

# CHEHALIS CITY COUNCIL AGENDA

CITY HALL

350 N MARKET BLVD | CHEHALIS, WA 98532

Dennis L. Dawes, Position at Large  
Mayor

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

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

## Regular Meeting of Monday, April 8, 2019 5:00 p.m.

1. Call to Order. (Mayor)
2. Pledge of Allegiance. (Mayor)

### SPECIAL BUSINESS

3. 110<sup>th</sup> SWW Fair. (Todd Mason, Fair Commissioner)

### CITIZENS BUSINESS

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

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>CONSENT CALENDAR</b>		
4. <u>Minutes of the Regular City Council Meeting of March 25, 2019.</u> (City Clerk)	APPROVE	1
5. <u>Vouchers and Transfers – Accounts Payable.</u> (City Manager, Finance Director)	APPROVE	4
6. <u>Vouchers and Transfers – Payroll.</u> (City Manager, Finance Director)	APPROVE	5
7. <u>Engineering Services Contract with Jacobs Engineering Group in the Amount of \$35,000 to Address Air Emissions at the Chehalis Regional Water Reclamation Facility.</u> (City Manager, Public Works Director, Wastewater Superintendent)	APPROVE	7

CONSENT CALENDAR CONTINUED ON NEXT PAGE

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>CONSENT CALENDAR - CONTINUED</b>		
8. <u>Supplemental Agreement with Skillings Connolly, Inc., in the Amount of \$8,508 Related to the Recreation Park Renovation Ballfield Project.</u> (City Manager, Recreation Manager)	APPROVE	14
9. <u>Joint Agreement with the Chehalis Foundation for Facility Planning, Design Development, and Fundraising for the Recreation Park Improvement Project.</u> (City Manager, Recreation Manager)	APPROVE	22
10. <u>Agreement with Lexipol for Conversion of Fire Department Policies and Ongoing Policy Management Services.</u> (City Manager, Fire Chief)	APPROVE	28

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>NEW BUSINESS</b>		
11. <u>Ordinance No. 997-B, First Reading – Amending the 2019 Budget.</u> (City Manager, Finance Director)	PASS	39
12. <u>Wastewater Superintendent Position Incentives.</u> (City Manager)	APPROVE	47

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>ADMINISTRATION AND CITY COUNCIL REPORTS</b>		
13. <u>Administration Reports.</u>	INFORMATION ONLY	---
a. City Manager Update – Strategic Planning. (City Manager)		50
14. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	---

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

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.  
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, APRIL 22, 2019.**

March 25, 2019

The Chehalis city council met in regular session on Monday, March 25, 2019, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Tony Ketchum, Daryl Lund, and Bob Spahr. Chad Taylor arrived at 5:07 pm. Councilors Terry Harris and Dr. Isaac Pope were absent (excused). Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Bill Hillier, City Attorney; Hillary Hoke, Planning & Building Manager; Trent Lougheed, Community Development Director; Brandon Rakes, Airport Operations Coordinator; Rick Sahlin, Public Works Director; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; and Dave Vasilauskas, Water Superintendent. Members of the news media included Will Rubin of *The Chronicle*.

**1. Port of Chehalis Update.** Chief Executive Officer Randy Mueller provided an update on Port activities.

**Railroad:** CCR&M (steam train) is nearly compliant with all legal and regulatory requirements of the Port and various railroad regulators. With just \$5 million in insurance coverage, the Port believes the CCR&M is insufficiently insured to cover Port assets, but increasing the coverage is financially unfeasible for the CCR&M. He stated the insurers for the city and the Port do not cover anything train-related, so any claims beyond the coverage amount would likely bankrupt both the city and Port. The Port is preparing to transfer the Curtis Rail Line out of Port ownership. If the city wanted to join the Port and "get out of the train business," now would be the time. The city could transfer its rail assets to the Port for eventual sale with the rail line.

**Construction:** The Port will sign a construction contract this week to build its first new building in 20 years, with construction starting in the spring and finishing in the fall. The building is located at 105 McBride Court in the cul-de-sac behind the port offices and will have space for multiple small businesses. The Port is talking with multiple future tenants. Special thanks to Mayor Dawes for his leadership and support on the county's Distressed Counties (.09 fund) committee. The city has been a consistent supporter of Port projects, which is greatly appreciated. Watch for an announcement soon about the name of the building.

**RE Bennett and Cascade Schools:** The project team began work on a feasibility study for renovating and repurposing the school properties. Last week Mr. Mueller accompanied the architectural and engineering team inspecting the roof, foundation, and everything in between at RE Bennett. It will be about four to six months to get the results of the study, along with detailed renovation costs for a few different types of uses.

**Airport:** For about a year now, city and Port staff have been talking about working together to better attract new commercial development at the airport. Both have common interests in seeing job growth in Chehalis, and each of the organizations has unique strengths. The Port has interest in working with the city in two main areas – a future airport office park to capitalize on the convenient freeway access and nearby amenities, and aviation-related industrial space such as commercial hangars and aviation-related light manufacturing. A business model for such an arrangement would be the development of an agreement where the Port leases areas in the city's airport master plan. The Port would then develop and sublease the areas, with the city and Port splitting the proceeds after expenses. Work to refine these ideas will continue with direction from the council and the Port commission.

Mayor Dawes stated the project related to the .09 funding was a great project and multi-county effort. He stated a partnership between the Port and the airport would be exciting.

Councilor Spahr asked if the FAA required proceeds at the airport to stay with the airport. City Attorney Hillier stated the city could lease to the Port, and the Port would then sublease, which is no different than what is currently happening out there.

Mr. Mueller understood the airport was an enterprise fund. What they were looking at was job creation and any money would go back into airport property for future development. He stated they are looking at various models.

**2. Tree City USA Designation.** Pete Hammer (322 NE Washington Avenue, Chehalis) requested that the council consider becoming a Tree City USA through the National Arbor Day Organization. He cited several benefits that trees provide. Mr. Hammer stated there were four standards required to receive the designation – a tree board or department, which could include citizens and/or city officials; a tree care ordinance; a community forestry program with an annual budget of at least \$2 per capita; and an Arbor Day observance and proclamation.

Mayor Dawes asked if the city's poplar tree plantation would count for the forestry program standard. Mr. Hammer believed it would.

March 25, 2019

Mayor Dawes stated it was sometimes difficult to get people to serve on committees. He asked City Manager Anderson to follow up with Mr. Hammer.

3. **5G Technology.** Galilee Carlisle (635A Lost Valley Road, Chehalis) spoke about the proposed 5G technology. Ms. Carlisle stated she has done over 10 years of research and education on the impacts of digital technology on human health and behavior. She hoped that the cities of Chehalis and Centralia would let her present a longer presentation to help problem-solve and strategize in greater depth. She indicated that FCC radiation guidelines that regulate the siting of wireless antennas had not been changed since 1996, but what has changed was our exposure to wireless technology, which impacts human health and behavior. Doctors and scientists are saying it should be held off until other studies could be done, and many cities have passed resolutions to void the FCC regulations on siting antennas until further health studies could be done. Ms. Carlisle provided information to give the council additional background about 5G.

4. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following:
- a. Minutes of the special meeting of March 7, 2019;
  - b. Minutes of the regular meeting of March 11, 2019;
  - c. March 15, 2019 Claim Vouchers No. 125229-125378 and Electronic Funds Transfer No. 22019 in the amount of \$397,003.15;
  - d. Resolution No. 4-2019, first and final reading – declaring property to be surplus;
  - e. Engineering services agreement with Kennedy Jenks in the amount of \$81,327 for design of the Chehalis River raw water pipeline;
  - f. Shared services agreement for equipment and personnel rental; and
  - g. Discontinue interlocal agreement with Lewis County for fire investigation services.

The motion was seconded by Councilor Lund.

Mayor Dawes wanted to make it clear that the discontinuance of the interlocal agreement with Lewis County for fire investigation services was due to staffing and no kind of dispute between the entities. He stated that once personnel that can do fire investigations was back up, it was certainly something that could be reexamined.

The motion carried unanimously.

5. **Amendments to Right-of-Way Permit Requirements.** Hillary Hoke stated that in December, the council directed staff to temporarily suspend the right-of-way permit fee of \$100 for signs and temporary uses until such time as code revisions could be drafted. The current code provides the following:

- Disturbance of Right-of-Way (construction activities) - \$50
- Short-Term and Temporary Use of Right-of-Way (less than 30 days) - \$50
- Long-Term and Permanent Use of Right-of-Way (permanent or more than 30 days) - \$100

**Housekeeping Changes:**

- Current code: Gives discretionary authority to City Manager for cash deposit and/or insurance requirements on a case-by-case basis.  
Proposed change: At the recommendation of WCIA, all right-of-way uses should require standard commercial general liability insurance.
- Current code: City Manager listed as authority for reviewing, granting and/or denying ROW permits.  
Proposed change: List City Manager or authorized designee.

March 25, 2019

- Current code: Identifies specific departments responsible for adoption of policies and enforcement.  
Proposed change: Delete references to specific departments. Responsibilities and enforcement can involve coordination with several different departments.

**Major Changes:**

- Right-of-way use permits for short-term temporary use of rights-of-way may be issued for activities that will not physically disturb or alter the right-of-way, but require the closure of a public street during such periods of time.
- Use of rights-of-way for structures and activities that involve short-term and temporary uses that require the closure of a public street must obtain this type of permit.
- The short-term and temporary uses requiring a public street closure include, but are not limited to, festivals, parades, street dances, concerts, etc.

**ROW Permit Fees:**

- For Disturbance of Right-of-Way Permit (construction activity) - \$50.
- For Short Term and Temporary Use of Right-of-Way Permit Not Requiring Public Street Closure - No Fee.
- For Short Term and Temporary Use of Right-of-Way Requiring Street Closure - \$100 fee per occurrence.
- For Long Term and Permanent Use of the Right-of-Way Permit - \$100 annual fee.

**Changes to CMC 17.93.040.B(1):**

- Current code: Restricts sandwich board signs to Central Business District only.  
Proposed change: Allow sandwich board signs in any commercial zone where adequate space is available.

Councilor Spahr moved that the City Council approve the proposed changes to CMC 12.56, 17.93.040, and Appendix Chapter A, and direct staff to proceed with the CMC amendment process. The motion was seconded by Councilor Lund and carried unanimously.

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

a. Councilor Taylor stated around 65 applications for a new Twin Transit general manager are under review.

b. Mayor Dawes, along with Councilor Harris, attended the 2017 audit exit conference, and Business After Hours at Rainier Connect. He congratulated the staff involved on the WellCity committee in earning WellCity recognition once again, a designation that saves two percent on the city's medical premiums.

6. **Executive Session.** Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(g) – Review Performance of a Public Employee; and RCW 42.30.140(4)(b) – Collective Bargaining, not to exceed 6:15 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 5:41 pm. The executive session began at 5:45 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:15 pm.

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Dennis L. Dawes, Mayor

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Caryn Foley, City Clerk

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

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

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

**MEETING OF:** April 8, 2019

**SUBJECT:** Vouchers and Transfers

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**ISSUE**

City Council approval is requested for Vouchers and Transfers dated March 29, 2019.

**DISCUSSION**

The March 29, 2019 claim vouchers have been reviewed by a committee of three councilors prior to the release of payments. The administration is requesting City Council approval for Claim Vouchers No. 125379-125514 in the amount of \$233,778.03 dated March 29, 2019, which includes the transfer of:

- \$ 72,072.29 from the General Fund
- \$ 4,141.26 from the Dedicated Street Fund – 4% Sales Tax Fund
- \$ 3,490.00 from the Transportation Benefit District Fund
- \$ 47,628.64 from the Wastewater Fund
- \$ 18,619.15 from the Water Fund
- \$ 969.86 from the Storm & Surface Water Utility Fund
- \$ 85,494.93 from the Airport Fund
- \$ 1,361.90 from the Firemen’s Pension Fund

**RECOMMENDATION**

It is recommended that the City Council approve the March 29, 2019 Claim Vouchers No. 125379-125514 in the amount of \$233,778.03.

**SUGGESTED MOTION**

I move that the City Council approve the March 29, 2019 Claim Vouchers No. 125379-125514 in the amount of \$233,778.03.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Chun Saul, Finance Director  
Betty Brooks, Payroll Accountant

**MEETING OF:** April 8, 2019

**SUBJECT:** Payroll Vouchers and Transfers

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**ISSUE**

City Council approval is requested for Payroll Vouchers and Transfers dated March 29, 2019.

**DISCUSSION**

The administration requests City Council approval for Payroll Vouchers No. 40756-40795, Direct Deposit Payroll Vouchers No. 10565-10668, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 229-233 dated March 29, 2019 in the amount of \$889,477.87, which include the transfer of:

- \$570,502.05 from the General Fund
- \$10,906.23 from the Arterial Street Fund
- \$110,671.82 from the Wastewater Fund
- \$139,209.97 from the Water Fund
- \$22,261.93 from the Storm & Surface Water Utility Fund
- \$33,843.87 from the Airport Fund
- \$2,082.00 from the Firemen's Pension Fund

**RECOMMENDATION**

It is recommended that the City Council approve the March 29, 2019 Payroll Vouchers No. 40756-40795, Direct Deposit Payroll Vouchers No. 10565-10668, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 229-233 in the amount of \$889,477.87.

**SUGGESTED MOTION**

I move that the City Council approve the March 29, 2019, Payroll Vouchers No. 40756-40795, Direct Deposit Payroll Vouchers No. 10565-10668, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 229-233 in the amount of \$889,477.87.



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Rick Sahlin, Public Works Director  
Patrick Wiltzius, Wastewater Superintendent

**MEETING OF:** April 8, 2019

**SUBJECT:** Engineering Services Contract with Jacobs Engineering Group to Address Air Emissions at the Chehalis Regional Water Reclamation Facility

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**ISSUE**

The city has had a clean air permit with the Southwest Clean Air Agency (SWCAA) since 2007 when the new treatment plant came on-line. The Chehalis Regional Water Reclamation Facility (CRWRF) has been unable to meet some of the permit limits and proposes to hire a consultant to address the problem. An engineering services contract is attached for City Council review and approval.

**DISCUSSION**

The SWCAA issued a Clean Air Permit to the CRWRF in 2007. In general, the permit details requirements for operating the odor control system and the division's emergency generators. It also requires that the influent wastewater be tested for hydrogen sulfide and chloroform. From this data an annual report is submitted detailing total emissions for the CRWRF.

The results of the hydrogen sulfide and chloroform testing have been low but, not low enough to meet the emission limits as set in the permit. (The CRWRF has no control of the amount of hydrogen sulfide and chloroform in the influent wastewater.) SWCAA has directed the city to address this issue. To that end, the administration proposes the engagement of Jacobs Engineering Group to provide technical support and conduct dispersion modeling. The modeling effort may be able to demonstrate that a permit modification is applicable and enable the CRWRF to meet permit limits in the future.

**FISCAL IMPACT**

Jacobs Engineering Group has provided an engineering services contract to conduct all the required work for a lump sum of \$35,000. The funds would come from the wastewater utility and require a future budget amendment.

**RECOMMENDATION**

The administration recommends that the City Council approve the engineering services contract with Jacobs Engineering Group in the amount of \$35,000 and authorize the city manager to sign the contract.

**SUGGESTED MOTION**

I move that the City Council approve the engineering services contract with Jacobs Engineering Group in the amount of \$35,000 and authorize the city manager to sign the contract.

March 20, 2019

Mr. Paul Wiltzius  
Wastewater Superintendent  
City of Chehalis  
2007 NE Kresky Ave  
PO Box 871  
Chehalis, WA 98532

**Subject: City of Chehalis Proposal – Air Emissions Concerns**

Dear Mr. Wiltzius,

Jacobs Engineering, Inc. is pleased to present this proposal to the City of Chehalis to assist the city in addressing air emissions concerns regarding your waste water treatment plant. Jacobs has experienced staff in Bellevue and Portland to help you work through the air emissions issues and work with the Southwest Clean Air Agency to address permitting requirements that may result from this evaluation.

## Background

The City of Chehalis has an Air Discharge Permit issued by the Southwest Clean Air Agency. The permit requires, among other things, compliance with emission limits for H<sub>2</sub>S and chloroform. It is believed that due to use of overly conservative methods for estimating emissions, the city has not been able to demonstrate compliance with the emission limits for H<sub>2</sub>S and chloroform.

## Team

Melissa Wu will serve as the project manager for this project. She will be supported by Michelle Neuman and Julia DeGagne as air quality specialists and Don Caniparoli as senior technical consultant.

## Approach

SWCAA's air toxics rules have defined Small Quantity Emission Rate (SQER) thresholds for each regulated air toxic. If emissions from the facility exceed the SQER, a modeling analysis is required to demonstrate compliance with the Ambient Source Impact Level (ASIL) for each pollutant with emissions above the SQER. Limits for H<sub>2</sub>S and chloroform are established in the existing Air Discharge Permit. Emissions must be demonstrated to be below the emissions limits in the permit or a modification to the permit would be required. The change in emissions would be compared to the appropriate air toxics requirements.

Our approach will be to refine the emissions estimation methods to provide more accurate and less conservative emissions information. To do so an air emissions model will be built to simulate the emissions of the two air toxics. The resulting emissions will be compared to the permit limits and the SQER thresholds and if below those thresholds, the permit will be modified as necessary to change the emissions reporting methodology. If one of the pollutants exceeds its SQER, an air modeling analysis will be required. The air modeling analysis would be addressed in a separate scope of work, if required.

The Bay Area Sewage Treatment Emissions (BASTE) model will be utilized for estimating plant emissions. BASTE is a computational model that estimates pathway losses (volatilization, sorption, biodegradation) from wastewater for "strings" of liquid processes that make up treatment trains. It allows

analyses of complex treatment configurations including split flows, liquid streams, quiescent surfaces, drops, weirs, packed media, aerated processes, biological processes, and covered processes. Since 1990, the BASTE model has been widely used by municipal wastewater treatment agencies in the Bay Area and beyond and is accepted by the United States Environmental Protection Agency (USEPA) as an emissions estimation method for POTWs.

## Scope of Work

Jacobs proposes the following tasks to complete this scope of services:

- Task 1—Project Management
- Task 2—Kickoff Meeting/Information Gathering
- Task 3—BASTE Modeling and Evaluation of Results
- Task 4—Permitting Support

The work activities associated with each task are detailed below.

### **Task 1 – Project Management**

Plan and execute the project as described herein. This task includes the following project management work activities:

- Manage the scope, schedule, quality, and budget of the project.
- Prepare and submit a monthly narrative report and invoice.

#### **Deliverables:**

A monthly narrative report and invoice.

#### **Assumptions:**

The project will be completed within 8 weeks of notice to proceed.

### **Task 2 – Kickoff Meeting/Information Gathering**

- Discuss Scope of Work and Approach.
- Gathering required information

#### **Deliverables:**

- Meeting agenda and notes

#### **Assumptions:**

- Four-hour kickoff meeting to be attended by 2 Jacobs staff members.
- Plant to provide Jacobs with all information necessary to set up the BASTE model including plant drawings, flows, hydraulic grade line, and constituent levels entering the plant.
- No sampling or laboratory analysis will be provided by Jacobs. Any additional sampling or analysis deemed necessary for BASTE model analysis will be incurred by Chehalis.

### **Task 3 – BASTE Modeling and Evaluation of Results**

- Build the BASTE model from details of the process gathered during kickoff meeting or provided by the City.

Jacobs Engineering Group Inc.

- Run BASTE simulations to quantify emissions of H<sub>2</sub>S and chloroform
- Compare results to emission limits and air toxics permitting thresholds
- Provide a summary of results and course of action.
- Meet with SWCAA to discuss methodology and results and next steps

**Deliverables:**

- Technical memo summarizing the methodology and results of the analysis.
- Presentation for meeting with SWCAA
- Notes of SWCAA meeting

**Assumptions:**

- Information to run BASTE will be obtained during the kickoff meeting and no additional site visits will be required.
- Drawings and information about channel/basin/tank dimensions will be provided by the City.
- SWCAA meeting to be attended by up to 2 Jacobs staff members.

**Task 4 – Permitting Support**

- Documentation of emissions for permitting approach
- Preparation of letter for documenting emissions and requesting appropriate change in air discharge permit

**Deliverables:**

- Letter for submittal to SWCAA.

**Assumptions:**

- Emissions will be below SQER thresholds.
- Both H<sub>2</sub>S and chloroform will be below the SQER thresholds. If either pollutant is above its, an additional scope of work will be prepared.

Budget

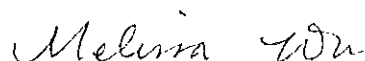
Jacobs proposes to complete this scope of work for a lump sum price of \$35,000.

Consulting Agreement

Attached is Jacobs standard Professional Services Agreement. Please sign the acceptance and return to authorize this work.

We look forward to working with the City of Chehalis on this important air permitting project.

Regards



Melissa Wu  
Project Manager

Attachment: Chehalis Contract

Jacobs Engineering Group Inc.



# PROFESSIONAL SERVICES AGREEMENT

**PROJECT NAME:** Air Permitting Assistance  
**CLIENT:** City of Chehalis  
**ADDRESS:** 2007 NE Kresky Ave  
PO Box 871  
Chehalis, WA 98532

**PROJECT NUMBER:** TBD

hereby requests and authorizes Jacobs Engineering Group Inc. ("Jacobs") to perform the following Services:

**SCOPE OF SERVICES:** Air Permitting Assistance as defined in attached proposal dated March 20, 2019

**COMPENSATION to be on a basis of:**

Services will be performed for a lump sum price of \$35,000 and invoiced monthly based upon a percent complete basis.

The parties agree to the "Provisions" provided on page 2 of this authorization.

Accepted for **CLIENT**

Accepted for **JACOBS ENGINEERING GROUP INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## PROVISIONS

1. **AUTHORIZATION TO PROCEED.** Signing this Agreement shall be construed as authorization by CLIENT for JACOBS to proceed with the Services, unless otherwise provided for in this Agreement.
2. **LABOR COSTS.** Not Applicable
3. **DIRECT EXPENSES.** Not Applicable
4. **OUTSIDE SERVICES.** Not Applicable
5. **COST ESTIMATES.** Any cost estimates provided by JACOBS will be on a basis of experience and judgment. Since JACOBS has no control over market conditions or bidding procedures, JACOBS does not warrant that bids or ultimate construction costs will not vary from these cost estimates.
6. **PROFESSIONAL STANDARDS.** JACOBS shall be responsible, to the level of competency presently maintained by other practicing professionals in the same type of work in CLIENT's community, for the professional and technical soundness, accuracy, and adequacy of all design, drawings, specifications, and other work and materials furnished under this Agreement. If after completion of the Services the CLIENT can demonstrate that the Services hereunder fail to conform to such standards, JACOBS will reperform the deficient Services at no cost to the CLIENT, and JACOBS shall have no liability for repair or replacement, construction rework or other costs. JACOBS makes no warranty, expressed or implied.
7. **ADDITIONAL SERVICES.** Services in addition to those specified in Scope of Services will be provided by JACOBS if authorized in writing or otherwise confirmed by CLIENT. Additional services will be paid for by CLIENT as indicated in any Letter of Proposal, Task Authorization, or such other document as deemed appropriate by CLIENT and JACOBS. In the absence of an express agreement about compensation, JACOBS shall be entitled to an equitable adjustment to its compensation for performing such additional services.
8. **SALES TAX.** In addition to any other sums or amounts required to be paid by CLIENT to JACOBS pursuant to this Agreement, CLIENT must also pay to JACOBS the amount of any applicable sales, use, excise or other tax with respect thereto (other than any general income tax payable by JACOBS with respect thereto) as the same may be levied, imposed or assessed by any federal, state, county or municipal government entity or agency.
9. **LIMITATION OF LIABILITY.** Excluding JACOBS' liability for bodily injury or damage to the property of third parties, the total aggregate liability of JACOBS arising out of the performance or breach of this Agreement shall not exceed the compensation paid to JACOBS under this Agreement. Notwithstanding any other provision of this Agreement, JACOBS shall have no liability to the CLIENT for contingent, consequential, or other indirect damages including, without limitation, damages for loss of use, revenue or profit; operating costs and facility downtime, however the same may be caused. The limitations and exclusions of liability set forth in this Article shall apply regardless of the fault, breach of contract, tort (including negligence), strict liability or otherwise of JACOBS, its employees, or subconsultants.
10. **DISPUTE RESOLUTION.** All disputes arising out of this Agreement shall be mediated by the parties within a reasonable time after the first request for mediation, prior to either party filing a suit in a court of law, provided, however, that neither party shall be obligated to mediate prior to requesting injunctive relief.
11. **ASSIGNMENT TO RELATED ENTITY.** Notwithstanding anything in this Agreement to the contrary, in the event JACOBS is not qualified and licensed in the relevant jurisdiction to provide any Services required hereunder, JACOBS may, without the consent of any other party, assign all or any part of its obligation to provide such Services to an entity related to JACOBS which is qualified and licensed to provide such Services in the jurisdiction involved and which is contractually bound to JACOBS to provide such Services.
12. **PAYMENT TO JACOBS / INTEREST ON PAST-DUE AMOUNTS.** Monthly invoices will be issued by JACOBS for all Services performed under the terms of this Agreement. Invoices are due and payable net 15 days. CLIENT agrees to pay interest at the rate of 1½% per month on all past-due amounts, unless not permitted by law. Any interest charged or collected in excess of the highest legal rate will be applied to the principal amount owing to JACOBS, and if such interest exceeds the principal balance of CLIENT's indebtedness to JACOBS, will be returned to CLIENT.
13. **TERMINATION FOR NON-PAYMENT OF FEES.** Without limiting any other remedy that may be available, JACOBS may stop work or terminate this Agreement if CLIENT has not cured a payment default within 7 days after receipt of written notice from JACOBS. Any failure to make a payment within the time required in Article 12 above shall constitute a payment default. Notice by e-mail or fax, followed by overnight courier, shall meet this notice

requirement. JACOBS' right to stop work or terminate this Agreement shall not be waived by JACOBS' continued performance during any period of investigation by JACOBS to determine the reasons for CLIENT's nonpayment.

14. **LEGAL EXPENSES.** In the event legal action is brought by JACOBS to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, CLIENT shall pay JACOBS reasonable amounts for fees, costs and expenses as may be set by the court.

15. **CONSTRUCTION PHASE SERVICES.** If this Agreement includes the furnishing of any Services during the construction phase of the project, the following terms will apply: (a) If JACOBS is called upon to observe the work of CLIENT's construction contractor(s) for the detection of defects or deficiencies in such work, JACOBS will not bear any responsibility or liability for such defects or deficiencies or for the failure to so detect. JACOBS shall not make inspections or reviews of the safety programs or procedures of the construction contractor(s), and shall not review their work for the purpose of ensuring their compliance with safety standards. (b) If JACOBS is called upon to review submittals from construction contractors, JACOBS shall review and approve or take other appropriate action upon construction contractor(s)' submittals such as shop drawings, product data and samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the contract documents. JACOBS' action shall be taken with such reasonable promptness as to cause no delay in the work while allowing sufficient time in JACOBS' professional judgment to permit adequate review. Review of such submittals will not be conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities. (c) JACOBS shall not assume any responsibility or liability for performance of the construction services, or for the safety of persons and property during construction, or for compliance with federal, state and local statutes, rules, regulations and codes applicable to the conduct of the construction services. JACOBS shall have no influence over the construction means, methods, techniques, sequences or procedures. Construction safety shall remain the sole responsibility of the construction contractor(s). (d) All contracts between CLIENT and its construction contractor(s) shall contain broad form indemnity and insurance clauses in favor of CLIENT and JACOBS, in a form satisfactory to JACOBS.

16. **SEVERABILITY.** In case any one or more of the provisions contained in this Agreement shall be held illegal, the enforceability of the remaining provisions contained herein shall not be impaired thereby.

17. **FORCE MAJEURE.** Any delays in or failure of performance by JACOBS shall not constitute breach hereunder if and to the extent such delays or failures of performance are caused by occurrences beyond the reasonable control of JACOBS. In the event that any event of force majeure as herein defined occurs, JACOBS shall be entitled to a reasonable extension of time for performance of its Services under this Agreement.

18. **ELECTRONIC MEDIA.** (a) As a component of the services provided under this Agreement, JACOBS may deliver electronic copies of certain documents or data (the "Electronic Files") in addition to printed copies (the "Hard Copies") for the convenience of CLIENT. CLIENT and its consultants, contractors and subcontractors may only rely on the Hard Copies furnished by JACOBS to CLIENT. If there is any discrepancy between any Electronic File and the corresponding Hard Copy, the Hard Copy controls. (b) CLIENT acknowledges that Electronic Files can be altered or modified without JACOBS' authorization, can become corrupted and that errors can occur in the transmission of such Electronic Files.

19. **THIRD PARTY BENEFICIARIES.** Except to the extent any claims alleging negligence are asserted directly against any JACOBS employee wherein such JACOBS employee shall be deemed a third party beneficiary to this Agreement and the protections in favor of JACOBS, there are no third party beneficiaries to this Agreement.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Lilly Wall, Recreation Manager  
Trent Lougheed, Community Development Director

**MEETING OF:** April 8, 2019

**SUBJECT:** Supplemental Agreement with Skillings Connolly, Inc. Related to the Recreation Park Renovation Ballfield Project

---

**ISSUE**

Addition of artificial turf infields to the Recreation Park Renovation Ballfield Project requires additional engineering.

**DISCUSSION**

Attached is Supplemental Agreement No. 3 with Skillings Connolly in the amount of \$8,508. The sub-consultant, DA Hogan will provide 100% PS & E plans, specifications and estimate for the construction of artificial turf grass infields for all four ballfields at the Recreation Park Ballfield Complex.

The plans include 100% grading and drainage modifications for the addition of artificial turf to the infields. Design will include specifications for artificial turf, sand and turf drainage pipe installation, inspection of grading inverts to connections between infields and outfields, transitions to the promenade, a check of the hydraulic grade line of the infields, and provide quality assurance and quality control of the project.

**FISCAL IMPACT**

The \$8,508 is an allowable expense of the Ingwersen Ballfield Endowment Fund dedicated to the ballfield project. These funds are available to support the added cost.

**RECOMMENDATION**

It is recommended that the City Council approve an amendment to the professional services contract with Skillings Connolly, Inc., increasing the budget by \$8,508 for a total of \$179,673.



**SUGGESTED MOTION**

I move that the City Council approve an amendment to the professional services contract with Skillings Conolly, Inc., increasing the total budget to \$179,673 for completion of 100% PS & E plans for the construction of artificial turf grass infields for all four infields at the Recreation Park Ballfield Complex.

<b>Supplemental Agreement No. 3</b>	Organization and Address <b>Skillings Connolly, Inc.</b> <b>5016 Lacey Blvd. SE</b> <b>Lacey, WA 98503</b>  Phone: 360.491.3399
Original Agreement Number <b>16310</b>	Completion Date <b>December 31, 2019</b>
Project Number <b>16310</b>	Maximum Billable Amount <b>\$179,673.00</b>
Project Title <b>Chehalis Recreation Park Design</b>	
Description of Work <b>Artificial Turf</b>	

The Local Agency of **City of Chehalis** desires to supplement the agreement entered into with **Skillings Connolly, Inc.** and executed on **March 3, 2017** and identified as Agreement No. **16310**. All provisions in the basic agreement remain in effect except as expressly modified by this supplement.

The changes to the agreement are described as follows:

I

Section 1, SCOPE OF WORK, is hereby unchanged:

II

Section IV, TIME FOR BEGINNING AND COMPLETION, the completion date is changed to **December 31, 2019**.

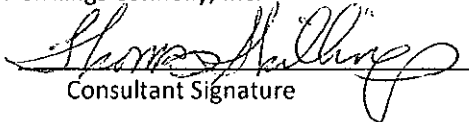
III

Section V, PAYMENT, remains unchanged as follows:

Original Agreement – 30% Design	\$ 85,000.00
Supplemental Agreement 1 – Time Extension Only	0.00
Supplemental Agreement 2 – Final Design	86,165.00
Supplemental Agreement 3 – Artificial Turf	<u>8,508.00</u>
New Maximum Billable Amount	<u>\$179,673.00</u>

If you concur with this supplement and agree to the changes as stated above, please sign in the appropriate spaces below and return to this office for final action.

By: Skillings Connolly, Inc.

  
Consultant Signature

By: City of Chehalis

\_\_\_\_\_  
Approving Authority Signature

\_\_\_\_\_  
Date

**EXHIBIT A  
SCOPE OF SERVICES**

Prepared for:

**CITY OF CHEHALIS  
RECREATIONAL PARK IMPROVEMENT PROJECT  
March 20, 2019**

**Background**

The City of Chehalis (City) has requested Skillings Connolly, Inc., (Consultant) to provide engineering design services for the Recreation Park Improvement Project. The site is located south of Williams Ave. SW, west of 13<sup>th</sup> St. SW and East of Park Access Road. A scope of work dated February 12, 20018 was approved to prepare improvement plans for park improvements. The City has since obtained additional funding to add artificial turf to the ballfield infields. The purpose of the scope of work herein is to describe the modifications to the improvement plans, specifications and estimate of cost that will be necessary to add the artificial turf item to the ballfield infields.

Skillings Connolly will provide the services for the Tasks listed below.

<b>TASK 1 100% GRADING AND DRAINAGE MODIFICATIONS</b>
---

**Assumptions:**

- The subconsultant, DA Hogan will provide new plans, specifications and estimate for the construction of artificial turf grass at the two **west** ballfield infields (base bid).
- The subconsultant, DA Hogan will provide new plans, specifications and estimate for the construction of artificial turf grass at the two **east** ballfield infields (Additive Alternate "2" bid).
- The following sheets will be included in the 100% PS&E:
  - West ballfields base bid sheet with artificial turf and base drainage improvements on the infields
  - East ballfields base bid sheet without artificial turf on the infields
  - East ballfields Additive Alternate sheet with artificial turf and base drainage improvements on the infields.

**The Consultant will:**

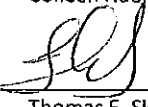
1. Remove **west** ballfield sheet, replace with new sheet showing construction of artificial turf and base. Renumber sheets and titles, add notes to indicate additive alternate items. Add additional sheet for East additive alternate turf construction.
2. Add construction specifications for artificial turf, sand and turf drainage pipe installation to the specification document. Prepare additive alternate specification forms.
3. Revise bid summary sheet. Add additive bid items.
4. Check grading inverts at connection between infield and outfields, and transition to promenade. Check hydraulic grade line at infields.
5. Provide Quality Assurance and Quality Control (QA/QC)
6. Submit final check set of PS&E to City for review and comment.
7. Prepare 100% deliverable.

**Deliverables:**

- Final check set of PS&E for review and comment with the addition of infield artificial turf. This will include the entire plan set of work previously completed under the contract dated February 12, 2018.
- 100% PS&E and bid documents.

Prepared by: \_\_\_\_\_ 03/20/2019

Colleen Haerr, PE

Reviewed by:  \_\_\_\_\_ 03/20/2019

Thomas E. Skillings, PE

**EXHIBIT B**  
**SUBCONSULTANT SCOPE OF WORK AND FEE ESTIMATE**

**From:** Bob Harding <bobh@dahogan.com>  
**Sent:** Thursday, March 14, 2019 12:15 PM  
**To:** Tom Skillings  
**Cc:** Colleen Haerr  
**Subject:** Chehalis Sports Park

Tom and Colleen

I have looked at the drawings, and the time required to modify for the revision to synthetic turf infields. This actually has a bit of a cascading effect, as the existing (and not significantly modified) infields were going to stay as existing. However, they are all different sized, and not per any standard layout – as they have been gradually modified/changed over time. Since these will be entirely reconstructed, it seems appropriate to construct them to a known and typical standard size. This will then modify grading in some ways, and then drainage, plus a series of details for edge anchor/nailers; bases; plates, markings; and edge conditions.

I anticipate we will need the following to modify the drawings:

Layout/Grading/Drainage

6 hours Principal

6 hours Staff (Production)

Details

1 hour Principal

4 hours Staff (Production)

Meeting

5 hours Principal

Specifications/Vendor Contact/Review

4 hours Principal

**Totals:**

Principal 16 hours @ \$180 = \$2,880

Staff 10 hours @ \$90 = \$1,800

Total = \$4,680

Therefore, we will request an additional \$4,680 for document revisions.

Thanks

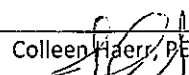
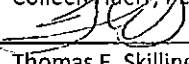
Bob

Robert Harding, Principal  
D.A. Hogan & Associates, Inc.  
119 1<sup>st</sup> Ave. S., Suite 110  
Seattle, WA 98104  
(206) 285-0400 (P)  
Skillings Connolly, Inc.

**EXHIBIT C-1  
CONSULTANT COST COMPUTATION – MAN-HOURS**

<b>PROJECT NO: 16310</b> <b>CLIENT NAME: CITY OF CHEHALIS</b> <b>PROJECT TITLE: ADDITIONAL WORK</b> <b>ADDITION OF INFIELD TURFGRASS</b> <b>Date: March 19, 2019</b>		<b>PRINCIPAL-IN-CHARGE</b>	<b>PROJECT ENGINEER</b>	<b>ENGINEER</b>	<b>PROJECT ADMINISTRATOR</b>
<b>TASK #</b>	<b>TASK DESCRIPTION</b>				
<b>100</b>	<b>100% GRADING AND DRAINAGE MODIFICATIONS</b>				
1	Remove West ballfield sheet, replace with new sheet showing construction of artificial turf and base. Renummer sheets and titles, add notes to indicate additive alternate items. Add additional sheet for East additive alternate turf construction.			4	4
2	Add construction specifications for artificial turf, sand and turf drainage pipe installation to the specification document. Prepare additive alternate specification forms.		4		
3	Revise bid summary sheet. Add additive bid items.		1		
4	Check grading inverts at connection between infield and outfields and transition to promenade. Check hydraulic grade line at infields.		2		
5	QA/QC	1			
6	Submit final check set of PS&E to City for review and comment.		1	4	
7	Prepare 100% deliverable.		1	4	
	<b>HOURS PER DISCIPLINE</b>	<b>1</b>	<b>9</b>	<b>12</b>	<b>4</b>

**EXHIBIT C-2  
CONSULTANT COST COMPUTATION – SUMMARY**

<b>NEGOTIATED HOURLY RATE (NHR):</b>					
<u>Classification</u>	<u>Man Hours</u>	<u>X</u>	<u>Rate</u>	<u>=</u>	<u>Cost</u>
PRINCIPAL-IN-CHARGE	1	x	\$220.00	=	\$220.00
ENGINEER	12	x	\$116.00	=	\$1,392.00
PROJECT ADMINISTRATOR	4	x	\$104.00	=	\$416.00
Total Hours =	26				Total NHR = <span style="border: 1px solid black; padding: 2px;">\$3,360.00</span>
<b>REIMBURSABLES:</b>					
Mileage	0	x	\$0.580	=	\$0.00
Miscellaneous Expenses	\$0.00	x	10%	=	\$0.00
					Total Expenses = <span style="border: 1px solid black; padding: 2px;">\$0.00</span>
<b>SUBCONSULTANT COST (See Exhibit G):</b>					
DA Hogan & Associates	\$4,680.00	x	10%	=	\$5,148.00
					Total Subconsultants = <span style="border: 1px solid black; padding: 2px;">\$5,148.00</span>
<b>SUB-TOTAL (NHR + REIMBURSABLES + SUBCONSULTANTS):</b>					
					Sub Total = <span style="border: 1px solid black; padding: 2px;">\$8,508.00</span>
<b>MANAGEMENT RESERVE FUND:</b>					
SUB TOTAL =	\$8,508.00	x	0%	=	MRF = <span style="border: 1px solid black; padding: 2px;">\$0.00</span>
<b>GRAND TOTAL</b>					
					GRAND TOTAL = <span style="border: 1px solid black; padding: 2px;">\$8,508</span>
PREPARED BY:	 Colleen Haerr, PE				DATE: 3/20/2019
REVIEWED BY:	 Thomas E. Skillings, PE				DATE: 3/20/2019

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Lilly Wall, Recreation Manager

**MEETING OF:** April 8, 2019

**SUBJECT:** Joint Agreement with Chehalis Foundation for Facility Planning, Design Development, and Fundraising for the Recreation Park Improvement Project

---

**ISSUE**

The Chehalis Foundation, in partnership with the City, submitted a Member Requested Local Community Project Information Form (2019 Capital Budget Request) in the amount of \$250,000 in support of the Recreation Park Renovation Project.

**DISCUSSION**

A Joint Agreement between the City and the Chehalis Foundation is a requirement of the submitted Capital Budget Request to receive State funding. It is also a prudent measure when partnering with an organization on such a large project. The agreement provides the process, procedures, and conditions by which the parties cooperate in the planning, development, and fundraising for the project. The attached Joint Agreement has been reviewed and approved by City Attorney Bill Hillier and J Vander Stoep, Attorney/Chehalis Foundation Board Member.

A similar agreement was entered between the City and the Chehalis Foundation during the renovation of the Gail and Carolyn Shaw Aquatics Center project.

**FISCAL IMPACT**

If the Capital Funding Budget Request is approved, \$250,000 will be awarded to the Chehalis Foundation to be used in support of the Recreation Park Renovation Project. We are optimistic that the funding will be made available and thankful that Representative Richard DeBolt endorsed this request in PSHB 1102 (H-2522.1/10) Budget Summary by Representatives Tharinger and DeBolt dated March 25, 2019.



**RECOMMENDATION**

It is recommended that the City Council approve the Joint Agreement with the Chehalis Foundation until the project to repair, enhance, and upgrade Recreation Park and the Penny Playground is completed.

**SUGGESTED MOTION**

I move that the City Council approve the Joint Agreement with the Chehalis Foundation until the project to repair, enhance, and upgrade Recreation Park and the Penny Playground is completed.

## JOINT AGREEMENT

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by  
And between the **CITY OF CHEHALIS, WASHINGTON, a municipal corporation**,  
hereinafter referred to as “City”, and the **CHEHALIS FOUNDATION, a nonprofit  
foundation**, hereinafter referred to as “Foundation”.

WHEREAS, the City owns and operates Recreation Park and the Penny Playground at  
City expense, and

WHEREAS, the Foundation desires to support the City in its project to repair, enhance  
and upgrade Recreation Park and Penny Playground, hereinafter referred to as “project”, and

WHEREAS the Foundation has agreed to consider contributing funds or soliciting funds  
for purposes of supporting the City’s project, and

WHEREAS it is the intent of the parties to enter into an agreement providing for the  
process, procedures and conditions by which the parties will cooperate in the planning and  
development of the project to ensure all needs are met, now, therefor,

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

1. **Identification of Parties to This Agreement.**
  - a. The city of Chehalis (“City”) is a municipal corporation duly organized  
under and by virtue of the laws of the state of Washington and is authorized to  
provide services pursuant to RCW 27.12.025.

b. The Chehalis Foundation (“Foundation”) is a nonprofit corporation organized under the laws of the state of Washington and a 501(c)(3) corporation under the law of the Internal Revenue Service. One of the Foundation’s purposes is to raise and manage funds for the benefit of the City.

2. **Duration.** The duration of this Agreement will be from the date of execution by all parties and will continue until this project to repair, enhance and upgrade Recreation Park and Penny Playground is completed, or the parties mutually agree to modify, extend, or terminate this Agreement.

3. **Facility Planning and Design Development.**

a. **Scope.** City and Foundation agree to work together closely toward the goal of completion of the project. It is the intention of the parties that Recreation park and Penny Playground are and will remain will be wholly owned by City.

b. **Lead Agency.** City shall be the lead agency for the design of the project. All contracts entered into for design, architecture, materials, or to the costs for the design and construction shall be through City. Invoices will be approved by the City with oversight by the Foundation. It is the intent of the parties that the oversight role of the Foundation in this process is primarily to assure that its cash flow is sufficient to pay amounts that have been committed by the Foundation to the City for this project

c. **Final Plan Approval.** City and Foundation both have a significant interest in the proper completion of the project and both parties agree to cooperate throughout the project. City shall have final authority over decisions related to project construction.

(1) The Project Manager appointed by City shall oversee project construction. Both City and Foundation will consult on project components funded by the Foundation.

(2) The final plan must be approved by the City Council.

4. **Liability.** Each party agrees to hold the others harmless from any claim resulting from such party's sole negligence and from actions or omissions that are solely attributable to any employee or agent of such party. The City of Chehalis indemnifies and holds the Chehalis Foundation harmless for any liability or legal action that may arise out of project the planning, construction and operation except, as stated previously, for any action involving the sole negligence of the Chehalis Foundation.

(1) **Nondiscrimination.** The parties shall perform their responsibilities under this Agreement in a manner.

(2) **Assignability.** The rights and responsibilities of each party to this Agreement shall not be assigned without the others parties' written agreement.

(3) **Dispute Resolution.** Any dispute that cannot be resolved by the parties including for alleged breach of this Agreement shall be subject to binding arbitration applying court rules, statutes, or other legal requirements.

(4) **Severability.** In the event any provision of this Agreement is declared by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired thereby.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized officials as set forth below.

**CITY OF CHEHALIS, WASHINGTON**

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CITY**

**CHEHALIS FOUNDATION**

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FOUNDATION**

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Ken Cardinale, Fire Chief

**MEETING OF:** April 8, 2019

**SUBJECT:** Agreement with Lexipol for Conversion of Fire Department Policies and Ongoing Policy Management Services

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**ISSUE**

Fire Department policies.

**DISCUSSION**

Presently, the Fire Department is operating under inconsistent and incomplete policies for guidance. This places the department at an increased risk of experiencing an adverse event and the potential for significant legal liability. Therefore, it is proposed that the City subscribe to Lexipol, a leader in public safety policy management to update the policies and provide an ongoing system for keeping the policies current.

Lexipol provides legally defensible and continuously updated policies and procedures that will better handle the challenges we face today. It will provide that our firefighters will be following best practice guidelines that are up to date. It protects our citizens by giving us vetted guidelines by fire service professionals and public safety attorneys that are state-specific and automatically updated as WAC and RCWs change. It protects our personnel by providing policies that are current. Lastly it protects the city. The policies and procedures are designed to support safe and effective fire operations. They are completely electronic and may be accessed 24/7, even in the field.

Lexipol will compare the Department's existing policies and procedures to their master policy content to identify similar content, as well as content unique to Chehalis not covered in the Lexipol manual. The Department's existing policies will be returned with annotations and tips to integrate into the Lexipol master content. A one-on-one review will be held to discuss this cross-reference report.

**FISCAL IMPACT**

The initial cost to the Fire Department budget to convert the policies is \$16,734. This cost is not included in the 2019 Adopted Budget and would require a budget amendment, if approved. The annual maintenance cost would be \$6,034.

Annual cost with daily training bulletins and supplemental policies:	\$ 6,034
Fire Support + Package (50) Hours:	\$ 6,950
Fire Standards Cross-Reference:	<u>\$ 3,750</u>
<b>Total</b>	<b>\$16,734</b>

**RECOMMENDATION**

It is recommended that the City Council approve the allocation of \$16,734 and authorize the City Manager to sign the Agreement for Use of Subscription Material with Lexipol.

**SUGGESTED MOTION**

I move that the City Council approve the allocation of \$16,734 and authorize the City Manager to sign the Agreement for Use of Subscription Material with Lexipol.



AGREEMENT FOR USE OF SUBSCRIPTION MATERIAL

Agency's Name: Chehalis Fire Department  
Agency's Address: 455 NW Park St *Address will be corrected.*  
Chehalis, Washington 98532

Attention: Chief Ken Cardinale

Lexipol's Address: 2801 Network Boulevard, Suite 500  
Frisco, Texas 75034

Attention: Jeffrey Hopper

Effective Date: \_\_\_\_\_  
*(to be completed by Lexipol upon receipt of signed Agreement)*

The Agreement for Use of Subscription Material is between Lexipol, LLC, a Delaware limited liability company ("**Lexipol**"), and the Agency identified above. The Agreement consists of (a) this cover sheet; (b) **Exhibit A** (Subscriptions Being Purchased and Subscription Fees) attached to this cover sheet, (c) **Exhibit B** (General Terms and Conditions) attached to this cover sheet, and (d) **Exhibit C** (Scope of Services) attached to this cover sheet. Capitalized terms that are used in Exhibit A and not defined therein shall have the respective meanings given to them in Exhibit B.

Agency	Lexipol
Signature: _____	Signature: _____
Print Name: _____	Print Name: <u>Van Holland</u>
Title: _____	Title: <u>Chief Financial Officer</u>
Date Signed: _____	Date Signed: _____



**EXHIBIT A**

**SUBSCRIPTIONS BEING PURCHASED AND SUBSCRIPTION FEES**

Agency is purchasing the following:

<b>QTY</b>	<b>DESCRIPTION</b>	<b>UNIT PRICE</b>	<b>EXTENDED</b>
1	Annual Fire Policy Manual & Daily Training Bulletins w/Supplemental Publication Service w/Fire Operations Procedures (12 Months)	USD 6,034.00	USD 6,034.00
	<b>Subscription Line Items Total</b>		<b>USD 6,034.00</b>
1	Fire Support+ Package (50 Hours)	USD 6,950.00	USD 6,950.00
1	Fire Standard Policy Cross-Reference	USD 3,750.00	USD 3,750.00
	<b>One-Time Line Items Total</b>		<b>USD 10,700.00</b>
			<b>USD 16,734.00</b>
		<b>TOTAL:</b>	<b>USD 16,734.00</b>

\*Fire pricing is based on 14 Fire Authorized Staff. Cross Reference Professional Services pricing is based on 300 pages.

## EXHIBIT B

### GENERAL TERMS AND CONDITIONS

1. **Definitions.** For purposes of this Agreement, each of the following terms will have the meaning indicated in this Section:

1.1 **Agency's Account.** "***Agency's Account***" means the account by which Agency accesses the Subscription Materials.

1.2 **Agreement.** "***Agreement***" means (a) the cover sheet to which these General Terms and Conditions are attached, (b) Exhibit A (Subscriptions and Services Being Purchased and Related Fees) attached to that cover sheet, (c) these General Terms and Conditions, and (d) Exhibit C (Scope of Services).

1.3 **Initial Term/Contract Year.** "***Initial Term***" means the twelve-month period commencing on the Effective Date and "***Contract Year***" means each twelve-month period commencing on each anniversary of the Effective Date, except as may otherwise be modified by Section 2.1 Term below.

1.4 **Derivative Work.** "***Derivative Work***" means a work that is based on the Subscription Material or any portion thereof, such as a revision, modification, abridgement, condensation, expansion, or any other form in which the Subscription Material or any portion thereof may be recast, transformed, or adapted. For purposes of this Agreement, a Derivative Work also includes any compilation that incorporates any portion of the Subscription Material. Further, "***Derivative Work***" includes any work considered a "derivative work" under United States copyright law.

1.5 **Effective Date.** "***Effective Date***" means the date specified on the cover sheet to which these General Terms and Conditions are attached.

1.6 **Subscription Materials.** "***Subscription Materials***" means the policy manuals, supplemental policy publications, daily training bulletins and other materials provided by Lexipol to Agency from time to time during the term of this Agreement under the subscriptions purchased by Agency as specified in Exhibit A.

## 2. **Term and Termination.**

2.1 **Term.** This Agreement is effective upon the execution and delivery of this Agreement by both Lexipol and Agency, and shall continue in effect until the expiration of the Initial Term; provided, however, that the term of this Agreement will automatically be extended for successive one-year periods thereafter (each a Contract Year), unless either party gives written notice to the other party to the contrary not less than thirty (30) days prior to the expiration of the Initial Term or the then current Contract Year, as the case may be. Notwithstanding the foregoing, however, this Agreement will be subject to termination as provided in Section 2.2 below.

2.2 **Termination.** This Agreement may be terminated by either party, effective immediately, (a) in the event that the other party fails to discharge any obligation or remedy any default under this Agreement for a period of more than thirty (30) calendar days after it has been given written notice of such failure or default; or (b) in the event that the other party makes an assignment for the benefit of creditors or commences or has commenced against it any proceeding in bankruptcy, insolvency or reorganization pursuant to the bankruptcy laws of any applicable jurisdiction.

2.3 **Effect of Expiration or Termination.** Upon the expiration or termination of this Agreement, all of the rights granted to Agency by this Agreement to the subscriptions identified on Exhibit

A shall automatically terminate. The termination or expiration of this Agreement shall not, however, relieve either party from any obligation or liability that has accrued under this Agreement prior to the date of such termination or expiration. The right to terminate this Agreement pursuant to Section 2.2 above shall be in addition to, and not in lieu of, any other remedy, legal or equitable, to which the terminating party shall be entitled at law or in equity. The provisions of Sections 1 (Definitions), 4 (Copyright; Derivative Works; Lexipol's Ownership), 5 (Right to Use; Limitations on Use of Subscription Material and Derivative Works), 7 (Privacy Policy), 8 (Policy Adoption), 9 (Disclaimer of Liability), 10 (Limitation of Liability), 13 (Miscellaneous), and this Section 2.3 shall survive the expiration or termination of this Agreement for any reason whatsoever.

### **3. Subscription Fees, Etc.**

**3.1 Subscription Fee/Invoicing.** Lexipol will invoice Agency at the commencement of the Subscription Service (Initial Term) and thirty (30) days prior to the date for each Contract Year (refer to 2.1 above). Agency will pay to Lexipol the subscription fee specified on Exhibit A within thirty (30) days following Agency's receipt of the invoice for such subscription and renewal fees. All invoices will be sent to Agency at the address for Agency specified on the cover sheet to which these General Terms and Conditions are attached. All payments will be made to Lexipol at the address for Lexipol specified on the cover sheet to which these General Terms and Conditions are attached. Lexipol reserves the right to increase pricing for subsequent Contract Years.

**3.2 Taxes; Past Due Amounts.** All amounts required to be paid under this Agreement, unless otherwise stated on Exhibit A, are exclusive of all taxes and similar fees now in force or enacted in the future imposed on the subscriptions purchased by Agency under this Agreement and/or delivery by Lexipol to Agency of Subscription Material, all of which Agency will be responsible for and will pay in full, except for taxes based on Lexipol's net income. In the event any amount owed by Agency is not paid when due, and such failure is not cured within ten (10) days after written notice thereof from Lexipol, then in addition to any other amount due, Agency shall pay a late payment charge on the overdue amount at a rate equal to the lower of (a) one percent (1%) per month, or (b) the highest rate permitted by applicable law.

**4. Copyright; Derivative Works; Lexipol's Ownership.** Agency acknowledges and agrees that the Subscription Material is a proprietary product of Lexipol, protected under U.S. copyright law, and that Lexipol reserves all rights not expressly granted in this Agreement. Subject to the terms and conditions contained in this Agreement, Lexipol hereby grants Agency the right to prepare Derivative Works, except as limited by the terms of this agreement; provided, however, that Agency acknowledges and agrees that Lexipol will be the sole owner of all right, title and interest in and to all Derivative Works prepared by or for Agency, including all copyrights and other intellectual property and proprietary rights therein or pertaining thereto, and Agency hereby assigns and transfers to Lexipol all right, title and interest in and to all Derivative Works prepared by or for Agency, including all copyrights and other intellectual property and proprietary rights therein or pertaining thereto. Agency will not remove from any copies of the Subscription Material provided by Lexipol to Agency any copyright notice or other proprietary notice of Lexipol appearing thereon, and shall include such copyright and other notices at the appropriate place on each copy of the Subscription Material and each copy of any Derivative Work made by or for Agency, in any form.

**5. Right to Use; Limitations on Use of Subscription Material and Derivative Works.** Subject to the terms and conditions contained in this Agreement, Lexipol hereby grants to Agency a perpetual, personal, fully paid-up, right to use, except as limited by the terms of this agreement the Subscription Material and any Derivative Works prepared by or for Agency, solely for the Agency's internal purposes. Agency will not use, copy, republish, lend, distribute, post on servers, transmit, redistribute, display, in whole or in part, by any means or medium, electronic or mechanical, or by any information storage and retrieval system, any Subscription Material or any Derivative Work prepared by or for Agency other than as expressly authorized by the immediately preceding sentence. Without limiting the generality of the foregoing, Agency will not import, upload, or otherwise make available any

Subscription Material or any Derivative Work prepared by or for Agency into or onto any third party knowledge, document, or other content management system or service without Lexipol's prior written consent. The foregoing does not, however, prohibit or restrict Agency from providing Subscription Material or Derivative Works prepared by or for Agency pursuant to an order from a court or other governmental agency or other legal process, or Freedom of Information Act (FOIA) request, or Public Records Act (PRA) request, nor does it prohibit or restrict Agency from displaying the adopted/approved final policy document on a publicly accessible website for official Agency purposes, so long as Agency includes the appropriate copyright and other proprietary notices on such final policy document as required by Section 4 above.

6. **Account Security.** Agency is solely responsible for maintaining the confidentiality of Agency's user name(s) and password(s) and the security of Agency's Account. Agency will not permit access to Agency's Account, or use of Agency's user name(s) and/or password(s) by any person or entity other than authorized Agency personnel. Agency will immediately notify Lexipol in writing if Agency becomes aware that any person or entity other than authorized Agency personnel has used Agency's Account or Agency's user name(s) and/or password(s).

7. **Privacy Policy.** Lexipol will hold all information Agency provides in confidence unless required to provide information in accordance with an order from a court or other governmental agency or other legal process such as a Freedom of Information Act (FOIA) request, or Public Records Act (PRA) request. Lexipol will use commercially reasonable efforts to ensure the security of information provided by Agency. Lexipol's system also uses Secure Socket Layer (SSL) Protocol for browsers supported by Lexipol application(s). SSL encrypts information as it travels between the Agency and Lexipol. However, Agency acknowledges and agrees that Internet data transmission is not always 100% secure and Lexipol does not warrant or guaranty that information Agency transmits utilizing the Lexipol system or online platform is 100% secure.

Agency acknowledges that Lexipol may provide view-only access and summary information (including but not limited to, status of number of policies developed or in development, percentage of staff reviews of developed policies, and percentage of DTBs taken) to the Agency's affiliated Risk Management Authority, Insurance Pool or Group, or Sponsoring Association, if they are actively funding their member Agencies' Subscription Fees.

8. **Policy Adoption.** Agency hereby acknowledges and agrees that any and all policies and Daily Training Bulletins (DTBs) included in the Subscription Material provided by Lexipol have been individually reviewed, customized and adopted by Agency for use by Agency. Agency further acknowledges and agrees that neither Lexipol nor any of its agents, employees or representatives shall be considered "policy makers" in any legal or other sense and that the chief executive of Agency will, for all purposes, be considered the "policy maker" with regard to each and every such policy and DTB.

9. **Disclaimer of Liability.** Agency acknowledges and agrees that Lexipol its officers, agents, managers, and employees will have no liability to Agency or any other person or entity arising from or related to the Subscription Materials, or any act or omission by Agency or its personnel pursuant to, or in reliance on, any of the Subscription Materials.

10. **Limitation of Liability.** Lexipol's cumulative liability to Agency and any other person or entity for any loss or damages resulting from any claims, demands, or actions arising out of or relating to this Agreement or the use of any Subscription Materials shall not exceed the subscription fees actually paid to Lexipol for the use of the Subscription Materials under this Agreement during the twelve-month period immediately prior to the assertion of such claim, demand or action. In no event shall Lexipol be liable for any indirect, incidental, consequential, special, or exemplary damages or lost profits, even if Lexipol has been advised of the possibility of such damages. The limitations set forth in this Section shall apply whether Agency's claim is based on breach of contract, tort, strict liability, product liability or any other theory or cause of action.

**11. Non-Transferability.** The subscriptions and rights to use the Subscription Material granted by this Agreement are personal to Agency and Agency shall not assign or otherwise transfer the same to any other person or entity.

**12. Confidentiality.** From time to time during the term of this Agreement, either party may be required to disclose information to the other party that is marked "confidential" or the like, or that is of such a type that the confidentiality thereof is reasonably apparent ("Confidential Information"). The receiving party will: (a) limit disclosure of any Confidential Information of the other party to the receiving party's directors, officers, employees, agents and other representatives (collectively "Representatives") who have a need to know such Confidential Information in connection with the business relationship between the parties to which this Agreement relates, and only for that purpose; (b) advise its Representatives of the confidential nature of the Confidential Information and of the obligations set forth in this Agreement and require such Representatives to keep the Confidential Information confidential and to use it only as permitted by this Agreement; (c) keep all Confidential Information confidential by using a reasonable degree of care, but not less than the degree of care used by it in safeguarding its own confidential information; and (d) not disclose any Confidential Information received by it to any third party (except as otherwise provided for herein). Notwithstanding the foregoing, however, a party may disclose Confidential Information of the other party pursuant to any governmental, judicial, or administrative order, subpoena, discovery request, regulatory request, or Freedom of Information Act (FOIA) request, or Public Records Act (PRA) request, or similar method, provided that the party proposing to make any such disclosure will promptly notify, to the extent practicable, the other party in writing of such demand for disclosure so that the other party may, at its sole expense, seek to make such disclosure subject to a protective order or other appropriate remedy to preserve the confidentiality of the Confidential Information. Each party shall be responsible for any breach of this Section by any of such party's Representatives.

**Miscellaneous.**

**13.1 Governing Law.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of California, without giving effect to any choice of law doctrine that would cause the law of any other jurisdiction to apply.

**13.2 Entire Agreement.** This Agreement embodies the entire agreement and understanding of the parties hereto and hereby expressly supersedes any and all prior written and oral agreements and understandings with respect to the subject matter hereof, including without limitation any and all agreements and understandings pertaining to the use of the Subscription Materials by Agency. No representation, promise, inducement, or statement of intention has been made by any party hereto that is not embodied in this Agreement. Terms and conditions set forth in any purchase order, or any other form or document of Agency, which are inconsistent with, or in addition to, the terms and conditions set forth in this Agreement, are hereby objected to and rejected in their entirety, regardless of when received, without further action or notification by Lexipol, and shall not be considered binding on Lexipol unless specifically agreed to in writing by it.

**13.3 Headings.** The captions and other headings contained in this Agreement are for convenience only and shall not be considered a part of or affect the construction and interpretation of any provision of this Agreement.

**13.4 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document.

**13.5 Amendment.** No amendment, modification, or supplement to this Agreement shall be binding unless it is in writing and signed by the party sought to be bound thereby.

**13.6 Attorneys' Fees.** If any action is brought by either party to this Agreement against the other party regarding the subject matter hereof, the prevailing party shall be entitled to recover, in addition to any other relief granted, reasonable attorneys' fees and expenses of litigation.

**13.7 General Interpretation.** The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent. This Agreement shall be construed without regard to any presumption or rule requiring construction against the party causing such instrument or any portion thereof to be drafted, or in favor of the party receiving a particular benefit under the Agreement. No rule of strict construction will be applied against any person or entity.

**13.8 Notices.** Any notice required by this Agreement or given in connection with it, shall be in writing and shall be given by personal delivery, by certified mail, postage prepaid, or by recognized overnight delivery service to the appropriate party at the address of such party stated on the cover sheet to which these General Terms and Conditions are attached, or such other address as such party may indicate by a notice delivered to the other party in accordance with the terms of this Section. Alternatively, electronic mail or facsimile notice is acceptable when acknowledged by the receiving party.

**13.9 Invalidity of Provisions.** Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. Further, if a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable, then the parties agree that the court should endeavor to give effect to the parties' intention as reflected in such provision to the maximum extent possible.

**13.10 Waiver.** Lexipol's failure to exercise, or delay in exercising, any right or remedy under any provision of this Agreement shall not constitute a waiver of such right or remedy.

End of General Terms and Conditions

## EXHIBIT C

### Scope of Services

#### **Policy Manual**

Legally defensible, up-to-date policies are the foundation for consistent, safe public safety operations and are key to lowering liability and risk. Lexipol's comprehensive policy manual covers all aspects of your agency's operations.

- More than 155 policies researched and written by public safety attorneys and subject matter experts
- Policies based on State and federal laws and regulations as well as nationwide best practices
- Content customized to reflect your agency's terminology and structure

#### **Daily Training Bulletins (DTBs)**

Even the best policy manual lacks effectiveness if it's not backed by training. Lexipol's Daily Training Bulletins are designed to help your personnel learn and apply your agency's policy content through 2-minute training exercises.

- Scenario-based training ties policy to real-world applications
- Understanding and retention of policy content is improved via a singular focus on one distinct aspect of the policy
- Each Daily Training Bulletin concludes with a question that confirms the user understood the training objective
- Daily Training Bulletins can be completed via computers or from smartphones, tablets or other mobile devices
- Reports show completion of Daily Training Bulletins by agency member and topic

#### **Policy Updates**

Lexipol's legal and content development teams continuously review state and federal laws and regulations, court decisions and evolving best practices. When needed, we create new and updated policies and provide them to your agency, making it simple and efficient to keep your policy content up to date.

- Updates delivered to you through Lexipol's web-based content delivery platform
- Changes presented in side-by-side comparison against existing policy so you can easily identify modifications/improvements
- Your agency can accept, reject or customize each update

#### **Web-Based Delivery Platform and Mobile App (Knowledge Management System)**

Lexipol's online content delivery platform, called KMS, provides secure storage and easy access to all your policy and training content, and our KMS mobile app facilitates staff use of policies and training completion.

- Ability to edit and customize content to reflect your agency's mission and philosophy
- Efficient distribution of policies, updates and training to staff
- Archival and easy retrieval of all versions of your agency's policy manual
- Mobile app provides in-the-field access to policy and training materials

#### **Reports**

Lexipol's Knowledge Management System provides intuitive reporting capabilities and easy-to-read reports that enhance command staff meetings and strategic planning.

- Track and report when your personnel have acknowledged policies and policy updates
- Produce reports showing completion of Daily Training Bulletins
- Sort reports by agency member, topic and other subgroups (e.g., shift, assignment)
- Reduce the time your supervisors spend verifying policy acknowledgement and training completion

### **Supplemental Publication Service**

Lexipol's Supplemental Publication Service (SPS) streamlines the storage of your agency's content, giving you one place to access procedures, guidelines, general orders, training guides or secondary policy manuals.

- Electronically links department-specific procedural or supplemental content to your policy manual
- Provides electronic issuance and tracking for your agency's procedural or supplemental content
- Allows you to create Daily Training Bulletins against your procedural content
- Designed for standard operating guidelines, procedures, general orders or field guides

### **Fire Operations Procedures**

- More than 20 best practice procedures designed to support safe operations
- Procedures address the operations most often cited as contributing to firefighter injury or death as well as the most common call types
- Scenario-based training reinforces live training
- Mobile-friendly decision trees make it easy to review a procedure on the way to a call

### **Standard Policy Cross-Reference**

Making the transition to Lexipol starts with understanding how your agency's current policy content compares with Lexipol's master policy content. Our Standard Policy Cross-Reference service provides a logical method to distinguishing between the two.

- Analysis of your existing policies and procedures to identify content similar to Lexipol's state specific master content, as well as content unique to your jurisdiction and not covered within the Lexipol manual
- Your existing policies returned with annotations and tips to integrate into the Lexipol master content
- One-on-one review with your agency to discuss the cross-reference report

### **Support+ Package**

Lexipol's Support+ Package provides a discounted, customizable solution for agencies looking for one-on-one policy implementation support. Packages are offered in 50-hour increments with a flexible scope of work and are offered at a discount off Lexipol's standard hourly rate for professional services.



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Chun Saul, Finance Director

**MEETING OF:** April 8, 2019

**SUBJECT:** Ordinance No. 997-B, First Reading – Amending the 2019 Budget

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**ISSUE**

Ordinance No. 997-B amending the 2019 Budget, is hereby submitted to reflect some known changes since the adoption of the 2019 budget.

Throughout the year, adjustments to the budget become necessary as a result of City Council actions, changes in estimates, activity levels that were not anticipated during budget development, and grant awards or other receipts of outside funding. Historically, the budget has been amended two or three times per year prior to the development of the next year's proposed budget document.

**DISCUSSION**

This proposed amendment to the 2019 Budget includes the following items:

- 1) Updates the estimated 2019 beginning cash balances for all funds to reflect the actual ending fund balances at the close of fiscal year 2018. This action has no impact on the 2019 revenues and expenditures budget but updates the estimated 2019 ending fund balances for all city funds.
- 2) Recommendations for assigning and allocating the General Fund's beginning/ending fund balances for specific use (reserves) in the amount of \$626,780. This action has no impact to the city-wide net fund balances. The assigned funds are transferred out from the General Fund and received by the receiving funds as transfers-in.
- 3) Requests for additional appropriations in the amount of \$9,325 (\$8,125 for General Fund and \$1,200 for Water Fund) for items that were not included in the 2019 adopted budget.

A 2019 Budget Summary for the proposed amendment, including updated beginning cash, revenues, transfers-in, expenditures, transfers-out, and estimated ending cash balances and a detailed spreadsheet of proposed budget amendment items are attached to the proposed Ordinance No. 997-B as Exhibit "A" and Exhibit "A-1".

The proposed budget amendments by fund are summarized below:

**General Fund:**

The budget amendment proposal includes a \$8,125 increase in expenditures, and \$626,780 increase in transfers-out. A total decrease in fund balance from the proposed budget amendment is \$634,905.

- Immediate replacement of a server for the city’s accounting software (EDEN) became necessary. A budget increase of \$3,852 is requested for replacing the server and related professional services to transfer the EDEN database to a new server.
- Installation of emergency equipment in a patrol vehicle that was purchased in 2018 is needed. A budget increase of \$4,273 is requested.
- At the end of 2018, the City’s General Fund came in stronger than expected. The actual 2018 ending fund balance was \$819,921 higher than what was estimated during the 2019 budget development. The key factors for this positive variance was a combination of actual revenues exceeding the budget projection by \$173,413, and the City’s General Fund not spending all of its approved 2018 appropriations (average spent 93.8% of the 2018 budget) which saved the budget by \$646,508.

An update of the General Fund’s 2018 fund balance status was presented to the Council Budget Committee on 3/29/2019. The Budget Committee includes Mayor Dawes, Mayor Pro Tem Harris, and Councilor Spahr. The Budget Committee reviewed and discussed the use of the \$819,921 increase in 2018 ending fund balance. The Committee recommended that the fund balance in excess of 10% reserve policy be assigned and reserved for future capital (i.e. facilities and vehicle replacements, etc.) and employment liability payment needs.

This proposed budget amendment recommends the City Council assigning a portion of the 2018 ending fund balance (or 2019 beginning fund balance) in the amount of \$626,780 for the following use and purposes and transfer-out to specific reserve funds:

Recommended Use/ Allocation of Fund Balance (General Fund):	Amount
Restore Building Abatement Fund used in 2019	\$ 80,000
Restore Automotive/Equipment Reserve Fund used in 2019	81,780
Additional Reserves for Compensated Absences liabilities	100,000
Additional Reserves for Automotive/Equipment replacement	100,000
Reserves for major facilities maintenance and repair projects	115,000
Reserves for Fire Station Land Acquisition	150,000
<b>Total Use/Allocation (Transfers-out) Recommended</b>	<b>\$ 626,780</b>

After the fund balances are assigned and committed as recommended, the estimated 2019 ending fund balance for the General Fund is \$971,929. This is about 10% of the general fund

regular revenues, which meets the City Council policy to maintain a 10% operating reserves in the General Fund.

A summary of changes from 2019 Adopted Budget to the 2019 Proposed Amended Budget is provided below:

	2019 Proposed		Variance
	2019 Adopted Budget	Amended Budget	
<b>General Fund:</b>			
Revenues	\$ 9,742,242	\$ 9,742,242	\$ -
Transfers-in	\$ 80,000	\$ 80,000	\$ -
Expenditures	\$ 9,794,971	\$ 9,803,096	\$ 8,125
Transfers-out	\$ 224,699	\$ 851,479	\$ 626,780
Net Revenues Over (under) Expenditures	\$ (197,428)	\$ (832,333)	\$ (634,905)
<b>Estimated Beginning Fund Balance</b>	<b>\$ 969,625</b>	<b>\$ 1,804,262</b>	<b>\$ 834,637</b>
Estimated Ending Fund Balance	\$ 772,197	\$ 971,929	\$ 199,732
Estimated Ending Fund Balance % of Revenues	7.9%	10.0%	

#### **Building Abatement Fund:**

\$80,000 was transferred from the Building Abatement Fund to the General Fund for the 2019 Adopted Budget.

It is recommended that \$80,000 be transferred back to the Building Abatement Fund from the General Fund.

All costs associated with the abatement of a property will eventually be recovered through direct reimbursement by property owners or through the lien process; however, it is not always possible to predict the level of funding required for this fund as the number of properties requiring the abatement process can fluctuate drastically from year to year, and reimbursements could be significantly delayed if a property is liened.

#### **Compensated Absences Reserve Fund**

A transfer of \$100,000 from the General Fund to the Compensated Absences Reserve Fund is requested.

The General Fund's share of the compensated absences liability (cash-out value of unused vacation, sick, and compensatory time upon separation or retirement) at the end 2018 is over \$1.2 million. About 65% (or \$792K) of the total liability is for police and fire, with the remaining \$422K for all other general fund departments' employees.

Currently, this fund has a fund balance of \$93,841. This additional \$100,000 transfer will increase the estimated 2019 ending fund balance to \$193,841, which is about 16% of the total liabilities at the end of 2018.

The funding in this fund is also used to pay significant costs incurred for unemployment benefits, as the City has a self-administered single employer unemployment benefit plan.

**Automotive/Equipment Reserve Fund:**

The 2019 Adopted Budget includes use of \$81,780 for purchase of three vehicles. The budget requests were moved from the General Fund to the Automotive and Equipment Reserve fund.

The City's General Fund has over \$7.0 million dollars' worth of vehicles and equipment used in operations. More than half of the vehicles are over 10 years old. There are significant funding needs for near future vehicle replacements. The city administration will continue to work on developing a sustainable plan to address the funding needs for future replacements.

A total of \$181,780 transfer-in from the General Fund to the Automotive/Equipment Reserve Fund is recommended to replenish the \$81,780 used in 2019 and set aside additional reserves in the amount of \$100,000 for future vehicle replacements.

Currently, this fund has an estimated 2019 ending fund balance of \$11,781. With the \$181,780 recommended budget transfers, the 2019 ending fund balance is estimated at \$194,541.

**Public Facilities Reserve Fund:**

A transfer-in of \$265,000 from the General Fund to the Public Facilities Reserve Fund is requested and dedicated for:

- \$150,000 reserve for future Fire Station land acquisition
- \$115,000 reserve for major maintenance and repair projects for city facilities, including buildings, parking lots, and park facilities.

**Water Fund:**

A \$1,200 budget increase is requested. This is for the purchase of a tax parcel from Lewis County tax foreclosure sale that City Council approved in February 2019. The tax parcel is located at SW Chehalis Avenue and SW 9<sup>th</sup> Street. The property will be used for future waterline realignment project or for a not yet determined use.

**RECOMMENDATION**

It is recommended that the City Council pass Ordinance No. 997-B on first reading.

**SUGGESTED MOTION**

I move that the City Council pass Ordinance No. 997-B on first reading.

Fund No. and Name	Account Name	Reason for Amendment	2019		Appropriation		Total		Recommended
			Amended Budget	Revenue Increase (Decrease)	Transfers In	Transfers Out	Amendment Increase (Decrease)	Amended Budget	
<b>Fund 001 - General Fund</b>									
<b>Expenditures:</b>									
001.G1.597.000.05.04	Transfer out - Fund 004	Replenish \$80K Building Abatement Fund used in 2019				80,000		80,000	80,000
001.G1.597.000.05.10	Transfer out - Fund 110	Additional reserve for compensated absences liabilities				100,000		100,000	100,000
001.G1.597.000.05.31	Transfer out - Fund 301	Set aside reserves for Fire Station Land Acquisition				150,000		150,000	150,000
001.G1.597.000.05.31	Transfer out - Fund 301	Set aside reserves for major facility maintenance and repair projects				115,000		115,000	115,000
001.G1.597.000.05.32	Transfer out - Fund 302	Replenish Automotive/Equipment Reserve Fund used in 2019				81,780		81,780	81,780
001.G1.597.000.05.32	Transfer out - Fund 302	Additional reserves for future vehicle replacements				100,000		100,000	100,000
001.E1.514.023.35.00	Small Tools & Minor Equipment	New server software for EDEN database in		720				720	720
001.E1.514.023.48.02	R&M - Software/Hardware	Professional service to transfer EDEN Data to a new server		3,132				3,132	3,132
001.H1.594.021.64.00	Capital Outlay - Equipment	Install emergency equipment in patrol vehicle purchased in 2018		4,273				4,273	4,273
<b>Total General Fund Expenditures &amp; Transfers Out</b>			10,019,670	-	-	626,780	8,125	634,905	10,654,575
<b>Total for General Fund</b>							<b>8,125</b>	<b>(634,905)</b>	

**Fund 004 - Building Abatement Fund**

Revenues:									
004.397.000.01	Transfer In - Fund 001	Restore 2019 transferred amount to the General Fund		80,000				80,000	80,000
<b>Total Building Abatement Fund Revenues &amp; Transfers In</b>			330	-	80,000	-	-	80,000	80,330
<b>Total for Building Abatement Fund</b>								<b>80,000</b>	

**Fund 110 - Compensated Absences Reserve Fund**

Revenues:									
110.397.000.01	Transfer In - Fund 001	Reserve for compensated absences liability		100,000				100,000	100,000
<b>Total Compensated Absences Fund Revenues &amp; Transfers In</b>			1,850	-	100,000	-	-	100,000	101,850
<b>Total for Compensated Absences Reserve Fund</b>								<b>100,000</b>	

**Fund 301 - Public Facilities Reserve Fund**

Revenues:									
301.397.000.01	Transfer In - Fund 001	Reserve for future fire station land acquisition		150,000				150,000	150,000
301.397.000.01	Transfer In - Fund 001	Reserve for major facility maintenance and repair projects		115,000				115,000	115,000
<b>Total Public Facilities Reserve Fund Revenues &amp; Transfers In</b>			85,780	-	265,000	-	-	265,000	350,780
<b>Total for Public Facilities Reserve Fund</b>								<b>265,000</b>	

**Fund 302 - Automotive/Equipment Reserve Fund**

Revenues:									
302.397.000.01	Transfer In - Fund 001	Reserve for future vehicle replacements (General Fund vehicles only)		100,000				100,000	100,000
302.397.000.01	Transfer In - Fund 001	Replenish reserves used in 2019 (3 vehicle purchases budgeted)		81,780				81,780	81,780
<b>Total Automotive/Equipment Reserve Fund Revenues &amp; Transfers In</b>			230	-	181,780	-	-	181,780	182,010
<b>Total for Automotive/Equipment Reserve Fund</b>								<b>181,780</b>	

**Fund 405 - Water Fund**

Expenditures:									
405.10.594.034.61.00	Capital Outlay - Land	Purchase tax parcel #00527200200 (SW Chehalis Ave - SW 9th St)		1,200				1,200	1,200
<b>Total Water Fund Expenditures</b>				1,200				1,200	1,200
<b>Total for Water Fund</b>								<b>(1,200)</b>	
<b>Total Amendment for City-wide All Funds</b>					626,780	9,325	626,780		(9,325)

**ORDINANCE NO. 997-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING THE 2019 FISCAL YEAR BUDGET ADOPTED BY ORDINANCE NO. 995-B BY REVISING THE BUDGETED AMOUNTS BY A COMBINED TOTAL OF NINE THOUSAND THREE HUNDRED TWENTY FIVE DOLLARS (\$9,325) FOR THE GENERAL FUND, BUILDING ABATEMENT FUND, COMPENSATED ABSENCES RESERVE FUND, PUBLIC FACILITIES RESERVE FUND, AUTOMOTIVE AND EQUIPMENT RESERVE FUND, AND WATER FUND; AND DIRECTING THE FINANCE DIRECTOR 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 2019 shall be, and the same hereby is, amended so as to increase the General Fund's appropriations by \$8,125 and increase transfers-out by \$626,780.

**Section 2.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the Building Abatement Fund's transfers-in by \$80,000.

**Section 3.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the Compensated Absences Reserve Fund's transfers-in by \$100,000.

**Section 4.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the Public Facilities Reserve Fund's transfers-in by \$265,000.

**Section 5.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the Automotive Equipment Fund's transfers-in by \$181,780.

**Section 6.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the Water Fund's appropriations by \$1,200.

**Section 7.** 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 the amended 2019 budget which shows a total estimated ending fund balance of \$18,176,670.

**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 \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form and content:

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

**Exhibit "A"**  
**CITY OF CHEHALIS FIRST AMENDED 2019 BUDGET**  
**2019 BUDGET SUMMARY REVISED WITH ORDINANCE NO. 997-B**

FUND NO.	FUND NAME	BEGINNING CASH	REVENUES	TRANSFERS IN	EXPENDITURES	TRANSFERS OUT	ESTIMATED ENDING CASH	CASH BALANCE CHANGE FROM BEGINNING TO ENDING	ENDING CASH % CHANGE
001	General Fund	\$ 1,804,262	\$ 9,742,242	\$ 80,000	\$ 9,803,096	\$ 851,479	\$ 971,929	\$ (832,333)	-46.1%
003	Dedicated Street Fund	163,772	710	198,808	172,520	-	190,770	26,998	16.5%
004	Building Abatement Fund	101,209	330	80,000	-	80,000	101,539	330	0.3%
102	Arterial Street Fund	125,142	165,504	-	170,218	-	120,428	(4,714)	-3.8%
103	Transportation Benefit District Fund	1,110,158	992,518	-	1,175,000	-	927,676	(182,482)	-16.4%
107	Tourism Fund	263,943	225,985	-	223,435	82,000	184,493	(79,450)	-30.1%
110	Compensated Absences Reserve Fund	93,841	1,850	100,000	-	-	195,691	101,850	108.5%
195	Community Development Block Grant Fund	24,190	-	1,000	1,000	-	24,190	-	0.0%
197	HUD Block Grant Fund	86,259	1,420	-	1,000	-	86,679	420	0.5%
200	2011 General Obligation Bond Fund	1	-	99,563	99,563	-	1	-	0.0%
301	Public Facilities Reserve Fund	439,638	3,780	347,000	96,724	-	693,694	254,056	57.8%
302	Automotive/Equipment Reserve Fund	94,311	230	181,780	81,780	-	194,541	100,230	106.3%
305	First Quarter REET Fund	62,712	106,280	-	-	40,821	128,171	65,459	104.4%
306	Second Quarter REET Fund	71,769	106,470	-	-	33,851	144,388	72,619	101.2%
402	Garbage Fund	7,706	6,745	-	7,252	-	7,199	(507)	-6.6%
404	Wastewater Fund	5,112,880	5,472,262	-	5,750,639	-	4,834,503	(278,377)	-5.4%
405	Water Fund	7,437,091	2,885,647	-	4,270,340	-	6,052,398	(1,384,693)	-18.6%
406	Storm and Surface Water Fund	1,264,662	800,770	-	786,526	-	1,278,906	14,244	1.1%
407	Airport Fund	1,051,418	4,423,173	-	4,429,286	-	1,045,305	(6,113)	-0.6%
611	Firemen's Pension Fund	877,319	191,236	-	78,500	-	990,055	112,736	12.9%
633*	Agency Fund	4,114	360,000	-	360,000	-	4,114	-	0.0%
<b>TOTALS</b>		<b>\$ 20,196,397</b>	<b>\$ 25,487,152</b>	<b>\$ 1,088,151</b>	<b>\$ 27,506,879</b>	<b>\$ 1,088,151</b>	<b>\$ 18,176,670</b>	<b>\$ (2,019,727)</b>	<b>-10.0%</b>

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

Total City-Wide 2019 Original Adopted Budget	\$ 16,764,866	\$ 25,487,152	\$ 461,371	\$ 27,497,554	\$ 461,371	\$ 14,754,464	\$ (2,010,402)
Changes from First Amendment to the 2019 Budget	\$ 3,431,531	\$ -	\$ 626,780	\$ 9,325	\$ 626,780	\$ 3,422,206	\$ (9,325)



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**MEETING OF:** April 8, 2019

**SUBJECT:** Wastewater Superintendent Position Incentives

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**ISSUE**

The City is having difficulty attracting qualified candidates to fill the Wastewater Superintendent position, which is scheduled to become vacant due to a pending retirement. This is a particularly challenging position to fill due to the limited number of Level 4 Certified Operators in WA, the majority of whom have reached retirement eligibility.

**BACKGROUND**

The City operates a Level 4 Regional Wastewater Treatment Facility and the Department of Ecology requires that the Facility have one Level 4 Certified Operator at the Plant. The City's only Level 4 Certified Operator is the Wastewater Superintendent, Patrick Wiltzius, who has been planning to retire this Spring. The City recently conducted an extensive recruitment to fill the position. Only six applications were received in response to more than 300 direct mailings; advertising in multiple paper and electronic forms; and postings on related professional association websites. Two candidates were interviewed and neither were a good fit for the City of Chehalis at this time.

The plan is to conduct another recruitment further expanding the search to Level Three Operators, who can fulfill the requirements for obtaining a Level 4 certification within the one year that is allowed by Department of Ecology. The goal is to expand the pool of potential candidates to find the right balance of management and technical experience adjusting to the very competitive market for Wastewater Operators. It is also proposed that the City offer relocation assistance to promote interest from mid-career professionals that may be reluctant to move.

The dilemma is that the Wastewater Superintendent is scheduled to retire as soon as April 30, 2019. If we are not able to fill the position prior to the current Superintendent's departure, the City will need to make arrangements to contract to "share" a Level 4 operator with another government entity or engage a consulting firm to provide the appropriate oversight to meet the required regulations. Of course, any arrangement of this kind would have costs attached, which are unknown at this time.

## **POTENTIAL INTERIM SOLUTION**

Over the course of the last six months, I have asked the Wastewater Superintendent what it would take for him to reconsider retirement. In recognition of the challenges facing the City, he has considered what it would take for him to delay the freedom of retirement. The answer is a 10% increase to the salary for every month his position is needed for up to a year, which is approximately \$800 a month.

He has been a valued employee for many years, performing at a high level with a full understanding of the City's facility and its staff. It is a complex operation and highly regulated with State and Federal requirements, along with the associated reporting to maintain the facility in good standing with regulators and other interested parties. There are risks associated with a short-term/temporary contract with a consultant or other agency unintentionally violating a condition of the City's permit due to competing demands and the likelihood of working on a part-time basis. While the Level 3 Operator on staff is technically very capable, he would be under the supervision of the interim person. In addition, the staff would be in a heightened state of flux and uncertainty during the transition. There are also benefits to having the current Superintendent available to train the next person, as was the original plan, assuming the second recruitment is successful.

Therefore, there is a business decision to be made by both parties. The Wastewater Superintendent has made a personal business decision that it would be worth delaying the freedom of retirement for an additional \$800 a month. The City needs to make a business decision whether it is worth paying a current employee with a known track record an additional \$800 a month to continue to be a full-time Superintendent even though it is an unusual step to take in the public sector. The alternative is that the City will need to take its chances on an as-yet unidentified person to fill in on a part-time/contract basis. While the Administration and related staff would make every effort to make it work, it is a less than ideal situation.

## **BUDGET COMMITTEE**

Due to the budget implications, the proposal was discussed with the City Council Budget Committee. While each member of the Committee holds the current Wastewater Superintendent in very high regard, there were understandable concerns about setting the precedent of providing incentive pay to retain an employee and the impact on other members of the management staff. After discussion of the pros and cons, a majority of the Budget Committee was supportive of recommending the incentive pay due to the general industry pressures making this a particularly difficult position to fill and the risks of losing management continuity.

## **FISCAL IMPACT**

If approved, the cost of providing incentive pay to the Wastewater Superintendent, effective with the April 25 – May 24 payroll period, is approximately \$800 a month, or up to \$9,600. The associated costs would be paid from the Wastewater Fund. In addition, this 10% incentive pay

would not be applicable to the permanent salary schedule for the position; it would only apply to the effort to retain the current Wastewater Superintendent.

The costs associated with offering a moving allowance as part of the potential compensation package would ultimately be dependent on the selected candidate. It is recommended that the City Council authorize the expenditure of up to \$7,500 for relocation assistance to the successful candidate. In addition, the City will be offering to partially reimburse approved travel expenses up to \$350 each for candidates from out of the area selected to be interviewed, which would be paid on an as-needed basis during the City's regular accounts payable process, which includes City Council approval.

### **RECOMMENDATION**

It is recommended that the City Council:

- 1) Authorize providing the Wastewater Superintendent incentive pay of 10% of his gross monthly income for up to a year, beginning with the April 25, 2019 payroll period, to provide management continuity in the Wastewater Division of Public Works.
- 2) Authorize the expenditure of up to \$7,500 for relocation assistance if the selected candidate needs to move from out of the area to Chehalis to accept the position.

### **SUGGESTED MOTION**

I move that the City Council:

- 1) Authorize providing the Wastewater Superintendent incentive pay of 10% of the gross monthly salary for up to a year, beginning with the April 25, 2019 payroll period; and
- 2) Authorize the City Manager to expend up to \$7,500 for relocation assistance if the selected candidate needs to move from out of the area to Chehalis to accept the position.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council  
**FROM:** Jill Anderson, City Manager  
**MEETING OF:** April 8, 2019  
**SUBJECT:** Strategic Plan Update

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**ISSUE**

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

**DISCUSSION**

On March 7, 2019, the City Council met with the City Manager and the Management Team to review the City's strategic plan so that limited resources continue to be directed toward the City's highest priorities consistent with its mission and responsibility as a municipal government. The review of the plan included an affirmation of the City's mission statement and three-year goals, which are provided below.

**MISSION STATEMENT**

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

**THREE-YEAR GOALS**

2018-2021 \* not in priority order

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

The goals were established to maintain and improve services while using public resources effectively.

For each goal, specific, measurable objectives have been established for the six-month planning period. This presentation has been scheduled to report on the key objectives identified for accomplishment before the next strategic planning workshop on Wednesday, September 18, 2019. Periodic reports will also be provided in the coming months to provide the City Council and staff an opportunity to monitor progress, as well as revise objectives and timelines as conditions warrant.

**RECOMMENDATION**

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

**SUGGESTED MOTION**

There is no motion needed.