advisory Committee funding recommendations for 2012. Should any changes be made to these recommendations by the City Council at the November 14th meeting, those changes will be reflected in the budget ordinance for its second reading.
- The City continues to fund the salaries of 1.71 full-time equivalent (FTE) police officers out of the Gambling Enforcement Fund. It is projected that, in 2013, this fund will no longer be able to fund 1.71 FTEs.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends passage of Ordinances 882-B on first reading.

SUGGESTED MOTIONS

I move that the council pass Ordinance No. 882-B on first reading.

Reviewed by  _____, City Manager

ORDINANCE NO. 882-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,
ADOPTING THE BUDGET OF THE CITY FOR THE YEAR 2012
AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.**

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

Section 1. Attached hereto and identified as Exhibit "A", in summary form, are the total of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined for the budget of the city for 2011, and by this reference said Exhibit "A," showing a total estimated ending fund balance of \$5,409,911 is incorporated herein as if set forth in full and the same is hereby adopted in full.

Section 2. This ordinance is a legislative act delegated by statute to the City Council of the City of Chehalis, is not subject to referendum and shall take effect January 1, 2012.

PASSED by the City Council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this 14th day of November, on its first reading.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

STATE OF WASHINGTON)

:SS

COUNTY OF L E W I S)

I, Judith A. Schave, City Clerk of the City of Chehalis, Washington, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 882-B of the Ordinances of the City of Chehalis.

City Clerk

**Ordinance 882-B
Attachment "A"**

CITY OF CHEHALIS PROPOSED BUDGET

**2012 Budget Summary
All Funds**

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expenditures	Operating Transfers Out	Est. End. Fund Balance
General Fund	768,697	7,580,623	0	7,596,556	26,919	725,845
Arterial Street Fund	4,443	155,000	0	155,626	0	3,817
Tourism Fund	60,023	155,150	0	161,200	0	53,973
Compensated Absence Fund	4,036	10	0	4,046	0	0
Community Dev. Block Grant Fund	21,987	5,050	0	0	0	27,037
HUD Block Grant Fund	319,758	600	0	2,500	0	317,858
Gambling Enforcement	263,954	500	0	171,961	0	92,493
2011 G.O. Bond Fund	0	0	107,675	107,675	0	0
Public Facilities Reserve Fund	33,515	50	0	0	33,000	565
Automotive/Equip. Res. Fund	35,639	0	33,000	68,500	0	139
1st Quarter REET Fund	142,806	35,200	0	0	45,762	132,244
2nd Quarter REET Fund	50,659	35,075	0	0	34,994	50,740
Wastewater Fund	2,197,974	3,399,305	0	4,917,632	0	679,647
Water Fund	2,732,018	2,486,633	0	2,845,102	0	2,373,549
Storms & Surface Water Fund	336,421	408,280	0	358,897	0	385,804
Garbage Fund	11,089	6,500	0	12,580	0	5,009
Firemen's Pension Fund	189,349	157,100	0	135,000	0	211,449
City Agency Fund	349,742	0	0	0	0	349,742
TOTALS	7,522,110	14,425,076	140,675	16,537,275	140,675	5,409,911

CITY OF CHEHALIS
AGENDA REPORT

DATE: October 12, 2011

TO: The Honorable Mayor and City Council

FROM: Lodging Tax Advisory Committee
 Councilor Terry Harris (Chair)
 Rick Burchett, Chehalis-Centralia Railroad and Museum
 Todd Chaput, Holiday Inn Express & Suites
 Lee Grimes, Veterans Memorial Museum
 Natalie Ketchum, Best Western Park Place Inn & Suites
 Debbie Knapp, Lewis County Historical Museum
 Satpal "Paul" Sohal, Chehalis Inn

SUBJECT: Lodging Tax Advisory Committee Recommendations for 2012 Tourism Funds

ISSUE

The Lodging Tax Advisory Committee (LTAC) met on October 6 to review the requests submitted by various organizations for 2012 tourism funds.

DISCUSSION

The following organizations made presentations to the LTAC for funding in 2012: Veterans Memorial Museum, Chehalis-Centralia Railroad and Museum, ARTrails, Lewis County Historical Museum, Advocate Foundation (Cascade Country Cook-Off and Chehalis Garlic Fest), Chehalis City Manager's Office, Premier Broadcasters/City (Chehalis Bridal Show), Department of Community Development for Parks & Rec Division, Centralia-Chehalis Chamber of Commerce, Friends of the Chehalis Community Renaissance, and Eagles Museum.

The attachments to this report include 2012 Tourism Fund projections and requests and the minutes from the October 6 LTAC meeting.

Upon council approval, all recipients must enter into a contract with the city for use of the funds. They are required to report on a quarterly basis how the funds are being spent.

After review and discussion, the committee recommended funding applicants at the following amounts:

<u>Organization</u>	<u>Request</u>	<u>Recommendation</u>
1. Veterans Memorial Museum	\$ 30,000	\$ 25,000
2. Chehalis-Centralia Railroad and Museum	\$ 40,000	\$ 30,000
3. ARTrails of Southwest Washington	\$ 25,000	\$ 0
4. Lewis County Historical Museum	\$ 30,000	\$ 22,500
5. Advocate Foundation for Cascade Country Cook-Off	\$ 15,000	\$ 5,000
6. Chehalis City Manager's Office	\$ 19,025	\$ 15,000
7. Premier Broadcasters/City for the Chehalis Bridal Show	\$ 10,000	\$ 10,000
8. Advocate Foundation for Chehalis Garlic Fest	\$ 20,000	\$ 18,000
9. Comm. Development Dept. for Parks & Rec Division	\$ 33,200	\$ 33,200
10. Centralia-Chehalis Chamber of Commerce	\$ 5,000	\$ 2,500
11. Veterans Memorial Museum (Electronic Sign)	\$245,004	\$ 0
12. Friends of the Chehalis Community Renaissance	\$ 25,000	\$ 0
13. Eagles Museum	\$ 4,000	\$ 0
Total	\$501,229	\$161, 200

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

Committee members include Mr. Todd Chaput, Holiday Inn Express & Suites, Ms. Natalie Ketchum, Best Western Park Place Inn & Suites, and Mr. Satpal Sohal, Chehalis Inn, representing businesses required to collect the tax. Members representing activities funded by the tax are Mr. Rick Burchett, Chehalis-Centralia Railroad and Museum, Mr. Lee Grimes, Veterans Memorial Museum, and Ms. Debbie Knapp, Lewis County Historical Museum. Councilor Terry Harris is the council representative and acts as committee chair.

Mr. Grimes has notified the city of his intention to resign from the committee at the end of the year. A copy of his letter is attached. The administration will begin the process of finding a replacement for Mr. Grimes.

RECOMMENDATIONS/COUNCIL ACTION DESIRED

The Lodging Tax Advisory Committee recommends that the council approve its recommendations individually and collectively for use of the lodging tax funds for 2012, and the administration recommends the reappointments of Rick Burchett, Todd Chaput, Natalie Ketchum, Debbie Knapp, and Satpal Sohal to the city's Lodging Tax Advisory Committee, and also Lee Grimes until his position is filled.

The Lodging Tax Advisory Committee also recommends that the council approve each request individually.

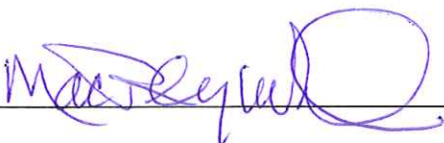
1st SUGGESTED MOTION

I move that the council approve the recommendations of the Lodging Tax Advisory Committee individually and collectively to fund the _____ in the amount of \$ _____ for use of lodging tax funds for 2012.

1. Veterans Memorial Museum	\$ 25,000
2. Chehalis-Centralia Railroad and Museum	\$ 30,000
3. ARTrails of Southwest Washington	\$ 0
4. Lewis County Historical Museum	\$ 22,500
5. Advocate Foundation for Cascade Country Cook-off	\$ 5,000
6. Chehalis City Manager's Office	\$ 15,000
7. Premier Broadcasters/City for Chehalis Bridal Show	\$ 10,000
8. Advocate Foundation for Chehalis Garlic Fest	\$ 18,000
9. Comm. Development Dept. for Parks & Rec Division	\$ 33,200
10. Centralia-Chehalis Chamber of Commerce	\$ 2,500
11. Veterans Memorial Museum (Electronic Sign)	\$ 0
12. Friends of the Chehalis Community Renaissance	\$ 0
13. Eagles Museum	\$ 0

2nd SUGGESTED MOTION

I move that the council reappoint the memberships of Rick Burchett, Todd Chaput, Lee Grimes, Natalie Ketchum, Debbie Knapp, and Satpal Sohal to the Lodging Tax Advisory Committee.

Reviewed by , City Manager

**CITY OF CHEHALIS
2012 TOURISM FUND PROJECTIONS AND REQUESTS**

2012 Projected Beginning Fund Balance \$ 60,023
 2012 Estimated Revenue 155,000
 2012 Estimated Interest 150
 2012 Total **Estimated** Revenue \$215,173

Recommended Ending Fund Balance Reserve \$ (33,973)
 Babe Ruth Reserve (20,000)

In 2010, the LTAC allocated, and the City Council approved, reserving \$10,000 in 2011 and \$10,000 in 2012 to Babe Ruth for use in 2013.

Total Available Revenue for 2012 \$161,200

	2008 Allocations	2009 Allocations	2010 Allocations	2011 Allocations	2012 Requests	2012 LTAC Recommendations
Veterans Memorial Museum	20,000	20,000	20,000	22,500	30,000	25,000
Cheh-Cent Railroad & Museum	22,000	25,000	25,000	35,000	40,000	30,000
ARTrails	5,000	10,000	5,000	2,500	25,000	0
Lewis Co. Historical Museum	15,000	15,000	15,000	17,000	30,000	22,500
Cascade Country Cook-off		10,000	10,000	12,500	15,000	5,000
City of Chehalis *		57,000	27,000	19,900	19,025	15,000
Chehalis Bridal Show			7,500	9,000	10,000	10,000
Chehalis Garlic Fest			10,000	20,000	20,000	18,000
Visiting Nurses			2,500	2,500	No request	NA
Chehalis Business Association			10,000	15,000	No request	NA
Chehalis Dept. of Community Development				20,000	33,200	33,200
Chamber (mobile)				5,000	No request	NA
Pope's Kids Place Jazz in July				5,000	No request	NA
Chamber (Home & Garden Show)					5,000	2,500
Veterans Memorial Museum (electronic sign)					245,004	0
Friends of the Cheh Community Renaissance					25,000	0
Eagles Museum					4,000	0
TOTALS	62,000	137,000	132,000	185,900	501,229	161,200

* Prior to 2010, the Tourism Fund included money for use by the city for marketing and promotion of Chehalis Business Association activities, Garlic Fest, Chehalis Bridal Fair, and the city in general. The city was informed by the State Auditor's Office that beginning in 2010, all organizations must apply for funding on their own behalf.

10/6/2011

Chehalis Lodging Tax Advisory Committee Meeting
October 6, 2011

The Lodging Tax Advisory Committee (LTAC) met on October 6, 2011, at 8:15 a.m. in the basement meeting room of Chehalis city hall to review applications for 2012 tourism funding. Members present were: Councilor Terry Harris, Chair; Rick Burchett, Chehalis-Centralia Railroad and Museum; Todd Chaput, Holiday Inn; Lee Grimes, Veterans Memorial Museum; Natalie Ketchum, Best Western; Debbie Knapp, Lewis County Historical Museum, and Satpal Sohal, Chehalis Inn. Chehalis staff members included Merlin MacReynold, City Manager, and Caryn Foley, City Manager's Administrative Assistant.

Call to Order

The meeting was called to order by Councilor Harris.

Review Committee Purpose & State Guidelines

Councilor Harris reported that several LTAC members recently attended a hotel-motel tax forum where Jan Jutte, Director of Legal Affairs for the Washington State Auditor's Office, talked about hotel-motel tax rates and intended uses, related requirements, the SAO's audit approach, and best practices. Councilor Harris stated the Q&A session following the presentation really provided a lot of good information. Everyone who attended took away that it's really about local control and the process. The SAO wants cities to be able to use the funding as they see fit, as long as it is used appropriately. They also want to see that requests come to the LTAC and that their recommendations then go to the city council for final approval. Ms. Jutte also noted that committee members should be mindful about the appearance of a conflict of interest, and that the tax goes beyond putting heads-in-beds. In addition to overnight stays, the definition of tourism also includes meals, tours, gifts, or souvenirs. Of course, we can't grow the fund without putting heads-in-beds.

Councilor Harris stated that Mr. Chaput provided a copy of an evaluation worksheet that is used by the county to evaluate funding requests, but he thought we really didn't have the volume of applications that required the use of the form. Mr. Chaput stated he found it helpful and something that the LTAC might consider using in the future.

Review 2012 Requests

1. Chip Duncan – Veterans Memorial Museum – \$30,000

Mr. Duncan stated that in addition to their standard request, the Museum was planning to add extra programs to continue to maintain and hopefully increase their tourist base. The increased funding request of \$10,000 is to hold a Civil War re-enactment event July 22-23, 2012. Funds would be used for rental of property, insurance, and advertising. The remaining \$20,000 will be used for marketing and promotion of the museum in general and other events. Mr. Duncan noted that the Washington Civil War Association is potentially interested in moving their annual re-enactment from Port Gamble to Chehalis, which could potentially bring in several hundred people.

Ms. Ketchum asked how the museum tracked visitors. Mr. Duncan stated they have a guest book, and among other things, they ask visitors where they came from and where they stayed during their visit. Their statistics showed that the museum generated 2,740 overnight stays from September 2010 to August 2011.

2. Chip Duncan – Veterans Memorial Museum – \$245,004

Mr. Duncan stated the request was to install a double-sided electronic reader board sign to benefit all organizations, such as museums, attractions, schools, sporting events, etc. Thousands of people drive along I-5 every day and it was hoped that such a sign would encourage people to get off the freeway and into Chehalis. Following a Request for Quotations, the museum chose a local vendor, Esco Pacific Signs. He proposed that annual electricity costs come from the lodging tax funds.

Mr. Chaput asked if businesses/organizations would be able to advertise. Mr. Duncan thought that was something that would be up to the LTAC.

Mr. Burchett noted the total available funding for 2012 was \$145,000. He also thought that the state was going to ban these types of signs. Mr. Duncan stated the sign would be grandfathered in if it is installed prior to next year.

Mr. Chaput asked who would be responsible for maintenance and monitoring. Mr. Duncan stated that was yet to be determined.

Ms. Ketchum asked if Mr. Duncan had any numbers on what the return on investment was for reader board signs – how do you know they work? Mr. Duncan did not have that information, but he believed it gave travelers an excuse to stop.

Ms. Ketchum asked what the annual maintenance cost would be. Mr. Duncan estimated it to be around \$30,000.

There was discussion about other possible funding sources – mortgage it, .09 funding, and public-private partnership. The LTAC also talked about the fact that technology is constantly changing and reader boards may not be the best route to go.

3. Wanda Thompson and Chad Taylor – Chehalis-Centralia Railroad and Museum - \$40,000

Ms. Thompson thanked the LTAC for their past support. She stated they had a good year with several special events, noting they still had the pumpkin train rides and Polar Express events to come.

Mr. Taylor stated he was amazed at what a draw the steam train and Veterans Memorial Museum were to our community. He stated that they expanded advertising and used new marketing methods this year, including any free methods of advertising, with print ads as the main focus. He would like to create a Facebook presence and improve the CCRM's website. One of the new things they did this year was Groupon, a daily deal site for discount sales on the Internet. It was overwhelming for the volunteers, but it brought in over 9,000 visitors. Mr. Taylor thought the benefits outweighed the negatives. Another goal is to expand marketing to the Seattle and Portland areas, and to Fort Lewis.

Ms. Thompson agreed that the additional Groupon tickets were overwhelming and some people had to wait for the next train. She stated they are looking for more cars to be able to handle additional riders.

Mr. Taylor thought a reader board would be beneficial, but he thought the annual maintenance cost would be less than the \$30,000 mentioned by Mr. Duncan.

Mr. Taylor stated that as a member of the Chehalis city council he would not participate in any discussions or vote on this proposal. Mr. Harris added that he will recommend that each request be voted on individually by the city council to avoid any appearance of a conflict of interest.

Mr. Grimes noted their second priority funding request was actually higher than the top priority request. Ms. Thompson stated the application was in error and should be \$35,000 instead of \$45,000.

4. Daniel La Plaunt – Lewis County Historical Museum - \$30,000

Mr. La Plaunt stated he was one of the museum's Board of Directors. The museum is a hub for tourism and their request is very important to the overall function of the museum being 31% of their overall budget. Several activities/events are slated for 2012 and the Board renewed their commitment to the director to help pull off these events, and they want to create multiple day events to encourage overnight stays. The big event for next year is the 100th anniversary for both the Chehalis and Centralia depots. They plan to work with Centralia and with the steam train to create a great event.

Ms. Knapp added she was contacted by "My Ghost Story," which airs on the BIO Channel, about paranormal activity at the museum. She and Board Member Kathy Gavin flew to Los Angeles to be interviewed, and the network then came to Chehalis to film. The program airs later this month.

Mr. La Plaunt also noted that the museum remodeled their gift shop and website to promote Chehalis as a whole, and their guest book showed that the museum generated 1,147 overnight stays.

Mr. Chaput stated he appreciated that the museum held off-season events.

5. Rick Petty – Premier Broadcasters/City of Chehalis for the Chehalis Bridal Show - \$10,000

Mr. Petty stated the bridal show showcases Chehalis as a great place to hold a wedding and you can find everything you need at the Chehalis Bridal Show. The grand prize of a wedding dress and vendor door prizes encourage brides to register. Brides-to-be receive information about each vendor and a list of Chehalis granges and churches. In turn, vendors receive information about the brides-to-be, including their wedding dates. He noted that vendors must have a Chehalis zip code to participate. Outside vendors are allowed only if there is no Chehalis business providing a particular service. A display is also set up at Book 'n Brush after the bridal show with all of the vendor contact information. The 2011 bridal show had 86 registered brides, with 51 from Chehalis and Centralia, and the rest traveling from Portland, Vancouver, Olympia, Enumclaw, Raymond, Longview, Rainier, and Shelton. Mr. Petty stated that information from the hotels shows that the resultant weddings from the bridal show are putting heads-in-beds.

Mr. Grimes asked if Mr. Petty could operate the bridal show with reduced funding. Mr. Petty said he could, but that would mean cutting back on advertising.

6. Jan Nontell – ARTrails of Southwest Washington - \$25,000

Ms. Nontell stated that ARTrails is entering its 10th year and they are planning a year-long recognition in 2012. She stated studio tours held in September have increased every year since 2002. Last year the LTAC questioned the low number of participating Chehalis artists in the studio tours. Ms. Nontell stated they heard the committee and have worked throughout the year to become more involved with Chehalis. Ms. Nontell now represents ARTrails on the Chehalis Community Renaissance Team (CCRT) and they have been working to place pop-up galleries, working artists, and window art in empty Chehalis storefronts through the Chehalis Storefront Art Project. They have also worked

with other organizations to promote Chehalis, including an art walk during Planes, Trains, and Automobiles. They are also working to place public art in a couple locations in town. ARTrails is looking into and trying to learn from others on how to drive economic development through the arts – Eugene, Oregon and Johnstown, Pennsylvania have both been successful. ARTrails' website is comprehensive and is a foundation for other organizations' events, such as wine tours and the Boistfort Valley Quilt Show.

Although not complete, this year's studio tours had 3,000 visitors from 89 cities and 10 states. Ms. Nontell stated that 8% reported staying overnight, while 87% ate at least one meal out. She stated that their 2012 request will be used mostly for advertising outside of a 50-mile radius from Chehalis. With 2012 being the 10th anniversary, they want to expand their advertising with their theme of, "Spend the Weekend ~ Spend the Week."

Mr. Burchett noted there were still many more Centralia artists than Chehalis artists, but ARTrails didn't ask Centralia for any tourism money Ms. Nontell reported they did request funding, but Centralia revenues are down and most of their tourism money goes to the events center.

Mr. Grimes commented that their budget had increased from last year. Ms. Nontell reiterated they wanted to do more advertising.

Mr. Burchett asked if the storefront art project was only in Chehalis. Ms. Nontell indicated that was correct, and their first storefront display was going up next week. They also plan to have a Christmas gallery in downtown Chehalis this year, along with studios. She also noted that they were probably going to need a bigger space for their annual gala, which has been held at the Centralia railroad depot.

7. Jim Valley – Centralia-Chehalis Chamber of Commerce - \$5,000

Mr. Valley stated the annual Home & Garden show is moving from the Yard Birds Event Center back to the Fairgrounds. The event brings in around 8,500 people and the request is for funding to notify the public about the change in venue. Mr. Valley stated that many local businesses depend on this event. He added that he doesn't anticipate this to be an annual request.

8. Frank DeVaul – Advocate Foundation for Chehalis Garlic Fest & Craft Show - \$20,000

Mr. DeVaul stated this was the 15th year for Garlic Fest, which has grown significantly and an event that they want to make a national destination. He stated that their marketing was changed to target outside the Chehalis area, and they did see an increase in overnight stays. Of the 900 people surveyed, 26% reported spending the night. Garlic Fest staff did several hotel bookings themselves for vendors and entertainers, and they provided trolley service from the Amtrak station between hotels and the event, purposely passing through downtown Chehalis. Mr. DeVaul stated they listen and respond to all comments and concerns.

Mr. Sohal thought the number of overnight stays seemed high. Mr. Chaput thought there was probably some crossover and they really need to determine why people are coming to Chehalis.

9. Frank DeVaul – Advocate Foundation for Cascade Country Cook-Off and Tires, Inc. Cascade Car Show - \$15,000

Mr. DeVaul stated they made several changes to the event and hope to make it a bigger event in the future. The Pacific Northwest Barbecue Association, who the event is held in association with, loves the venue of Stan Hedwall Park, and they drew enough teams to make it a qualifying event. Despite the rainy weather, attendance was up 50% over last year as determined by an actual physical count of attendees. The car show was successful and the participants enjoyed the unique trophies. Overall, attendees reported 1,100 room nights.

Councilor Harris stated that several of the accompanying ads seemed to be the same. Mr. DeVaul explained that some of the ads appeared in several different publications.

Ms. Ketchum asked if they tracked the return on investment (ROI) of their advertising. Mr. DeVaul stated that tracking zip codes tells them how best to advertise.

Ms. Ketchum thought everyone should be mindful of how dollars are being spent. Councilor Harris thought it was sometimes difficult to track the ROI.

Mr. DeVaul stated that lodging tax dollars are used to advertise outside the area. He thought the best test was results and a 50% increase in attendance told them they are doing something right.

Mr. Grimes wondered if changing the name of the event from Cook-off to Festival might draw more people. Mr. DeVaul stated they are working with the Health Department to allow tasting in the hope that it might generate more of the general public.

10. Bob Nacht and Lilly Wall – Community Development Department for Parks & Rec Division - \$33,200

Mr. Nacht stated the request was for operations of the Recreation Division for tournaments, specifically basketball and fastpitch. He stated that in addition to overnight stays, the tournaments bring people to our restaurants, grocery stores, and other attractions.

Mr. Burchett stated there was no tracking information included in the application. Ms. Wall indicated that when they made their special funding request this summer, the tournaments had already occurred. They did email information requests to nearly 200 coaches and 21 responded. The results were that 162 families stayed anywhere from one to four nights. She stated they will implement tracking for all future tournaments.

Mr. Nacht added that the tournaments are ongoing from May through September every year, and the city's other sports programs also bring visitors to Chehalis.

Ms. Ketchum and Mr. Chaput confirmed that the tournaments certainly put heads-in-beds.

11. Merlin MacReynold –Chehalis City Manager's Office - \$19,025

Mr. MacReynold stated the city's request is the same as last year. Funding would allow the city to contract for tourism services with the Chamber – a joint effort with Centralia and Lewis County; place ads in the Lewis County Official Visitors Guide, Sunset Magazine, and the Summer Recreation & Visitor Guide; and provide half of the cost for annual hosting, maintenance and support for the city's website.

Ms. Foley reported that last year the city received around 440 leads from the Sunset Magazine ad, and have already received 340 this year since September.

Mr. MacReynold also noted that city council meetings can be viewed on-line through the city's website, which had been a longtime goal of the council.

Mr. Grimes asked if the city could operate on reduced funding. Mr. MacReynold indicated they could get by on \$15,000 with reduced advertising.

12. Susie Krogh – Eagles Museum - \$4,000

Ms. Krogh stated the museum opened in December 2010, and is currently open on Saturdays from 9:00 a.m. to 3:00 p.m. It is a work in progress and will always be changing to give people a new experience each time they visit. She thanked the city for including the museum in the new wayfinding signs. She stated their annual event, "Hands Across the Boarder" brings an average of 300 people to Chehalis and does put heads-in-beds. In Centralia, they hold a Christmas Cotillion that draws about 130 people annually. In addition, this year's state project is Pope's Kids Place. They will be raising money for Pope's while keeping people staying locally. Ms. Krogh stated they do have a guest book and will add the question of where people are staying.

Mr. Burchett asked if the Eagles had any other museums such as this one. Ms. Krogh stated they do not. Mr. Burchett asked if they charged admission. Ms. Krogh indicated they do not plan to charge until they are really up and running.

Mr. Burchett stated the request did not include funding for marketing. Ms. Krogh explained that they currently have no costs for marketing since everything is advertised internally through the Eagles organization.

13. David Hartz and Bill Schulte – Friends of the Chehalis Community Renaissance - \$25,000

Mr. Hartz stated the Chehalis Community Renaissance Team (CCRT) sees an ongoing problem that needs addressed; that being connecting events with retail businesses. These are difficult economic times and we need to act. Chehalis has wonderful events, but diminishing retail, and there is not good interaction between retail businesses and activities.

Mr. Schulte stated they would like to create a request for qualifications to hire a consultant for a training program. The question is how to increase local sales tax, and he reiterated that we do have great events and we need to maximize on these events.

As part of the Renaissance's wayfinding project, pedestrian kiosks will be going up at six locations throughout the city. It is hoped that an additional mobile kiosk can be constructed to have for various events.

Mr. Chaput asked if there would be a cost to attend the training. Mr. Hartz stated that had not yet been determined. He added they knew this was a different kind of request than the committee has seen in the past, but he thought it was complementary.

The LTAC briefly discussed other sources of potential funding for this project, such as .09 funding, The Industrial Commission, and the Chehalis Foundation.

Review of 2011 Revenue Projections

Ms. Foley stated the projected beginning fund balance for 2012 is \$60,023, estimated revenues are \$155,000, along with a small amount of interest at \$150. As was recommended last year, \$50,000 would be reserved to ensure an ending fund balance in case revenues come in less than projected, or in the event that the LTAC receives a special request for funding throughout the year. In addition, \$20,000 is reserved for South Sound Babe Ruth for tournaments in 2013. With those assumptions, \$145,173 is the estimated available funding for 2012.

The committee discussed how overnight guests are tracked. Just because someone says they are staying at a hotel while attending an event, does not imply that they are here for that particular reason. Mr. Chaput stated that his hotel's tracking system tells them exactly why people are staying, with the majority of guests coming here for work. They refer guests to events and other local places of interest and this should be tracked as such. He thought it was vital that the committee determine the exact reasons people are visiting, and not assume that everyone attending an event, museum or restaurant came there for that sole purpose.

2011 Allocation Recommendations to City Council

With requests totaling \$501,229 and available funding in the amount of \$145,173, the LTAC discussed the importance of funding those organizations that put the most heads-in-beds. They also agreed to reduce the recommended \$50,000 reserve to \$33,973 to increase the available funding. The LTAC agreed to make the following recommendations to the city council:

<u>Organization</u>	<u>Request</u>	<u>Recommendation</u>
1. Veterans Memorial Museum	\$ 30,000	\$ 25,000
2. Chehalis-Centralia Railroad and Museum	\$ 40,000	\$ 30,000
3. ARTrails of Southwest Washington	\$ 25,000	\$ 0
4. Lewis County Historical Museum	\$ 30,000	\$ 22,500
5. Advocate Foundation for Cascade Country Cook-Off	\$ 15,000	\$ 5,000
6. Chehalis City Manager's Office	\$ 19,025	\$ 15,000
7. Premier Broadcasters/City for Chehalis Bridal Show	\$ 10,000	\$ 10,000
8. Advocate Foundation for Chehalis Garlic Fest	\$ 20,000	\$ 18,000
9. Comm. Development Dept. for Parks & Rec Division	\$ 33,200	\$ 33,200
10. Centralia-Chehalis Chamber of Commerce	\$ 5,000	\$ 2,500
11. Veterans Memorial Museum (Electronic Sign)	\$245,004	\$ 0
12. Friends of the Chehalis Community Renaissance	\$ 25,000	\$ 0
13. Eagles Museum	\$ 4,000	\$ 0
Total	\$501,229	\$161, 200

The recommendations will be reviewed by the city council on October 24, 2011 at 6:00 p.m.

The meeting concluded at 3:35 p.m.

Minutes respectfully submitted by Caryn Foley, City Manager's Administrative Assistant.

October 7, 2011

Chehalis City Council

RE: LTAC Member Resignation

Dear Council Members:

It has been my pleasure to serve on the Chehalis Lodging Tax Advisory Committee for the past several years. Working with Joanne Schwartz in the past and Councilor Terry Harris the past several years has been rewarding, as working with very professional people always is. However, I feel it is time for me to step aside and provide my seat on the committee to a new face.

I have always attempted to serve my capacity as a committee member to the best of my ability and to the use of City Lodging Tax Funds as appropriately as possible. I hope my dedication to this committee has been of some use to the Council in their ultimate final decisions.

When considerations are made for a replacement, I might suggest Charles "Chip" Duncan, current director of the Veterans Memorial Museum. I have asked him if he would be interested and he replied in a positive manner.

Respectfully yours,

Lee T. Grimes