

PLEASE NOTE NEW 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

Regular Meeting of June 24, 2013

5:00 p.m.

ITEM

ADMINISTRATION
RECOMMENDATION

PAGE

1. Call to Order. (Mayor)

2. Pledge of Allegiance. (Mayor)

CITIZENS BUSINESS

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

SPECIAL BUSINESS

3. Introduction of New Firefighter Pennie McCarty. (City Manager, Fire Chief)

4. Veterans Memorial Museum Update. (Chip Duncan, Director)

CONSENT CALENDAR		
5. <u>Minutes of the Regular Meeting of June 10, 2013.</u> (City Clerk)	APPROVE	1
6. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	5

ADMINISTRATION AND CITY COUNCIL REPORTS		
7. <u>Administration Reports.</u>		
a. <u>May financial report.</u> (Finance Manager)	INFORMATION ONLY	6
b. <u>Council goal work session.</u> (City Manager)	INFORMATION ONLY	
c. <u>Update on Tacoma Rail acquisition.</u> (City Manager)	INFORMATION ONLY	
8. <u>Council Reports.</u>		
a. Councilor reports. (City Council)	INFORMATION ONLY	
b. Council committee reports. (City Council)	INFORMATION ONLY	

NEW BUSINESS		
9. <u>Ordinance No. 911-B, First Reading – Amending the 2013 Budget.</u> (City Manager, Finance Manager)	PASS	11

**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, JULY 8, 2013

June 10, 2013

The Chehalis city council met in regular session on Monday, June 10, 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; Amanda Vey, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Herta Fairbanks, Public Works Director; Dennis Osborn, Community Development Director; Eva Lindgren, Finance Manager; and Peggy Hammer, Human Resources Administrator. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Introductions.** Lewis County Historical Museum Interim Director Andy Skinner stopped by to introduce himself to the council. He stated he looked forward to getting things rolling again, noting they just finished up with school tours last week. Mr. Skinner reported he hoped to make the museum a new and exciting place for people to bring their families.

2. **Update on Chehalis Foundation Projects.** Chehalis Foundation President Tim Sayler gave the council a brief update on what the Foundation has been doing and where they are headed. Recent projects included:

- Installation of new septic system at Lintott/Alexander Park
- Renovation of Field #2 at Stan Hedwall Park (working with Chehalis Babe Ruth)
- Field renovation behind Olympic School (led by Twin Cities Youth Football)
- Upgrades to the city's holiday decorations
- Science, Technology, Engineering and Math (STEM) Program through the Chehalis School District (set up committee to handle the donated money for the program)
- Chehalis Outdoor Pool Renovation Project

Mr. Sayler reported they were waiting on the results from their grant applications through the state and federal government. He noted they received the grants, but they were still pending funding.

Mr. Sayler reported they were approaching \$2 million in contributions with the grants; \$1.5 without the grants. He felt they could still get the project done, but what they can and can't do as far as features would depend on the funding received.

Councilor Spahr reported he recently had an opportunity to talk with a parent about how much further ahead their son was academically because of the programs sponsored by the Foundation at W.F. West, noting it was an incredible.

Mr. Sayler stated, whether it was academics, the pool project, or holiday decorations, it really goes to the standard of living in our town. He hoped that standard of living will attract business and improve the economics of the area.

Councilor Lund reported the Planes, Trains, & Automobiles Festival was coming up in July, and thought it might be fun for the Foundation to do an activity. He noted they would be surplussing a vehicle under the consent calendar, and suggested they give it to the Foundation to use as a fundraiser for the pool. Mr. Sayler stated anything that builds fun and excitement was a great idea.

Mr. Sayler reported the pool project was really absorbing a lot of their time. He provided the council with the most recent drawing, noting it would continue to morph as they see what their budget entails. He stated one of the best things they designed into the project was a "zero entrance" feature, where the pool actually slopes up to the deck level creating a beach-like effect. Mr. Sayler suggested it would be a great place for younger kids, and also accomplished some ADA accessibility issues.

Councilor Harris stated it never gets old bragging about the gift we have with the Foundation. Mr. Sayler thanked Mr. Harris for his comments, noting it all goes back to the smart-thinking individuals who formed the Foundation long before he ever became involved.

Councilor Dawes reported he was asked one time if he thought it would short-change the city if the Foundation got involved with the school district. He felt it was a wise move by the Foundation to involve the schools because one of the things people look for in a community are the schools, adding if they're not good, they're not going to relocate here.

June 10, 2013

Mr. Saylor stated they enjoyed doing what they do and thanked the council for their support.

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

a. Minutes of the regular meeting of May 28, 2013;

b. Claim Vouchers No. 106200-106300 in the amount of \$181,947.49 dated May 31, 2013; and Payroll Vouchers No. 36538-36604, Direct Deposit Payroll Vouchers No. 4050-4127, and Electronic Federal Tax Payment No. 124 in the amount of \$660,970.67 dated May 31, 2013; and

c. Adopt Resolution No. 10-2013 on first and final reading for the surplus of city property.

The motion was seconded by Councilor Pope and carried unanimously.

4. **Administration Reports.**

a. **Community Farmers Market.** City Manager Merlin MacReynold reported the 2013 Community Farmers Market will be opening on Tuesday, June 11, at noon, with a ribbon cutting ceremony at 11:00 a.m.

5. **Council Reports.**

a. **Update From Councilor Spahr.** Councilor Spahr reported he attended the 37th Anniversary of the Sunbird Shopping Center, noting it was a nice event and they had a great turnout.

Councilor Spahr reported the Cowlitz-Lewis Economic Development District Board has a new executive director. He noted they had a meeting coming up on the 18th and hoped to find out more about the new director and what's going on in that area.

b. **Update From Councilor Pope.** Councilor Pope reported the Children's Justice Task Force held their annual conference in Seattle a couple of weeks ago, with a follow up meeting this week in Spokane. He noted one of the issues discussed was homeless youth. Councilor Pope reported the Columbia Legal Counsel recently put out a guide book for homeless youth. He noted, in the next few months, there is going to be a push to help homeless kids and hoped Chehalis would consider participating.

c. **Update From Councilor Harris.** Councilor Harris reported he and Administrative Assistant Caryn Foley sat in on a webinar hosted by the Association of Washington Cities regarding the implementation of the new lodging tax regulations. He reported they still have one question they need clarification on, having to do with whether the council can give more than what the committee approves. Councilor Harris stated his understanding was that the council could give up to the original amount requested, but no more. He noted that was the only thing that changed in the new regulations, other than there was no sunset date attached to it.

Councilor Harris reported he also attended the PARC Resources meeting on June 5, noting a lot of the people were in attendance to ask what PARC could do for us relating to several Renaissance projects. He stated the answers they received were not all good, but not all bad.

Councilor Harris reported the holiday decorations committee met recently and formed letters to send out to the residents and businesses in the areas they hope to decorate this year. He noted they also want to find out if the businesses are going to help light the poles downtown, until the city can get the electrical fixed. Councilor Harris stated they would be working with the residents in the Cascade Avenue area, from city hall to Recreation Park, to get that area lit up with lights over the next few years.

d. **Update From Councilor Taylor.** Councilor Taylor asked the council if they had any recommendations or comments they want carried forward to the Twin Transit Board concerning the city's position on what we want transit to look like in our community. He stated he can normally carry the council's wishes forward without having to come to them, but felt the

June 10, 2013

recent information presented on the lower forecasted revenues was a little more significant, and could affect some of the routes in our community.

Mayor Ketchum stated if anyone had any concerns, they should respond to Councilor Taylor before the next transit meeting.

Councilor Dawes stated he appreciated the information that was provided and felt very strongly that he wanted to see our transit system stay as local as possible. He noted it was great to have the add-ons, but given the current economic situation, Twin Transit needs to do everything they can to make sure they keep our routes open before looking elsewhere.

Councilor Dawes stated concerns about the Grand Mound route because of the low ridership. He noted people are not going to want their fares raised and he didn't feel comfortable even suggesting they consider raising sales tax. Councilor Dawes stated he hoped the rest of the council felt the same and would instruct Councilor Taylor to convey those wishes to the other board members.

e. **Update From Councilor Dawes.** Councilor Dawes reported the next Riverside Fire Authority Regional meeting was scheduled for Wednesday, at 6:30 p.m., in the Fords Prairie Fire Station.

Councilor Dawes noted he also had a chance to go to the Centralia College Foundation gathering last week. He stated the College may be located in Centralia, but it was a jewel for the entire Lewis County community.

f. **Update from Mayor Ketchum.** Mayor Ketchum congratulated the W.F. West High School spring sports teams, noting they did tremendous this year. He reported the boys' baseball team took first place at state; the girls' fastpitch team took 5th at state; Brady Calkins placed 2nd at state in golf; and one of the tennis duo teams also did well at state this year.

6. **Ordinance No. 910-B, Second and Final Reading – Providing for a Change in Time of Regular City Council Meetings.** City Manager MacReynold reported the council took action and voted unanimously at the previous meeting to pass Ordinance No. 910-B on first reading. He noted Councilor Pope was the initiator of the request and they were both available for questions.

Councilor Spahr moved to pass Ordinance No. 910-B on second and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

7. **Resolution No. 9-2013, First and Final Reading – Adopting the 2014-2019 Six-Year Transportation Improvement Program (TIP).** Public Works Director Herta Fairbanks reported, at the last council meeting, they held a public hearing and presented the proposed TIP for the city of Chehalis for the next six years. She noted there was no public comment, so no changes were made to what was previously presented.

Councilor Harris moved to adopt Resolution No. 9-2013 on first and final reading.

The motion was seconded by Councilor Lund and carried unanimously.

8. **Executive Session.** Mayor Ketchum closed the regular meeting at 6:39 p.m. and announced the council would be in executive session pursuant to RCW 42.30.110(1)(b) – purchase or acquisition of real estate for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session and reopened the regular meeting at 7:04 p.m. There being no further business to come before the council, the meeting adjourned immediately.

Mayor

June 10, 2013


Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of June 10, 2013.

CITY OF CHEHALIS
AGENDA REPORT

DATE: June 14, 2013
TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager
PREPARED BY: Michelle White, Accounting Tech II 
SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

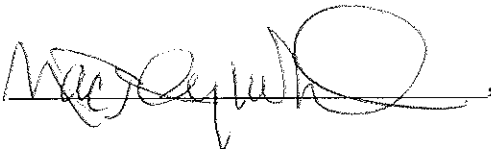
Claim Vouchers No. 106301 through 106452 in the amount of \$1,089,331.01 dated June 14, 2013 and the transfer of \$83,541.60 from the General Fund, \$160.00 from the 1982-93 Community Development Block Grant Fund, \$49,035.54 from the Federal & State Grants Fund, \$26,965.97 from the Public Facilities Reserve Fund, \$1,188.84 from the Garbage Fund, \$902,093.82 from the Wastewater Fund, \$21,235.62 from the Water Fund, \$4,749.96 from the Storm & Surface Water Utility Fund and \$359.66 from the City Agency Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the June 14, 2013 Claim Vouchers No. 106301 through 106452 in the amount of \$1,089,331.01.

SUGGESTED MOTION

I move to approve the June 14, 2013 Claim Vouchers No. 106301 through 106452 in the amount of \$1,089,331.01.

Reviewed by: , City Manager

To: The Honorable Mayor and Council
 Via: Merlin MacReynold, City Manager
 From: Eva K. Lindgren, Finance Manager
 Date: June 19, 2013
 Subject: Monthly Financial Reports for May

City of Chehalis
 Comparative Financial Reports
 May 2012 and 2013

GENERAL FUND (#001) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	%	Rec'd	Budget	Actual	%	Rec'd	%	Rec'd	Expected %	Expected %	Expected %	Expected %	Variance	%
General Property Taxes	\$1,235,000	\$489,467	\$1,249,000	\$516,960	39.6%	39.7%	\$1,249,000	\$516,960	41.4%	41.4%	41.7%	41.7%	41.7%	41.7%	(\$3,456)	-0.3%		
EMS Property Taxes	236,000	93,657	237,500	98,014	39.7%	41.3%	237,500	98,014	41.3%	41.3%	41.7%	41.7%	41.7%	(944)	-0.4%			
Sales & Use Tax	3,000,000	1,214,109	3,015,000	1,317,875	40.5%	43.7%	3,015,000	1,317,875	43.7%	43.7%	41.7%	41.7%	41.7%	61,625	2.0%			
Electricity Tax	400,000	212,283	417,000	212,826	53.1%	51.0%	417,000	212,826	51.0%	51.0%	41.7%	41.7%	41.7%	39,076	9.3%			
Gas/Natural Gas Tax	250,000	141,618	240,000	119,955	56.6%	50.0%	240,000	119,955	50.0%	50.0%	41.7%	41.7%	41.7%	19,955	8.3%			
Criminal Justice Tax	88,000	34,897	90,000	38,006	39.7%	42.2%	90,000	38,006	42.2%	42.2%	41.7%	41.7%	41.7%	506	0.5%			
(Interfund) Water/Sewer Tax	340,000	132,332	399,996	161,016	38.9%	40.3%	399,996	161,016	40.3%	40.3%	41.7%	41.7%	41.7%	(5,649)	-1.4%			
Garbage Tax	62,000	28,998	62,000	29,123	46.8%	47.0%	62,000	29,123	47.0%	47.0%	41.7%	41.7%	41.7%	3,290	5.3%			
Cable Tax	92,000	45,999	92,000	47,051	50.0%	51.1%	92,000	47,051	51.1%	51.1%	41.7%	41.7%	41.7%	8,718	9.4%			
Telephone Tax	325,000	137,560	313,000	125,652	42.3%	40.1%	313,000	125,652	40.1%	40.1%	41.7%	41.7%	41.7%	(4,765)	-1.6%			
Leasehold Excise Tax	35,000	8,810	38,000	9,032	25.2%	23.8%	38,000	9,032	23.8%	23.8%	41.7%	41.7%	41.7%	(6,801)	-17.9%			
Other Taxes	30	0	32	0	0.0%	0.0%	32	0	0.0%	0.0%	41.7%	41.7%	41.7%	(13)	-41.7%			
Total Tax Revenues	6,063,030	2,539,730	6,153,528	2,675,510	41.9%	43.5%	6,153,528	2,675,510	43.5%	43.5%	41.7%	41.7%	41.7%	111,540	1.8%			
Licenses & Permits	63,630	22,424	63,980	31,288	35.2%	48.9%	63,980	31,288	48.9%	48.9%	41.7%	41.7%	41.7%	4,630	7.2%			
Intergov't Grants/Entitlements	643,765	77,471	168,502	45,871	12.0%	27.2%	168,502	45,871	27.2%	27.2%	41.7%	41.7%	41.7%	(24,338)	-14.5%			
Charges for Goods and Svcs.	800,725	329,645	341,170	96,123	41.2%	28.2%	341,170	96,123	28.2%	28.2%	41.7%	41.7%	41.7%	(46,031)	-13.5%			
Fines and Forfeitures	167,080	68,305	159,055	60,542	40.9%	38.1%	159,055	60,542	38.1%	38.1%	41.7%	41.7%	41.7%	(5,731)	-3.6%			
Interest Earnings	12,546	3,487	9,306	3,025	27.8%	32.5%	9,306	3,025	32.5%	32.5%	41.7%	41.7%	41.7%	(853)	-9.2%			
Rents & Royalties	71,422	23,792	70,100	28,935	33.3%	41.3%	70,100	28,935	41.3%	41.3%	41.7%	41.7%	41.7%	(273)	-0.4%			
Donations/Contributions	42,200	30,063	0	3,246	71.2%	N/A	0	3,246	N/A	N/A	41.7%	41.7%	41.7%	3,246	N/A			
Misc. Revenue/Insurance	3,100	8,892	5,000	10,898	286.5%	218.0%	5,000	10,898	218.0%	218.0%	41.7%	41.7%	41.7%	8,815	176.3%			
Non-Revenues	4,866	1,659	3,500	1,565	34.1%	44.7%	3,500	1,565	44.7%	44.7%	41.7%	41.7%	41.7%	107	3.0%			
Total Non-Tax Revenues	1,809,334	565,728	820,613	281,493	31.3%	34.3%	820,613	281,493	34.3%	34.3%	41.7%	41.7%	41.7%	(60,429)	-7.4%			
Proceeds of Long-Term Debt	0	0	0	0	N/A	N/A	0	0	N/A	N/A	41.7%	41.7%	41.7%	0	N/A			
Operating Transfers-In	1,024,017	0	500,000	0	0.0%	0.0%	500,000	0	0.0%	0.0%	41.7%	41.7%	41.7%	(208,333)	-41.7%			
Total Other Financing Sources	1,024,017	0	500,000	0	0.0%	0.0%	500,000	0	0.0%	0.0%	41.7%	41.7%	41.7%	(208,333)	-41.7%			
TOTALS	\$8,896,381	\$3,105,458	\$7,474,141	\$2,957,003	34.9%	39.6%	\$7,474,141	\$2,957,003	39.6%	39.6%	41.7%	41.7%	41.7%	(\$157,222)	-2.1%			

Key:
 * The expected percentage is calculated as follows: since the report is for the 5th month of the year, 5 is divided by 12 - the number of months in the year.
 ^To calculate the dollar variance between expected and actual expenditures, the following formula is used:
 H=(D*G) - E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

City of Chehalis
Comparative Financial Reports
May 2012 and 2013

GENERAL FUND (#001) EXPENDITURES	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	% Exp'd	% Exp'd	% Exp'd	% Exp'd	% Exp'd	Expected % Exp*	Variance Expected	% Variance		
City Council	\$100,319	\$40,213			40.1%	40.3%	\$76,587	\$30,900	40.3%	41.7%	41.7%	\$1,011	41.7%	41.7%	\$1,011	1.4%		
Municipal Court	334,309	132,003			39.5%	40.9%	332,409	135,900	40.9%	41.7%	41.7%	2,604	41.7%	41.7%	2,604	0.8%		
City Manager	338,840	139,326			41.1%	41.6%	226,121	94,168	41.6%	41.7%	41.7%	49	41.7%	41.7%	49	0.1%		
Finance	319,776	135,418			42.3%	44.1%	159,594	70,309	44.1%	41.7%	41.7%	(3,812)	41.7%	41.7%	(3,812)	-2.4%		
City Clerk	93,216	37,216			39.9%	36.6%	56,516	20,687	36.6%	41.7%	41.7%	2,861	41.7%	41.7%	2,861	5.1%		
Non-Departmental	1,377,555	127,466			9.3%	35.5%	816,715	289,973	35.5%	41.7%	41.7%	50,325	41.7%	41.7%	50,325	6.2%		
Human Resources	132,619	53,168			40.1%	41.7%	91,769	38,308	41.7%	41.7%	41.7%	(71)	41.7%	41.7%	(71)	0.0%		
Police	2,346,053	933,071			39.8%	42.5%	2,464,666	1,048,579	42.5%	41.7%	41.7%	(21,635)	41.7%	41.7%	(21,635)	-0.8%		
Fire	1,727,813	723,278			41.9%	39.4%	1,705,443	671,153	39.4%	41.7%	41.7%	39,448	41.7%	41.7%	39,448	2.3%		
Public Works - Streets	890,073	162,744			18.3%	28.1%	471,480	132,382	28.1%	41.7%	41.7%	64,068	41.7%	41.7%	64,068	13.6%		
Public Works - Engineering	111,017	41,478			37.4%	N/A	0	0	N/A	41.7%	41.7%	0	41.7%	41.7%	0	N/A		
Community Development	1,167,726	499,070			42.7%	41.6%	1,232,135	513,156	41.6%	41.7%	41.7%	234	41.7%	41.7%	234	0.1%		
TOTALS	8,939,316	3,024,451			33.8%	39.9%	7,633,435	3,045,515	39.9%	41.7%	41.7%	135,083	41.7%	41.7%	135,083	1.8%		

Net Budget/Income/Variance: (\$42,935) \$81,007 (\$159,294) (\$88,512) (\$22,139) -0.3%

Key:

* The expected percentage is calculated as follows: since the report is for the 5th month of the year, 5 is divided by 12 - the number of months in the year.

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

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

(1) 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
May 2012 and 2013

WASTEWATER FUND (#404) REVENUES	A May 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	% Rec'd	% Rec'd*	Expected	% Rec'd	Expected	Var'nc Expected	% Variance	Expected	% Variance	
Wastewater Fees	\$3,404,344	\$1,490,910	\$4,160,318	\$1,778,843	43.8%	42.8%	\$4,160,318	\$1,778,843	42.8%	41.7%	\$45,377	41.7%	\$45,377	1.1%				
Sewer Connection/Misc. Fees	25,000	11,473	35,000	0	45.9%	0.0%	35,000	0	0.0%	41.7%	(14,583)	41.7%	(14,583)	-41.7%				
Rentals	3,750	3,323	3,323	3,323	88.6%	100.0%	3,323	3,323	100.0%	41.7%	1,938	41.7%	1,938	58.3%				
Misc. Revenues/Insurance	2,000	21,124	3,300	6,548	1056.2%	198.4%	3,300	6,548	198.4%	41.7%	5,173	41.7%	5,173	156.7%				
Interest Earnings	4,655	2,236	3,000	195	48.0%	6.5%	3,000	195	6.5%	41.7%	(1,055)	41.7%	(1,055)	-35.2%				
Totals:	\$3,439,749	\$1,529,066	\$4,204,941	\$1,788,909	44.5%	42.5%	\$4,204,941	\$1,788,909	42.5%	41.7%	\$36,850	41.7%	\$36,850	0.9%				

WASTEWATER FUND (#404) EXPENSES	A May 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	% Exp'd	% Exp'd*	Expected	% Exp'd	Expected	Var'nc Expected	% Variance	Expected	% Variance	
Operating Expenses	\$2,532,028	\$1,062,467	\$2,638,208	\$1,031,593	42.0%	39.1%	\$2,638,208	\$1,031,593	39.1%	41.7%	\$67,660	41.7%	\$67,660	2.6%				
Capital Outlay	650,000	39,297	192,000	32,903	6.0%	17.1%	192,000	32,903	17.1%	41.7%	47,097	41.7%	47,097	24.6%				
Debt Principal	1,694,944	138,640	2,001,005	143,231	8.2%	7.2%	2,001,005	143,231	7.2%	41.7%	690,521	41.7%	690,521	34.5%				
Interest Expense	40,660	19,646	38,715	15,054	48.3%	38.9%	38,715	15,054	38.9%	41.7%	1,077	41.7%	1,077	2.8%				
Totals:	4,917,632	1,260,050	4,869,928	1,222,781	25.6%	25.1%	4,869,928	1,222,781	25.1%	41.7%	806,356	41.7%	806,356	16.6%				
Net Budget/Income/Variance:	(\$1,477,883)	\$269,016	(\$664,987)	\$566,128			(\$664,987)	\$566,128			\$843,206		\$843,206	17.4%				

Key:

* The expected percentage is calculated as follows: since the report is for the 5th month of the year, 5 is divided by 12 - the number of months in the year.

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

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

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

City of Chehalis
Comparative Financial Reports
May 2012 and 2013

WATER FUND (#405) REVENUES	A May 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	% Rec'd	% Rec'd	Expected	% Exp*	Expected	% Exp*	Expected	% Exp*	Expected	% Exp*
Water Sales	\$2,456,633	\$941,178	\$2,496,400	\$907,413	38.3%	36.3%	\$2,496,400	\$907,413	36.3%	36.3%	\$132,754	41.7%	(\$132,754)	41.7%	(\$132,754)	41.7%	(\$132,754)	41.7%
Water Connection/Misc. Fees	20,000	24,495	20,000	2,771	122.5%	13.9%	20,000	2,771	13.9%	13.9%	(5,562)	41.7%	(5,562)	41.7%	(5,562)	41.7%	(5,562)	41.7%
Interfund Principal Repayment	0	0	397,411	0	N/A	0.0%	397,411	0	0.0%	0.0%	(165,588)	41.7%	(165,588)	41.7%	(165,588)	41.7%	(165,588)	41.7%
Misc. Revenues/Insurance	0	760	0	43,518	N/A	N/A	0	43,518	N/A	N/A	43,518	41.7%	43,518	41.7%	43,518	N/A	43,518	N/A
Interest Earnings	10,000	2,673	18,076	3,541	26.7%	19.6%	18,076	3,541	19.6%	19.6%	(3,991)	41.7%	(3,991)	41.7%	(3,991)	41.7%	(3,991)	41.7%
Totals:	\$2,466,633	\$969,106	\$2,931,887	\$957,243	39.0%	32.6%	\$2,931,887	\$957,243	32.6%	32.6%	(\$264,377)	41.7%	(\$264,377)	41.7%	(\$264,377)	41.7%	(\$264,377)	41.7%

(1)

WATER FUND (#405) EXPENSES	A May 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	% Exp'd	% Exp'd	Expected	% Exp*	Expected	% Exp*	Expected	% Exp*	Expected	% Exp*
Operating Expenses	1,900,894	708,676	1,782,704	623,693	37.3%	35.0%	1,782,704	623,693	35.0%	35.0%	119,100	41.7%	119,100	41.7%	119,100	41.7%	119,100	41.7%
Capital Outlay	790,000	62,102	640,000	79,916	7.9%	12.5%	640,000	79,916	12.5%	12.5%	186,751	41.7%	186,751	41.7%	186,751	41.7%	186,751	41.7%
Debt Principal	130,077	8,000	131,077	9,000	6.2%	6.9%	131,077	9,000	6.9%	6.9%	45,615	41.7%	45,615	41.7%	45,615	41.7%	45,615	41.7%
Interest Expense	24,131	4,175	21,690	3,750	17.3%	17.3%	21,690	3,750	17.3%	17.3%	5,288	41.7%	5,288	41.7%	5,288	41.7%	5,288	41.7%
Totals:	2,845,102	782,953	2,575,471	716,359	27.5%	27.8%	2,575,471	716,359	27.8%	27.8%	356,754	41.7%	356,754	41.7%	356,754	41.7%	356,754	41.7%

(2)

Net Budget/Income/Variance: (\$358,469) \$186,153 \$356,416 \$240,894 \$92,377 4.8%

Key:

* The expected percentage is calculated as follows: since the report is for the 5th month of the year, 5 is divided by 12 - the number of months in the year.

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

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

(1) Interfund loan repayments are not received evenly throughout the year.

(2) Capital expenditures are not made evenly throughout the year.

City of Chehalis
Comparative Financial Reports
May 2012 and 2013

	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	May 2012 Actual	Budget	Actual	% Rec'd	%	Budget	May 2013 Actual	Budget	Actual	% Rec'd	%	Expected % Rec'd*	Expected	Var'nc. frm Expected	%	Expected	Variance
STORM FUND (#406) REVENUES																		
Storm & Surface Water Fees	\$407,780	\$170,407	\$441,674	\$184,579	41.8%	41.8%	\$441,674	\$184,579	0	0	N/A	41.8%	41.7%	\$548	0.1%			
Storm Connection/Misc. Fees	0	5,477	0	0	N/A	N/A	0	0	500	0	0.0%	N/A	41.7%	0	N/A			
Interest Earnings	500	0	0	0	0.0%	0.0%	0	0	778	0	0.0%	N/A	41.7%	(208)	-41.7%			
Misc. Revenues/Insurance	0	2,461	0	0	N/A	N/A	0	0	778	0	N/A	N/A	41.7%	778	N/A			
Totals:	\$408,280	\$178,345	\$442,174	\$185,357	43.7%	43.7%	\$442,174	\$185,357			41.9%	41.9%	41.7%	\$1,118	0.2%			

	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	May 2012 Actual	Budget	Actual	% Exp'd	%	Budget	May 2013 Actual	Budget	Actual	% Exp'd	%	Expected % Exp*	Expected	Var'nc. frm Expected	%	Expected	Variance
STORM FUND (#406) EXPENSES																		
Operating Expenses	\$358,897	\$132,021	\$345,875	\$156,901	36.8%	36.8%	\$345,875	\$156,901	0	0	N/A	45.4%	41.7%	(\$12,786)	-3.7%			
Capital Outlay	31,416	0	0	0	0.0%	0.0%	0	0	0	0	N/A	N/A	41.7%	0	N/A			
Totals:	390,313	132,021	345,875	156,901	33.8%	33.8%	345,875	156,901			45.4%	45.4%	41.7%	(12,786)	-3.7%			

Net Budget/Income/Variance: \$17,967 \$46,324 \$96,299 \$28,456

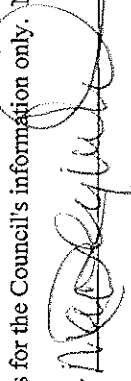
(\$11,669) -3.9%

Key:

* The expected percentage is calculated as follows: since the report is for the 5th month of the year, 5 is divided by 12 - the number of months in the year.
 ^To calculate the dollar variance between expected and actual expenditures, the following formula is used:
 H=(D*G) - E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

RECOMMENDATION/COUNCIL ACTION-DESIRED

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

Reviewed by  City Manager

**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager
DATE: June 19, 2013
SUBJECT: Budget Amendment Ordinance 911-B; First Reading

ISSUE

Ordinance 911-B amending the 2013 Annual Budget is hereby submitted to reflect changes in estimates resulting from the City's activities.

DISCUSSION

The attached spreadsheet shows line-by-line the individual components of the proposed budget amendment.

The most significant amendments relate to the interfund loan between the Water Fund and Wastewater Fund. As you will recall, the Wastewater Fund ended up borrowing considerably less than was originally anticipated due to temporary relief granted by the Washington Department of Ecology with regards to the Wastewater Funds debt reserves. This interfund loan reduction resulted in beginning fund balances for this year being materially different from what was budgeted. This amendment addresses this variance. Additionally, because the loan is smaller, the debt service on the loan is smaller. In consequence, the Wastewater Fund's appropriations are reduced to reflect this as are the Water Fund's revenues in this budget amendment.

The Administration will be available to answer any questions with regards to the proposed budget amendment.

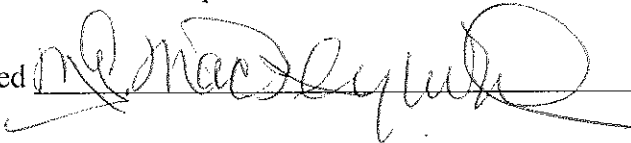
RECOMMENDATION/COUNCIL ACTION DESIRED

The Administration recommends that the council pass Ordinance 911-B on first reading.

SUGGESTED MOTION

I move that the council pass Ordinance 911-B on first reading.

Reviewed



City Manager

ORDINANCE NO. 911-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 GENERAL FUND IN THE SUM OF TWENTY-TWO THOUSAND THREE HUNDRED AND THIRTY-THREE DOLLARS (\$22,333); AND THE AUTOMOTIVE/EQUIPMENT RESERVE FUND IN THE SUM OF TWO THOUSAND EIGHT HUNDRED AND THIRTY-SEVEN DOLLARS (\$2,837); AND BY DECREASING THE APPROPRIATIONS OF THE WASTEWATER FUND IN THE SUM OF THREE HUNDRED-TWENTY THOUSAND SEVEN HUNDRED AND NINETY TWO DOLLARS (\$320,792); 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 2013 shall be, and the same hereby is, amended so as to increase the General Fund's expenditures by \$22,333. The annual budget of the city for the calendar year 2013 shall be, and hereby is amended to increase the appropriations of the General Fund in the sum of twenty-two thousand three hundred and thirty-three dollars (\$22,333).

Section 2. The annual budget of the city for the calendar year 2013 shall be, and the same hereby is, amended so as to increase the Automotive/Equipment Reserve Fund's beginning fund balance by \$2,690 and increase expenditures by \$2,837. The annual budget of the city for the calendar year 2013 shall be, and hereby is amended to increase the appropriations of the Automotive/Equipment Reserve Fund in the sum of two thousand eight hundred and thirty-seven dollars (\$2,837).

Section 3. The annual budget of the city for the calendar year 2013 shall be, and the same hereby is, amended so as to decrease the Wastewater Fund's beginning fund balance by \$699,960 and decrease expenditures by \$320,792. The annual budget of the city for the calendar year 2013 shall be, and hereby is amended to decrease the appropriations of the Wastewater Fund in the sum of three hundred-twenty thousand seven hundred and ninety two dollars (\$320,792).

Section 4. The annual budget of the city for the calendar year 2013 shall be, and the same hereby is, amended so as to increase the Water Fund's beginning fund balance by \$1,413,668 and decrease revenues by \$320,792.

Section 5. 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 budget, as amended by Ordinance No. 909-B, as well as the budget as amended by Ordinance No. 911-B. Exhibit A, as amended, shows a total estimated ending fund balance of \$6,184,610.

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 24th day of June, 2013.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

Exhibit A

CITY OF CHEHALIS AMENDED 2013 BUDGET

2013 Budget Summary - Revised with Ordinance 909-B

All Funds

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expend- itures	Operating Transfers Out	Est. End. Fund Balance
General Fund	840,843	6,974,141	500,000	7,088,728	544,707	681,549
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	520,000	605,152	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
TOTALS	5,995,912	15,678,678	1,118,827	16,181,208	1,118,827	5,493,382

CITY OF CHEHALIS AMENDED 2013 BUDGET

2013 Budget Summary - Revised with Ordinance 911-B

All Funds

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expend- itures	Operating Transfers Out	Est. End. Fund Balance
General Fund	840,843	6,974,141	500,000	7,111,061	544,707	659,216
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	520,000	605,152	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	2,837	0	0	2,837	0	0
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	1,490,430	4,204,941	0	4,549,136	0	1,146,235
Water Fund	2,767,087	2,611,095	0	2,575,471	0	2,802,711
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
TOTALS	6,712,310	15,357,886	1,118,827	15,885,586	1,118,827	6,184,610

City of Chehalis
 2013 Budget Amendment No. 2 - Ordinance 911-B
 First Reading
 6/19/13

Fund No. and Name	Acct. Name	Reason for Amendment	Incr/(Decr) Rev.	Incr/(Decr) Exp.	Net Increase/(Decrease) to Fund Balance
Fund 001 - General Fund					
001.G1.518.090.51.00	Intergovernmental Svcs.	Non-Debit, Chehalis River Basin Flood Autho.		2,915	
001.D1.515.030.41.00	Professional Svcs.	City Mgr. Tacoma Rail		10,000	
001.C1.594.012.64.00	Equipment	Court. Printer/copier died		1,473	
001.53.518.030.31.00	Supplies	GD: Foundation \$ for landscape spls.		2,500	
001.53.524.011.31.00	Supplies	GD: New State Bldg. Code books		724	
001.E1.514.023.35.00	Small Tools & Equip.	Fin.: Computer died		1,048	
001.E1.514.023.35.00	Small Tools & Equip.	Fin.: Capital Asset Software		3,674	
			0	22,334	(22,334) General Fund 001
Fund 302 - Automotive Equipment Reserve Fund					
302.45.594.012.64.00	Equipment	Court's printer/copier died		2,837	
			0	2,837	(2,837) Auto/Equip. Fund 302
Fund 404 - Wastewater Fund					
404.11.581.020.07	Interfund Principal Exp.	Smaller interfund loan taken in 2012		(314,617)	
404.11.592.135.00	Interfund Interest Exp.	Smaller interfund loan taken in 2012		(6,175)	
			0	(320,792)	320,792 Wastewater Fund 404
Fund 405 - Water Fund					
405.361.040.02	Interfund Principal "Rev."	Smaller interfund loan taken in 2012	(314,617)		
405.381.020.00	Interfund Interest Rev.	Smaller interfund loan taken in 2012	(6,175)		
			(320,792)	0	(320,792) Water Fund 405
			(320,792)	(295,621)	(25,171) City-wide