

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

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

Regular Meeting of November 28, 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)	CONTINUE PUBLIC HEARING	

CONSENT CALENDAR		
4. <u>Minutes of the Regular Meeting of November 14, 2011.</u> (City Clerk)	APPROVE	1
5. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	12

STAFF AND CITY COUNCIL REPORTS		
6. <u>Administration Reports.</u>		
a. Update on bond issuance. (City Manager, Finance Manager)	INFORMATION ONLY	
b. October financial report. (Finance Manager)	INFORMATION ONLY	13
7. <u>Council Reports.</u>		
a. Councilor reports. (City Council)	INFORMATION ONLY	
b. Council committee reports. (City Council)	INFORMATION ONLY	

TABLED ITEMS		
8. <u>Appointment and Reappointment of Lodging Tax Advisory Committee (LTAC) Members.</u> (Councilor Harris)	APPROVE APPOINTMENT AND REAPPOINTMENT OF LTAC MEMBERS	18

UNFINISHED BUSINESS		
9. <u>Ordinance No. 881-B, Second and Final Reading – Revision of Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2012.</u> (Public Works Director, Wastewater Superintendent)	PASS	20
10. <u>Ordinance No. 883-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2012.</u> (Finance Manager)	PASS	23
11. <u>Ordinance No. 884-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2012.</u> (Finance Manager)	PASS	26
12. <u>Ordinance No. 882-B, Second and Final Reading – Adopting the 2012 Budget.</u> (City Manager/Finance Manager)	PASS	27

NEW BUSINESS		
13. <u>Ordinance No. 885-B, First Reading – Amending Section 5.16 of the Chehalis Municipal Code and Repealing Ordinance No. 640-B.</u> (Finance Manager)	PASS	31
14. <u>Ordinance No. 886-B – First Reading – Amending the 2011 Budget.</u> (Finance Manager)	PASS	36

NEW BUSINESS CONTINUED

15. Ordinance No. 887-B – First Reading – Amending the City Parking Ordinance.
(Police Chief, City Attorney)

PASS

41

**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, DECEMBER 12, 2011

November 14, 2011

The Chehalis city council met in regular session on Monday, November 14, 2011, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:00 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; Eva Lindgren, Finance Manager; Peggy Hammer, Human Resources Administrator; Bob Nacht, Community Development Director; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; Rick Sahlin, Street Superintendent; Patrick Wiltzius, Wastewater Superintendent; Dave Vasilauskas, Water Superintendent; and Judi Smith, Public Works Office Manager. Members of the media included Bianca Fortis from *The Chronicle* and Bruce Hunting from KITI.

1. **Citizen Business.**

a. **Introduction of Medical Student.** Councilor Pope introduced Brian McCarthy, a medical student who was rotating through various clinics in the community.

Mr. McCarthy reported he was a third year medical student going to Pacific Northwest University, which was an osteopathic medical school in Yakima that opened up in 2007. He noted he and another student were rotating through the different clinics in Centralia and Chehalis, and at the hospital. Mr. McCarthy added it had been a real pleasure so far.

b. **Introduction of New General Manager from Twin Transit.** Councilor Taylor introduced Rob LaFontaine, the new general manager for Twin Transit. He reported Mr. LaFontaine came from Arizona, but was a native of our area.

Mr. LaFontaine reported it was a pleasure to be back home and he looked forward to handling all of their transit concerns.

2. **Public Hearing on 2012 Proposed Budget and Revenue Sources, Taxes, and Levies.** City Manager MacReynold reported this was a very important time for the city, adding this was council's opportunity for consideration of the city's budget and approval of tax levies. He indicated the budget being presented was balanced and maintained good reserves. City Manager MacReynold noted the reserves in the general fund were improving; however, there were some problem areas with regard to the water, wastewater, and stormwater funds, adding the administration would be doing an internal rate study sometime next year.

Mayor Ketchum closed the regular meeting at 6:04:40 p.m. and opened the public hearing. There being no public comment Mayor Ketchum closed the public hearing at 6:40:50 p.m. and reopened the regular meeting.

3. **Update on Chehalis Community Pool Project.** Mike Austin, President of the Chehalis Foundation, reported they had sent out over 600 information packets to local businesses and past patrons of their various projects. He noted he brought copies of the engineering report if anyone was interested in looking at it.

Mr. Austin reported they wrote four grants for local businesses and recently heard back that they had made it to the second level of the process on a couple of them.

Mr. Austin reported they recently started up a lapel pin drive, adding the pins were \$5 each and people could pick them up at various locations throughout the community. He stated the Foundation was putting up \$100,000 of their funds and would match dollar-for-dollar for the first \$100,000 raised for the project. Mr. Austin indicated the project was estimated to be around \$340,000 and was pleased to report they were about one-third of the way there. He suggested it wasn't very often that a city receives a gift of \$100,000, adding it was a pretty important endeavor.

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

a. Minutes of the regular meeting of October 24, 2011;

b. Claim Vouchers No. 92011 and 101363-101487 in the amount of \$263,683.18 dated October 31, 2011; and Payroll Vouchers No. 35136-35209, Direct Deposit Payroll Vouchers No. 2656-2726, and Electronic Federal Tax Payment No. 104 in the amount of \$640,059.45 dated October 31, 2011; and

November 14, 2011

- c. Adopt Resolution No. 17-2011 on first and final reading declaring city property as surplus.

The motion was seconded by Councilor Taylor and carried unanimously.

4. Administration Reports.

- a. Update on Debt Issuance. City Manager MacReynold reported the council was briefed on the issue of the city issuing debt at the last regular meeting.

Ms. Lindgren reported the city recently had a rating call with Standard and Poor's (S&P) Corporation and received a rating of "A," noting that was very good for a government of our size. She stated S&P was quoted as saying "S&P was very impressed with the steps the City took to improve its financial condition over the last few years." Ms. Lindgren reported they did note a small downside in terms of the slightly weaker than average fund balance; however, they felt the city was stable.

Ms. Lindgren indicated an ad was placed in *The Chronicle* on November 12, 2011, for the bond issuance. She reported not all tax exempt debt could be purchased by a bank; however, because it was bank qualified debt, a bank could purchase it and receive all of the benefits.

Ms. Lindgren reported the bonds would be priced on November 17 and they were looking at a closing of the bonds on December 6, 2011, which was when the city would receive the cash from the sale into our bank account.

- b. Community Rating System (CRS) Annual Repetitive Loss Program Report. Mr. Nacht reported the city continued to participate in the CRS program along with other jurisdictions in the area. He noted the progress report was a mandatory element for annual recertification. Mr. Nacht reported the city currently had a 'Class 5' rating, which resulted in a 25 percent reduction in flood insurance premiums for local residents. He stated it would be interesting to see what happens to the CRS program over time with the issues the federal government and insurance industry are facing, noting the economic downturn not only affected small cities, but all governments including the CRS program. Mr. Nacht reported the FEMA flood mapping and flood insurance all affect how our CRS program operates.

Mayor Ketchum noted he saved about \$50 on his flood insurance because of the program.

5. Council Reports.

- a. Parking Issue. Councilor Spahr reported the city's current parking ordinance allowed for anyone to park a vehicle on a city street for however long they wish, as long as the vehicle is licensed and in running condition. He talked briefly about a situation up on Washington Avenue where they have a vehicle that's been parked on the street for at least seven to eight months.

Councilor Spahr stated he would like to see something in the ordinance that would allow people who are having a problem with this issue, some kind of resource to go to.

City Manager MacReynold reported he and Police Chief Glenn Schaffer have communicated with each other regarding the issue. He noted the ordinance does not require any more than what Councilor Spahr identified. City Manager MacReynold reported some jurisdictions put time limits on neighborhood parking, anywhere from 48 hours to a week depending on what's going on in the jurisdiction. He stated if the council wished for the administration to bring back something formal, they certainly would be happy to do that.

Councilor Pope noted Washington Avenue was a very difficult street to drive down to begin with, adding it didn't make sense to allow a vehicle to sit for months on end.

Councilor Spahr reported most of the people on Washington Avenue have parking under or behind their homes in the alley, and suggested the area in front should be available for guests or night parking. He felt that allowing the vehicle to park on the street for months on end was a real detraction to the neighborhood.

November 14, 2011

Councilor Dawes reported, in a previous life, he dealt with the issue and it had been discussed a number of times. He suggested if they were to put a time limit such as 48 hours, the first thing that would probably happen would be someone parks a vehicle on the street and leaves town for a few days and when they return they find that their vehicle has been towed. Councilor Dawes agreed with what was being presented and supported finding something to eliminate the problem.

Mayor Ketchum felt it was an issue, but could not see penalizing a homeowner for not moving their vehicle.

Councilor Taylor suggested as they look at it, it would be nice to apply something citywide and not just on the one street.

The consensus of the council was for the administration to look into the matter and bring something back for their consideration.

City Attorney Bill Hillier reported they had talked at length about the notice requirements needed to get the word out, so people are not caught up in a situation similar to what Councilor Dawes described earlier.

Chief Schaffer reported operationally the ordinance itself would not be difficult to change. He noted logistically it would not be easy with only one part-time parking control officer; however, it probably could work on a 'complaint' basis. Chief Schaffer reported the RCW's require a 24 hour notice, but thought that would be too short of a time period.

Councilor Dawes asked if there was any city out there that has found something workable. Chief Schaffer stated what he had found was that most of the larger jurisdictions had a 72 hour ordinance, but they also have full-time staff to deal with it. He noted he was unable to find any smaller agencies that have one on the books, probably due to the difficulty of enforcing it.

Chief Schaffer reported one of the difficulties of dealing with it would be the history, adding people have habits of leaving their cars parked on the street. He suggested educating people would be one of the first things they would have to tackle.

Councilor Spahr stated he didn't care if it was limited to two weeks, adding the problem was anyone could bring a car in from anywhere and put it on the street and tell the city that it runs and the city has no authority to ask that person to start it up and turn the wheels, which didn't make any sense to him at all. He suggested it was cheap storage for some people.

Councilor Harris noted if they did it on a 'complaint' basis, the time period wouldn't start until the police were notified and then it would be another two weeks before anything could be done.

b. **Update from Councilor Dawes.** Councilor Dawes reported on the recent issues of the Lewis County Historical Museum, having to do with the discovery of the endowment funds demise. He noted, as a result of the election that the society members had at their meeting last Sunday, a whole new slate of officer's had been elected to take over at the first of the year, or sooner depending on what the other officer's choose to do.

Councilor Dawes noted a Board Resolution was passed authorizing him to secure records that would normally be made available to auditor's and/or accountants, which have been secured and delivered to the person doing the initial review. He noted there were issues of getting the 990 Non-profit forms filled out for past years dating back to 2008. Councilor Dawes reported the accountant was diligently working on the matter and the new board would get to the bottom of what occurred and do what needs to be done. He stated he was very confident that the individuals selected to lead the museum in the future, including Councilor Lund who was elected as the new treasurer, would do exactly that and put this tough time behind them.

Councilor Dawes reported he and Councilors Lund and Spahr had the monthly North Lewis County Regional Fire Authority Planning Committee meeting coming up on Wednesday, November 16 at Lewis County Fire District #6.

c. **Update from Councilor Taylor.** Councilor Taylor reported he had some neighbors ask if there was anything the city could do to prevent people from converting a single-family dwelling into an apartment type facility. He noted the city had zones where certain things can be built and it would be nice if the zoning regulations could be upheld. Mr. Nacht reported in the land use arena there were a number of issues. He noted both the city and private property owners have rights and

November 14, 2011

responsibilities, and in this case, he would need time to understand what the situation was and how the rules apply to it, adding he could certainly look into it.

6. Ordinance No. 881-B First Reading – Revisions of Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2012. Patrick Wiltzius reported the 2012 rates would be going up about 22 percent for Lewis County and 26 percent for the city of Napavine, mainly due to their growth as compared to ours. He indicated, overall, the rate of inflation was about 3.4 percent for Lewis County and 4.3 percent for Napavine since 2005. Mr. Wiltzius noted the rates have been given to both agencies for their review and he had not heard of any objections.

Councilor Spahr asked if there was any explanation as to why it goes up and down so much. Mr. Wiltzius noted each year the flows are different depending on how many rain storms we have, growth in each community, and expenses. He noted the fees were for the treatment of sewage, adding the debt service was a separate issue.

Councilor Harris moved that the council pass Ordinance No 881-B on first reading.

The motion was seconded by Councilor Pope and carried unanimously.

7. Ordinance No. 883-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2012; Ordinance No. 884-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2012; and Ordinance No. 882-B, First Reading – Adopting the 2012 Budget. City Manager MacReynold reported they spend about four months each year putting together the city's budget. He thanked the department manager's for the incredible job that they do, especially during these challenging times. City Manager MacReynold recognized and thanked Ms. Lindgren who spent countless hours working on the documents. He thanked the 2012 Council Budget Committee members made up of Mayor Pro-tem Dawes, Councilor Harris and Councilor Spahr. City Manager MacReynold also thanked Councilor Taylor who served on the budget committee for many years, up until this year.

City Manager MacReynold talked briefly about the 2012 budget. He noted they had reduced the general fund budget by about 12 percent and projected to bring in about 13 percent less in taxes and revenues. He noted, in spite of the reductions, the city was doing very well with reference to the ending fund balance and we continue to strengthen our position, which spoke well of the council and the management team.

City Manager MacReynold reported the biggest concern for 2012 was in the water, wastewater and storm utility funds, adding the administration was going to have to do an in-house assessment as to where we are with that. He noted the administration plans to bring some recommendation to the council for their consideration in early to mid-year next year.

City Manager MacReynold reported they were not proposing any tax increases in property tax or emergency medical services, as directed by the council. He stated, based on the state requirement, they were recommending to reinstitute the firemen's pension fund which is paid for through tax levy funds.

Ms. Lindgren reported, with regards to the property tax levy, there were certain increases that the city was entitled to, primarily having to do with 'new construction' and increases resulting from reduced assessments that were not programmed in for the current year.

Ms. Lindgren reported her calculations for the tax levy were based on estimates because she had yet to receive her numbers from Lewis County. She briefly explained the process of how the county comes up with their numbers, adding she did not expect things to change once she receives the numbers from the county.

Councilor Dawes stated he wanted to clarify that the general property taxes in Chehalis were not going up in the general fund, and the tax increase they see will be on the firemen's pension fund, which the State enacted a number of years ago. He reported the State set up a program in which 22.5 cents per thousand would be levied through the property tax to be used solely for the senior firefighter's that retired prior to the evolution of the former LEOFF 1 system. Councilor Dawes indicated the tax collected for this purpose would not be comingled with the general fund in any way, shape, or form. He noted a number of years ago they had about \$500,000 left in the fund and the council at that time made the correct decision to not levy the tax; however, over the years, and with some recent medical issues that have come up with some of the retirees, that fund

November 14, 2011

has gotten to the point that it's starting to raise some alarm. Councilor Dawes explained that they need to start building a cushion because the city still had a few retirees that qualify for it. Ms. Lindgren added, an actuarial evaluation would be required if the city were to discontinue or reduce it. She noted the actuarial basically looked at what the total estimated liability was for the fund. Ms. Lindgren stated it was very clear just by looking at the budget that this is something they really need to do in 2012.

Councilor Pope asked how many people were covered in the firemen's pension fund. Ms. Lindgren believed they had five left in the program. She noted the LEOFF 1 firefighter retirees were accounted for in the non-departmental fund.

Councilor Spahr noted some of the pre-LEOFF retirees were in their 90's and asked what would happen with the money left in the fund once the last of the five passes on. City Attorney Hillier reported state statute allowed for it to be rolled into the general fund at that time.

Mayor Ketchum stated he understood it to be a mandatory tax and wondered if they had to take the whole 22.5 cents per thousand. City Attorney Hillier indicated it was mandatory and they couldn't cut it, but as Ms. Lindgren stated, they could get an actuarial person to come in and value it, and make the determination if there's a point when the city won't need it any more. Councilor Spahr asked how much it would cost to do the actuarial study. Ms. Lindgren noted she looked into it a few years ago and thought it was between \$10,000 and \$20,000. The council agreed it wouldn't be worth it.

Councilor Dawes thought the state did actuarial studies on all of the pension systems. He added one of the things that probably called for reinstating the tax would be if they have one of the retirees go into a nursing home, adding it would take that fund down \$100,000 a year real fast. Councilor Dawes believed now was the time to do it, and didn't want anyone to think they were doing it just to build the fund up to put into the general fund.

Ms. Lindgren reported the revenues for the enacted levy would only slightly exceed the expenditures the city is expecting to make.

Councilor Taylor noted, for clarification, for a \$100,000 home a family could expect to pay \$22.50 more a year.

Ms. Lindgren reported on some of the key items in the proposed 2012 budget. She noted the following:

- No fee increases budgeted in 2012, with the exception of the garbage fund for the organic waste disposal passes
- In-house rate study to review rates for the wastewater and water funds (budget did not reflect rate increases in the wastewater fund per Ordinance No. 881-B)
- Lodging Tax Advisory Committee recommendation still needed to be incorporated into the budget document
- City continues to fund the salaries of 1.71 full-time equivalent (FTE) police officers out of the gambling enforcement fund; however, it is projected that, in 2013, this fund will no longer be able to fund 1.71 FTEs
- New fund in the budget - 2011 General Obligation Bond Fund

Councilor Dawes asked if the loan repayment to the water and wastewater funds was plugged into the numbers yet. Ms. Lindgren indicated it was already taken into account because the repayment would happen in December 2011.

Councilor Taylor moved to pass Ordinance Nos. 883-B, 884-B, and 882-B on first reading.

Councilor Dawes seconded the motion.

Councilor Taylor asked if there were other revenue streams out there that would fund a police officer, other than the general fund. City Manager noted they could only be funded out of the general fund.

The motion carried unanimously.

8. Lodging Tax Advisory Committee (LTAC) Recommendations for 2012 Tourism Funding and Reappointment of Memberships. Councilor Harris reported they've had a few weeks to digest the information provided with regards to the recommendations of the LTAC. He stated he wanted to open it up for discussion by the council to find out where they were at.

November 14, 2011

Councilor Harris noted, from discussions he had with several of the council members, they were kind of all over the place on different things. He suggested they may need to look at it one item at a time unless someone had another idea.

Councilor Taylor asked that they take them one at a time, since he would have to recuse himself on at least one of the recommendations, adding he represents the Chehalis-Centralia Railroad and Museum.

Councilor Lund reported they talked about taking some of the funds and using them on the thing that brings in the most hotel/motel tax revenue. He noted they had a discussion at the last meeting about fixing up the ballfields because they dearly need it. Councilor Lund wondered if they should direct staff to put in a proposal to the LTAC and have a recommendation brought back to the council for consideration.

City Manager MacReynold suggested, before they begin to move through the process, it might be good for the council to hear what Mr. Nacht and staff had come up with regarding things the city could do and what the costs would be.

Mr. Nacht reported, since the last discussion, they did take a look at some of the things that would be necessary to enhance our ability to run tournaments on the fields that we have, and also the length of time in the year that those fields are playable. He stated one of the important items they identified was drainage systems, adding the fields do not drain well or properly, and over the years the ground has shifted and the playability and maintenance of them has caused a different topography on the fields. Mr. Nacht reported what to do with them was complex and they would be dealing with an estimated range of costs.

Mr. Nacht reported the first priority would be the Recreation Park fastpitch complex, adding they would have the greatest advantage to enhance the tournaments if this complex were remodeled, particularly the drainage and soil amendments on the fields. He noted the amenities at that facility, such as the restrooms, concessions, and dug outs, were important as well, but the playability of the fields was primarily centered on the drainage, soil amendments, and the maintenance of the fields during the season. Mr. Nacht stated they didn't have a specific cost, but estimated it would take somewhere in the neighborhood of \$20,000 to \$30,000 to spruce the fields up to topnotch.

Mr. Nacht suggested, with the improvements noted, they could start soliciting for tournaments earlier in the year and play on them longer. He stated if they had the maintenance staff during the season they could also groom them between games and get more games on them during the week and on the weekends.

Mr. Nacht reported the second priority would be the Stan Hedwall Park complex, which was primarily used for soccer, and by Babe Ruth, and Little League. He stated it would also benefit by drainage improvements, adding the problem they have at Stan Hedwall Park was that it's in the floodplain, so it's under water part of the year, and it's a pretty good size area. Mr. Nacht didn't have a specific cost of what it would take to do the improvements, but thought it might be in the tens of thousands of dollars. He reported they would want to take a look at what would be the best benefit, noting both the drainage systems and some level of flood protection would need to be addressed in order to make it work right.

Mr. Nacht stated they also had a number of uses for Stan Hedwall Park for large scale community venues, such as: Music in the Park or rock concerts.

Councilor Spahr asked what the recommended \$33,200 would be used for. Mr. Nacht reported the money was for what they identified it costs the division to run the tournaments during the existing year. He noted it would be used to pay umpires and referees, and on the facilities themselves, adding they have to add soil amendments every year to make them playable.

Mr. Nacht reported if they had better facilities they could have a longer playing time and could theoretically solicit more teams to the area to generate additional revenue, but there would also be some increase in the cost of doing that.

Councilor Spahr asked if the teams paid an entry fee for the tournaments. Mr. Nacht reported they did, which covers the costs for the tournament themselves, but not the upkeep of the facilities.

November 14, 2011

Councilor Harris reported the state has allowed a broader usage of the funds, including things like promotional T-shirts, awards, and trophies; however, after 2013 some of those things might not be eligible.

Councilor Taylor asked if Councilor Pope would give a status report on the field behind Olympic School that the Chehalis Foundation was working on. Councilor Pope reported they had completed the first phase, which was the engineering for the drainage system. He noted some of the money for the engineering was coming from the Foundation and there were other groups who are going to be contributing financially.

Mr. Nacht reported the city had received the permit application for the site work to develop that facility and they were currently doing the processing of that permit, which included drainage, filling, and soil amendments. He indicated a couple of years ago the city received a proposal from the Lewis County Trails Association to put in a mile-long trail around the perimeter of Stan Hedwall Park, and pledged \$35,000 towards the project. The engineering estimate for the project submitted by the Trails Association was for \$228,000. Mr. Nacht noted the project was sitting on the books and believed it was in the city's Capital Facilities Plan as an unfunded project. He suggested the walking trails and upgrades to the facilities would draw people into the community, and were activities that recreation services would support.

Mayor Ketchum inquired about the men's slowpitch fields at Stan Hedwall Park, noting back in his younger days that was like the only game in town and they were filled all summer and weekend long. He asked if they were used much anymore, besides for youth soccer. Lilly Wall reported they do have a men's "Twin Cities Slowpitch League" that use the fields during June and July. She noted they also have a coed church league and a summer coed league that use them on Friday's. Ms. Wall stated the amount of use had decreased over the years, which has been a statewide trend. She reported her goal was to make it a more multi-use facility for adults, little league and girls fastpitch.

Councilor Pope reported there was an effort being put together to build a batting facility over by W.F. West High School, adding the group working on the project was usually pretty successful in what they attempt to do. He felt there were a number of efforts to improve facilities in our community to make it a better quality of life for our kids, and in the process of doing that, it also makes our city more attractive.

Councilor Lund brought up the issue of things changing regarding the use of the funding. He felt the city should use the money while they can, and direct staff to draw up a plan to send to the committee. He noted it sounds like there's a lot of work to be done that would be advantageous to our youth.

Mayor Ketchum believed they were all in favor of fixing up the fields and to have staff look more in-depth at what it would take to upgrade Recreation Park and Stan Hedwall Park.

Councilor Spahr thought there would have to be some kind of study to analyze what could be done and what it would cost.

City Manager MacReynold stated if that was the desire of the council it would be cleaner for the administration, adding they need to keep a record because the council was giving direction back to the LTAC. He asked for a motion directing the administration to look at upgrading Stan Hedwall Park and Recreation Park.

Councilor Harris reported they had discussed the issue at the last meeting and felt the council agreed to have the administration put a proposal together to take back to the committee, adding he and other members of the LTAC got that message loud and clear. He also felt staff was aware that the council wants some kind of a program put together to where it will help the community and the ballfields. Councilor Harris stated he was looking for direction from the council, adding they had to figure out if there was a dollar amount that they want to set aside or hold back, or if they want to utilize more of the reserves. He didn't know if a motion would be necessary to direct staff to do that, or not.

Councilor Lund didn't think they could make any decisions on anything other than what the LTAC recommended. Councilor Harris reported the problem was there wouldn't be enough time before the end of the year to get a project put together to present to the committee, and still be able to include in the 2012 budget. Councilor Lund stated that was not told to them at the last meeting when they were discussing it.

November 14, 2011

Mayor Ketchum suggested they were not necessarily looking at spending the money; they just want a project brought back. He stated their job that night was to look at the recommendations from the LTAC, and where they were going to get the money for a project to come to them sometime in 2012.

Councilor Harris stated if they have a figure in their head of what they want to keep, they could slice off of what the LTAC recommended and keep enough money back to satisfy what they think they might want to put towards future city projects.

City Manager MacReynold thought the direction from the last meeting was clear, that the council was interested in what the city could do and what it would cost. He stated, based on the information provided by Mr. Nacht and staff, they were looking at a project in the range of \$30,000 for the upgrades at Recreation Park. He noted the project at Stan Hedwall was more complex and would take some analysis and time.

Councilor Spahr brought up the issue of the ownership of Stan Hedwall Park in the near future. Councilor Pope stated they had 14 years before their lease runs out with the State.

Mayor Ketchum stated in order to set aside some money to build up the reserve they were going to have to change the recommendation of the LTAC, to lower the recommended dollar amounts.

Councilor Lund stated he wanted to see something done for the kids. Councilor Harris stated the \$33,200 recommended by the LTAC for the community development department would be doing some of that by supporting the tournaments. He added that financial assistance would relieve some of the costs on actual labor that could be used for the upkeep of the facilities. Councilor Harris thought they had the right direction as far as what the council was looking for, adding everybody agreed that they want to see what they can do about improving the quality of the facilities themselves.

Councilor Lund thought the money spent on city projects should go into projects that make a difference, such as infrastructure, not for labor.

Councilor Taylor asked what the added costs would be to the city if they were able to extend the season. Mr. Nacht reported they did not go to that level of detail on the exercise performed, but they certainly could bring back a proposal that had that information in it. He suggested the \$33,200 requested was identified specifically as recreation division costs of putting on tournaments that bring people to the community. Mr. Nacht stated if they were to run a longer season he wasn't sure if it would cost significantly more, but they would have to do the exercise to find out what it would be.

Councilor Spahr asked if the funding could be amended mid-year. Councilor Harris stated it could be, after a meeting of the LTAC. Councilor Spahr stated they could talk about it all night and never get anywhere. He stated if they were to reduce all of the recommendations by 10 percent it would give them another \$16,000 in reserves, which should give them enough money to do something on Recreation Park.

Councilor Harris stated if they looked at the number of requests and the amount of money requested, most of the items had either been reduced or not funded. He reported all of the programs, as far as the LTAC was concerned, were important and crucial programs that cumulatively build the atmosphere of the city, adding he didn't want to rob Peter to pay Paul.

Councilor Lund stated all of the groups listed had been asking for money for years and wondered why they hadn't figured out how to do it without asking for the money. He quoted a former city commissioner, Bob McGandy, as saying "this isn't the Salvation Army, find it yourself." Councilor Lund stated that was kind of how he felt, and believed they should use the money to take care of the city and the kids.

Councilor Dawes suggested if there were some specific ideas and recommendations to be made, they should make them; otherwise they needed to move on. He stated he was a little concerned about spending down the reserves, adding he didn't want to take away from what they were building for next year, in case something changes and we're unable to use it for what we've used it for in the past. Councilor Dawes stated, while he thought building the ballfields was great and he didn't have any problem with that, he did have concerns about spending down the reserves.

November 14, 2011

Councilor Pope felt it would take a major effort to do something this year, so rather than take money away from what had already been recommended by the LTAC he suggested they look at the future of the money coming in, and recommended the city keep 75 percent for city facilities and distribute 25 percent elsewhere. He stated that would give staff enough time to research, plan and prioritize what projects they want to do, and know that the money will be available to do it.

Councilor Harris suggested they go through the list one by one and discuss what they would like to settle on.

Mayor Ketchum made the following recommendations in order to set aside \$25,000 for city projects:

- Veterans Memorial Museum – reduce recommendation from \$25,000 to \$20,000
- Chehalis-Centralia Railroad Museum – reduce recommendation from \$30,000 to \$20,000
- Lewis County Historical Museum – reduce recommendation from \$22,500 to \$17,500
- Chehalis Garlic Fest – reduce recommendation from \$18,000 to \$13,000

Councilor Spahr stated it was hard for him to sit there and say that the organizations should receive less, because he wasn't in on the discussions of the LTAC. He noted as far as the kids go, he felt every one of the funding recipients help kids in a lot of ways, either today or in the future. Councilor Spahr stated he would really need to hear from the committee to see how it would affect what the organizations are doing.

Councilor Harris stated it was difficult for the LTAC to come up with the numbers being presented in the first place, adding the funds the organizations receive from other places are drying up, or depleting.

Councilor Taylor stated he was contacted by three of the local hotels and they all reported the biggest draw to fill rooms in their hotels was sporting events. He wondered if there was a way they could work together with the hotels to help create more heads-in-beds.

City Manager MacReynold reported, based on the conversation, the mayor identified an additional \$25,000 by recommending some reductions. He stated if the council decides they want to proceed with priority number one, they could draw down the reserve by \$10,000 which would give them \$35,000 to focus on Recreation Park next year. City Manager MacReynold added, based on the recommendation from Councilor Pope the council could give direction to the LTAC for next year to appropriate 75 percent of the funds for city related projects, and distribute 25 percent of whatever revenue is available between the different organizations. He noted that would allow council to take on the following actions: get something done in 2012; fund a lot of the organizations that are in the mix already; and put the organizations on notice that next year it was going to be very different.

Councilor Pope made a motion that 75 percent of the money taken in for tourism tax be reserved for city projects, and 25 percent be allocated between the organizations applying for funding.

Councilor Dawes requested clarification on the motion, wanting to know if it would affect the 2012 appropriations, or 2013. Councilor Pope noted it would not affect the recommended 2012 appropriations.

Councilor Spahr asked if passed, would it be in concrete or just a goal of the city. City Manager MacReynold stated it would clearly send direction to the LTAC and the administration on how we approach funding for 2013. Councilor Harris reminded the council that it's a fluid situation, adding the council can make amendments and adjustments when necessary.

Councilor Dawes called for the question and the motion passed six to one, with Councilor Spahr voting against the motion.

Councilor Spahr moved that the council reduce each recommended appropriation by 10 percent and leave the balance of the proceeds in the ending fund balance reserve, and decide what they do with it at a later date.

Councilor Harris seconded the motion.

Mayor Ketchum didn't believe that would be enough money.

November 14, 2011

Councilor Lund made a motion to amend the motion to make it 30 percent.

Councilor Taylor noted he needed to recuse himself from voting on the motion because it included one of the organizations he represented.

Councilor Lund withdrew his motion to amend the motion.

The motion failed 2-4 with Councilor's Harris, Lund, Dawes and Mayor Ketchum voting against the motion.

Councilor Spahr moved to reduce each amount by 20 percent.

Mayor Ketchum stated he would hate to drop the amount recommended for the Chehalis Bridal Show since they were the second highest event that brings in heads-in-beds, and recommended they leave that one alone. Councilor Harris agreed.

Councilor Dawes reported he was the council representative to the Lewis County Historical Museum and having firsthand knowledge of what they're going through he would hate to see their funding reduced. He felt they were going to need what funding they get from both the county and the city to use as a seed to get things started back up. Councilor Dawes stated he also had a problem with doing a straight across the board cut.

The motion died for a lack of a second.

Councilor Spahr moved to reduce all of the recommendations by 20 percent with the exception of the Chehalis Bridal Show and the Lewis County Historical Museum.

Councilor Dawes seconded the motion.

Mayor Ketchum indicated the motion included funding for the city and felt that was a bad cut. Councilor Harris agreed.

Councilor Dawes stated he would be willing to withdraw his second to the motion.

Councilor Spahr withdrew the motion.

Councilor Pope moved to accept the recommendations of the LTAC for 2012 appropriations.

The motion was seconded by Councilor Dawes

The motion carried 4 to 2 with Mayor Ketchum and Councilor Lund voting against the motion.

City Manager MacReynold noted it appeared the council was very interested in priority number one that Mr. Nacht identified. He asked if the council would be interested in the administration proceeding down a path to put a real proposal together for that project to take to the LTAC.

Councilor Taylor moved that the city be allowed \$10,000 to help them put a proposal together for improvements at Recreation Park.

The motion was seconded by Councilor Spahr and carried unanimously.

Councilor Harris reported Lee Grimes was stepping down from his appointment on the committee, so they would have to accept another applicant from another one of the recipients of funding. Councilor Spahr asked if this was something they could do at the next meeting.

Councilor Harris stated he would like to table the reappointments to the LTAC until the next meeting.

The consensus of the council was to table the reappointments until the following meeting.

November 14, 2011

9. **Revisions to Debt Management Policy.** Ms. Lindgren reported during the process of issuing debt, it was suggested to the city that we make some updates to our debt management policy due to some post compliance issues. She noted she and City Manager MacReynold worked strenuously with the bond council to incorporate their recommendations into the policy. Ms. Lindgren reported the main focus of the amendments was in the section dealing with post-issuance compliance for tax-exempt bonds.

Ms. Lindgren noted the amended section of the policy referred back to Ordinance No. 878-B, which stated "the designated representative (City Manager), Finance Manager, and other officials of the city will do everything in their power to make sure the city does everything they are supposed to do to make sure things are copasetic."

Ms. Lindgren indicated she would report to the city manager on an annual basis to demonstrate what had been done to ensure compliance. She noted there was also a section addressing educational requirements to make sure the city stays on top of the changing rules and regulations.

Councilor Harris inquired about item number 2 under Section IV, which stated "the City Council has the overall, final responsibility for monitoring whether the City is in compliance with post-issuance federal tax requirements." City Manager MacReynold reported the administration would keep the council informed through regular reporting, as they do with other regular monthly and quarterly reporting.

Mayor Ketchum asked what would happen if they didn't sell all of the bonds. Ms. Lindgren stated she didn't anticipate that happening, adding the rating the city received made them very attractive. She reported they could always choose to not accept the contract, noting the city was not obligated to sign off on any anything unless it meets with the parameters of the ordinance approved by the council.

Councilor Spahr moved that the council adopt the Debt Management and Post Issuance Compliance Policy.

The motion was seconded by Councilor Taylor and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 8:02 p.m.

Mayor

Attest:

City Clerk


SUGGESTED MOTION


I move that the council approve the minutes of the regular city council meeting of November 14, 2011.

CITY OF CHEHALIS
AGENDA REPORT

DATE: November 16, 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 Vouchers No. 101488 through 101628 in the amount of \$165,192.16 dated November 15, 2011 and the transfer of \$87,248.21 from the General Fund, \$3,472.96 from the Tourism Fund, \$150.00 from the HUD Block Grant Fund, \$374.39 from the Garbage Fund, \$40,187.39 from the Wastewater Fund, \$30,142.63 from the Water Fund, \$2,629.56 from the Storm & Surface Water Utility Fund, and \$987.02 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the November 15, 2011 Claim Vouchers No. 101488 through 101628 in the amount of \$165,192.16.

SUGGESTED MOTION

I move to approve the November 15, 2011 Claim Vouchers No. 101488 through 101628 in the amount of \$165,192.16.

Reviewed by:  _____, City Manager

To: The Honorable Mayor and Council
 Via: Merlin MacReynold, City Manager
 From: Eva K. Lindgren, Finance Manager
 Date: November 21, 2011
 Subject: Monthly Financial Reports for October

**City of Chehalis
 Comparative Financial Reports
 October 2010 and 2011**

GENERAL FUND (#001) REVENUES	A October 2010		B October 2010		C=B/A		D October 2011		E Actual		F=E/D		G Expected % Rec'd*		H^ Var'nc f'm Expected		I=F-G % Variance	
	Budget	Actual	% Rec'd	Budget	Actual	% Rec'd	Budget	Actual	% Rec'd	Expected % Rec'd*	Var'nc f'm Expected	% Variance						
General Property Taxes	1,212,580	684,037	56.4%	1,219,000	694,894	57.0%	1,219,000	694,894	57.0%	83.3%	(320,939)	-26.3%						
EMS Property Taxes	230,920	130,921	56.7%	233,000	133,018	57.1%	233,000	133,018	57.1%	83.3%	(61,149)	-26.2%						
Sales & Use Tax	3,300,000	2,522,582	76.4%	3,000,000	2,559,900	85.3%	3,000,000	2,559,900	85.3%	83.3%	59,900	2.0%						
Electricity Tax	400,000	301,502	75.4%	375,000	315,642	84.2%	375,000	315,642	84.2%	83.3%	3,142	0.9%						
Gas/Natural Gas Tax	284,000	197,896	69.7%	253,000	201,150	79.5%	253,000	201,150	79.5%	83.3%	(9,683)	-3.8%						
Criminal Justice Tax	100,000	73,455	73.5%	92,000	75,415	82.0%	92,000	75,415	82.0%	83.3%	(1,252)	-1.3%						
Interfund Water/Sewer Tax	328,200	279,647	85.2%	350,000	272,269	77.8%	350,000	272,269	77.8%	83.3%	(19,398)	-5.5%						
Garbage Tax	65,000	47,157	72.5%	65,000	58,453	89.9%	65,000	58,453	89.9%	83.3%	4,286	6.6%						
Cable Tax	80,000	107,496	134.4%	80,000	90,650	113.3%	80,000	90,650	113.3%	83.3%	23,983	30.0%						
Telephone Tax	335,000	259,749	77.5%	335,000	262,232	78.3%	335,000	262,232	78.3%	83.3%	(16,935)	-5.0%						
Leasehold Excise Tax	34,000	25,720	75.6%	35,000	26,448	75.6%	35,000	26,448	75.6%	83.3%	(2,719)	-7.7%						
Other Taxes	0	0	N/A	0	27	N/A	0	27	N/A	83.3%	27	N/A						
Total Tax Revenues	\$6,369,700	\$4,630,162	72.7%	\$6,037,000	\$4,690,098	77.7%	\$6,037,000	\$4,690,098	77.7%	83.3%	(\$340,735)	-5.6%						
Licenses & Permits	66,080	55,170	83.5%	120,200	65,823	54.8%	120,200	65,823	54.8%	83.3%	(34,344)	-28.5%						
Intergov't: Grants/Entitlements	432,650	344,908	79.7%	337,414	265,793	78.8%	337,414	265,793	78.8%	83.3%	(15,385)	-4.5%						
Charges for Goods and Svcs.	1,052,589	881,647	83.8%	779,094	649,359	83.3%	779,094	649,359	83.3%	83.3%	114	0.0%						
Fines and Forfeitures	96,360	90,656	94.1%	147,824	131,710	89.1%	147,824	131,710	89.1%	83.3%	8,523	5.8%						
Interest Earnings	28,200	15,093	53.5%	18,800	8,445	44.9%	18,800	8,445	44.9%	83.3%	(7,222)	-38.4%						
Rents & Royalties	64,215	58,497	91.1%	64,200	57,820	90.1%	64,200	57,820	90.1%	83.3%	4,320	6.8%						
Donations/Contributions	36,969	20,801	56.3%	102,599	99,298	96.8%	102,599	99,298	96.8%	83.3%	13,799	13.5%						
Misc. Revenue/Insurance	3,000	4,804	160.1%	10,918	11,439	104.8%	10,918	11,439	104.8%	83.3%	2,341	21.5%						
Non-Revenues	3,958	4,858	122.7%	5,500	3,488	63.4%	5,500	3,488	63.4%	83.3%	(1,095)	-19.9%						
Total Non-Tax Revenues	1,784,021	1,476,434	82.8%	1,586,549	1,293,175	81.5%	1,586,549	1,293,175	81.5%	83.3%	(\$28,949)	-1.8%						
Proceeds of Long-Term Debt	1,131,362	0	0.0%	1,131,362	0	0.0%	1,131,362	0	0.0%	83.3%	(942,802)	-83.3%						
Operating Transfers-In	50,000	37,500	75.0%	24,000	18,000	75.0%	24,000	18,000	75.0%	83.3%	(2,000)	-8.3%						
Total Other Financing Sources	1,181,362	37,500	3.2%	1,155,362	18,000	1.6%	1,155,362	18,000	1.6%	83.3%	(\$944,802)	-81.7%						
TOTALS	\$9,335,083	\$6,144,096	65.8%	\$8,778,911	\$6,001,273	68.4%	\$8,778,911	\$6,001,273	68.4%	83.3%	(\$1,314,486)	-14.9%						

Key:
 * The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 is divided by 12-the number of months in the year.
 ^To calculate the dollar variance between expected and actual expenditures, the following formula is used:
 H=(D*G) - E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

City of Chehalis
Comparative Financial Reports
October 2010 and 2011

GENERAL FUND (#001) EXPENDITURES	A October 2010		B October 2011		C=B/A		D October 2011		E		F=E/D		G		H^ Var'nc frm Expected		I=G-F % Variance	
	Budget	Actual	Budget	Actual	Exp'd	%	Budget	Actual	Actual	Exp'd	%	Exp'd	% Exp*	Expected	Expected	%	Variance	
City Council	97,431	75,472	77.5%	101,063	82,639	81.8%	83.3%	1,580	1.5%									
Municipal Court	325,256	255,959	78.7%	334,798	259,295	77.4%	83.3%	19,703	5.9%									
City Manager	351,343	287,950	82.0%	323,204	270,830	83.8%	83.3%	(1,493)	-0.5%									
Finance	496,314	415,229	83.7%	317,680	256,739	80.8%	83.3%	7,994	2.5%									
City Clerk	95,912	75,471	78.7%	91,305	74,497	81.6%	83.3%	1,591	1.7%									
Non-Departmental	1,534,163	279,423	18.2%	1,542,687	234,027	15.2%	83.3%	1,051,546	68.1%									
Human Resources	140,962	104,369	74.0%	130,530	116,572	89.3%	83.3%	(7,797)	-6.0%									
Police	2,403,537	1,999,050	83.2%	2,269,433	1,792,783	79.0%	83.3%	98,411	4.3%									
Fire	1,913,269	1,525,780	79.7%	1,766,840	1,426,442	80.7%	83.3%	45,925	2.6%									
Public Works - Streets	615,696	452,150	73.4%	464,160	324,380	69.9%	83.3%	62,420	13.4%									
Public Works - Engineering	289,837	245,157	84.6%	138,813	96,696	69.7%	83.3%	18,982	13.6%									
Community Development	1,560,275	1,269,651	81.4%	1,218,672	1,011,851	83.0%	83.3%	3,709	0.3%									
TOTALS	\$9,823,995	\$6,985,661	71.1%	\$8,699,185	\$5,946,751	68.4%	83.3%	1,302,570	14.9%									
Net Budget/Income/Variance:											(\$488,912)	(\$841,565)	\$79,726	\$54,522	(\$11,916)	0.0%		

Key:

* The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 is divided by 12-the number of months in the year.
 ^To calculate the dollar variance between expected and actual expenditures, the following formula is used:
 H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

- (1) Property taxes are not collected evenly throughout the year.
- (2) Proceeds from the G.O. bond issuance will be received in early December.
- (3) Interfund loans will be repaid only once the proceeds from the G.O. bond issuance have been received.

City of Chehalis
Comparative Financial Reports
October 2010 and 2011

	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	% Rec'd	% Rec'd*	Var'nc frm Expected	% Rec'd	% Rec'd*	Var'nc frm Expected	% Variance	Var'nc frm Expected	% Variance	
WASTEWATER FUND (#404)																		
REVENUES																		
Wastewater Fees	3,510,208	2,845,839	81.1%	81.1%	3,338,552	2,781,961	83.3%	83.3%	(166)	0.0%								
Sewer Connection/Misc. Fees	70,000	49,891	71.3%	71.3%	35,000	15,836	45.2%	45.2%	(13,331)	-38.1%								
Rentals	3,750	3,750	100.0%	100.0%	3,750	3,750	100.0%	100.0%	625	16.7%								
Misc. Revenues/Insurance	2,500	2,744	109.8%	109.8%	2,500	8,706	348.2%	348.2%	6,623	264.9%								
Interfund Principal Repayment	565,681	0	0.0%	0.0%	565,681	0	N/A	N/A	(471,401)	-83.3%								
Proceeds frm Sale of Capital Assets	54,000	17,760	32.9%	32.9%	16,000	16,079	100.5%	100.5%	2,746	17.2%								
Interest Earnings																		
Totals:	\$4,206,139	\$2,923,652	69.5%	69.5%	\$3,961,483	\$2,826,332	71.3%	71.3%	(\$474,904)	-12.0%								

	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	% Exp'd	% Exp'd	Expected % Exp*	Expected % Exp*	Var'nc frm Expected	% Variance	Var'nc frm Expected	% Variance
WASTEWATER FUND (#404)																		
EXPENSES																		
Operating Expenses	2,292,351	1,938,941	84.6%	84.6%	2,427,364	1,982,098	81.7%	81.7%	40,705	1.6%								
Capital Outlay	70,000	30,718	43.9%	43.9%	290,000	108,073	37.3%	37.3%	133,594	46.0%								
Debt Principal	1,737,660	1,041,630	59.9%	59.9%	1,685,894	1,001,121	59.4%	59.4%	403,790	23.9%								
Interest Expense	59,481	57,680	97.0%	97.0%	50,166	48,486	96.7%	96.7%	(6,681)	-13.4%								
Totals:	\$4,159,492	\$3,068,969	73.8%	73.8%	\$4,453,424	\$3,139,778	70.5%	70.5%	\$571,408	12.8%								

Net Budget/Income/Variance: \$46,647 (\$145,317)

(\$491,941) (\$313,446)

\$96,504 0.8%

Key:

* The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 is divided by 12-the number of months in the year.
^To calculate the dollar variance between expected and actual expenditures, the following formula is used:
H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

- (1) Interfund loans will be repaid only once the proceeds from the G.O. bond issuance have been received.
- (2) Capital expenditures are not made evenly throughout the year.
- (3) Debt is not paid evenly throughout the year.

**City of Chehalis
Comparative Financial Reports
October 2010 and 2011**

WATER FUND (#405) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	October 2010		October 2011		%		Budget		Actual		Rec'd		Expected % Rec'd*		Var'nc frm Expected		Variance	
	Budget	Actual	Budget	Actual	Rec'd	N/A	Budget	Actual	Rec'd	Actual	Rec'd	%	Expected %	Expected	Actual	Expected	%	
Intergovernmental Revenues	0	0	14,520	14,520	N/A	14,520	14,520	100.0%	14,520	100.0%	83.3%	83.3%	2,420	2,420	83.3%	16.7%		
Water Sales	2,298,896	1,977,108	2,541,852	2,087,011	86.0%	2,541,852	2,087,011	82.1%	2,087,011	82.1%	83.3%	83.3%	(31,199)	(31,199)	83.3%	-1.2%		
Water Connection/Misc. Fees	200,000	48,378	26,000	40,467	24.2%	26,000	40,467	155.6%	40,467	155.6%	83.3%	83.3%	18,800	18,800	83.3%	72.3%		
Interfund Principal Repayment	565,681	0	565,681	0	0.0%	565,681	0	0.0%	0	0.0%	83.3%	83.3%	(471,401)	(471,401)	83.3%	-83.3%		
Misc. Revenues/Insurance	0	115	0	1,274	N/A	0	1,274	N/A	1,274	N/A	83.3%	83.3%	1,274	1,274	83.3%	N/A		
Interest Earnings	14,000	882	16,000	8,144	6.3%	16,000	8,144	50.9%	8,144	50.9%	83.3%	83.3%	(5,189)	(5,189)	83.3%	-32.4%		
Proceeds frm Sale of Capital Assets	0	1,692	0	0	N/A	0	0	N/A	0	N/A	83.3%	83.3%	0	0	83.3%	N/A		
Totals:	\$3,078,577	\$2,028,175	\$3,164,053	\$2,151,416	65.9%	\$3,164,053	\$2,151,416	68.0%	\$2,151,416	68.0%	83.3%	83.3%	(\$485,295)	(\$485,295)	83.3%	-15.3%		

(1)

WATER FUND (#405) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	October 2010		October 2011		%		Budget		Actual		Exp'd		Expected % Exp*		Var'nc frm Expected		Variance	
	Budget	Actual	Budget	Actual	Exp'd	N/A	Budget	Actual	Exp'd	Actual	Exp'd	%	Expected %	Expected	Actual	Expected	%	
Operating Expenses	1,803,191	1,554,010	1,940,075	1,522,458	86.2%	1,940,075	1,522,458	78.5%	1,522,458	78.5%	83.3%	83.3%	94,271	94,271	83.3%	4.8%		
Capital Outlay	577,000	430,980	320,768	196,293	74.7%	320,768	196,293	61.2%	196,293	61.2%	83.3%	83.3%	71,014	71,014	83.3%	22.1%		
Debt Principal	127,464	129,077	129,077	129,077	101.3%	129,077	129,077	100.0%	129,077	100.0%	83.3%	83.3%	(21,513)	(21,513)	83.3%	-16.7%		
Interest Expense	28,725	28,862	26,496	26,496	100.5%	26,496	26,496	100.0%	26,496	100.0%	83.3%	83.3%	(4,416)	(4,416)	83.3%	-16.7%		
Totals:	\$2,536,380	\$2,142,929	\$2,416,416	\$1,874,324	84.5%	\$2,416,416	\$1,874,324	77.6%	\$1,874,324	77.6%	83.3%	83.3%	\$139,356	\$139,356	83.3%	5.7%		

Net Budget/Income/Variance: \$542,197 (\$114,754) \$747,637 \$277,092 (\$345,939) -9.6%

Key:

* The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

(1) Interfund loans will be repaid only once the proceeds from the G.O. bond issuance have been received.

**City of Chehalis
Comparative Financial Reports
October 2010 and 2011**

	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd*	Var'nc Expected	Var'nc Expected	%	Variance		
STORM FUND (#406) REVENUES																		
Storm & Surface Water Fees	402,500	333,690	401,500	336,238	82.9%	83.7%	401,500	336,238	83.3%	83.3%	83.3%	83.3%	1,655	1,655	0.4%	0.4%		
Storm Connection/Misc. Fees	24,000	5,090	10,000	489	21.2%	4.9%	10,000	489	83.3%	4.9%	83.3%	83.3%	(7,844)	(7,844)	-78.4%	-78.4%		
Interest Earnings	1,500	0	500	245	0.0%	49.0%	500	245	83.3%	49.0%	83.3%	83.3%	(172)	(172)	-34.3%	-34.3%		
Misc. Revenues/Insurance	0	0	0	398	N/A	N/A	0	398	83.3%	N/A	83.3%	83.3%	398	398	N/A	N/A		
Totals:	\$428,000	\$338,780	\$412,000	\$337,370	79.2%	81.9%	\$412,000	\$337,370	83.3%	81.9%	83.3%	83.3%	(\$5,963)	(\$5,963)	-1.4%	-1.4%		

	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	Budget	Actual	% Exp'd	% Exp*	Var'nc Expected	Var'nc Expected	%	Variance		
STORM FUND (#406) EXPENSES																		
Operating Expenses	376,541	286,751	363,139	252,343	76.2%	69.5%	363,139	252,343	83.3%	69.5%	83.3%	83.3%	50,273	50,273	13.8%	13.8%		
Capital Outlay	73,000	41,866	0	3,464	57.4%	N/A	0	3,464	83.3%	N/A	83.3%	83.3%	(3,464)	(3,464)	N/A	N/A		
Totals:	\$449,541	\$328,617	\$363,139	\$255,807	73.1%	70.4%	\$363,139	\$255,807	83.3%	70.4%	83.3%	83.3%	\$46,809	\$46,809	12.9%	12.9%		

Net Budget/Income/Variance: (\$21,541) \$10,163 \$48,861 \$81,563 \$40,846 11.5%

Key:

* The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

RECOMMENDATION/COUNCIL ACTION DESIRED

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

Received by  , City Manager

CITY OF CHEHALIS
AGENDA REPORT

DATE: November 15, 2011
TO: The Honorable Mayor and City Council
FROM: Lodging Tax Advisory Committee
Councilor Terry Harris (Chair)
SUBJECT: Lodging Tax Advisory Committee Appointment

ISSUE

At the regular meeting of November 14, 2011, the council elected to table the reappointment of the Lodging Tax Advisory Committee (LTAC) members, whose terms expire at the end of November and therefore the council needs to consider reappointment of the memberships.

DISCUSSION

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 lodging tax advisory 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 and 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. The administration has received an application from the new director of the Veterans Memorial Museum, Charles "Chip" Duncan, requesting to be appointed to the committee.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends the appointment of Charles "Chip" Duncan, and the reappointments of Rick Burchett, Todd Chaput, Natalie Ketchum, Debbie Knapp, and Satpal Sohal, to the city's Lodging Tax Advisory Committee.

SUGGESTED MOTION

I move that the council appointment Charles "Chip" Duncan, and reappoint Rick Burchett, Todd Chaput, Natalie Ketchum, Debbie Knapp, and Satpal Sohal to the city's Lodging Tax Advisory Committee.

Reviewed by:  _____, City Manager

City of Chehalis APPLICATION FOR APPOINTMENT

Date 11/18/2011

(The city of Chehalis accepts applications from anyone residing in the city limits of Chehalis, who meet the required criteria for each Board, Commission or Committee. Please see below the corresponding RCW, CMC or Resolution for appointment criteria. For more information contact city clerk at 360-345-1042)

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

- checkbox Airport Board (RCW 14.08)
checkbox Sister City Committee (CMC 2.80)
checkbox Lodging Tax Advisory Committee (Resolution 1-98)
checkbox Planning Commission (CMC 2.48)
checkbox Historic Preservation Commission (CMC 2.66)
checkbox Library Board (RCW 27.12)
checkbox Civil Service Commission (CMC 2.56 and RCW 41.08-Fire, RCW 41.12-Police)
checkbox Other

Please print

Name CHARLES "CHIP" DUNCAN

Present employer VETERANS MEMORIAL MUSEUM

Employer address 100 SW VETERANS WAY CHEHALIS Phone No. 360-740-8875

Fax No. 360-740-8913 E-mail VM@COMPPRIME.COM

Home address 122 Fir Dr, CHEHALIS WA Home Phone No. 360-748-4205

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

If yes, please explain

Date available for appointment JANUARY 2012

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

Approximately how many hours each month can you devote to city business? 1-2 Hours

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

CURRENT DIRECTOR OF THE VETERANS MEMORIAL MUSEUM, REQUESTING APPOINTMENT TO ENSURE PROPER DISTRIBUTION OF LODGING TAXES TO PROMOTE TOURISM IN THE CITY OF CHEHALIS

Signature [Handwritten Signature] Bob

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

Please indicate where you wish meeting information to be mailed and how you would like to be reminded of meetings (e.g., phone, e-mail, cell phone) BY MAIL AT THE VETERANS MEMORIAL MUSEUM

CITY OF CHEHALIS

AGENDA REPORT

DATE: November 22, 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 second and final 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 second and final 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 28th 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: Eva Lindgren, Finance Manager
DATE: November 22, 2011
SUBJECT: **Ordinances 883-B and 884-B - Adoption of Tax Levies, Second Reading**

ISSUE

Two ordinances have been prepared in connection with levying property taxes for collection in 2012 and are being presented for the second of two required readings.

DISCUSSION

Ordinance No. 883-B establishes the city's levies of ad valorem taxes (i.e., property taxes) for general operations; 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; and EMS levy for next year compared to this year.

As noted for the first reading of these ordinances, 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.

In accordance with instructions from the Lewis County Assessor's Office, the re-instated firefighters' pension tax levy is being rolled into the general operations levy in the attached levy ordinances.

The general property tax levy will increase primarily from the inclusion of the levy for the firefighters' pension. However, a small portion of the increase is attributable to the estimated value of new construction, improvements to property, any increase in the value of state assessed property, and any refunds made this year. The city will use \$144,000 of its banked capacity to take care of its firefighter pension obligations. This is 39.0% of the City's legally available banked levy capacity of \$369,627.

The tax rates for 2012 will be approximately \$2.113 for the general levy (including the portion associated with firefighters' pensions), and \$0.361 for the EMS levy per \$1,000 of assessed value. The rates for 2011 were \$1.886, and \$0.361 per \$1,000 of assessed value for the general levy, and the EMS levy, respectively.


RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council pass Ordinances 883-B and 884-B on the second of two required readings.

SUGGESTED MOTIONS

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

I move that the council pass Ordinance No. 884-B on second 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 Three Hundred Forty-Nine Thousand Dollars (\$1,349,000).

Section 2. The amount of revenue to be raised by ad valorem taxes during 2012 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 28th day of November, 2011, on second 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 and Emergency Medical Services (EMS) levies were \$1,192,344; 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 Three Hundred Forty-Nine Thousand Dollars (\$1,349,000), which is an increase of One Hundred and Forty-Four Thousand Dollars (\$144,000) and Ten and Seven-Tenths Percent (10.7%) 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 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 28th day of November, 2011, on second 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 21, 2011
SUBJECT: **Ordinance 882-B – 2012 Budget Adoption, Second Reading**

ISSUE

Ordinance 882-B is being presented to the City Council for the purpose of adopting the 2012 Budget on its second and final reading. The two levy ordinances reflected in this budget are being presented to the Council concurrently.

DISCUSSION

At the November 14th meeting, the City Council passed the Ordinance 882.-B, on its first reading. Subsequently, the following changes were made:

- The Wastewater Fund's revenues were increased by \$40,444 to reflect the new rates to be charged to Lewis County Water and Sewer District #4 and the City of Napavine in 2012. This rate change was passed by the City Council at the November 14th meeting.
- In light of the results of the successful bond issuance, the 2012 Budget was adjusted to reflect the reduced debt 2012 service costs from original estimates. The adjusted budget takes into account that, at December 31, 2011, \$4,720 will remain in the 2011 G.O. Bond Fund after all debt issuance costs have been paid. Additionally, lower interest rates have also resulted in a reduction of transfers in to the 2011 G.O. Bond Fund. In total, transfers in from the General Fund, the 1st Quarter REET Fund, and the 2nd Quarter REET Fund have been reduced by \$13,115.

Since the City Council approved the Lodging Tax Advisory Committee's recommendations as presented in the draft 2012 Budget, at the November 14, 2012 City Council meeting, no changes were made to amounts budgeted in the Tourism Fund.

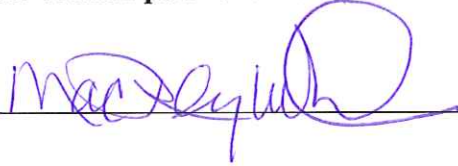
In Ordinance 882-B presented here for its second and final reading, the total estimated ending fund balance for the City of Chehalis has been increased by \$53,559 from \$5,409,911 to \$5,463,470.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends passage of Ordinances 882-B, on second and final reading.

SUGGESTED MOTIONS

I move that the council pass Ordinance No. 882-B, on second and final 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 2012, and by this reference said Exhibit "A," showing a total estimated ending fund balance of \$5,463,470 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. It is not subject to referendum and shall be in force and take effect five (5) days after its publication, according to law.

PASSED by the City Council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this 28th day of November, 2011, on its second and final reading.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

**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	23,640	729,124
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	4,270	0	94,560	98,830	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	40,188	137,818
2nd Quarter REET Fund	50,659	35,075	0	0	30,732	55,002
Wastewater Fund	2,197,974	3,439,749	0	4,917,632	0	720,091
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	7,526,380	14,465,520	127,560	16,528,430	127,560	5,463,470

**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager
DATE: November 21, 2011
**SUBJECT: Ordinance No. 885-B Amending Chapter 5.16 of the CMC (Lodging Taxes)
and repealing Ordinance No. 640-B**

ISSUE

In 1998, the City Council passed Ordinance 640-B levying a special excise tax (i.e. a lodging tax) of “four percent” on the sale or charge for furnishing the lodging by any hotel, rooming house, tourist court, motel, or trailer camp, and the granting of similar license to use real property; establishing a fund to receive the tax proceeds; establishing penalties and repealing prior ordinances; and establishing an effective date.

DISCUSSION

The existing language in Chapter 5.16 of the CMC is confusing. Ordinance 885-B separates the two distinct 2% excise taxes and clarifies their differences. In addition, Section 8 protects the City’s interests in the event a portion of this chapter should become invalid.

RECOMMENDATION/COUNCIL ACTION DESIRED

The Administration recommends that the Council pass Ordinance No. 885-B, on first reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 885-B, on first reading.

Reviewed  _____ City Manager

ORDINANCE NO. 885-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,
AMENDING CHAPTER 5.16 OF THE CMC; REPEALING ORDINANCE
NO. 640-B PASSED THE 23RD DAY OF NOVEMBER, 1998; AND
PROVIDING FOR AN EFFECTIVE DATE HEREOF.**

WHEREAS, the City Council of the City of Chehalis passed Ordinance 640-B on the 23rd day of November, 1998, levying a special excise tax of four percent on the sale or charge made for the furnishing of lodging by any hotel, rooming house, tourist court, motel or trailer camp, and the granting of any similar license to use real property; establishing a special fund for the tax; providing penalties for nonpayment of the tax for violation of the requirements of the tax; repealing prior ordinances and establishing an effective date; and

WHEREAS, the City is desirous of incorporating language to address the two separate components of the tax, now, therefore,

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

Section 1 Chapter 5.16.010 of the Chehalis Municipal Code shall be, and the same hereby is, amended to read as follows:

5.16.010 Taxes levied.

There is levied a basic special excise tax of two percent and an additional special excise tax of two percent of the charge made for the furnishing of lodging that is subject to tax under Chapter 82.08 RCW. The taxes imposed under Chapter 82.08 RCW applies to the sale of or charge made for the furnishing of lodging by a hotel, rooming house, tourist court, motel, or trailer camp, and the granting of any similar license to use real property, as distinguished from the renting or leasing of real property. It shall be presumed that the occupancy of real property for a continuous period of one month or more constitutes a rental or lease of real property and not a mere license to use or to enjoy the same.

Section 2 Chapter 5.16.020 of the Chehalis Municipal Code shall be, and read as follows:

5.16.020 Definitions.

The definitions of "selling price," "seller," "buyer," "consumer," and all other definitions as are now contained in RCW 82.08.010, and subsequent amendments thereto, are adopted as the definitions of the tax levied in this chapter.

Section 3 Chapter 5.16.030 of the Chehalis Municipal Code shall be, and the same hereby is, amended to read as follows:

5.16.030 Additional tax levied – Basic.

The basic tax levied in this chapter shall be in addition to any license fee or any other tax imposed or levied under any law or any other ordinance of the city; provided the first 2% of the tax will result in an equivalent credit against the state sales and use taxes collected by the State of Washington, ensuring the customer pays no additional tax on the sales of lodging, as a result of the imposition of this basic tax.

Section 4 Chapter 5.16.040 of the Chehalis Municipal Code shall be, and the same hereby is, amended to read as follows:

5.16.040 Additional tax levied – Additional.

The additional tax levied in this chapter shall be in addition to any license fee or any other tax imposed or levied under any law or any other ordinance of the city; it is not offset by a credit to state sales and use taxes.

Section 5 Chapter 5.16.050 of the Chehalis Municipal Code shall be, and the same hereby is, amended to read as follows:

5.16.050 Establishment of special fund.

There is created a special fund, the Tourism Fund, in the treasury of the city and all taxes collected under this chapter shall be placed in this special fund to be used solely for the purpose of paying all or any part of the cost of tourist promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities or to pay for any other uses as authorized in Chapter 67.28 RCW, as now or hereafter amended.

Section 6 Chapter 5.16.060 of the Chehalis Municipal Code shall be, and the same hereby is, amended to read as follows:

5.16.060 Administration and collection.

For the purposes of the tax levied in this ordinance:

A. The Department of Revenue is designated as the agent of the city for the purposes of collection and administration of the tax.

B. The administrative provisions contained in RCW 82.08.050 through 82.08.064 and in Chapter 82.32 RCW shall apply to administration and collection of the tax by the Department of Revenue.

C. All rules and regulations adopted by the Department of Revenue for the administration of Chapter 82.08 RCW are adopted by reference.

D. The Department of Revenue is authorized to prescribe and utilize such forms and reporting procedures as the Department may deem necessary and appropriate.

Section 7 Chapter 5.16.070 of the Chehalis Municipal Code shall be, and the same hereby is, established to read as follows:

5.16.070 Violation -- Penalty.

It is unlawful for any person, firm, or corporation to violate or fail to comply with any of the provisions of this ordinance. Every person convicted of a violation of any provisions of this ordinance shall be punished by a fine in a sum not to exceed five hundred dollars. Each day of violation shall be considered a separate offense.

Section 8 Chapter 5.16.080 of the Chehalis Municipal Code shall be, and the same hereby is, established to read as follows:

5.16.080 Severability clause.

The invalidity of any article, subsection, provision, clause, or portion of this chapter or of the statutes adopted by reference herein, or the invalidity of the application thereof to any person or circumstance, shall not affect the validity of the remainder of this ordinance or the validity of its application to other persons or circumstances, and all other articles, sections, subsections, provisions, clauses, or portions of this ordinance or the statutes adopted by reference herein not expressly held to be invalid, shall continue in full force and effect.

Section 9 Chapter 5.16.090 of the Chehalis Municipal Code shall be, and the same hereby is, established to read as follows:

5.16.090 Repeal.

Ordinance No. 640-B, passed the 23rd day of November, 1998, codified as Chapter 5.16 of the Chehalis Municipal Code, shall be, and the same hereby is, repealed.

Section 10 Chapter 5.16.100 of the Chehalis Municipal Code shall be, and the same hereby is, established to read as follows:

5.16.100 Effective Date.

The effective date of this ordinance shall be the _____ of _____, 2011

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

**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager
DATE: November 22, 2011
SUBJECT: Budget Amendment Ordinance 886-B; First Reading

ISSUE

Ordinance 886-B amending the 2011 budget is hereby submitted to reflect the changes in estimates and the actual activity of the city. It is required in order to ensure compliance with appropriation requirements.

DISCUSSION

The attached spreadsheet provides detailed information on a line-by-line basis, as well as summary information of the proposed budget amendment.

The following listing highlights the more significant changes:

- The General Fund's estimated 2011 beginning fund balance is increased by \$32,255 to \$615,991, in order to reflect the actual amount.
- The Lodging Tax Advisory Committee's recommendation that the City of Chehalis' recreation program be awarded \$20,000 towards tournaments was previously approved by the City Council. This budget amendment amends both the Tourism Fund's and General Fund's budgets, accordingly.
- In order to preserve funds for 2012 projects, transfers out of the Public Facilities Reserve Fund to the General Fund are being reduced by \$6,000, from \$24,000 to \$18,000.
- The 2011 General Obligation Bond Fund was established in October with the passage of Ordinance 878-B. This budget amendment acknowledges that proceeds from the debt issuance are to be deposited to both the General Fund and the 2011 G.O. Bond Fund. This amendment budgets for bond proceed revenues and debt issuance expenditures in the fund.

The administration has drafted Ordinance No. 886-B that will result in city-wide net increases to both revenues and appropriations to the 2011 budget for all the items listed above and attached. The net increases total \$47,070 and \$48,058 for revenues and transfers in; and expenditures and transfers out, respectively. The ordinance is presented for passage on the first of two required readings.

RECOMMENDATION/COUNCIL ACTION DESIRED

The Administration recommends that the council pass Ordinance No. 886-B on first reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 886-B on first reading.

Reviewed  City Manager

ORDINANCE NO. 886-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING THE ANNUAL BUDGET OF THE CITY FOR THE CALENDAR YEAR 2011, BY INCREASING APPROPRIATIONS OF THE TOURISM FUND IN THE SUM OF TWENTY THOUSAND DOLLARS (\$20,000); GAMBLING ENFORCEMENT FUND IN THE SUM OF TWENTY THOUSAND NINE HUNDRED THIRTY-SIX DOLLARS (\$20,936); AND THE 2011 G.O. BOND FUND IN THE SUM OF TWENTY-EIGHT THOUSAND THREE HUNDRED DOLLARS (\$28,300); BY DECREASING APPROPRIATIONS OF THE GENERAL FUND IN THE SUM FIFTEEN THOUSAND ONE HUNDRED SEVENTY-EIGHT DOLLARS (\$15,178); AND THE PUBLIC FACILITIES RESERVE FUND IN THE SUM OF SIX THOUSAND DOLLARS (\$6,000); AND DIRECTING THE FINANCE MANAGER TO EFFECT THE BUDGET AMENDMENTS HEREIN PROVIDED.

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

Section 1. The annual budget of the city for the calendar year 2011 shall be, and the same hereby is, amended so as to increase the General Fund's estimated beginning fund balance to \$615,991; increase revenues by \$20,500; decrease transfers in by \$6,000 and decrease expenditures by \$15,178. The annual budget of the city for the calendar year 2011 shall be, and hereby is amended to decrease appropriations of the General Fund in the sum of fifteen thousand one hundred and seventy-eight dollars (\$15,178).

Section 2. The annual budget of the city for the calendar year 2011 shall be, and the same hereby is, amended so as to increase the Tourism Fund's expenditures by \$20,000. The annual budget of the city for the calendar year 2011 shall be, and hereby is amended to increase appropriations of the Tourism Fund in the sum of twenty thousand dollars (\$20,000).

Section 3. The annual budget of the city for the calendar year 2011 shall be, and the same hereby is, amended so as to increase the Gambling Enforcement Fund's expenditures by \$20,936. The annual budget of the city for the calendar year 2011 shall be, and hereby is amended to increase appropriations of the Gambling Enforcement Fund in the sum of twenty thousand nine hundred thirty-six dollars (\$20,936).

Section 4. The annual budget of the city for the calendar year 2011 shall be, and the same hereby is, amended so as to increase the 2011 G.O. Bond Fund's revenues by \$32,570; and increase expenditures by \$28,300. The annual budget of the city for the calendar year 2011 shall be, and hereby is amended to increase appropriations of the Public Facility Reserve Fund in the sum of

twenty-eight thousand three hundred dollars (\$28,300).

Section 5. The annual budget of the city for the calendar year 2011 shall be, and the same hereby is, amended so as to decrease the Public Facility Reserve Fund's transfers out by \$6,000. The annual budget of the city for the calendar year 2011 shall be, and hereby is amended to decrease appropriations of the Public Facility Reserve Fund in the sum of six thousand dollars (\$6,000).

Section 6. Attached hereto and identified as Exhibit A, in summary form, are the total of estimated revenues, transfers in, expenditures, and transfers out for each separate fund and the aggregate totals for all such funds combined for the city for 2011 for the amended 2011 budget as well as the budget as amended by Ordinance No. 886-B. The Exhibit A, as amended, shows a total estimated ending fund balance of \$7,144,473.

PASSED by the city council of the City of Chehalis, Washington, and **APPROVED** on its first reading by its mayor, at a regularly scheduled open public meeting thereof this 28th day of November, 2011.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

Exhibit A
CITY OF CHEHALIS AMENDED 2011 BUDGET
2011 Budget Summary - Revised with Ordinance 875-B
All Funds

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expenditures	Operating Transfers Out	Est. End. Fund Balance
General Fund	583,736	8,754,911	24,000	8,699,185	0	663,462
Arterial Street Fund	56,203	174,134	0	229,183	0	1,154
Tourism Fund	86,502	153,000	0	165,900	0	73,602
Compensated Absence Fund	57,268	150	0	55,810	0	1,608
Community Dev. Block Grant Fund	178	0	0	0	0	178
HUD Block Grant Fund	313,193	1,500	0	2,500	0	312,193
Gambling Enforcement	445,428	0	0	165,000	0	280,428
Public Facilities Reserve Fund	46,867	23,444	0	0	24,000	46,311
Automotive/Equip. Res. Fund	33,627	100	0	0	0	33,727
1st Quarter REET Fund	149,259	38,550	0	40,000	0	147,809
2nd Quarter REET Fund	55,796	38,250	0	40,000	0	54,046
Wastewater Fund	2,442,140	3,961,483	0	4,453,424	0	1,950,199
Water Fund	1,956,382	3,164,053	0	2,416,416	0	2,704,019
Storm & Surface Water Fund	307,535	412,000	0	363,139	0	356,396
Garbage Fund	16,485	5,740	0	12,845	0	9,380
Firemen's Pension Fund	297,688	13,750	0	135,000	0	176,438
City Agency Fund	302,256	0	0	0	0	302,256
TOTALS	7,150,543	16,741,065	24,000	16,778,402	24,000	7,113,206

CITY OF CHEHALIS AMENDED 2011 BUDGET
2011 Budget Summary - Revised with Ordinance 886-B
All Funds

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expenditures	Operating Transfers Out	Est. End. Fund Balance
General Fund	615,991	8,775,411	18,000	8,684,007	0	725,395
Arterial Street Fund	56,203	174,134	0	229,183	0	1,154
Tourism Fund	86,502	153,000	0	185,900	0	53,602
Compensated Absence Fund	57,268	150	0	55,810	0	1,608
Community Dev. Block Grant Fund	178	0	0	0	0	178
HUD Block Grant Fund	313,193	1,500	0	2,500	0	312,193
Gambling Enforcement	445,428	0	0	185,936	0	259,492
2011 G.O. Bond Fund*	0	32,570	0	28,300	0	4,270
Public Facilities Reserve Fund	46,867	23,444	0	0	18,000	52,311
Automotive/Equip. Res. Fund	33,627	100	0	0	0	33,727
1st Quarter REET Fund	149,259	38,550	0	40,000	0	147,809
2nd Quarter REET Fund	55,796	38,250	0	40,000	0	54,046
Wastewater Fund	2,442,140	3,961,483	0	4,453,424	0	1,950,199
Water Fund	1,956,382	3,164,053	0	2,416,416	0	2,704,019
Storm & Surface Water Fund	307,535	412,000	0	363,139	0	356,396
Garbage Fund	16,485	5,740	0	12,845	0	9,380
Firemen's Pension Fund	297,688	13,750	0	135,000	0	176,438
City Agency Fund	302,256	0	0	0	0	302,256
TOTALS	7,182,798	16,794,135	18,000	16,832,460	18,000	7,144,473

City of Chehalis
 2011 Budget Amendment No. 2 - Ordinance 886-B
 1/22/11

Fund No. and Name	Acct. Name	Reason for Amendment	Incr/(Decr) Rev.	Incr/(Decr) Exp.	Net Increase/(Decrease) to Fund Balance
Fund 001 - General Fund					
(1) 001.397.000.31	Transfer in frm PF Res.	Need to keep in Fund 301 for '12	(6,000)		
001.367.001.21	Donations: police	Donation from Elks Lodge	500		
001.367.001.79	Donations: culture & rec.	Approved funding from Tourism Fund	20,000		
001.53.574.020.41.00	Professional Services	OD/Recreation; Tournament Costs		20,000	
001.B1.594.011.64.00	Machinery and Equipment	Council; Budget Amend. Correction		(2,750)	
001.C1.594.011.64.00	Machinery and Equipment	Court; Budget Amend. Correction		2,750	
001.D1.513.010.11.00	Salaries & Wages	CMO; cessation of furlough days		5,502	
001.G1.517.038.21.00	Police LEOFF1 Benefits	Non-Depl.; excess budget		(23,000)	
001.G1.517.038.21.01	Fire LEOFF1 Benefits	Non-Depl.; excess budget		(19,000)	
001.G1.592.119.82.00	Interest - Interfund Debt	Non-Depl.; excess budget		(1,800)	
001.G2.516.010.41.00	Professional Services	HR/Risk; Contract Negotiations		22,500	
001.K2.518.090.21.07	Benefits - UI Taxes	Eng.; former employee retired		(19,380)	
			14,500	(15,178)	29,678 General Fund 001
		Less Transfers	6,000		
		Net Revenues/Expenditures	20,500	(15,178)	
Fund 107 - Tourism Fund					
107.05.557.030.41.20	Chehalis tournaments	LTAC recommendation passed.	0	20,000	(20,000) Tourism Fund 107
Fund 198 - Gambling Enforcement Fund					
198.H1.521.022.11.00	Salary and Wages	Budget variance		1,905	
198.H1.521.022.12.00	Overtime	No overtime was budgeted		10,362	
198.H1.521.022.21.00	Benefits	Budget variance		5,056	
198.H1.594.021.64.00	Machinery & Equipment	Add'l costs for 2010 vehicle		3,613	
			0	20,936	(20,936) Gambling Fund 198
Fund 200 - 2011 G.O. Bond Fund					
200.391.010.00	Proceeds of LT Debt	Portion not rec'd by GF	32,570		
200.OC.592.035.84.00	Debt Issuance Costs	Wastewater Portion		14,150	
200.OC.592.034.84.00	Debt Issuance Costs	Water Portion		14,150	
			32,570	28,300	4,270 G.O. Bond Fund 200
Fund 301 - Public Facilities Reserve Fund					
(1) 301.44.597.000.01	Transfer Out to GF	Need to keep in Fund 301 for '12		(6,000)	
		Less Transfers	0	(6,000)	6,000 Public Fac Fund 301
		Net Revenues/Expenditures	0	6,000	
			0	0	
			47,070	48,058	(988) City-wide

CITY OF CHEHALIS

AGENDA REPORT

DATE: November 17, 2011
TO: The Honorable Mayor and City Council
FROM: Glenn Schaffer, Police Chief
SUBJECT: Adoption of a 72-Hour Parking Ordinance.

ISSUE

Attached is proposed Ordinance No. 887-B.

DISCUSSION

The City Prosecuting Attorney, in conjunction with the Chehalis Police Department has determined that the City of Chehalis would benefit by revising the Chehalis Municipal Parking Code to include an ordinance restricting the parking of motor vehicles for longer than 72 hours on city streets. The ordinance would give the Chehalis Police Department the tools to be able to respond to citizen complaints of vehicles that are parked, or stored on city streets for excessive periods of time.

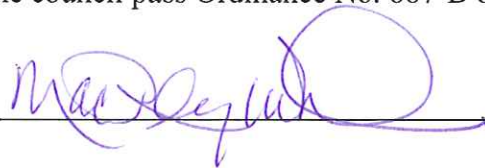
RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends the council pass Ordinance No. 887-B as presented on first reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 887-B on first reading.

Reviewed by:



_____, City Manager

ORDINANCE NO. 887-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,
AMENDING CHAPTER 10.08 OF THE CHEHALIS MUNICIPAL CODE
TO ADD A PROVISION FOR RESTRICTION OF PARKING ON ANY
CITY STREET FOR LONGER THAN SEVENTY-TWO (72) HOURS AND
PROVIDING FOR AN EFFECTIVE DATE HEREOF.**

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

Section 1. Section 10.08 of the Chehalis Municipal Code shall be and the same hereby is amended to add a new Section 10.08.115 which shall read as follows:

“10.08.115. Parking Prohibited On All City Streets/Penalty For Violation.

“It is unlawful for any person to park or leave standing or cause to be parked or left standing any vehicle upon any public street in the City of Chehalis for seventy-two (72) or more consecutive hours. Vehicles found in violation of this Section and upon notice of a potential violation shall be tagged by the Police Department for a seventy-two (72) hour period after which said vehicle shall be subject to impoundment at the expense of the owner.”

Section 2. The effective date of this ordinance shall be the 1st 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