

# PLEASE NOTE SPECIAL MEETING TIME

## CHEHALIS CITY COUNCIL AGENDA

CITY HALL

350 N MARKET BOULEVARD, CHEHALIS, WA 98532

Anthony E. Ketchum Sr., District 3  
Mayor

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

Dennis Dawes, Position at Large  
Chad E. Taylor, Position at Large  
Bob Spahr, Position at Large

April 22, 2013

5:30 p.m.

### EXECUTIVE SESSION

1. Pursuant to RCW 42.30.110(4)(a) – Collective Bargaining. (City Manager)

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Regular Meeting of Monday, April 22, 2013

6:00 p.m.

ITEM

ADMINISTRATION  
RECOMMENDATION

PAGE

2. Call to Order. (Mayor)

3. Pledge of Allegiance. (Mayor)

### CITIZENS BUSINESS

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

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### PROCLAMATION / PRESENTATIONS

4. Recognition and Appreciation Award – Fire Chief Kelvin Johnson. (Mayor)

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5. Proclamation – Mental Health Awareness Month. (Mayor)

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### CONSENT CALENDAR

6. Minutes of the Regular Meeting of April 8, 2013. (City Clerk)

APPROVE

1

7. Vouchers and Transfers. (Finance Manager)

APPROVE

4

8. Resolution No. 08-2013, First and Final Reading – Surplus of City Property. (City Clerk, Public Works Director)

ADOPT

6

9. Ordinance No. 909-B, First Reading – Amending the 2013 Budget. (City Manager, Finance Manager)

PASS

11

### ADMINISTRATION AND CITY COUNCIL REPORTS

10. Administration Reports.

a. First quarter and March financial report. (Finance Manager)

INFORMATION ONLY

24

b. Quarterly sales and use tax report. (Finance Manager)

INFORMATION ONLY

30

c. Report on city chip seal program. (Public Works Director)

INFORMATION ONLY

31

d. Request special work session on May 20, at 5:30 p.m. to review 2013-2015 financial and organization strategies, and identify 2014 projects and goals. (City Manager)

SET DATE AND TIME FOR  
SPECIAL COUNCIL WORK  
SESSION

11. Council Reports.

a. Councilor reports. (City Council)

INFORMATION ONLY

b. Council committee reports. (City Council)

INFORMATION ONLY

**NEW BUSINESS**

12. <u>Authorize City Manager to Execute Interlocal Agreement between the city and Riverside Fire Authority for Fire Administration and Management.</u> (City Manager)	AUTHORIZE CITY MANAGER TO EXECUTE INTERLOCAL AGREEMENT	32
13. <u>Award Contract for Architectural Services and Project Management for the Chehalis Outdoor Pool Renovation Project and Authorize City Manager to execute contract agreement.</u> (City Manager, Community Development Director)	AWARD CONTRACT AND AUTHORIZE CITY MANAGER TO EXECUTE CONTRACT AGREEMENT	39

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

**NEXT REGULAR CITY COUNCIL MEETING WILL BE ON MONDAY, MAY 13, 2013**

April 8, 2013

The Chehalis city council met in regular session on Monday, April 8, 2013, in the Chehalis city hall. Mayor Ketchum called the meeting to order at 6:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; and Peggy Hammer, Human Resources Administrator. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Citizen Business.** Teamsters Business Agent Russ Walpole, representing the non-uniform employees for the city of Chehalis, reported he wanted to talk about contract negotiations and where they were at. He stated the intent was not for direct bargaining with the council through the union, or through the employees.

Mr. Walpole suggested the city was spending money recklessly by going to mediation and paying out attorney fees with no actual benefit to the city. He talked briefly about the role of David Fine from the Lewis County Prosecuting Attorney's Office, who was hired by the city to assist with its negotiation process. Mr. Walpole noted Mr. Fine doesn't really do any negotiating, other than to explain what the proposal is, and to keep Human Resources Administrator Peggy Hammer out of trouble, "Babysitting if you will."

Mr. Walpole believed that Ms. Hammer didn't care what it cost the city, only that there had to be takeaways. He noted they also had concerns with honesty and integrity, adding during the previous negotiations, Ms. Hammer was insistent that the non-represented employees all pay out of pocket for health and welfare. She also stated that the proposals she came in with were directed by the city council. Mr. Walpole stated they didn't believe either statement was true.

Mr. Walpole reported the union employees don't begrudge the non-represented employees for getting a three percent increase; however, at the table when trying to get the same three percent increase the response was, "The city council believes that the non-represented employees need to be taken care of and that's not the case with the public works employees." Again, they didn't believe that was the directive given to Ms. Hammer by the council.

Mr. Walpole requested that the city send somebody to the table that is competent, credible, and willing to get a fair and equitable agreement done. They also invited the Council and City Manager MacReynold to sit in on the negotiations, so they can see if the information being relayed is accurate, and that the union employees are a reasonable and understanding group.

## 2. **Proclamations.**

a. **Sexual Assault Awareness Month.** Mayor Ketchum presented Human Response Network Advocate Melissa Carter with a proclamation declaring April as "Sexual Assault Awareness Month" in the city of Chehalis.

b. **Barbershop Harmony Week.** Mayor Ketchum presented Two Town Tuners President Don Lakin and Director Bob Hart with a proclamation declaring April 7-13, 2013, as "Barbershop Harmony Week" in the city of Chehalis. The Two Town Tuners also provided some entertainment by singing a few of their favorite songs.

3. **Mobile Services for Local Veterans.** Outreach Coordinator Brandon Jones with the Tacoma Vet Center provided the council with information on the various services they provide to veterans and their families. He noted the organization was founded in 1976 by veterans, to help veterans. Mr. Jones talked briefly about their mobile unit, noting they would like to bring it to the area to help the veterans who are not getting served. He reported the next closest vet center was in Portland, Oregon.

Readjustment Counseling Therapist Mark Buckler reported the veteran population for Lewis County in 2011 was 8,545, putting it at 14.8 percent of the population, which exceeded the state average of 12 percent. He noted they've been asked to try and get their mobile unit out to the underserved and rural communities.

Mr. Buckler talked briefly about the statistics for post-traumatic stress disorder and military sexual trauma, adding the October 2011 Pew Research Study estimates 52 percent of combat veterans report some level of emotional distress. He noted they would like to come to the Twin Cities area at least once a month starting the first week of May. Mr. Buckler stated they would be checking with the Veterans Museum to see if they might be able to set up in their parking lot.

April 8, 2013

Councilor Harris suggested they also check with the Veterans Administration facility at the old Lewis County Mall to see if they might be able to set up there, or at the Twin Cities Town Center, if they want more visibility.

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

- a. Minutes of the regular meeting of March 25, 2013;
- b. Claim Vouchers No. 105722-105821 and Electronic Funds Transfer No. 22013 in the amount of \$86,515.17 dated March 29, 2013; and
- c. Adopt Resolution No. 07-2013 on first and final reading for the surplus of city property.

The motion was seconded by Councilor Pope and carried unanimously.

5. **Administration Reports.**

a. **City Manager Annual Evaluation.** City Manager MacReynold reported it was time again for his annual evaluation, adding the city clerk would be sending out the forms within the next couple of weeks for the council to fill out. He noted an executive session would be set for the first meeting in May to review and discuss the evaluations.

b. **Riverside Fire Authority Meeting.** City Manager MacReynold reminded the council and the Regional Fire Protection Planning Committee members that Riverside Fire Authority was having a meeting on Wednesday, April 10, at their Harrison Avenue station. He noted he would be attending the meeting to explain why the administration requested to pull the interlocal agreement from the agenda this evening, and to answer any questions they may have.

6. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reported the Chehalis Foundation received a significant gift for the STEM Program, which was the education component of the Foundation. He stated they also received money for other things, but couldn't speak to those until the board of directors has a chance to discuss it first.

Councilor Pope reported on the pool renovation project, noting the Chehalis Kiwanis Club gave \$125,000 towards the project. He stated they had most of the money in for the pool project, and were just waiting for the word to get started. Councilor Pope reported, over the next couple of months, the Foundation was going to be making contact with the surrounding communities who use our facilities to let them know they are welcome, but they would also like to have them participate by making a donation towards the pool project. He believed they were planning to break ground this September.

b. **Update From Mayor Ketchum.** Mayor Ketchum reported Lewis County was having an open house on April 23 from 2:30 to 4:30 p.m. at the Lewis County Historical Courthouse, 2<sup>nd</sup> floor.

c. **Updated From Councilor Dawes.** Councilor Dawes reported the next meeting of the Regional Fire Authority Committee was set for April 17. He also reminded the other council members to file their Public Disclosure Commission forms.

d. **Update From Councilor Harris.** Councilor Harris reported the Association of Washington Cities recently posted on their website that the House Bill the city was supporting passed out of the committee and would be going to the floor. He noted there were a few minor changes, but so far it looked good and we would still be able to use it for city use, operations, and management of non-profits.

e. **Update From Councilor Lund.** Councilor Lund gave a brief update on the Tacoma Rail line issue. He noted he, Mayor Ketchum, City Manager MacReynold, and Lewis County Commissioner Bill Schulte would be meeting with the city manager from the city of Tacoma and the general manager from Tacoma Rail to discuss the Tacoma Rail system.

April 8, 2013

Councilor Lund noted he also contacted the general managers from The Lucky Eagle Casino and the Great Wolf Lodge to see how much interest there was on their part. He noted there seemed to be a lot of support from both, as well as from the Chehalis Tribe.

Councilor Pope thanked Councilor Lund for getting the discussions going.

There being no further business to come before the council, the meeting adjourned at 6:41 p.m.

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Mayor

Attest:

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City Clerk

**SUGGESTED MOTION**

**I move that the council approve the minutes of the regular city council meeting of April 8, 2013.**

# CITY OF CHEHALIS

## AGENDA REPORT

DATE: April 3, 2013  
TO: The Honorable Mayor and City Council  
FROM: Eva Lindgren, Finance Manager  
PREPARED BY: Michelle White, Accounting Tech II   
SUBJECT: Payroll Vouchers and Transfers

### ISSUE

Due to a payroll processing error, a supplemental paycheck was issued April 2, 2013.

Council approval is requested of the following financial transactions:

Payroll Vouchers No. 36407 through 36469, Direct Deposit Payroll Vouchers No. 3894 through 3971, and Electronic Federal Tax Payment No. 121 in the amount of \$692,895.95 dated March 29, 2013.

Payroll Vouchers No. 36470 through 36471, and Electronic Federal Tax Payment No. 122 in the amount of \$145.04 dated April 2, 2013.

The transfer of \$475,758.18 from the General Fund, \$8,201.08 from the Arterial Street Fund, \$7,062.17 from the Gambling Enforcement Fund, \$89,788.27 from the Wastewater Fund, \$83,899.49 from the Water Fund, \$23,750.33 from the Storm & Surface Water Utility Fund and \$4,581.47 from the Firemen's Pension Fund.

### RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve Payroll Vouchers No. 36407 through 36471, Direct Deposit Payroll Vouchers No. 3894 through 3971, and Electronic Federal Tax Payment Nos. 121 and 122 in the amount of \$693,040.99, dated March 29, 2013 and April 2, 2013.

### SUGGESTED MOTION

I move to approve Payroll Vouchers No. 36407 through 36471, Direct Deposit Payroll Vouchers No. 3894 through 3971, and Electronic Federal Tax Payment Nos. 121 and 122 in the amount of \$693,040.99, dated March 29, 2013 and April 2, 2013.

Reviewed by: , City Manager

**CITY OF CHEHALIS**  
**AGENDA REPORT**

DATE: April 15, 2013  
TO: The Honorable Mayor and City Council  
FROM: Eva Lindgren, Finance Manager *EL*  
PREPARED BY: Michelle White, Accounting Tech II *MW*  
SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

1. Claim Voucher No. 105822 in the amount of \$17,280.00 dated April 5, 2013 and the transfer of \$17,280.00 from the Federal & State Grants Fund.
2. Claim Vouchers No. 105823 through 105959 in the amount of \$152,718.77 dated April 15, 2013 and the transfer of \$71,657.56 from the General Fund, \$10,954.89 from the Tourism Fund, \$46,507.33 from the Wastewater Fund, \$15,662.36 from the Water Fund, \$7,752.43 from the Storm & Surface Water Utility Fund and \$184.20 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the April 5, 2013 Claim Voucher No. 105822 in the amount of \$17,280.00 and April 15, 2013 Claim Vouchers No. 105823 through 105959 in the amount of \$152,718.77.

SUGGESTED MOTION

I move to approve the April 5, 2013 Claim Voucher No. 105822 in the amount \$17,280.00 and April 15, 2013 Claim Vouchers No. 105823 through 105959 in the amount of \$152,718.77.

Reviewed by: , City Manager



**CITY OF CHEHALIS  
AGENDA REPORT**

**Date:** April 16, 2013  
**To:** The Honorable Mayor and City Council  
**From:** Judy Schave, City Clerk  
Herta Fairbanks, Public Works Director  
**Subject:** Resolution No. 08-2013 - Surplus Property

**ISSUE**

The public works department has certain property that is no longer used or needed. State law requires that property must first be declared surplus by the city council before being sold or disposed of.

**DISCUSSION**

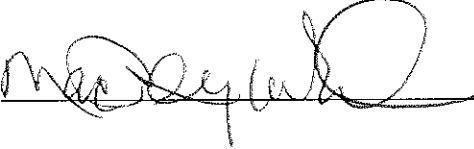
A resolution has been prepared for the council's consideration. The surplus items will be sold as scrap metal.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The administration recommends that the council adopt Resolution No. 08-2013 on first and final reading.

**SUGGESTED MOTION**

I move that the council adopt Resolution No. 08-2013 on first and final reading.

**REVIEWED BY:**  \_\_\_\_\_, City Manager

**RESOLUTION NO. 08-2013**

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

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

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

1. Scrap Metal – Public Works Department

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

**ADOPTED** by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this 22th day of April, 2013.

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Mayor

Attest:

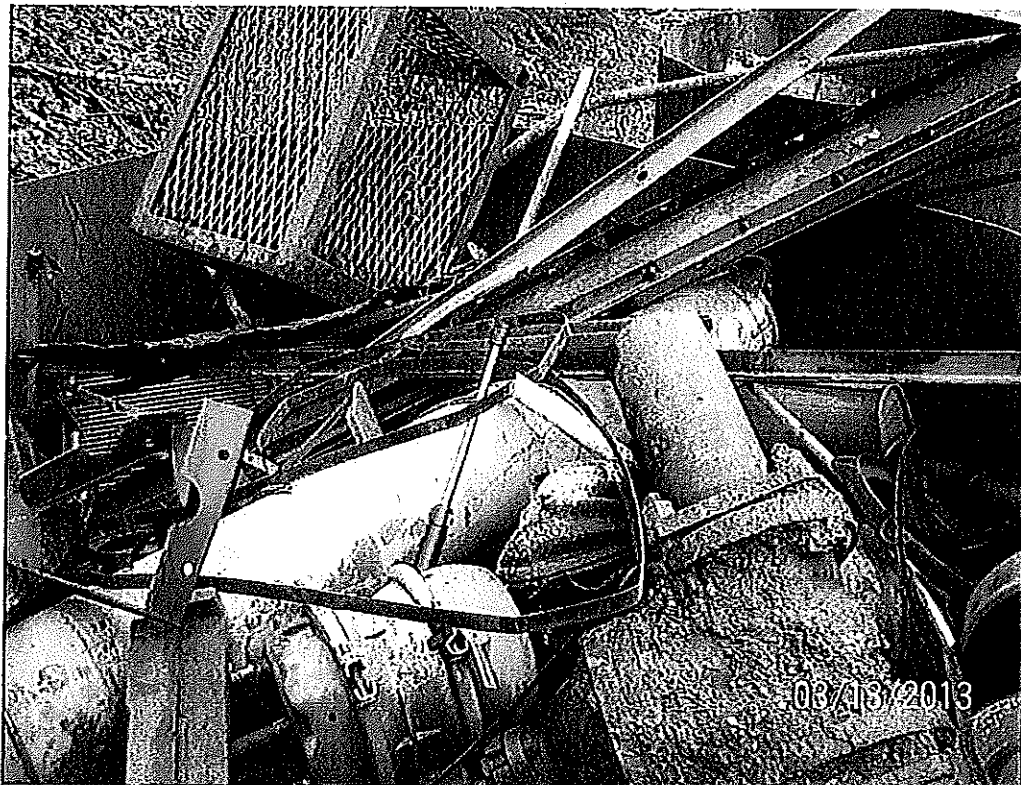
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City Clerk

Approved as to form and content:

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City Attorney







**CITY OF CHEHALIS  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council  
**FROM:** Eva Lindgren, Finance Manager  
**DATE:** April 17, 2013  
**SUBJECT:** Budget Amendment Ordinance 909-B; First Reading

**ISSUE**

Ordinance 909-B amending the 2013 Annual Budget is hereby submitted to address an oversight which occurred during the preparation of the 2013 Budget.

**DISCUSSION**

The attached documentation shows that it was the intent of the Lodging Tax Advisory Committee (LTAC) that funds be "set aside" for the South Sound Babe Ruth Tournament scheduled for 2013. Unfortunately, a request to appropriate the funds for 2013 was never made, and therefore no budget was established in the Tourism Fund for this event.

Because of the existing minutes and documentation showing LTAC's and the City Council's intent to support the tournament, it is the opinion of the City Attorney Bill Hillier, that an additional request by the LTAC to the City Council is not required in order to proceed with this budget amendment.

This budget amendment will allow the City to support the South Sound Babe Ruth Tournament, as originally intended.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The Administration recommends that the council pass Ordinance 909-B on first reading.

**SUGGESTED MOTION**

I move that the council pass Ordinance 909-B on first reading.

Reviewed  \_\_\_\_\_, City Manager

**ORDINANCE NO. 909-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING THE ANNUAL BUDGET OF THE CITY FOR THE CALENDAR YEAR 2013, BY INCREASING APPROPRIATIONS OF THE TOURISM FUND IN THE SUM OF TWENTY THOUSAND DOLLARS (\$20,000); AND DIRECTING THE FINANCE MANAGER TO EFFECT THE BUDGET AMENDMENT 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 2012 shall be, and the same hereby is, amended so as to increase the Tourism Fund's expenditures by \$20,000. The annual budget of the city for the calendar year 2013 shall be, and hereby is amended to increase the appropriations of the Tourism Fund in the sum of twenty thousand dollars (\$20,000).

**Section 2.** 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 2013 for the original adopted 2013 budget as well as the budget as amended by Ordinance No. 909-B. The Exhibit A, as amended, shows a total estimated ending fund balance of \$5,518,382.

**PASSED** by the city council of the City of Chehalis, Washington, and **APPROVED** on its first reading by its mayor, at a regularly scheduled open public meeting thereof this 22nd day of April, 2013.

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form and content:

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

## Exhibit A

### CITY OF CHEHALIS ADOPTED 2013 BUDGET

#### 2013 Budget Summary All Funds

<b>FUND NAME</b>	<b>Est. Beg. Fund Balance</b>	<b>Revenue</b>	<b>Operating Transfers In</b>	<b>Expenditures</b>	<b>Operating Transfers Out</b>	<b>Est. End. Fund Balance</b>
General Fund	840,843	6,974,141	500,000	7,083,803	524,632	706,549
Arterial Street Fund	23,682	153,000	0	172,120	0	4,562
Tourism Fund	67,285	165,150	0	172,435	0	60,000
Compensated Absence Fund	0	0	0	0	0	0
Community Dev. Block Grant Fund	19,904	5,050	0	0	0	24,954
HUD Block Grant Fund	322,036	3,600	0	0	0	325,636
Gambling Enforcement	77,881	0	0	77,881	0	0
Federal and State Grant Fund	0	585,152	500,000	585,152	500,000	0
2011 G.O. Bond Fund	0	0	98,827	98,827	0	0
Public Facilities Reserve Fund	884	0	0	0	0	884
Automotive/Equip. Res. Fund	147	0	0	0	0	147
1st Quarter REET Fund	122,074	28,400	0	0	42,002	108,472
2nd Quarter REET Fund	38,998	28,000	0	0	32,118	34,880
Wastewater Fund	2,190,390	4,204,941	0	4,869,928	0	1,525,403
Water Fund	1,353,419	2,931,887	0	2,575,471	0	1,709,835
Storms & Surface Water Fund	366,447	442,174	0	345,875	0	462,746
Garbage Fund	5,747	7,583	0	12,538	0	792
Firemen's Pension Fund	217,172	149,600	0	142,253	0	224,519
City Agency Fund	349,003	0	0	0	0	349,003
<b>TOTALS</b>	<b>5,995,912</b>	<b>15,678,678</b>	<b>1,098,827</b>	<b>16,136,283</b>	<b>1,098,752</b>	<b>5,538,382</b>

### CITY OF CHEHALIS AMENDED 2013 BUDGET

#### 2013 Budget Summary - Revised with Ordinance 909-B All Funds

<b>FUND NAME</b>	<b>Est. Beg. Fund Balance</b>	<b>Revenue</b>	<b>Operating Transfers In</b>	<b>Expenditures</b>	<b>Operating Transfers Out</b>	<b>Est. End. Fund Balance</b>
General Fund	840,843	6,974,141	500,000	7,083,803	524,632	706,549
Arterial Street Fund	23,682	153,000	0	172,120	0	4,562
Tourism Fund	67,285	165,150	0	192,435	0	40,000
Community Dev. Block Grant Fund	19,904	5,050	0	0	0	24,954
HUD Block Grant Fund	322,036	3,600	0	0	0	325,636
Gambling Enforcement	77,881	0	0	77,881	0	0
Federal and State Grant Fund	0	585,152	500,000	585,152	500,000	0
2011 G.O. Bond Fund	0	0	98,827	98,827	0	0
Public Facilities Reserve Fund	884	0	0	0	0	884
Automotive/Equip. Res. Fund	147	0	0	0	0	147
1st Quarter REET Fund	122,074	28,400	0	0	42,002	108,472
2nd Quarter REET Fund	38,998	28,000	0	0	32,118	34,880
Wastewater Fund	2,190,390	4,204,941	0	4,869,928	0	1,525,403
Water Fund	1,353,419	2,931,887	0	2,575,471	0	1,709,835
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Firemen's Pension Fund	217,172	149,600	0	142,253	0	224,519
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<b>TOTALS</b>	<b>5,995,912</b>	<b>15,678,678</b>	<b>1,098,827</b>	<b>16,156,283</b>	<b>1,098,752</b>	<b>5,518,382</b>



City of Chehalis  
 2013 Budget Amendment No. 1 - Ordinance 909-B  
 First Reading  
 4/17/13

Fund No. and Name	Acct. Name	Reason for Amendment	Incr/(Decr) Rev.	Incr/(Decr) Exp.	Net Increase/(Decrease) to Fund Balance
<b>Fund 107 - Tourism Fund</b>					
107.05.557.030.41.23	Babe Ruth Tournament	Appropriation Required	0	20,000	(20,000) Tourism Fund 107
			0	20,000	(20,000) City-wide

CITY OF CHEHALIS  
AGENDA REPORT

*Approved as  
recommended.*

DATE: October 18, 2012  
TO: The Honorable Mayor and City Council  
FROM: Lodging Tax Advisory Committee  
Councilor Terry Harris (Chair)  
Alicia Bull (for Jim Valley), Centralia-Chehalis Chamber of Commerce  
Rick Burchett, Chehalis-Centralia Railroad and Museum  
Todd Chaput, Holiday Inn Express & Suites  
Chip Duncan, Veterans Memorial Museum  
Natalie Ketchum, Best Western Plus Park Place Inn & Suites  
Satpal "Paul" Sohal, Chehalis Inn  
SUBJECT: Lodging Tax Advisory Committee Recommendations for 2013 Tourism Funds

**ISSUE**

The Lodging Tax Advisory Committee (LTAC) met on October 5 to review the requests submitted by various organizations for 2013 tourism funds.

**DISCUSSION**

Prior to the organizations' presentations, the LTAC held a conference call with Jan Jutte, Director of Legal Affairs for the State Auditor's Office. Ms. Jutte provided some valuable guidance regarding the anticipated expiration of the expanded uses of lodging tax revenues set to take place on June 30, 2013, and how it will impact some organizations that receive funding. The meeting minutes provide detail on how each event and facility will be affected.

The following organizations made presentations to the LTAC for funding in 2013: Veterans Memorial Museum, Chehalis-Centralia Railroad & Museum, Lewis County Historical Museum, Advocate Foundation (Cascade Country Cook-Off and Chehalis Garlic Fest), Chehalis City Manager's Office, Premier Broadcasters/City (Chehalis Bridal Show), Department of Community Development (Tournaments and Parks Projects), Pope's Kids Place (Jazz in July), and Centralia-Chehalis Chamber of Commerce.

The attachments to this report include the 2013 Tourism Fund projections and requests, and the minutes from the October 5 LTAC meeting.

Upon council approval, all recipients must enter into an agreement with the city for use of the funds. They are required to report on a quarterly basis how the funds are being spent. With regard to the agreements, the committee also suggested that the following be included in agreements with organizations:

- A statement regarding the scheduled expiration of expanded uses
- A statement that any operational expenses must be made by mid-June
- A statement that organizations must repay the city for any reimbursements made to an organization if an event is canceled.

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

Request	Recommendation
1. Veterans Memorial Museum	\$ 25,000
2. Chehalis-Centralia Railroad & Museum	\$ 18,125
3. Lewis County Historical Museum	\$ 35,000
4. Advocate Foundation (Cascade Country Cook-Off)	\$ 40,000
5. City Manager's Office	\$ 15,000
6. Premier Broadcasters/City (Chehalis Bridal Show)	\$ 5,000
7. Advocate Foundation (Chehalis Garlic Fest)	\$ 20,000
8. Comm. Development Dept. (Tournaments)	\$ 10,000
9. Pope's Kids Place (Jazz In July)	\$ 10,000
10. Chamber of Commerce (Home & Garden Show)	\$ 20,000
11. Comm. Development Dept. (Parks Projects)	\$ 5,000
Total	\$ 44,310
	\$ 25,000
	\$ 25,000
	\$ 239,310
	\$ 172,435

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

Committee members include Mr. Todd Chaput, Holiday Inn Express & Suites, Ms. Natalie Ketchum, Best Western Plus Park Place Inn & Suites, and Mr. Salpal Sohal, Chehalis Inn, representing businesses required to collect the tax. Members representing activities funded by the tax are Mr. Rick Burchett, Chehalis-Centralia Railroad & Museum, Mr. Chip Duncan, Veterans Memorial Museum, and Mr. Jim Valley, Centralia-Chehalis Chamber of Commerce. Councilor Terry Harris is the council representative and acts as committee chair.

#### RECOMMENDATIONS/COUNCIL ACTION DESIRED

The Lodging Tax Advisory Committee recommends that the council approve its recommendations individually and collectively for use of lodging tax funds for 2013, and the administration recommends the reappointments of Todd Chaput, Natalie Ketchum, Salpal Sohal, Rick Burchett, Chip Duncan, and Jim Valley to the city's Lodging Tax Advisory Committee.

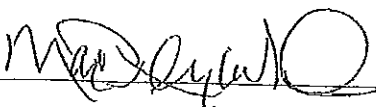
#### 1<sup>st</sup> SUGGESTED MOTION

I move that the council approve the recommendations of the Lodging Tax Advisory Committee individually and collectively to fund the \_\_\_\_\_ in the amount of \$ \_\_\_\_\_ for use of lodging tax funds for 2013.

1. Veterans Memorial Museum	\$ 18,125
2. Chehalis-Centralia Railroad & Museum	\$ 20,000
3. Lewis County Historical Museum	\$ 15,000
4. Advocate Foundation (Cascade Country Cook-Off)	\$ 5,000
5. City Manager's Office	\$ 20,000
6. Premier Broadcasters/City (Chehalis Bridal Show)	\$ 10,000
7. Advocate Foundation (Chehalis Garlic Fest)	\$ 5,000
8. Comm. Development Dept. (Tournaments)	\$ 44,310
9. Pope's Kids Place (Jazz In July)	\$ 5,000
10. Chamber of Commerce (Home & Garden Show)	\$ 5,000
11. Comm. Development Dept. (Parks Projects)	\$ 25,000
Total	\$ 172,435

#### 2<sup>nd</sup> SUGGESTED MOTION

I move that the council reappoint the memberships of Todd Chaput, Natalie Ketchum, Salpal Sohal, Rick Burchett, Chip Duncan, and Jim Valley to the Lodging Tax Advisory Committee.

Reviewed by , City Manager



Chehalis Lodging Tax Advisory Committee Meeting  
October 5, 2012

The Lodging Tax Advisory Committee (LTAC) met on October 5, 2012, at 8:00 a.m. in the basement meeting room of Chehalis city hall to review applications for 2013 tourism funding. Members present were: Councilor Terry Harris, Chair; Rick Burchett, Chehalis-Centralia Railroad and Museum; Alicia Bull (for Jim Valley), Centralia-Chehalis Chamber of Commerce; Todd Chaput, Holiday Inn; Chip Duncan, Veterans Memorial Museum; Natalie Ketchum, Best Western; and Satpal Sohal, Chehalis Inn. Chehalis staff members included Merlin MacReynold, City Manager; and Caryn Foley, City Manager's Administrative Assistant.

**Call to Order**

The meeting was called to order by Councilor Harris.

**Conference Call with Jan Jutte, State Auditor's Office**

The LTAC held a conference call with Jan Jutte, Director of Legal Affairs for the Washington State Auditor's Office. Ms. Jutte provided guidance regarding the anticipated expiration of the expanded uses of lodging tax revenues set to take place on June 30, 2013, and how it will impact organizations that receive funding.

As way of background, local governments were limited in using lodging tax revenues for paying all or any part of the cost of tourism promotion, acquisition of tourism-related facilities, or operation of tourism-related facilities that it owned, and for visitor and convention bureaus operated by nonprofit organizations. While cities could allocate lodging tax revenues to nonprofit organizations to advertise and promote tourism and local attractions, jurisdictions could not use these revenues to sponsor or support events or facilities in which the local government did not have an ownership interest.

In 2007, the Legislature expanded the authorized uses of lodging tax revenues by local jurisdictions to allow local governments to provide lodging tax funds to support the operations and capital expenditures of tourism-related facilities owned by nonprofit organizations. This change allows jurisdictions to use lodging tax revenue to provide direct support to events and facilities in which the jurisdiction lacks an ownership interest. This is the authority that is set to terminate on June 30, 2013.

Ms. Jutte referenced information put out by Municipal Research in which they provided three scenarios in making awards for 2013:

1. If none of the awards are for any of the expanded uses that will expire in 2013, you don't have to do anything different than you always do. You are not affected.
2. If an award is for one of the expanded uses, but the expenditures will be completed by June 30, 2013, you are not affected.
3. If an award is for one of the expanded uses and at least some of the expenditures will take place after June 30, 2013, you are in a tough spot. One city said it might make an award "contingent" on the expiration date getting changed during the 2013 legislative session, which is permissible. However, next year, the regular legislative session won't end until the latter part of April. And, sometimes there are special sessions. Any organization getting an award that is contingent on the 2013 legislature extending the date for these uses will need to be flexible and able to live with the uncertainty.

With regard to those organizations seeking funding in 2013, Ms. Jutte shared the following:

**Events:**

**Babe Ruth Tournaments, Jazz in July, Garlic Fest, and Cascade Cook-Off**

The city has no ownership interest in these events, and all of them take place after 6/30/2013. The city can reimburse operational expenses incurred prior to June 30, 2013. Such expenses could include facility deposits, entertainment, etc.; however, organizations cannot purposely pay for expenses ahead of time unless they have been expenses that have historically been paid for in advance of the event. She recommended that the city include language in agreements with organizations that they pay for any advance items by mid-June of next year. The city can continue to reimburse marketing and promotion expenses for events after 6/30/2013.

**Bridal Show**

The city's ownership interest in this event is that it is the primary sponsor of the event. The show takes place in January, so it won't be affected in 2013. In 2014, the city can continue to fund marketing and promotion only, as long as the city remains the primary sponsor.

**Facilities:**

**Veterans Memorial Museum, Chehalis-Centralia Railroad & Museum, Centralia-Chehalis Chamber of Commerce**

These organizations lease property from the city for their facilities and/or equipment, so the city has an ownership interest. In addition, the city (along with Lewis County and Centralia) enters into an annual agreement for the Chamber to perform tourism services. The expiration of the expanded uses will not impact these facilities.

#### Lewis County Historical Museum

In 2007, the museum submitted a letter (copy attached) to the city to be designated as an official alternate visitor information site for the city since the chamber is closed on weekends. The city council approved this designation on May 29, 2007. Ms. Jutte stated this does not constitute the city as having an ownership interest in the museum. However, the city could enter into an agreement with the museum to act as a visitors' center, but it must truly act as one, similar to the services provided in the agreement with the chamber. If the expanded uses expire, the city can only fund marketing and promotion of the museum.

### City Events/Facilities:

#### Tournaments

These tournaments are city-sponsored and held on city property. As stated above, we can't pay for expenses incurred prior to June 30, 2013, that are typically paid in advance of the tournaments. After 6/30/2013, tourism funds can only be used to market/promote these events.

#### Parks Projects

These projects are all on city-owned/leased property. The committee asked if there were any restrictions on tourism funds being used to support the upgrade of city-owned tourism-related facilities. Ms. Jutte stated that such expenses are appropriate if the project is to improve the facilities for tourism purposes, and such improvements should be documented in advance. The city has provided this documentation. In the application to request tourism funds, the project summary states in part, "... determine what types of improvements and repairs need to be made to the Recreation Park and Hedwall Park ballfield and soccer field facilities to improve the playability and potential for securing regional baseball and soccer tournaments." In addition, Phase I of the engineering services agreement with RB Engineering is described as providing an improvement master plan for the Recreation Park ballfields that will update them to official fastpitch tournament specifications for size, field quality and appearance. She emphasized that tourism funds should not be used to provide general maintenance of city facilities to support local sporting events. Funding for this type of maintenance should come from the city's general fund. The expiration of expanded uses does not impact this project.

#### City Manager's Office

The city manager's office uses tourism money to fund an agreement with the chamber to provide tourism services; for the design work and cost of a general promotional ad in the Official Lewis County Visitors Guide; and to pay for half of the annual cost to maintain the city's website. Ms. Jutte stated these were all appropriate uses of tourism revenues and would not be affected by the expiration of expanded uses of tourism funds.

#### 2013 Requests

During the following presentations, Councilor Harris explained to each applicant how the scheduled expiration of the expanded uses of tourism revenues might impact their funding, along with the information received from Ms. Jutte. The comments below are in addition to the information provided in each organization's application.

#### 1. Jim Thomas - South Sound Babe Ruth - \$20,000

This request originally came to the committee in 2010 and was approved by the city council. Mr. Thomas stated he has already received \$15,000 in sponsorships and is expecting another \$15,000. He reviewed estimated revenues and expenses, and it is his hope that he will make enough money to not even need the \$20,000 and even be able to donate money to the city's parks and recreation division. He is working with local attractions and businesses to get the visitors into the community. Mr. Thomas explained that overnight stays will be tracked. Upon check-in at the tournament, each coach must provide certain information for each player, including where they are staying.

#### 2. Dr. Isaac Pope, Erin McQuigg, John Walpole - Pope's Kids Place Jazz in July - \$5,000

Funding was requested for this year's Jazz in July event, but the event was canceled. The applicants requested that this year's funding be deferred to next year. The event is being moved from Centralia to Chehalis at the Riverside Golf Club, which is a larger venue. The request will be used to pay for performers and advertising. They hope to grow the event each year, and would like to feature local talent.

Mr. Chaput asked how long the event was planned for. Mr. Walpole anticipated it would begin in the late afternoon and go into the evening.

Mr. Chaput noted the event would take place during the Babe Ruth regional tournaments, so we need to be sure and market to those visitors, along with any other events going on during that time.

It was noted that the budget page of the application did not add up correctly. *Note: A revised budget page was submitted to the city.*

**Chip Duncan – Veterans Memorial Museum – \$25,000**

Mr. Duncan stated the museum uses its tourism funding for marketing and promotion. He stated the Civil War re-enactment was a big success. In addition to the 500 to 600 actors, 1,400 visitors attended the event. The group that put on the event indicated this was the biggest first-time event they've seen and they are excited to come back next year. They estimated the event would double in the second year.

Mr. Duncan noted that the museum plans to use more radio and print advertising next year. They expanded radio promotion for special events and saw a significant increase in event attendance. They also plan to expand radio ads for the Civil War event to the Seattle and Spokane areas, and south. He added they have a three-year contract for use of property for the battle.

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

Mr. Petty stated the bridal show was down by about 10% due to the snowy weather we experienced, but 73 brides-to-be attended the event. Mr. Petty reviewed how the show is marketed, noting that this year they had a facebook presence with a video about the show. He reminded the committee that the bridal show itself probably does not put heads in beds, but the resultant weddings do. The dates for next year's show are January 19 and 20.

**5. Johanna Jones – Lewis County Historical Museum - \$40,000**

Ms. Jones stated funds were being requested to keep the museum open and would be used for operations, and marketing and promotion. She noted some of the new activities being planned for 2013. A part-time employee is needed to allow Ms. Jones the time to plan and market larger events. The museum's gift shop was given a facelift and features local items. One of the major things planned for 2013 is to revamp their website. Ms. Jones stated they saw an increase in visitors to the museum's exhibit at this year's fair.

Ms. Jones recognized that the museum is not a stand alone attraction, but it does support and promote the community. They are trying to build the museum and get it back on its feet, but they are struggling in this economy.

Ms. Jones understood how the expiration of the expanded uses would impact the museum's ability to receive funding from the city, and that they would have to look at other sources of funding. She stated they are currently using volunteers where they can, and are being very respectful of the money people are donating.

Mr. Duncan asked if they had thought about renting meeting space to raise money. Ms. Jones stated they do have a meeting space that they rent, and they have rented the museum itself for things like holiday parties and reunions.

It was noted that the proposed doll show was happening at the same time as the library's quilt show. It was suggested that Ms. Jones contact the library about combining the activities to create a weekend event.

**6. Alicia Bull – Centralia-Chehalis Chamber of Commerce - \$5,000**

The funds being requested would be used to promote the annual Home & Garden Show. Ms. Bull stated she would like to see the chamber do more for Chehalis, but with Jim Valley's health issues, it was decided to make the same request as last year. She stated that tracking overnight stays lacked, but they would improve upon that next year. She added that being open during the weekend is something the chamber should look at, noting she wants the chamber to be the hub for tourism.

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

Mr. DeVaul stated they use vendor and visitor bags to distribute information about the community. Garlic Fest has become recognized as a national festival. All tourism funding is used for marketing and promotion with 75% targeted outside the area. Mr. DeVaul reported that 60% of guests were from outside Lewis County, while 4% came from outside of Washington, all bringing money into the local economy. In response to a question from the committee, Mr. DeVaul estimated that the total spent on marketing of Garlic Fest was probably \$40,000 to \$50,000, and he reiterated that the \$20,000 request in tourism funds would be used to market outside the area.

**8. Frank DeVaul – Advocate Foundation for Cascade Country Cook-Off - \$15,000**

Mr. DeVaul stated the Pacific Northwest Barbeque Association ranked the Cook-Off as one of their top three events. Everyone really likes the park setting, and the city's RV park filled up quickly. This year's attendance was up 50%. New this year was sampling of the barbeque, and tickets to sample sold out. As with Garlic Fest, all tourism funds are used to promote the event outside of the community. Net proceeds of the event were donated to the Lewis County Food Bank. Mr. DeVaul reported that 55% of guests were from outside of Lewis County, 5% were from outside of Washington, and 16% indicated spending at least one overnight stay in the area.

Councilor Harris asked what the breakdown was of "true visitors" compared to those associated with the event. Mr. DeVaul estimated three-quarters of the attendees were "true visitors" and is a number that has been growing. He pointed out that they make an effort to direct visitors to the downtown.

**Wanda Thompson – Chehalis-Centralia Railroad and Museum - \$35,000**

Ms. Thompson thanked the LTAC for their past support. She reported that ridership was around 9,000 to-date, but they still have some upcoming seasonal events that should put them right around 12,500 for the year. She stated the steam train uses all tourism money for marketing and promotion. Dinner trains are selling out well in advance with 50% to 75% of riders coming from outside the Longview to Olympia areas. Polar Express trains are also showing a high number of out-of-area guests. According to surveys, approximately 5% of guests indicate they are spending the night locally. In 2011, they used GroupOn, which increased ridership, but probably didn't put heads in beds. They chose not to use GroupOn this year.

Ms. Thompson stated their advertising campaign runs from Seattle to Portland, rack cards are distributed through Certified Rack, and ads are placed in various train magazines. The steam train was recently featured on PBS, which generated visitors. She reiterated that their special trains are seeing a majority of guests coming from outside the area. They have expanded their seasonal events, along with the regular schedule. They also use Constant Contact for an e-newsletter that goes out to about 1,500 emails. She added that maintenance is done in-house, mostly by volunteers. Advertising is done through The Silver Agency.

Ms. Ketchum suggested that they think about raising ticket prices if special event trains are selling out well in advance. Ms. Thompson indicated they raised prices from \$41.95 to \$42 this year for their dinner trains.

**10. Bob Nacht and Lilly Wall – Chehalis Community Development Department for Tournaments - \$44,310**

Mr. Nacht stated the request is to support high quality youth fastpitch and basketball tournaments. It is estimated that this year's tournaments brought in over 7,000 players and spectators.

This year, the parks division established overnight tracking procedures, but they did not receive a good response from coaches. They plan to work with the hotels to better identify overnight stays.

Mr. Chaput suggested that you can expect 3.5 people per player, including the player. He was happy that tournaments are scheduled for multiple days to generate overnights stays.

Ms. Ketchum asked how tracking of overnight stays would be improved. Ms. Wall stated they were working on that and would be contacting other parks departments to see if and how they do it.

Mr. Chaput asked that overnight stay statistics not list individual hotels since that is proprietary information, at least for his hotel. He suggested that the information be more generic, such as by zip code.

**11. Bob Nacht and Lilly Wall – Chehalis Community Development Department for Parks Projects - \$25,000**

Mr. Nacht stated the request was for the second phase of the Recreation Park Master Plan. He noted that the committee recommended and the city council this year approved tourism funding for phase one, which has been completed. The purpose of the project is to improve the quality of the facilities to hold additional tournaments. It will allow them to solicit to a much larger audience. In addition, this second phase will move it to a shovel-ready project that will allow for more grant opportunities.

**12. Merlin MacReynold – Chehalis City Manager's Office - \$15,000**

City Manager MacReynold stated the city's request would allow the city to contract for tourism services with the Chamber – a joint effort with Centralia and Lewis County; place an ad in the Lewis County Official Visitors Guide; and provide half of the cost for annual hosting, maintenance and support for the city's website. In addition, City Manager MacReynold asked that the committee consider granting an additional \$5,000 to the chamber.

Ms. Bull reiterated the additional money would help fund the chamber being open during the weekend if that was something the city was interested in. She added that with the decline of the Chehalis Business Association, she would like the chamber to take a more active role relating to Chehalis, and she will look at what it would cost to have the chamber open on Saturdays.

**Review of 2012 Revenue Projections, Requests, and Determine Allocation Recommendations to City Council**

The projected beginning fund balance for 2013 is \$67,285, with estimated revenues of \$165,000, along with a small amount of interest at \$150. As was recommended last year, \$50,000 would be reserved to ensure an ending fund balance in case revenues come in less than projected, or in the event that the LTAC receives a special request for funding throughout the year. In addition, \$20,000 is reserved for South Sound Babe Ruth for tournaments in 2013. With those assumptions, \$172,435 is the estimated available funding for 2012.

With requests totaling \$239,310 and available funding of \$172,435, the LTAC discussed the importance of funding those organizations that put the most heads-in-beds. They also agreed to reduce the recommended \$50,000 reserve to \$40,000 to increase the available funding. The LTAC agreed to make the following recommendations to the city council:



Organization	Request	Recommendation
1. Veterans Memorial Museum	\$ 25,000	\$ 18,125
2. Chehalis-Centralia Railroad & Museum	\$ 35,000	\$ 20,000
3. Lewis County Historical Museum	\$ 40,000	\$ 15,000
4. Advocate Foundation (Cascade Country Cook-Off)	\$ 15,000	\$ 5,000
5. City Manager's Office	\$ 15,000	\$ 20,000
6. Premier Broadcasters/City (Chehalis Bridal Show)	\$ 10,000	\$ 10,000
7. Advocate Foundation (Chehalis Garlic Fest)	\$ 20,000	\$ 5,000
8. Comm. Development Dept. (Tournaments)	\$ 44,310	\$ 44,310
9. Pope's Kids Place (Jazz in July)	\$ 5,000	\$ 5,000
10. Chamber of Commerce (Home & Garden Show)	\$ 5,000	\$ 5,000
11. Comm. Development Dept. (Parks Projects)	\$ 25,000	\$ 25,000
<b>Total</b>	<b>\$239,310</b>	<b>\$172,435</b>

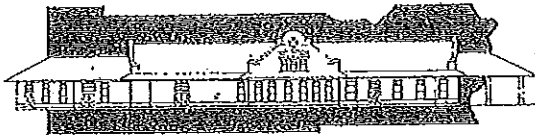
The committee also suggested that the following be included in agreements with organizations:

- A statement regarding the scheduled expiration of expanded uses
- A statement that any operational expenses must be made by mid-June
- A statement that organizations must repay the city for any reimbursements made to an organization if an event is canceled.

The recommendations will be reviewed by the city council on October 22, 2012 at 6:00 p.m. *Note: Following the meeting the presentation date was changed to Tuesday, November 13.*

The meeting concluded at 3:05 p.m.

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



599 NW Front Way • Chehalis, WA 98532 • (360) 748-0831 • Fax 740-5646

Chehalis City Council,

Per recent discussions, the Lewis County Historical Museum is hereby submitting a request to be designated as an official alternate visitor information site for the City of Chehalis. We have operated unofficially in this capacity for many years, and we would like to formalize the arrangement.

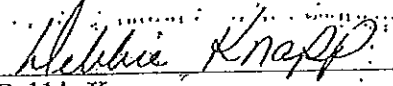
The museum currently serves as an alternate visitor information site on weekends, since the Chamber of Commerce is closed on Saturdays and Sundays. As an alternate visitor site, we are staffed from 10AM to 5AM Tuesday through Saturday and 1PM to 5PM on Sundays. We offer standard rack cards and have recently updated our card display with a donation of slate board and purchased lucite holders. We are continuing to update the card displays and welcome any suggestions.

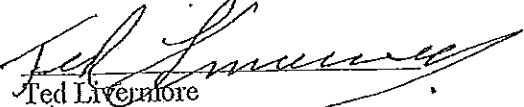
Our staff also offers verbal advice to visitors. We refer tourist to other area attractions such as the Veterans Memorial Museum, The Vintage Motorcycle Museum, the Chehalis-Centralia Steam Train, historical points of interest, lodging, restaurants, antique stores, etc.

Many tourists visit the museum as their first stop; they acquire desired information about our facility, the City of Chehalis and Lewis County tourism without visiting the Chamber of Commerce.

Should you designate the museum as an official alternate visitor information site, we suggest that appropriate signage be installed at the Chamber of Commerce, directing visitors to our museum should they go there first and the Chamber is closed. Without this signage, visitors are at a loss for a source of tourist information.

We also understand that should the museum receive an official designation, we would then be eligible to receive tourism funding for operations, publicity/advertising, and tourism promotion to be included in our quarterly reports.

  
Debbie Knapp  
Director - Lewis County Historical Museum

  
Ted Livermore  
President - Lewis County Historical Society

City of Chehalis  
 First Quarter Financial Statements - All Funds  
 With Preliminary Actual Beginning Fund Balances  
 March 31, 2013

	General Fund #001	
	Budget	Actual
Beginning Fund Balance	840,843	824,137
Revs. & Transfers In	7,474,141	1,455,234
Exps. & Transfers Out	(7,608,435)	(1,709,812)
Ending Fund Balance	706,549	569,559

	Arterial Street Fund #102	
	Budget	Actual
	23,682	38,952
	153,000	35,541
	(172,120)	(25,173)
	4,562	49,320

	Tourism Fund #107	
	Budget	Actual
	67,285	68,359
	165,150	33,328
	(172,435)	0
	60,000	101,687

	Compensated Abs. #110	
	Budget	Actual
	0	3,229
	0	0
	0	0
	0	3,229

	CDBG Fund #195	
	Budget	Actual
	19,904	20,172
	5,050	0
	0	0
	24,954	20,172

	HUD Fund #197	
	Budget	Actual
Beginning Fund Balance	322,036	323,160
Revs. & Transfers In	3,600	25
Exps. & Transfers Out	0	0
Ending Fund Balance	325,636	323,185

	Gambling Enforcmt. #198	
	Budget	Actual
	77,881	78,803
	0	4
	(77,881)	(20,521)
	0	58,286

	Federal & State Grant Fund #199	
	Budget	Actual
	0	0
	1,085,152	3,562
	(1,085,152)	(3,562)
	0	0

	2011 G.O. Bond Fund #200	
	Budget	Actual
	0	1
	98,827	24,707
	(98,827)	(301)
	0	24,407

	Public Fac. Res. #301	
	Budget	Actual
	884	23,775
	0	0
	0	0
	884	23,775

	Auto/Equip. Res. #302	
	Budget	Actual
Beginning Fund Balance	147	2,808
Revs. & Transfers In	0	0
Exps. & Transfers Out	0	0
Ending Fund Balance	147	2,808

	1st Qtr. REET Fund #305	
	Budget	Actual
	122,074	126,560
	28,400	19,296
	(42,002)	(10,501)
	108,472	135,355

	2nd Qtr. REET Fund #306	
	Budget	Actual
	36,998	43,180
	28,000	19,296
	(32,118)	(8,030)
	34,880	54,446

	Garbage Fund #402	
	Budget	Actual
	5,747	6,306
	7,583	1,071
	(12,538)	(274)
	792	7,103

	Wastewater Fund #404	
	Budget	Actual
	2,190,390	1,495,234
	4,204,941	1,139,304
	(4,869,928)	(678,032)
	1,525,403	1,956,506

	Water Fund #405	
	Budget	Actual
Beginning Fund Balance	1,353,419	2,883,790
Revs. & Transfers In	2,931,887	533,848
Exps. & Transfers Out	(2,575,471)	(405,671)
Ending Fund Balance	1,709,835	3,011,967

	Storm/Surface Wtr. #406	
	Budget	Actual
	366,447	414,687
	442,174	112,267
	(345,875)	(93,553)
	462,746	433,401

	Firemens' Pension #611	
	Budget	Actual
	217,172	215,434
	149,600	1,736
	(142,253)	(16,959)
	224,519	200,211

	City Agency Fund #633	
	Budget	Actual
	349,003	349,003
	0	0
	0	0
	349,003	349,003

	All Funds Totals	
	Budget	Actual
	5,995,912	6,917,550
	16,777,505	3,379,219
	(17,235,035)	(2,972,389)
	5,538,382	7,324,420

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

To: The Honorable Mayor and Council  
 Via: Merlin MacReynold, City Manager  
 From: Eva K. Lindgren, Finance Manager  
 Date: April 17, 2013  
 Subject: Monthly Financial Reports for March

City of Chehalis  
 Comparative Financial Reports  
 March 2012 and 2013

GENERAL FUND (#001) REVENUES	A March 2012		B		C=B/A		D March 2013		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Expected	% Rec'd	Var'nc frm Expected	% Variance	% Variance	
General Property Taxes	\$1,235,000	\$40,553	\$1,249,000	\$20,416	3.3%	1.6%	\$1,249,000	\$20,416	25.0%	25.0%	25.0%	25.0%	(\$291,834)	-23.4%	(1)			
EMS Property Taxes	236,000	7,758	237,500	3,850	3.3%	1.6%	237,500	3,850	25.0%	25.0%	25.0%	25.0%	(55,525)	-23.4%				
Sales & Use Tax	3,000,000	734,773	3,015,000	814,531	24.5%	27.0%	3,015,000	814,531	25.0%	25.0%	25.0%	25.0%	60,781	2.0%				
Electricity Tax	400,000	64,188	417,000	141,702	16.0%	34.0%	417,000	141,702	25.0%	25.0%	25.0%	25.0%	37,452	9.0%				
Gas/Natural Gas Tax	250,000	97,628	240,000	83,160	39.1%	34.7%	240,000	83,160	25.0%	25.0%	25.0%	25.0%	23,160	9.7%				
Criminal Justice Tax	88,000	20,921	90,000	22,848	23.8%	25.4%	90,000	22,848	25.0%	25.0%	25.0%	25.0%	348	0.4%				
(Interfund) Water/Sewer Tax	340,000	79,636	399,996	100,050	23.4%	25.0%	399,996	100,050	25.0%	25.0%	25.0%	25.0%	51	0.0%				
Garbage Tax	62,000	14,488	62,000	14,647	23.4%	23.6%	62,000	14,647	25.0%	25.0%	25.0%	25.0%	(853)	-1.4%				
Cable Tax	92,000	23,075	92,000	23,944	25.1%	26.0%	92,000	23,944	25.0%	25.0%	25.0%	25.0%	944	1.0%				
Telephone Tax	325,000	77,463	313,000	66,754	23.8%	21.3%	313,000	66,754	25.0%	25.0%	25.0%	25.0%	(11,496)	-3.7%				
Leasehold Excise Tax	35,000	8,810	38,000	9,032	25.2%	23.8%	38,000	9,032	25.0%	25.0%	25.0%	25.0%	(468)	-1.2%				
Other Taxes	30	0	32	0	0.0%	0.0%	32	0	25.0%	25.0%	25.0%	25.0%	(8)	-25.0%				
<b>Total Tax Revenues</b>	<b>6,063,030</b>	<b>1,169,293</b>	<b>6,153,528</b>	<b>1,300,934</b>	<b>19.3%</b>	<b>21.1%</b>	<b>6,153,528</b>	<b>1,300,934</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>(237,448)</b>	<b>-3.9%</b>				
Licenses & Permits	63,630	14,887	63,980	16,105	23.4%	25.2%	63,980	16,105	25.0%	25.0%	25.0%	25.0%	110	0.2%				
Intergov't Grants/Entitlements	361,024	52,033	168,502	27,984	14.4%	16.6%	168,502	27,984	25.0%	25.0%	25.0%	25.0%	(14,142)	-8.4%				
Charges for Goods and Svcs.	800,725	187,647	341,170	43,054	23.4%	12.6%	341,170	43,054	25.0%	25.0%	25.0%	25.0%	(42,239)	-12.4%				
Fines and Forfeitures	167,080	41,942	159,055	38,940	25.1%	24.5%	159,055	38,940	25.0%	25.0%	25.0%	25.0%	(824)	-0.5%				
Interest Earnings	12,546	2,327	9,306	2,224	18.5%	23.9%	9,306	2,224	25.0%	25.0%	25.0%	25.0%	(103)	-1.1%				
Rents & Royalties	71,422	13,331	70,100	16,061	18.7%	22.9%	70,100	16,061	25.0%	25.0%	25.0%	25.0%	(1,464)	-2.1%				
Donations/Contributions	33,200	4,556	0	1,150	13.7%	N/A	0	1,150	25.0%	25.0%	N/A	25.0%	1,150	N/A				
Misc. Revenue/Insurance	3,100	7,503	5,000	7,831	242.0%	156.6%	5,000	7,831	25.0%	25.0%	156.6%	25.0%	6,581	131.6%				
Non-Revenues	4,866	1,045	3,500	951	21.5%	27.2%	3,500	951	25.0%	25.0%	27.2%	25.0%	76	2.2%				
<b>Total Non-Tax Revenues</b>	<b>1,517,593</b>	<b>325,271</b>	<b>820,613</b>	<b>154,300</b>	<b>21.4%</b>	<b>18.8%</b>	<b>820,613</b>	<b>154,300</b>	<b>25.0%</b>	<b>25.0%</b>	<b>18.8%</b>	<b>25.0%</b>	<b>(50,853)</b>	<b>-6.2%</b>				
Proceeds of Long-Term Debt	0	0	0	0	N/A	N/A	0	0	25.0%	25.0%	N/A	25.0%	0	N/A				
Operating Transfers-In	0	0	500,000	0	N/A	0.0%	500,000	0	25.0%	25.0%	0.0%	25.0%	(125,000)	-25.0%	(2)			
<b>Total Other Financing Sources</b>	<b>0</b>	<b>0</b>	<b>500,000</b>	<b>0</b>	<b>N/A</b>	<b>0.0%</b>	<b>500,000</b>	<b>0</b>	<b>25.0%</b>	<b>25.0%</b>	<b>0.0%</b>	<b>25.0%</b>	<b>(125,000)</b>	<b>-25.0%</b>				
<b>TOTALS</b>	<b>\$7,580,623</b>	<b>\$1,494,564</b>	<b>\$7,474,141</b>	<b>\$1,455,234</b>	<b>19.7%</b>	<b>19.5%</b>	<b>\$7,474,141</b>	<b>\$1,455,234</b>	<b>25.0%</b>	<b>25.0%</b>	<b>19.5%</b>	<b>25.0%</b>	<b>(\$413,301)</b>	<b>-5.5%</b>				

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

City of Chehalis  
Comparative Financial Reports  
March 2012 and 2013

GENERAL FUND (#001) EXPENDITURES	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	March 2012 Actual	Budget	March 2013 Actual	% Expd	Budget	March 2013 Actual	% Expd	% Exp*	Expected	Expected	Expected	Expected	Expected	Expected	Variance	% Variance	
City Council	\$100,319	\$23,976	\$76,587	\$18,187	23.9%	\$76,587	\$18,187	23.7%	25.0%	\$960	\$960	25.0%	25.0%	\$960	0.2%	1.3%		
Municipal Court	334,309	77,996	332,409	82,400	23.3%	332,409	82,400	24.8%	25.0%	702	702	25.0%	25.0%	702	0.2%	0.2%		
City Manager	338,840	82,933	226,121	57,145	24.5%	226,121	57,145	25.3%	25.0%	(615)	(615)	25.0%	25.0%	(615)	-0.3%	-0.3%		
Finance	316,414	78,594	159,594	43,047	24.8%	159,594	43,047	27.0%	25.0%	(3,149)	(3,149)	25.0%	25.0%	(3,149)	-2.0%	-2.0%		
City Clerk	93,216	22,638	56,516	12,483	24.3%	56,516	12,483	22.1%	25.0%	1,646	1,646	25.0%	25.0%	1,646	2.9%	2.9%		
Non-Departmental	353,538	80,758	796,715	73,154	22.8%	796,715	73,154	9.2%	25.0%	126,025	126,025	25.0%	25.0%	126,025	15.8%	15.8%		
Human Resources	132,619	33,862	91,769	24,019	25.5%	91,769	24,019	26.2%	25.0%	(1,077)	(1,077)	25.0%	25.0%	(1,077)	-1.2%	-1.2%		
Police	2,346,053	547,963	2,464,666	609,766	23.4%	2,464,666	609,766	24.7%	25.0%	6,401	6,401	25.0%	25.0%	6,401	0.3%	0.3%		
Fire	1,727,813	424,378	1,705,443	401,312	24.6%	1,705,443	401,312	23.5%	25.0%	25,049	25,049	25.0%	25.0%	25,049	1.5%	1.5%		
Public Works - Streets	607,332	88,462	471,480	74,694	14.6%	471,480	74,694	15.8%	25.0%	43,176	43,176	25.0%	25.0%	43,176	9.2%	9.2%		
Public Works - Engineering	111,017	24,417	0	0	22.0%	0	0	N/A	25.0%	0	0	N/A	25.0%	0	N/A	N/A		
Community Development	1,158,726	284,301	1,227,135	313,605	24.5%	1,227,135	313,605	25.6%	25.0%	(6,821)	(6,821)	25.0%	25.0%	(6,821)	-0.6%	-0.6%		
TOTALS	7,620,196	1,770,278	7,608,435	1,709,812	23.2%	7,608,435	1,709,812	22.5%	25.0%	192,297	192,297	25.0%	25.0%	192,297	2.5%	2.5%		
Net Budget/Income/Variance:	(\$39,573)	(\$275,714)	(\$134,294)	(\$254,578)		(\$134,294)	(\$254,578)							(\$221,005)		-3.0%		

Key:

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

- (1) Property taxes are not collected evenly throughout the year.
- (2) Operating transfers are dependent upon FEMA elevation activity. Transfers will be made out of Non-Departmental, as necessary, to provide adequate cash-flow for the project. These funds will be transferred back to the General Fund from the Federal and State Grant Fund when not required.

City of Chehalis  
Comparative Financial Reports  
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WASTEWATER FUND (#404) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H <sup>^</sup>		I=F-G	
	Budget	March 2012 Actual	% Rec'd	Budget	March 2013 Actual	% Rec'd	Budget	March 2013 Actual	% Rec'd	Expected % Rec'd	Expected % Rec'd	Expected % Rec'd	Var'nc' from Expected	% Variance	Expected	Actual	% Variance	
Wastewater Fees	\$3,404,344	\$818,562	24.0%	\$4,160,318	\$1,135,539	27.3%			27.3%	25.0%	25.0%	\$95,460	2.3%					
Sewer Connection/Misc. Fees	25,000	8,766	35.1%	35,000	0	0.0%			0.0%	25.0%	25.0%	(8,750)	-25.0%					
Rentals	3,750	3,323	88.6%	3,323	3,323	100.0%			100.0%	25.0%	25.0%	2,492	75.0%					
Misc. Revenues/Insurance	2,000	20,871	1043.6%	3,300	442	13.4%			13.4%	25.0%	25.0%	(383)	-11.6%					
Interest Earnings	4,655	1,124	24.1%	3,000	0	0.0%			0.0%	25.0%	25.0%	(750)	-25.0%					
Totals:	\$3,439,749	\$852,646	24.8%	\$4,204,941	\$1,139,304	27.1%			27.1%	25.0%	25.0%	\$88,069	2.1%					

WASTEWATER FUND (#404) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H <sup>^</sup>		I=G-F	
	Budget	March 2012 Actual	% Exp'd	Budget	March 2013 Actual	% Exp'd	Budget	March 2013 Actual	% Exp'd	Expected % Exp'd	Expected % Exp'd	Expected % Exp'd	Var'nc' from Expected	% Variance	Expected	Actual	% Variance	
Operating Expenses	\$2,532,028	\$606,972	24.0%	\$2,638,208	\$595,955	22.6%			22.6%	25.0%	25.0%	\$63,597	2.4%					
Capital Outlay	650,000	39,046	6.0%	192,000	7,062	3.7%			3.7%	25.0%	25.0%	40,938	21.3%					
Debt Principal	1,694,944	69,598	4.1%	2,001,005	73,147	3.7%			3.7%	25.0%	25.0%	427,104	21.3%					
Interest Expense	40,660	5,417	13.3%	38,715	1,868	4.8%			4.8%	25.0%	25.0%	7,811	20.2%					
Totals:	4,917,632	721,033	14.7%	4,869,928	678,032	13.9%			13.9%	25.0%	25.0%	539,450	11.1%					

Net Budget/Income/Variance: (\$1,477,883)      \$131,613      (\$664,987)      \$461,272      \$627,519      13.2%

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

(1) Debt service is not paid evenly throughout the year.

City of Chehalis  
Comparative Financial Reports  
March 2012 and 2013

WATER FUND (#405) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	March 2012 Actual	% Recd	Budget	March 2013 Actual	% Recd	Budget	March 2013 Actual	% Recd	Expected % Recd*	Expected % Recd*	Expected % Recd*	Expected % Recd*	Expected % Recd*	Expected % Recd*	Expected % Recd*	Expected % Recd*	Expected % Recd*
Water Sales	\$2,456,633	\$563,599	22.9%	\$2,496,400	\$533,272	21.4%			21.4%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	(\$90,828)	-3.6%	
Water Connection/Misc. Fees	20,000	21,724	108.6%	20,000	0	0.0%			0.0%	25.0%	25.0%	25.0%	25.0%	25.0%	(5,000)	-25.0%		
Interfund Principal Repayment	0	0	N/A	397,411	0	0.0%			0.0%	25.0%	25.0%	25.0%	25.0%	25.0%	(99,353)	-25.0%		
Misc. Revenues/Insurance	0	516	N/A	0	576	N/A			N/A	25.0%	25.0%	25.0%	25.0%	25.0%	576	N/A		
Interest Earnings	10,000	1,561	15.6%	18,076	0	0.0%			0.0%	25.0%	25.0%	25.0%	25.0%	25.0%	(4,519)	-25.0%		
<b>Totals:</b>	<b>\$2,486,633</b>	<b>\$587,400</b>	<b>23.6%</b>	<b>\$2,931,887</b>	<b>\$533,848</b>	<b>18.2%</b>			<b>18.2%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>(\$199,124)</b>	<b>-6.8%</b>		

WATER FUND (#405) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	March 2012 Actual	% Expd	Budget	March 2013 Actual	% Expd	Budget	March 2013 Actual	% Expd	Expected % Expd*	Expected % Expd*	Expected % Expd*	Expected % Expd*	Expected % Expd*	Expected % Expd*	Expected % Expd*	Expected % Expd*	Expected % Expd*
Operating Expenses	1,900,894	402,339	21.2%	1,782,704	392,921	22.0%			22.0%	25.0%	25.0%	25.0%	25.0%	25.0%	52,755	3.0%		
Capital Outlay	790,000	38,224	4.8%	640,000	0	0.0%			0.0%	25.0%	25.0%	25.0%	25.0%	25.0%	160,000	25.0%		
Debt Principal	130,077	8,000	6.2%	131,077	9,000	6.9%			6.9%	25.0%	25.0%	25.0%	25.0%	25.0%	23,769	18.1%		
Interest Expense	24,131	4,175	17.3%	21,690	3,750	17.3%			17.3%	25.0%	25.0%	25.0%	25.0%	25.0%	1,673	7.7%		
<b>Totals:</b>	<b>2,845,102</b>	<b>452,738</b>	<b>15.9%</b>	<b>2,575,471</b>	<b>405,671</b>	<b>15.8%</b>			<b>15.8%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>	<b>238,197</b>	<b>9.2%</b>		

Net Budget/Income/Variance: -\$358,469      \$134,662      \$356,416      \$128,177      \$39,073      2.4%

Key:  
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(1) Capital expenditures are not made evenly throughout the year.

City of Chehalis  
Comparative Financial Reports  
March 2012 and 2013

STORM FUND (#406) REVENUES	A March 2012		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	March 2013	Actual	% Rec'd	% Rec'd	Expected	% Rec'd	Expected	Variance	%	
Storm & Surface Water Fees	\$407,780	\$102,700	\$102,700	\$102,700	25.2%	25.3%	\$441,674	\$111,753			25.3%	25.0%	25.0%	25.0%	\$1,335	0	N/A	0.3%
Storm Connection/Misc. Fees	0	5,477	5,477	0	N/A	N/A	0	0	0	0	N/A	25.0%	25.0%	25.0%	(125)	0	N/A	N/A
Interest Earnings	500	0	0	0	0.0%	0.0%	500	0	500	0	0.0%	25.0%	25.0%	25.0%	514	(125)	-25.0%	N/A
Misc. Revenues/Insurance	0	1,443	1,443	0	N/A	N/A	0	514	0	514	N/A	25.0%	25.0%	25.0%	514	514	N/A	N/A
Totals:	\$408,280	\$109,620	\$109,620	\$109,620	26.8%	25.4%	\$442,174	\$112,267			25.4%	25.0%	25.0%	25.0%	\$1,724	514	0.4%	0.4%

STORM FUND (#406) EXPENSES	A March 2012		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	March 2013	Actual	Exp'd	Exp'd	Expected	% Exp*	Expected	Variance	%	
Operating Expenses	\$358,897	\$77,398	\$77,398	\$77,398	21.6%	27.0%	\$345,875	\$93,553			27.0%	27.0%	25.0%	25.0%	(\$7,084)	(7,084)	-2.0%	-2.0%
Totals:	358,897	77,398	77,398	77,398	21.6%	27.0%	345,875	93,553			27.0%	27.0%	25.0%	25.0%	(7,084)	(7,084)	-2.0%	-2.0%

Net Budget/Income/Variance: \$49,383 \$32,222 \$96,299 \$18,714 (\$5,361) -1.6%

Key:

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RECOMMENDATION/COUNCIL ACTION DESIRED

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

Reviewed by  City Manager



## City of Chehalis Sales & Use Tax Revenue

	Month-by-Month Comparisons										% Chg.	Key
	2007	2008	2009	2010	2011	2012	2013					
January	303,003.96	338,775.84	311,681.25	242,158.24	255,550.11	239,905.57	271,375.98	13.1%	1			
February	370,242.18	325,708.20	326,987.75	296,867.87	288,322.28	293,448.86	322,000.58	9.7%	2			
March	275,769.04	352,594.58	247,974.49	269,687.71	209,202.31	201,418.97	221,154.40	9.8%	3			
April	262,854.70	323,886.70	245,182.86	223,636.27	211,769.41	229,146.29						
May	309,705.17	366,700.91	255,481.63	246,998.74	269,316.42	250,189.48						
June	288,762.68	340,751.01	266,335.35	228,867.63	253,348.87	253,817.94						
July	280,090.89	352,426.34	270,324.94	239,316.92	235,882.93	251,676.19						
August	367,841.64	416,021.47	276,851.50	268,052.83	264,592.08	264,996.44						
September	331,262.66	327,171.53	250,448.70	246,365.20	320,998.49	276,271.10						
October	353,302.89	305,787.51	345,695.15	260,630.19	245,472.95	283,408.61						
November	352,562.39	373,132.35	257,314.61	251,801.70	261,382.66	273,852.79						
December	314,120.78	194,375.82	234,399.17	241,368.04	233,191.67	258,144.76						
<b>Year Totals</b>	<b>3,809,518.98</b>	<b>4,017,332.26</b>	<b>3,288,677.40</b>	<b>3,015,751.34</b>	<b>3,049,030.18</b>	<b>3,076,277.00</b>	<b>N/A</b>					
<b>As of 3QX:</b>	<b>949,015.18</b>	<b>1,017,078.62</b>	<b>886,643.49</b>	<b>808,713.82</b>	<b>753,074.70</b>	<b>734,773.40</b>	<b>814,530.96</b>	<b>10.9%</b>				
<b>As of 1st Qtr.:</b>	<b>949,015.18</b>	<b>1,017,078.62</b>	<b>886,643.49</b>	<b>808,713.82</b>	<b>753,074.70</b>	<b>734,773.40</b>	<b>814,530.96</b>	<b>10.9%</b>				

**Key:**

- 1 Increase is primarily attributable to manufacturing, retail, and construction.
- 2 Increase is primarily attributable to retail and construction.
- 3 Increase is primarily attributable to retail.

**CITY OF CHEHALIS  
AGENDA REPORT**

**DATE:** April 17, 2011  
**TO:** The Honorable Mayor and City Council  
**FROM:** Herta Fairbanks, Public Works Director  
Rick Sahlin, Street/Storm Superintendent  
**SUBJECT:** 2013 Chip Seal Program

**ISSUE**

The City of Chehalis has developed the proposed Chip Seal List for 2013 and would like to inform the Council and Public.

**DISCUSSION**

Each year, the City of Chehalis' Street Division attempts to perform chip sealing in areas of the City where the greatest need is. While the program is limited by a number of factors including weather and man-power, the program has been highly successful in recent years and is an integral part of our ongoing maintenance and preservation of our City streets.

In 2012, the Chip Seal program focused on the area to the west of State Street. This year's program is going to focus on much of the historical hillside above Market Blvd., from approximately Park Street to 12<sup>th</sup> Street. In all, we will be performing chip sealing on approximately 21,000 feet of pavement.

This year's cycle was originally planned to address the downtown area around Chehalis Ave, but due to the Chehalis Avenue Project, we have moved to the historic hillside so as to mitigate the overall impact of roadway activities on the businesses in this area.

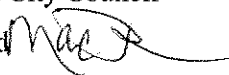
**RECOMMENDATION/COUNCIL ACTION DESIRED**

No action is required at this time. This agenda item is for informational purposes only. We welcome your questions and comments.

**REVIEWED BY:**  \_\_\_\_\_, CITY MANAGER

## CITY OF CHEHALIS

### AGENDA REPORT

**TO:** The Honorable Mayor and City Council  
**FROM:** City Manager MacReynold   
**DATE:** April 12, 2013  
**SUBJECT:** Interlocal Agreement between the City of Chehalis and the Riverside Fire Authority for Fire Chief Administrative and Management Services

#### ISSUE

Fire Chief Kelvin Johnson has announced his retirement from the City of Chehalis Fire Department (City) effective April 24, 2013. Due to the current functional consolidation efforts with the Riverside Fire Authority (RFA), the city manager recommends executing an interlocal agreement with the RFA to provide fire chief administrative and management services for the City on a contractual basis.

#### DISCUSSION

The scope of the Agreement, in essence, would authorize the RFA to provide administrative and management services to the City by utilizing the RFA Fire Chief via a contractual basis to provide those services that are reasonably necessary to assist the City with administrative functions for the City, including budget development, financial management, personnel management, and collective bargaining.

The Fire Chief would provide those services necessary to direct, control and support City operations including, but not limited to, fire suppression, fire protection and prevention, hazardous material response, rescue response, and basic life support emergency medical services.

The Fire Chief will report to the City Manager with respect to the operations of the City Fire Department. The City Manager and Fire Chief will develop regular reporting procedures. It is expected that the Fire Chief or designee will provide periodic reports and attend staff, council and other meetings as deemed necessary by the City Manager.

During the term of this agreement, the Authority and the City will share the salary and associated benefits for the Fire Chief position equally (50%) by each party. Any subsequent modifications to salary and benefits will be shared equally.

#### RECOMMENDATION / COUNCIL ACTION DESIRED

The administration recommends that the council authorize the city manager to execute the proposed interlocal agreement between the City and the RFA for the purpose of providing Fire Chief Administrative and Management Services.

#### SUGGESTED MOTION

I move that the council authorize the city manager to execute the attached interlocal agreement between the City and RFA for the purpose of providing Fire Chief Administrative and Management Services.

# **INTERLOCAL AGREEMENT FOR FIRE CHIEF ADMINISTRATION AND MANAGEMENT SERVICES**

**THIS INTERLOCAL AGREEMENT** ("Agreement") is entered into by and between the **RIVERSIDE FIRE AUTHORITY**, a Washington municipal corporation (the "Authority") and the **CITY OF CHEHALIS**, a Washington municipal corporation, (the "City").

WHEREAS, the City of Chehalis and the Riverside Fire Authority want to improve the efficiency and effectiveness of their fire suppression and protection services and emergency medical response services through a regional delivery system; and,

WHEREAS, the City of Chehalis and the Riverside Fire Authority may desire to functionally consolidate the operations of their fire departments within a time frame to be determined; and,

WHEREAS, the City of Chehalis and the Riverside Fire Authority have determined that the entities may, from time to time, enter into supplemental agreements with each other for the purpose of establishing, partnerships such as for example, fire code management services for the City of Chehalis.

WHEREAS, the City of Chehalis and the Riverside Fire Authority are authorized, pursuant to Chapter 39.34 of the Revised Code of Washington, to enter into an inter-local cooperation agreement which allows the City of Chehalis and the Riverside Fire Authority to cooperate with each other to provide high quality services to the public in the most efficient manner possible.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the City of Chehalis and the Riverside Fire Authority hereto agree as follows:

## **Section 1. Definitions**

**1.1 Definitions.** The following definitions shall apply throughout this Agreement.

1. City: This term connotes the municipality of Chehalis.
2. City Personnel: Employees of the City of Chehalis working within the Chehalis Fire Department.
3. City Fire Department: City of Chehalis Fire Department.
4. Authority: The Riverside Fire Authority
5. Fire Chief: The Fire Chief of the Riverside Fire Authority.

## **Section 2. Services Provided**

**2.1 Services provided by the Authority.** The Authority agrees to provide administrative and management services to the City Fire Department by utilizing the Riverside Fire Authority Fire Chief via a contractual basis to provide those services that are reasonably necessary to assist the

City with administrative functions for the City Fire Department, including budget development, financial management, personnel management, and collective bargaining.

**2.1.1** The Fire Chief shall provide those services necessary to direct, control and support City Fire Department operations including, but not limited to, fire suppression, fire protection and prevention, hazardous material response, rescue response, and basic life support emergency medical services.

**2.1.2** The Fire Chief, while remaining an employee of the Authority, shall be designated the City's Fire Chief and Fire Marshal for purposes of statutes and certain City codes or ordinances, including, but not limited to the City's ordinance adopting the International Building Code, which includes the International Fire Code.

**2.1.3** The parties will continue to operate within the guidelines and deliverables via the Inter-local Agreement to provide fire code inspections and enforcement services to the City.

**2.2.2** The City shall be responsible for and shall continue to provide accounting, payroll and human resources support for the City Fire Department.

### **Section 3. Employment**

**3.1 Fire Chief Position Cost Sharing.** During the term of this agreement, the Authority and the City will share the salary and associated benefits for the Fire Chief position equally (50%) by each party. Any subsequent modifications to salary and benefits will be shared equally.

**3.2 Invoicing and Payment.** The Authority shall invoice the City for payment of such services on a monthly basis in accordance with subsection 3.1 of this Agreement.

**3.3 Supervision and Assignment.** City Personnel shall be supervised and be under the direction and control of the Fire Chief in the performance of their duties.

**3.4 Indemnification Regarding City Personnel Claims.** The City shall indemnify, defend and hold the Authority harmless from any and all demands, claims or actions by City Personnel, which arise out of, or relate to, events that occurred prior to the effective date of this Agreement.

**3.5 Authority and Responsibility of the Fire Chief.** Subject to the terms of this Agreement, the Fire Chief shall have management authority over the City Fire Department, including but not limited to the following:

- a.) Day to day operations
- b.) Employee responsibilities
- c.) Staffing
- d.) Station apparatus assignment

e.) Allocation of resources

f.) Personnel management including discipline in accordance with City policy, procedure, collective bargaining agreements, and/or civil service rules and regulations.

g.) Implementation of the City fire budget with expenditure authority consistent with City policy and procedure.

h.) Implementation of policies and procedures.

i.) All duties and responsibilities of the City's Fire Chief in relation to the City Manager are subject to minimum requirements of Council- Manager Plan of Government as set forth in RCW 35A.13.080.

#### **Section 4. Reporting and Representation**

**4.1 Oversight.** The Authority and the City shall consult with each other at regular intervals with respect to the provision of Services under the terms and conditions of this Agreement. The elected officials of the Authority and the City shall meet at least annually to review this agreement and discuss any necessary amendments to this Agreement.

**4.2 Reporting.** The Fire Chief shall report to the City Manager with respect to the operations of the City Fire Department. The City Manager and Fire Chief will develop regular reporting procedures. The Fire Chief or designee will provide periodic reports and attend staff, council and other meetings as deemed necessary by the City Manager.

**4.3 Personnel Action.** In the event the Fire Chief proposes to take a personnel action, respond to a grievance, or obligate City funds for a purpose not anticipated in the City Fire Department's budget, the City Manager's written approval must be received prior to taking such action.

**4.4 Representation.** The Authority shall represent the City on intergovernmental boards or on matters involving the City Fire Department as deemed necessary by the City Manager. The City reserves the right to represent itself in any matter in which the interests of the City and the Authority are not mutual.

#### **Section 5. Assessment of Proceeding to Full Functional Consolidation**

**5.1 Assessment.** It is the intent of the parties to assess the effectiveness of this Agreement to determine the viability of future collaboration and consolidation between the parties. The viability of full functional consolidation will be measured by value-added service delivery, community acceptance, efficiency and cost effectiveness.

## **Section 6. Term of the Agreement**

**6.1 Term.** This Agreement shall be effective on April 25, 2013 and shall continue in effect until December 31, 2015, unless terminated earlier as provided herein or extended by mutual agreement of the parties.

**6.2 Termination.** This Agreement may be terminated by mutual agreement of the parties at any time. In the event either party breaches any provision of this agreement, the non-breaching party may terminate this agreement on five (5) days written notice to the other party. Either party may terminate this agreement on thirty (30) days written notice to the other.

## **Section 7. City and Authority Are Independent Municipal Governments**

**7.1 City and Authority are Independent Municipal Governments.** The parties hereto are independent governments. Except for the specific terms herein, nothing herein shall be construed to limit the discretion of the governing bodies of each party. Specifically and without limiting the foregoing, the Authority shall have the sole discretion and the obligation to determine the exact method by which the Services are provided within the geographical boundaries of the Authority and the City.

## **Section 8. Insurance**

**8.1 Hold Harmless Regarding Employment Claims.** Each party agrees to hold harmless the other Party, its officers, officials, employees and volunteers from any and all claims, lawsuits, costs, including reasonable attorneys' and expert witness fees, losses and judgments arising out of personnel or employment claims and/or related lawsuits brought by such party's employees which arise out of, or relate to, events that occurred after the effective date of this Agreement. The provisions of this section shall survive the expiration or termination of this Agreement.

**8.2 Indemnification.** Except as to claims and lawsuits described in section 9.2, claims arising as a result of the breach of this Agreement by the City, and claims arising as a result of events beyond the control of the Authority of a force majeure nature, which shall include, without limitation, acts of God, strikes, lockouts, acts of public enemies, order or restraints of the United States of America, the State of Washington, or their respective departments, agencies or officials, insurrections, riots, volcanic eruptions, earthquakes, storms, droughts, floods, explosions or acts or occurrences of a similar nature that is beyond the control of the Authority, the Authority shall hold harmless, indemnify and defend its officers, officials, employees and volunteers from any and all legal claims, lawsuits, cost of defense and litigation including reasonable attorney fees and expert witness fees, losses and judgments arising out of any claims, liability events or occurrences related to the performance or failure to perform the fire defense services and/or emergency medical response services contemplated by the parties in this agreement if such liability occurrence, event or omission occurs after the effective date of this agreement. The hold harmless, indemnification and defense obligations and provisions of this section of the agreement shall survive the expiration or termination of this agreement as to any liability event, occurrence or omission which occurred in whole or in part during the period of time this agreement was in force.

## **Section 9. Miscellaneous**

**9.1 Arbitration.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. If the parties are unable to settle any dispute, difference, or claim arising from the parties' performance of this Agreement, the parties agree to participate in a formal mediation process prior to pursuing any legal action. In the event that the dispute is not resolved through a formal mediation process, resolving that dispute, difference, or claim shall be by filing suit exclusively under the venue, rules, and jurisdiction of the Lewis County Superior Court, Washington, unless the parties agree in writing to an alternative dispute resolution process. In any claim or lawsuit arising from the parties' performance of this Agreement, each party shall pay all its own legal costs and attorneys' fees incurred in defending or bringing such claim or lawsuit, in addition to any other recovery or award provided by law; provided, however, nothing in this paragraph shall be construed to limit the parties' right to indemnification under this Agreement.

**9.2 Notices.** All notices, demands, requests, consents and approvals which may, or are required to be, given by any party to any other party hereunder, shall be in writing and shall be deemed to have been duly given if delivered personally, sent by facsimile, sent by a nationally recognized overnight delivery service, or if mailed or deposited in the United States mail and sent by registered or certified mail, return receipt requested, postage prepaid to:

Riverside Fire Authority:

Riverside Fire Chief  
1818 Harrison Avenue  
Centralia, WA 98531

The City:

Chehalis City Manager  
350 N. Market Boulevard, Room 101  
Chehalis, WA 98532

or to such other address as the foregoing parties hereto may from time-to-time designate in writing and deliver in a like manner. All notices shall be deemed complete upon actual receipt or refusal to accept delivery. Facsimile transmission of any signed original document and retransmission of any signed facsimile transmission shall be the same as delivery of an original document.

**9.3 No Benefit to Third Parties.** This Agreement shall not be construed to provide any benefits to any third parties. Specifically and without limiting the foregoing, this Agreement shall not create or be construed as creating an exception to the Public Duty Doctrine.



**9.4 Drafting.** Each party has fully participated in the drafting of this Agreement. Therefore, the Agreement shall be construed according to its fair meaning without regard to which party drafted a particular provision.

**9.5 Entire Agreement.** The entire agreement between the parties hereto is contained in this Agreement and the exhibits hereto; and this Agreement supersedes all of their previous understandings and agreements, written and oral, with respect to this transaction. This Agreement may be amended only by written instrument executed by the parties subsequent to the date hereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

RIVERSIDE FIRE AUTHORITY

By:

\_\_\_\_\_  
Commissioner

By:

\_\_\_\_\_  
Commissioner

By:

\_\_\_\_\_  
Commissioner

Attest:

\_\_\_\_\_  
Authority Secretary

By:

\_\_\_\_\_  
Commissioner

By:

\_\_\_\_\_  
Commissioner

By:

\_\_\_\_\_  
Commissioner

CITY of CHEHALIS

By:

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

Attest:

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

**CITY OF CHEHALIS  
AGENDA REPORT**

**DATE:** April 17, 2013  
**TO:** The Honorable Mayor and City Council  
**FROM:** Merlin MacReynold, City Manager  
**SUBJECT:** Award Professional Service Contract for Pool Renovation Project

**ISSUE**

The City is seeking a qualified professional design team to perform complete Architectural/Engineering as well as project management services for the Chehalis Outdoor Pool Renovation Project.

**DISCUSSION**

The administration, along with the two members of the Chehalis Foundation, conducted interviews for an architect to design the pool renovation and to manage the construction project. Interviews were conducted on April 11, 2013, and four (4) firms were interviewed; BLRB Architects, Pfaff Architects, ORB Architects, and Waterleaf Architecture, LLC. The interviews were conducted to ensure compliance with the public process required for obtaining a professional service contract on a city owned facility.

Upon review of comments from participating members of the interview panel, the selection was narrowed down to two firms. The administration then checked references to determine which firm would be the best qualified for this project.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The administration recommends that the Council award the design contract for the Chehalis Outdoor Pool Renovation Project to Pfaff Architects and authorize the City Manager to execute the professional services contract.

**SUGGESTED MOTION**

I move that the Council award the design contract for the Chehalis Outdoor Pool Renovation Project to Pfaff Architects and authorize the City Manager to execute the professional services contract.

Reviewed by:  \_\_\_\_\_, City Manager