

PLEASE NOTE SPECIAL MEETING TIME

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

Terry F. Harris, District 1, Mayor Pro Tem Daryl J. Lund, District 2 Dr. Isaac S. Pope, District 4	Dennis L. Dawes, Position at Large Mayor	Anthony E. Ketchum, District 3 Chad E. Taylor, Position at Large Bob Spahr, Position at Large
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January 27, 2014

4:30 p.m.

EXECUTIVE SESSION		
1. Executive Session Pursuant to RCW 42.30.110(1)(h) - Evaluate Qualifications of Applicants, and RCW 42.30.110(1)(b) - Acquisition of Real Estate. (City Manager)	---	

Regular Meeting of Monday, January 27, 2014

5:00 p.m.

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

CITIZENS BUSINESS

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

CONSENT CALENDAR

4. <u>Minutes of the Regular Meeting of January 13, 2014.</u> (City Clerk)	APPROVE	1
5. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	6
6. <u>Approve the 2014 Council Committee/Board Appointments.</u> (City Clerk)	APPROVE	7
7. <u>Confirm City Manager's Appointment of Ed Stanton to the Civil Service Commission for a Six-Year Term Expiring December 31, 2019.</u> (City Manager)	CONFIRM APPOINTMENT	10
8. <u>Confirm the Mayor's Appointment of Scott Blinks and Jeff Mecca to the Chehalis Planning Commission for Four-Year Terms Expiring December 31, 2017.</u> (Mayor)	CONFIRM APPOINTMENTS	12

ADMINISTRATION AND CITY COUNCIL REPORTS

9. <u>Administration Reports.</u>		
a. Quarterly, November and December financial reports, and quarterly sales and use tax report. (Finance Manager)	INFORMATION ONLY	15
10. <u>Council Reports.</u>		
a. Councilor reports. (City Council)	INFORMATION ONLY	
b. Council committee reports. (City Council)	INFORMATION ONLY	

UNFINISHED BUSINESS

11. <u>Ordinance No. 923-B, Second and Final Reading - Granting a Franchise Agreement to LightSpeed Networks, Inc., to Construct, Operate and Maintain a Telecommunications Network within the City of Chehalis.</u> (City Manager, City Attorney)	PASS	27
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NEW BUSINESS

12. <u>Resolution No. 1-2014, First and Final Reading – Authorizing the Execution of an Interlocal Agreement Between the City, Lewis County and the City of Tacoma for the Purpose of Outlining the Terms and Conditions for Purchasing a Portion of Rail Line Extending From Maytown to Chehalis.</u> (City Manager, City Attorney)	ADOPT	36
13. <u>Ordinance No. 924-B, First Reading – Amending Section 17.12.330 of the Chehalis Municipal Code Dealing with Binding Site Plan.</u> (City Manager, Community Development Director)	PASS	41
14. <u>Ordinance No. 925-B, First Reading – Adopting the 2012 Building Code and Appendices and Repealing Previous Sections to the Chehalis Municipal Code.</u> (City Manager, Community Development Director)	PASS	44
15. <u>Ordinance No. 926-B, First Reading – Creating and Adopting Section 12.32 of the Chehalis Municipal Code Dealing with Street and Alley Vacations.</u> (City Manager, Community Development Director)	PASS	47
16. <u>Ordinance No. 927-B, First Reading – Amending Section 17.81.010 of the Chehalis Municipal Code Dealing with Tent Camping.</u> (City Manager, Community Development Director)	PASS	52
17. <u>Authorize City Manager to Execute Contract Amendment with HDR Engineering, Inc., for the Chehalis Beautification and Overlay Project.</u> (City Manager, Public Works Director)	AUTHORIZE CITY MANAGER TO EXECUTE CONTRACT AMENDMENT	55

**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, FEBRUARY 10, 2014

January 13, 2014

The Chehalis city council met in regular session on Monday, January 13, 2014, in the Chehalis city hall. Mayor Tony Ketchum called the meeting to order at 4:45 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Dennis Dawes. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; and Peggy Hammer, Human Resources Administrator.

1. **Executive Session.** Mayor Ketchum announced that the council would be in executive session pursuant to RCW 42.30.140(4)(a) – collective bargaining for approximately 15 minutes and there would be no decision following conclusion of the executive session.

Mayor Ketchum closed the executive session at 4:59 p.m. and announced the council would take a two minute recess and reopen the regular meeting at 5:01 p.m. Additional staff included Dennis Osborn, Community Development Director; Dale McBeth, Municipal Court Judge; Becky Fox, Court Administrator; and Allyn Roe, Airport Manager. Members of the media included Kyle Spurr from *The Chronicle*.

2. **Citizen Business.** Chip Duncan, Director of the Veterans Memorial Museum, requested clarification from the council on the audit requirement for organizations who receive lodging tax funds from the city of Chehalis. He noted every year they do an internal audit using a system approved by local Certified Public Accountant (CPA) Ben Kostick. After a brief discussion, it was clarified that all recipients are required to have a GAS standard audit by a "licensed" CPA once every five years.

3. **Swearing-in of Re-elected Council Members.** Municipal Court Judge Dale McBeth administered the oaths of office to Dennis Dawes, District No. 1 At-large; Chad Taylor, District No. 2 At-large; and Robert (Bob) Spahr, District No. 3 At-large.

4. **Election of Mayor and Mayor Pro-tem for 2014-2015.** City Clerk Judy Schave called for nominations for Mayor.

Councilor Pope nominated Dennis Dawes, and Councilor Taylor nominated Tony Ketchum.

There being no further nominations, Ms. Schave declared the nominations closed and asked for a show of hands for those in favor of Councilor Dawes for Mayor. Councilor Dawes received the majority vote from Councilors Harris, Pope, Spahr and himself.

Mayor Dawes called for nominations for the position of Mayor Pro-tem.

Councilor Spahr nominated Terry Harris.

There being no further nominations, Mayor Dawes declared the nominations closed. The council voted unanimously to re-appoint Councilor Harris as Mayor Pro-tem.

5. **Council Committee/Board Appointments.** Mayor Dawes asked that the council review the committee/board appointments and get back to the city clerk regarding any changes.

6. **Update on the Chehalis Renaissance Plan.** Chehalis Community Renaissance Team (CCRT) Chair David Hartz provided a brief overview of the 2013/2014 key projects and goals, to include:

- Business Incubator Project -- \$66,000 grant was received to conduct a feasibility study, which determined that the focus on the thin film technology would not work; Project is on hold until the right match can be found; LC Economic Development Council (EDC) is still looking into the idea
- Discover! Children's Museum – Pilot project closed December 29; Plans progressing for a permanent museum; Advisory board will meet on February 3 to begin planning for the new facility
- Chehalis Avenue Enhancement - The Renaissance is committed to providing the trees and plantings for this project when it's revived in 2014

January 13, 2014

- Marketing Campaign – Applied to the Washington State “Main Street” program that focuses on downtown revitalization; Mobile version of the city website launched, including the Historic Downtown Walking Tour; Received \$11,000 in Chehalis lodging tax funds for marketing projects in 2014, including reprinting of the visitor brochure and event rack card and the Downtown Chehalis Historic Walking Tour booklet; Continuation of the Experience Chehalis Facebook and E-newsletter, and photography to create a pool of tourist-type marketing photos. 2014 priorities include:
 - Complete revisions, printing and installation of wayfinding signs
 - Partner with the Chamber to design and implement a “Think Local – Shop Local” campaign
 - Utilize new membership in the Main Street Program to focus on downtown revitalization
 - Maintain awareness of closing/moving businesses and empty buildings and seek proactive ideas
 - Seek opportunities to implement a “Storefront Art Project” in empty buildings
 - Build database of businesses
- PUD Park at Main Street – Determining the best materials for constructing the concrete planter and bench; Design for electronic reader board in the process; Meet with PUD to seek input and approval; Complete project over the next two years
- Steam Train – Have Strategic Plan completed by March 2014; Start audit of 2013 financials; Work with PARC to start the process of identifying grant opportunities to meet the substantial projected capital needs being identified
- Litter Patrol – Continue to partner with Reliable Enterprises to hire their services for litter removal on the exterior streets of the city (on an as-needed basis and typically done 2 to 3 times a year)
- Holiday Decorations – Chehalis Foundation provided \$10,000 in 2013 to improve and expand the city’s holiday decorations; Committee will meet January 15 to review progress and start to finalize a five-year plan to present to the Chehalis Foundation seeking their continued partnership
- Downtown Plantings – Intend to expand public participation in both the plantings and hanging baskets for Market Boulevard and eventually Chehalis Avenue
- Chehalis Theater – Explore creative options for this facility; Looking for ways to keep the marquee lit
- Local Business Development/Community Outreach – A partnership with Dick Larman (EDC), and Alicia Bull (Chamber), and the CCRT Marketing Committee is embryonic and just getting formed; Goal is to provide education to employees and business owners on how to improve business practices and marketing efforts that enhance all entities

Mr. Hartz thanked the council and the city for their continued support. He also thanked the city manager for allowing his administrative assistant Caryn Foley to work closely with them, adding she’s good at making sure they get done the things that they need to get done.

Mayor Dawes thanked Mr. Hartz for the work he’s done on the CCRT, adding the city is very fortunate to have that group, as well as the Chehalis Foundation and a lot of other groups that are doing great things for the city.

7. **Update on Garbage Rate Increase.** LeMay Enterprises, Inc. District Manager Tom Rupert reported they were notified in October that Lewis County Solid Waste Disposal District #1 and the Board of Lewis County Commissioners voted unanimously to approve a 9.76 percent tipping rate increase (\$90 per ton) at the Lewis County transfer station, to go into effect on February 1, 2014. He noted pursuant to Section 8 of the contract between the city and LeMay Enterprises, Inc., they are allowed to pass the increase on to the rate payers, less four percent. Mr. Rupert stated, depending on the type of service, residents would see an increase from ½ percent to 3.1 percent. He noted their most utilized service is the 65 gallon tote, which is picked up every other week. The increase for that particular service would be 1.68 percent.

Councilor Harris noted he and Mr. Rupert are both on the Solid Waste Advisory Committee, adding the rates in 1994 were \$94 per ton, which they reduced in 1997 to the current rate. He noted they’ve been able to keep the rates down for quite some time because they run a very tight ship. Councilor Harris thanked Mr. Rupert for his work on the committee.

8. **Consent Calendar.** Councilor Taylor moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of December 9, 2013;

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b. Claim Vouchers No. 107830-107969 and Electronic Funds Transfer No. 1120132 in the amount of \$999,178.00 dated December 13, 2013; Claim Vouchers No. 107970-107978 in the amount of \$182,277.81 dated December 19, 2013; Claim Vouchers No. 107979-108071 in the amount of \$184,603.40 dated December 31, 2013; and Payroll Vouchers No. 37053-37108, Direct Deposit Payroll Vouchers No. 4599-4677, and Electronic Federal Tax Payment No. 131 in the amount of \$658,615.82 dated December 31, 2013; and

c. Approve collective bargaining agreement between the city and Teamsters Union Local #252 – Police Uniformed Personnel Unit and authorize City Manager to execute agreement.

Councilor Pope seconded the motion.

Mayor Dawes noted one correction to the minutes under the discussion regarding consolidation of the city fire department and Riverside Fire Authority. He requested the word "not" be added to the fifth paragraph to read as follows: "Councilor Spahr stressed to the people of Chehalis that this does not mean this is going to merge our fire departments."

Councilor Taylor moved to approve the consent calendar, as amended.

The amended motion was seconded Councilor Pope and carried unanimously.

9. Administration Reports.

a. Update on New Rating for Bond Issuance. City Manager MacReynold reported, in spite of the economic downturn and the struggles we still face in Lewis County with high unemployment, the fact that we as a city improved our financial rating is a reflection on the city council's oversight and the management's ability to watch our pennies. The city received notice that Standard and Poor's (S&P) upgraded the our rating to an "A+" from and "A," effective December 16, 2013. It was stated in the report from S&P that, "We view the city's management conditions as strong." City Manager MacReynold noted the new rating would be in place for two years:

b. Update on Use of Credit Cards at the Airport. City Manager MacReynold reported, based on the council's discussion in the past regarding use of credit cards, the administration thought it was important to bring the council up to speed on the use of credit cards at the airport. He noted, for those using credit cards to purchase fuel at the airport, an additional three percent fee has been figured into the cost. City Manager MacReynold thought the airports procedure is adequate and will meet the state auditor's requirements.

Councilor Spahr noted he had a concern about the agenda report, which stated, "At this time, the administration is requesting approval for continuing the Airport's existing credit card practices, although they do not follow the City's Council existing direction." City Manager MacReynold stated, based on prior council discussion, it was the administration's belief that the way the airport processes their credit cards is outside the way the city currently charges for credit cards use.

City Attorney Hillier stated the direction of the council was to make certain that the use of credit cards would never reflect any impact financially on the city. He noted the cost of fuel at the airport is set and the cost of using a credit card is above that rate, so the user of the fuel absorbs the cost of using the credit card. He felt the use of credit cards at the airport met the direction of the council.

Airport Manager Allyn Roe reported they incorporate the credit card fee into their equation when factoring the pump price.

10. Council Reports.

a. Update From Councilor Lund. Councilor Lund reported he attended a meeting of the Lewis County Historical Society, adding things are going well with them.

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b. **Update From Councilor Ketchum.** Councilor Ketchum reported he would be attending the Chamber Banquet on Friday at the Great Wolfe Lodge. He indicated he was going to be appointed "Chairman" of the Chamber's Board of Directors that same night and hoped everyone would be there.

c. **Update From Mayor Dawes.** Mayor Dawes reported he attended an open-house at the Discover! Children's Museum, adding he looked forward to what they come up with in the future. He noted, on December 30, he along with other councilmembers attended the groundbreaking ceremony for the Gail and Carolyn Shaw Aquatic Center.

Mayor Dawes reported the Regional Fire Authority Planning Committee will hold their next meeting on Wednesday, January 15, at Riverside Fire Authority.

d. **Update From Councilor Pope.** Councilor Pope reported they had to remove one tree near the pool project site. He suggested it was unfortunate, but it had to be removed.

Councilor Spahr stated he was amazed at the number of comments he's received about the old pool building being torn down, noting a lot of people didn't realize the building was going to disappear.

11. **Ordinance No. 921-B, Second and Final Reading – Amending Right-of-Way Signage Code.** Councilor Ketchum moved that the council pass Ordinance No. 921-B on second and final reading as presented.

The motion was seconded by Councilor Taylor and carried unanimously.

12. **Ordinance No. 923-B, First Reading – Granting a Franchise Agreement to LightSpeed Networks, Inc. (LSN), to Construct, Operate and Maintain a Telecommunications Network within the City of Chehalis.** City Manager MacReynold reported the ordinance before the council had to do with a request for a franchise agreement between the city and LSN.

Robin Smith, Legal and Compliance Director for LSN, reported LSN is a competitive carrier that provides broadband telecommunications in rural areas. She stated they work mainly with major wireless carries, and their customers are generally hospitals, schools, medical facilities and government offices. The franchise agreement would allow LSN to build on the city's right-of ways to create 4G coverage, improved bandwidth, internet, and network access.

Ms. Smith stated benefits to the city are the six percent utility tax, a one-time payment from LSN to reimburse the city for the costs of the franchise agreement, and connectivity for government offices.

Councilor Pope hoped the services provided by LSN would broaden the capability to have Telehealth services in our area. Ms. Smith stated Telehealth was where they were going.

Councilor Spahr asked if most of their telecommunications were fiber optic, and if they would be using existing poles. Ms. Smith stated yes to both, adding if there isn't room on the poles they would go underground; however, going underground adds eight times the cost.

Mayor Dawes asked if the technology could be used in residences too. Ms. Smith reported they do not provide that last mile, but anyone providing internet and network connectivity may find that they want to connect with LSN as a wholesaler to provide faster internet to residences.

Councilor Taylor asked if there was any other fiber optic currently in Chehalis. City Attorney Hiller noted Rainier Connect has some.

Councilor Ketchum moved that the city council pass Ordinance No. 923-B on first reading.

The motion was seconded by Councilor Spahr and carried unanimously.

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13. **Authorize City Manager to Execute Interlocal Agreement for Shared Services.** City Manager MacReynold reported this project has been a long-standing work in progress that started about a year and a half ago. He noted the county took the lead to work with the cities throughout Lewis County to figure out what kind of shared services we can provide to save the public and our taxpayers money.

City Manager MacReynold reported the county has created a website where certain employees and department directors in all cities that sign off on the agreement will have access to see what kind of services others can provide them. He stated it was a pretty drastic first step and the county did a lot of work to get it up and running.

City Manager MacReynold reported Lee Napier, the county's community development director, was given the assignment not having any history of what it was supposed to be. He felt she and the county did a good job in moving it forward.

City Manager MacReynold reported the committee would continue to move forward and explore other ways that the cities and county can work together. He suggested it was a very significant and important move, and the county should be given a lot of credit for how they moved forward on it.

Councilor Ketchum stated the shared services idea was a brain-child of City Manager MacReynold and himself, adding they did a lot of work at the beginning before the county took it over and moved it to the next step. He stated he was proud of the work they did on getting the idea started.

City Manager MacReynold stated Councilor Ketchum deserved a lot of the credit, adding it really went back to a meeting they both attended and they began to have a conversation about how to begin to share services with other agencies.

Councilor Spahr moved to authorize the city manager to execute the Shared Services Interlocal Agreement.

The motion was seconded by Councilor Taylor and carried unanimously.

Mayor Dawes thanked those on the council for supporting him and giving him the opportunity to serve as the mayor for the next few years. He stated he would work hard to do a good job.

There being no further business to come before the council, the meeting adjourned 5:59 p.m.

Mayor



Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of January 27, 2014.

CITY OF CHEHALIS
AGENDA REPORT

DATE: January 15, 2014
TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager 
PREPARED BY: Michelle White, Accounting Tech II 
SUBJECT: 2013 Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions recorded in 2013:

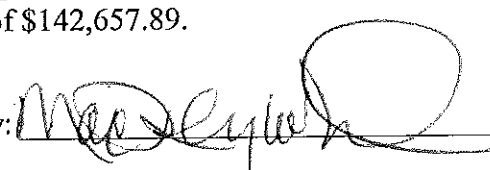
Claim Vouchers No. 108072 through 108164 in the amount of \$142,657.89 dated January 15, 2014 and the transfer of \$75,382.09 from the General Fund, \$3,750.00 from the Tourism Fund, \$2,376.75 from the Federal & State Grants Fund, \$38,106.42 from the Wastewater Fund, \$20,309.65 from the Water Fund, \$2,662.43 from the Storm & Surface Water Utility Fund and \$70.55 from the City Agency Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the January 15, 2014 Claim Vouchers No. 108072 through 108164 in the amount of \$142,657.89.

SUGGESTED MOTION

I move to approve the January 15, 2014 Claim Vouchers No. 108072 through 108164 in the amount of \$142,657.89.

Reviewed by: , City Manager

COUNCIL MEMBERSHIP ON COMMITTEES/BOARDS

1/2014

Committee / Board	Representative(s)	Date(s) Appointed	Meeting Information
Centralia Landfill Closure Group: Executive Committee Joint Board	City Manager (chair)	01/27/14	3 to 4 times per year on the 2 nd Thursday of a month 2:00 p.m. – Centralia Centralia Utilities Department
Centralia-Chehalis Transportation Cooperative	Ketchum Taylor Spahr City Manager - staff Public Works Director-staff	01/27/14 01/27/14 01/27/14 01/27/14 01/27/14	3 rd Monday 7:00 a.m. Centralia City Hall
Chehalis-Napavine-LCSD No. 1 Sewer Operations	Pope	01/27/14	As needed
Chehalis River Basin Partnership	Harris (chair) Wiltzius – alternate Vasiasuskas - alternate	01/27/14 01/27/14 01/27/14	4th Friday of each month 9:30 a.m. Lucky Eagle Casino, Rochester
Chehalis Basin Flood Authority	Arnold Haberstroh-Primary (09-24-12) Dr. John Henriksen- Alt. (04-23-12)	01/27/14 01/27/14	3 rd Thursday of each month 9:00 a.m. - Technical Workshop Veterans Museum or Lewis County offices 1:30 p.m. - Flood Authority Meeting Lewis County offices
Chehalis Community Renaissance Team	Pope City Manager Foley - Staff	01/27/14	2 nd Friday of each month 8:30 - 9:30 a.m. City Hall Basement (small meeting room)
Chehalis Foundation	Pope	01/27/14	3 rd Tuesday of each month 12:00 – 1:00 p.m. City Hall Basement (small meeting room)
Council Budget Committee	Dawes Harris Spahr	01/27/14 01/27/14 01/27/14	Annually during budget process
Council GMA Committee	Pope (chair) Dawes Ketchum	01/27/14 01/27/14 01/27/14	As needed and available Usually city offices
Council Voucher Approval Committee	Harris Dawes Pope	01/27/14 01/27/14 01/27/14	As needed twice per month to review and sign vouchers Finance Department

Cowlitz-Lewis Economic Development District Board	Spahr City Manager	01/27/14 01/27/14	Twice per year in January and July 12:00 p.m. (360-577-3041) Spiffy's Restaurant
Employee Emergency/Disaster Preparedness Committee	Harris Fire Chief - staff	01/27/14	1 st Tuesday Quarterly 1:30 p.m. City Hall – Jury Room
Lewis County EDC Board	Spahr	01/27/14	1 st Thursday of Feb., Apr., June, Aug., Oct., and Dec. 7:00 a.m. Kit Carson Restaurant
Lewis County Historical Museum Board	Lund	01/27/14	1 st Tuesday of each month 5:15 p.m. Museum meeting room
Lewis County Law & Justice Council	Schaffer –Staff Fox –Staff	01/27/14 01/27/14	As scheduled Lewis County Law and Justice Center
Lewis County LEOFF Disability	Bonnie Canaday (elected by Lewis County cities - Two-year appointment)	04/2012	2 nd Tuesday of each month 9:00 a.m. Lewis County Commissioners Office
Lewis County Planned Growth (GMA) Committee	Spahr City Manager – alternate Osborn - Staff	01/27/14	1 st and 3 rd Mondays of each month 3:00 p.m. Various locations
Lewis County Public Transportation Benefit Area Authority (Twin Transit Board)	Taylor	01/27/14	3 rd Thursday of each month 8:00 a.m. Twin Transit Office, Centralia
Lewis County Solid Waste Advisory Committee	Harris	01/27/14	2 nd Wednesday of each month 1:00 p.m. Lewis County Transfer Station
Lewis County Solid Waste Disposal District Executive (Advisory) Committee	Harris	01/27/14	Once per year to approve the budget
Lewis County Traffic Safety Council	Sahlin –Staff	01/27/14	3 rd Wednesday of each month 7:00 a.m. Lewis County Sheriff's Training Room
Lewis County Transportation Strategy Council	Taylor City Manager Ketchum - alternate	01/27/14	2 nd Tuesday of each month 7:00 a.m. Kit Carson Restaurant
Lodging Tax Advisory Committee	Harris (chair) City Manager –staff Foley – staff	01/27/14 01/27/14	Once per year in September and as needed otherwise City Hall
Regional Fire Authority Planning Committee	Dawes, Spahr, Lund, Fire Chief –staff City Manager –staff	01/27/14	3 rd Wednesday of the month 6:30 p.m. Fire Station #2 in Centralia
Sister City Committee	Ketchum Foley –staff	01/27/14	Evenings as needed and available, usually more often in spring and summer City Hall

Rural Economic Development Public Facilities Advisory Committee Board	Chehalis – 2012 (Ketchum) (1 year cycle)	01/27/14	Annually (February – 2013) 9:00 a.m. Lewis County EDC Board Room
South Puget Sound FTZ Policy Committee	Osborn - Staff	01/27/14	2nd Thursday of January, April, July, and October 9:00 a.m. Port of Olympia offices
SW WA Regional Transportation Planning Organization Board	Lund Ketchum – alternate	01/27/14 01/27/14	2nd Wednesday of Feb., May, Sept., and Nov. 5:00 – 7:00 p.m. Various member locations throughout region

CITY OF CHEHALIS

AGENDA REPORT

DATE: January 10, 2014

TO: The Honorable Mayor and City Council

FROM: Merlin G. MacReynold, City Manager 

SUBJECT: Appointment to the Civil Service Commission

ISSUE

Request received for re-appointment to the Civil Service Commission.

DISCUSSION

The city received notification from Ed Stanton that he would like to be considered for re-appointment to the Civil Service Commission. Mr. Stanton has served on the Commission since 1982 and has faithfully attended and fully participated as needed. Attached is a copy of his original application for appointment.

The municipal code and state law spell out several requirements for appointees to the civil service commission. One of the requirements is that the city council must confirm the appointment made by the city manager.

RECOMMENDATION/COUNCIL ACTION DESIRED

It is requested that the council confirm the City Manager's appointment of Ed Stanton to a new six-year term on the civil service commission, with an expiration date of December 31, 2019.

SUGGESTED MOTION

I move that the council confirm the City Manager's appointment of Ed Stanton to a new six-year term on the civil service commission, with an expiration date of December 31, 2019.

City of Chehalis
APPLICATION FOR APPOINTMENT

Date 12/8/99

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

- | | |
|--|---|
| <input type="checkbox"/> Airport Board | <input type="checkbox"/> Library Advisory Board |
| <input type="checkbox"/> Board of Zoning Adjustment | <input type="checkbox"/> Parking Commission |
| <input type="checkbox"/> Cable TV Advisory Committee | <input type="checkbox"/> Planning Commission |
| <input checked="" type="checkbox"/> Civil Service Commission | <input type="checkbox"/> Sister City Committee |
| <input type="checkbox"/> Historic Preservation Commission | <input type="checkbox"/> Other: _____ |

Name: ED STANTON

Address: 1421 KENT - CHEHALIS Phone: 248-6364

Present Employer: PASQUERA POWER PRODUCTS

Address: NATIONAL SALES MANAGER Phone: 253-863 6323

Have you previously served on one of the boards/commissions above? Yes No

Please explain: 18 YEARS - CIVIL SERVICE COMMISSION
6 YEARS LIBRARY BOARD

Date available for appointment: 12/8/99

Available to attend evening meetings? Yes No Daytime meetings? Yes No

Approximately how many hours each month can you devote to City business? ONE NIGHT EACH WEEK

Brief statement of qualifications for position and reason for requesting appointment:
KNOWLEDGE AND EXPERIENCE OF CIVIL SERVICE RULES
GOOD UNDERSTANDING OF POLICE/FIRE LABOR TESTING AND ISSUES
DEDICATED TO LEARN AND VOTE WHAT'S BEST FOR CITIZENS OF CHEHALIS

The City of Chehalis will accept applications from anyone residing or employed in the Chehalis School District boundaries.

Please return completed form to:



Office of the City Clerk
80 NE Cascade Avenue / PO Box 871, Chehalis, WA 98532
748-6664

CITY OF CHEHALIS

AGENDA REPORT

DATE: January 14, 2014
TO: The Honorable Mayor and City Council
FROM: Dennis Osborn, Community Development Director
SUBJECT: Re-appointment to the Chehalis Planning Commission

ISSUE

The terms of Scott Blinks and Jeff Mecca on the Chehalis Planning Commission expired December 31, 2013.

DISCUSSION

Mr. Blinks has served on the Planning Commission since October 2002 and Mr. Mecca since April 2010. They have both been active members of the commission and request to be reappointed to an additional four year term each.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council affirm the Mayors appointment of Scott Blinks and Jeff Mecca to the Chehalis Planning Commission for four-year terms expiring December 31, 2017.

SUGGESTED MOTION

I move that the council affirm the Mayors appointment of Scott Blinks and Jeff Mecca to the Chehalis Planning Commission for four-year terms expiring December 31, 2017.

Reviewed by:  _____, City Manager

City of Chehalis APPLICATION FOR APPOINTMENT

Date 2-9-10

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

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

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

Please print

Name Scott E. Blinks

Present employer Vander Stoep, Remond, Blinks + Jones

Employer address 345 N.W. Pacific Ave P.O. Box 867, Chehalis, WA Phone No. 748-9281

Fax No. 748-3184 E-mail scottblinks@vanderstoep.com

Home address 196 N.E. Summit Rd, Oklahe Home Phone No. 748-8000

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

If yes, please explain Planning Commission

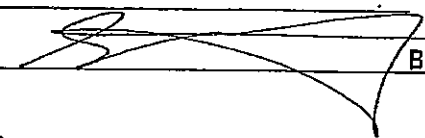
Date available for appointment immediate

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

Approximately how many hours each month can you devote to city business? 5-10

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

Current board member, attorney, development experience

Signature  Bob

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

Please indicate where you wish meeting information to be mailed and how you would like to be reminded of meetings (e.g., phone, e-mail, cell phone) _____

City of Chehalis APPLICATION FOR APPOINTMENT

Date 03/30/2010

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

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

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

Please print

Name JEFF MECCA

Present employer CHEHALIS VALLEY REALTY

Employer address 327 NW PARK ST. Phone No. 360 740 4222

Fax No. 360 748 3746 E-mail ATAR @ COMCAST.NET

Home address 591 Hilltop DR / PO BOX 912 Home Phone No. 360 520 7031

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

If yes, please explain _____

Date available for appointment 4.01.2010

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

Approximately how many hours each month can you devote to city business? AS NEEDED 25 or so

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

Chehalis City Resident for 21 yrs @ the same address WORK FOR A LOCAL HOMETOWN Co. and cares about the vision for Chehalis going forward

Signature Mecca Bob

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

Please indicate where you wish meeting information to be mailed and how you would like to be reminded of meetings (e.g., phone, e-mail, cell phone) e-mail - atar @ comcast.net

City of Chehalis
Fourth Quarter Financial Statements - All Funds
December 31, 2013
PRELIMINARY 2013 Revenues and Expenditures

	General Fund #001		Arterial Street Fund #102		Tourism Fund #107		Compensated Abs. #110		CDBG Fund #195	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	840,843	844,298	23,682	39,335	67,285	68,520	0	0	19,904	20,206
Revs. & Transfers In	8,237,772	7,727,927	153,000	162,045	165,150	180,447	0	0	5,050	70,736
Exps. & Transfers Out	(8,264,681)	(7,700,949)	(172,120)	(171,517)	(192,435)	(186,122)	0	0	(160)	(160)
Ending Fund Balance	813,934	871,276	4,562	29,863	40,000	62,845	0	0	24,794	90,782

	HUD Fund #197		Gambling Enforcmt. #198		Federal & State Grant Fund #199		2011 G.O. Bond Fund #200		Public Fac. Res. #301	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	322,036	325,264	79,006	79,006	0	0	0	54	23,818	23,818
Revs. & Transfers In	3,600	2,024	19	7	2,853,500	1,688,616	98,828	98,773	0	0
Exps. & Transfers Out	0	0	(79,025)	(79,013)	(2,853,500)	(1,688,616)	(98,828)	(98,827)	(23,818)	(23,818)
Ending Fund Balance	325,636	327,288	0	0	0	0	0	0	0	0

	Auto/Equip. Res. #302		1st Qtr. REET Fund #305		2nd Qtr. REET Fund #306		Garbage Fund #402		Wastewater Fund #404	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	2,837	2,837	122,074	126,614	38,998	43,255	5,747	6,432	1,490,430	1,490,430
Revs. & Transfers In	0	2,313	28,400	46,388	28,000	46,388	7,583	5,821	4,239,941	4,209,183
Exps. & Transfers Out	(2,837)	0	(42,002)	(42,002)	(32,118)	(32,118)	(12,538)	(12,080)	(4,265,337)	(4,181,468)
Ending Fund Balance	0	5,150	108,472	131,000	34,880	57,525	792	173	1,465,034	1,518,145

	Water Fund #405		Storm/Surface Wtr. #406		Firemen's Pension #611		City Agency Fund #633		All Funds Totals	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	2,767,087	2,767,087	366,447	413,193	217,172	209,060	349,003	356,127	6,736,369	6,815,536
Revs. & Transfers In	2,611,095	2,668,038	442,174	448,880	149,600	140,376	0	500	19,023,712	17,498,462
Exps. & Transfers Out	(2,118,950)	(1,943,820)	(415,695)	(406,492)	(142,253)	(57,883)	0	0	(18,716,297)	(16,624,885)
Ending Fund Balance	3,259,232	3,491,305	392,926	455,581	224,519	291,553	349,003	356,627	7,043,784	7,689,113

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: December 12, 2013
 Subject: Monthly Financial Reports for November

City of Chehalis
 Comparative Financial Reports
 November 2012 and 2013

GENERAL FUND (#001) REVENUES	A November 2012		B November 2012		C=B/A		D November 2013		E November 2013		F=E/D		G Expected % Recd*		H^ Variance Expected		I=F-G % Variance	
	Budget	Actual	Budget	Actual	% Recd	Budget	Actual	% Recd	Budget	Actual	% Recd	Budget	Actual	% Recd	Expected	Variance	%	Variance
General Property Taxes	\$1,235,000	\$1,119,172	\$1,249,000	\$1,117,026	90.6%	\$1,249,000	\$1,117,026	89.4%	\$1,249,000	\$1,117,026	89.4%	\$1,249,000	\$1,117,026	91.7%	91.7%	(\$27,891)	-2.3%	-2.3%
EMS Property Taxes	236,000	214,153	237,500	211,640	90.7%	237,500	211,640	89.1%	237,500	211,640	89.1%	237,500	211,640	91.7%	91.7%	(6,068)	-2.6%	-2.6%
Sales & Use Tax	3,000,000	2,818,132	3,155,000	2,984,490	93.9%	3,155,000	2,984,490	94.6%	3,155,000	2,984,490	94.6%	3,155,000	2,984,490	91.7%	91.7%	92,407	2.9%	2.9%
Electricity Tax	400,000	423,839	417,000	421,016	106.0%	417,000	421,016	101.0%	417,000	421,016	101.0%	417,000	421,016	91.7%	91.7%	38,766	9.3%	9.3%
Gas/Natural Gas Tax	250,000	214,734	240,000	191,780	85.9%	240,000	191,780	79.9%	240,000	191,780	79.9%	240,000	191,780	91.7%	91.7%	(28,220)	-11.8%	-11.8%
Criminal Justice Tax	88,000	81,389	90,000	87,105	92.5%	90,000	87,105	96.8%	90,000	87,105	96.8%	90,000	87,105	91.7%	91.7%	4,605	5.1%	5.1%
(Interfund) Water/Sewer Tax	340,000	309,661	399,996	373,972	91.1%	399,996	373,972	93.5%	399,996	373,972	93.5%	399,996	373,972	91.7%	91.7%	7,309	1.8%	1.8%
Garbage Tax	62,000	57,418	62,000	59,199	92.6%	62,000	59,199	95.5%	62,000	59,199	95.5%	62,000	59,199	91.7%	91.7%	2,366	3.8%	3.8%
Cable Tax	92,000	91,913	92,000	95,002	99.9%	92,000	95,002	103.3%	92,000	95,002	103.3%	92,000	95,002	91.7%	91.7%	10,669	11.6%	11.6%
Telephone Tax	325,000	283,544	313,000	260,661	87.2%	313,000	260,661	83.3%	313,000	260,661	83.3%	313,000	260,661	91.7%	91.7%	(26,256)	-8.4%	-8.4%
Leasehold Excise Tax	35,000	27,299	38,000	27,897	78.0%	38,000	27,897	73.4%	38,000	27,897	73.4%	38,000	27,897	91.7%	91.7%	(6,936)	-18.3%	-18.3%
Other Taxes	30	32	32	40	106.7%	32	40	125.0%	32	40	125.0%	32	40	91.7%	91.7%	11	33.3%	33.3%
Total Tax Revenues	6,063,030	5,641,286	6,293,528	5,829,828	93.0%	6,293,528	5,829,828	92.6%	6,293,528	5,829,828	92.6%	6,293,528	5,829,828	91.7%	91.7%	60,761	0.9%	0.9%
Licenses & Permits	63,630	47,195	63,980	64,886	74.2%	63,980	64,886	101.4%	63,980	64,886	101.4%	63,980	64,886	91.7%	91.7%	6,238	9.7%	9.7%
Intergov't. Grants/Entitlements	720,239	239,697	168,502	176,798	33.3%	168,502	176,798	104.9%	168,502	176,798	104.9%	168,502	176,798	91.7%	91.7%	22,338	13.2%	13.2%
Charges for Goods and Svcs.	800,725	731,917	341,170	299,956	91.4%	341,170	299,956	87.9%	341,170	299,956	87.9%	341,170	299,956	91.7%	91.7%	(12,783)	-3.8%	-3.8%
Fines and Forfeitures	167,080	143,967	159,055	130,522	86.2%	159,055	130,522	82.1%	159,055	130,522	82.1%	159,055	130,522	91.7%	91.7%	(15,278)	-9.6%	-9.6%
Interest Earnings	12,546	9,237	9,306	8,306	73.6%	9,306	8,306	89.3%	9,306	8,306	89.3%	9,306	8,306	91.7%	91.7%	(225)	-2.4%	-2.4%
Rents & Royalties	71,422	59,675	70,100	65,618	83.6%	70,100	65,618	93.6%	70,100	65,618	93.6%	70,100	65,618	91.7%	91.7%	1,360	1.9%	1.9%
Donations/Contributions	76,756	74,721	64,646	4,676	97.3%	64,646	4,676	7.2%	64,646	4,676	7.2%	64,646	4,676	91.7%	91.7%	(54,583)	-84.5%	-84.5%
Misc. Revenue/Insurance	3,100	12,893	28,985	41,262	415.9%	28,985	41,262	142.4%	28,985	41,262	142.4%	28,985	41,262	91.7%	91.7%	14,692	50.7%	50.7%
Non-Revenues	4,866	3,939	3,500	3,058	80.9%	3,500	3,058	87.4%	3,500	3,058	87.4%	3,500	3,058	91.7%	91.7%	(150)	-4.3%	-4.3%
Total Non-Tax Revenues	1,920,364	1,323,241	909,244	795,082	68.9%	909,244	795,082	87.4%	909,244	795,082	87.4%	909,244	795,082	91.7%	91.7%	(38,392)	-4.3%	-4.3%
Operating Transfers-In	1,024,017	0	1,000,000	143,794	0.0%	1,000,000	143,794	14.4%	1,000,000	143,794	14.4%	1,000,000	143,794	91.7%	91.7%	(772,873)	-77.3%	-77.3%
Total Other Financing Sources	1,024,017	0	1,000,000	143,794	0.0%	1,000,000	143,794	14.4%	1,000,000	143,794	14.4%	1,000,000	143,794	91.7%	91.7%	(772,873)	-77.3%	-77.3%
TOTALS	\$9,007,411	\$6,984,527	\$8,202,772	\$6,768,704	77.3%	\$8,202,772	\$6,768,704	82.5%	\$8,202,772	\$6,768,704	82.5%	\$8,202,772	\$6,768,704	91.7%	91.7%	(\$750,504)	-9.2%	-9.2%

Key:
 * The expected percentage is calculated as follows: since the report is for the 11th month of the year, 11 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
November 2012 and 2013

GENERAL FUND (#001) EXPENDITURES	A November 2012		C=B/A % Exp'd	D November 2013		E Actual	F=E/D % Exp'd		G Expected % Exp*	H^ Variance		I=G-F % Variance	
	Budget	Actual		Budget	Actual		Exp'd	Exp'd		Expected	Expected		Expected
City Council	\$100,319	\$92,948	92.7%	\$76,587	\$67,098		87.6%	91.7%	91.7%	\$3,107	4.1%		
Municipal Court	348,378	291,096	83.6%	333,882	291,354		87.3%	91.7%	91.7%	14,705	4.4%		
City Manager	338,840	309,994	91.5%	242,621	220,352		90.8%	91.7%	91.7%	2,051	0.9%		
Finance	325,177	291,121	89.5%	165,316	150,513		91.0%	91.7%	91.7%	1,027	0.7%		
City Clerk	94,231	87,056	92.4%	56,516	49,206		87.1%	91.7%	91.7%	2,600	4.6%		
Non-Departmental	1,414,721	335,640	23.7%	1,331,204	924,868		69.5%	91.7%	91.7%	295,402	22.2%		
Human Resources	129,020	113,894	88.3%	91,769	83,923		91.5%	91.7%	91.7%	199	0.2%		
Police	2,348,788	2,120,174	90.3%	2,478,097	2,234,189		90.2%	91.7%	91.7%	37,400	1.5%		
Fire	1,729,924	1,516,815	87.7%	1,705,443	1,450,977		85.1%	91.7%	91.7%	112,346	6.6%		
Public Works - Streets	891,029	475,811	53.4%	501,315	386,236		77.0%	91.7%	91.7%	73,303	14.7%		
Public Works - Engineering	111,017	93,034	83.8%	0	0		N/A	91.7%	91.7%	0	N/A		
Community Development	1,177,982	1,152,053	97.8%	1,299,643	1,186,007		91.3%	91.7%	91.7%	5,332	0.4%		
TOTALS	\$9,009,426	\$6,879,636	76.4%	\$8,282,393	\$7,044,723		85.1%	91.7%	91.7%	\$547,471	6.6%		
Net Budget/Income/Variance:											(\$2,015)	(\$203,033)	-2.6%
											(\$79,621)	(\$276,019)	

Key:

* The expected percentage is calculated as follows: since the report is for the 11th month of the year, 11 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
November 2012 and 2013

WASTEWATER FUND (#404) REVENUES	A November 2012		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Recc'd	% Recc'd	Budget	Actual	% Recc'd	% Recc'd	Expected % Recc'd*	Expected % Recc'd	Var'nc Expected	Var'nc Expected	%	%	Variance	
Intergovernmental Revenues	\$0	\$1,025	N/A	N/A			\$0	\$35,000	N/A	N/A	91.7%	91.7%	\$35,000	N/A				
Wastewater Fees	3,404,344	3,131,720	92.0%	92.0%	4,160,318	3,823,621	91.9%	91.9%	91.7%	91.7%	91.7%	91.7%	9,996	0.2%				
Sewer Connection/Misc. Fees	25,000	26,623	106.5%	106.5%	35,000	17,856	51.0%	51.0%	91.7%	91.7%	91.7%	91.7%	(14,227)	-40.7%				
Rentals	3,750	3,323	88.6%	88.6%	3,323	3,323	100.0%	100.0%	91.7%	91.7%	91.7%	91.7%	277	8.3%				
Misc. Revenues/Insurance	22,000	25,886	117.7%	117.7%	3,300	7,886	239.0%	239.0%	91.7%	91.7%	91.7%	91.7%	4,861	147.3%				
Interfund Loan Received	1,200,000	250,000	20.8%	20.8%	0	0	N/A	N/A	91.7%	91.7%	91.7%	91.7%	0	N/A				
Interest Earnings	4,655	0	0.0%	0.0%	3,000	465	15.5%	15.5%	91.7%	91.7%	91.7%	91.7%	(2,285)	-76.2%				
Totals:	\$4,659,749	\$3,438,577	73.8%	73.8%	\$4,204,941	\$3,888,151	92.5%	92.5%	91.7%	91.7%	91.7%	91.7%	\$33,622	0.8%				

WASTEWATER FUND (#404) EXPENSES	A November 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	Var'nc Expected	Var'nc Expected	%	%	Variance	
Operating Expenses	\$2,533,710	\$2,256,111	89.0%	89.0%	\$2,638,208	\$2,256,539	85.5%	85.5%	91.7%	91.7%	91.7%	91.7%	\$161,818	6.2%				
Capital Outlay	650,000	255,554	39.3%	39.3%	192,000	92,298	48.1%	48.1%	91.7%	91.7%	91.7%	91.7%	83,702	43.6%				
Debt Principal	1,694,944	975,375	57.5%	57.5%	1,686,388	1,001,367	59.4%	59.4%	91.7%	91.7%	91.7%	91.7%	544,489	32.3%				
Interest Expense	40,660	39,103	96.2%	96.2%	32,540	31,108	95.6%	95.6%	91.7%	91.7%	91.7%	91.7%	(1,280)	-3.9%				
Totals:	\$4,919,314	\$3,526,143	71.7%	71.7%	\$4,549,136	\$3,381,312	74.3%	74.3%	91.7%	91.7%	91.7%	91.7%	\$788,729	17.4%				

Net Budget/Income/Variance: (\$259,565) (\$87,566) (\$344,195) \$506,839 \$822,351 18.2%

Key:
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^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 is not paid evenly throughout the year.

City of Chehalis
Comparative Financial Reports
November 2012 and 2013

WATER FUND (#405) REVENUES	A November 2012		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Exp'd	Budget	Actual	% Rec'd	% Exp'd	% Rec'd	% Exp'd	Expected	Actual	Expected	Actual	Expected	Variance
Intergovernmental Revenues	\$0	\$1,961	N/A	N/A	N/A	N/A	\$0	\$0	N/A	N/A	91.7%	91.7%	\$0	\$0	\$0	\$0	N/A	N/A
Water Sales	2,456,633	2,371,442	96.5%	96.5%	96.5%	96.5%	2,496,400	2,401,674	96.2%	96.2%	91.7%	91.7%	113,307	113,307	113,307	113,307	4.5%	4.5%
Water Connection/Misc. Fees	20,000	44,246	221.2%	221.2%	221.2%	221.2%	20,000	21,468	107.3%	107.3%	91.7%	91.7%	3,135	3,135	3,135	3,135	15.6%	15.6%
Interfund Principal Repayment	0	0	N/A	N/A	N/A	N/A	82,794	82,794	100.0%	100.0%	91.7%	91.7%	6,900	6,900	6,900	6,900	8.3%	8.3%
Misc. Revenues/Insurance	0	3,115	N/A	N/A	N/A	N/A	0	48,714	N/A	N/A	91.7%	91.7%	48,714	48,714	48,714	48,714	N/A	N/A
Interest Earnings	10,000	11,205	112.1%	112.1%	112.1%	112.1%	11,901	10,569	88.8%	88.8%	91.7%	91.7%	(340)	(340)	(340)	(340)	-2.9%	-2.9%
Totals:	\$2,486,633	\$2,431,969	97.8%	97.8%	97.8%	97.8%	\$2,611,095	\$2,565,219	98.2%	98.2%	91.7%	91.7%	\$171,715	\$171,715	\$171,715	\$171,715	6.6%	6.6%

WATER FUND (#405) EXPENSES	A November 2012		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	% Exp'd	% Exp'd	% Exp'd	% Exp'd	Expected	Actual	Expected	Actual	Expected	Variance
Operating Expenses	\$1,902,438	\$1,618,543	85.1%	85.1%	85.1%	85.1%	\$1,782,704	\$1,459,517	81.9%	81.9%	91.7%	91.7%	\$174,628	\$174,628	\$174,628	\$174,628	9.8%	9.8%
Capital Outlay	790,000	429,342	54.3%	54.3%	54.3%	54.3%	640,000	108,581	17.0%	17.0%	91.7%	91.7%	478,086	478,086	478,086	478,086	74.7%	74.7%
Interfund Loan Disbursed	1,200,000	250,000	20.8%	20.8%	20.8%	20.8%	0	0	N/A	N/A	91.7%	91.7%	0	0	0	0	N/A	N/A
Debt Principal	130,077	130,077	100.0%	100.0%	100.0%	100.0%	131,077	131,077	100.0%	100.0%	91.7%	91.7%	(10,923)	(10,923)	(10,923)	(10,923)	-8.3%	-8.3%
Interest Expense	24,131	24,131	100.0%	100.0%	100.0%	100.0%	21,690	21,690	100.0%	100.0%	91.7%	91.7%	(1,808)	(1,808)	(1,808)	(1,808)	-8.3%	-8.3%
Totals:	\$4,046,646	\$2,452,093	60.6%	60.6%	60.6%	60.6%	\$2,575,471	\$1,720,865	66.8%	66.8%	91.7%	91.7%	\$639,983	\$639,983	\$639,983	\$639,983	24.9%	24.9%

Net Budget/Income/Variance: (\$1,560,013) -\$20,124 \$35,624 \$844,354

Key:

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^ 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) Capital expenditures are not made evenly throughout the year. Also, some capital expenditures have been deferred.

City of Chehalis
Comparative Financial Reports
November 2012 and 2013

STORM FUND (#406) REVENUES	A November 2012		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	% Rec'd	November 2013 Budget	November 2013 Actual	% Rec'd	% Exp'd	% Rec'd	% Rec'd	% Rec'd	Expected	Expected	Expected	Expected	Expected	Expected	Variance	Variance
Storm & Surface Water Fees	\$407,780	\$374,393	91.8%	\$441,674	\$405,491	91.8%	91.7%	91.8%	91.7%	\$623	\$623	0.1%	91.7%	91.7%	\$623	0.1%	N/A	N/A
Storm Connection/Misc. Fees	5,477	5,477	100.0%	0	489	0	N/A	N/A	0	489	0	N/A	0.0%	91.7%	(458)	-91.7%	N/A	N/A
Interest Earnings	500	0	0.0%	500	0	0.0%	N/A	N/A	0	5,406	5,406	N/A	91.7%	91.7%	5,406	N/A	N/A	N/A
Misc. Revenues/Insurance	0	7,322	N/A	0	0	0.0%	N/A	N/A	0	0	0	N/A	91.7%	91.7%	0	0	N/A	N/A
Totals:	\$413,757	\$387,192	93.6%	\$442,174	\$411,386	93.0%	93.0%	93.0%	93.0%	\$6,060	\$6,060	1.3%	91.7%	91.7%	\$6,060	1.3%	N/A	N/A

STORM FUND (#406) EXPENSES	A November 2012		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	% Exp'd	November 2013 Budget	November 2013 Actual	% Exp'd	% Exp'd	% Exp'd	% Exp'd	Expected	Expected	Expected	Expected	Expected	Expected	Expected	Variance	Variance
Operating Expenses	\$359,853	\$297,378	82.6%	\$345,875	\$334,369	96.7%	96.7%	96.7%	96.7%	(\$17,317)	(\$17,317)	-5.0%	91.7%	91.7%	0	0	N/A	N/A
Capital Outlay	56,416	24,865	44.1%	0	0	0.0%	N/A	N/A	0	0	0	N/A	91.7%	91.7%	0	0	N/A	N/A
Totals:	\$416,269	\$322,243	77.4%	\$345,875	\$334,369	96.7%	96.7%	96.7%	96.7%	(\$17,317)	(\$17,317)	-5.0%	91.7%	91.7%	(\$17,317)	-5.0%	N/A	N/A
Net Budget/Income/Variance:	(\$2,512)	\$64,949		\$96,299	\$77,017					(\$11,257)	(\$11,257)	-3.7%						

Key:

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

RECOMMENDATION/COUNCIL ACTION DESIRED

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

Received by  City Manager

To: The Honorable Mayor and Council
 Via: Merlin MacReynold, City Manager
 From: Eva K. Lindgren, Finance Manager
 Date: January 22, 2014
 Subject: Monthly Financial Reports for December

City of Chehalis
Comparative Financial Reports
December 2012 and 2013
PRELIMINARY 2013 DATA

GENERAL FUND (#001) REVENUES	A December 2012		B Actual		C=B/A		D December 2013		E Actual		F=E/D		G Expected % Rec'd*		H^ Variance Expected		I=F-G % Variance	
	Budget	Actual	% Rec'd	Budget	Actual	% Rec'd	Budget	Actual	% Rec'd	Actual	% Rec'd	% Rec'd	% Rec'd	Expected	Expected	%	Variance	
General Property Taxes	\$1,235,000	\$1,205,359	97.6%	\$1,249,000	\$1,205,281	96.5%	\$1,249,000	\$1,205,281	96.5%	\$1,205,281	100.0%	96.5%	100.0%	(\$43,719)	8,175	-3.5%		
EMS Property Taxes	236,000	230,646	97.7%	237,500	228,349	96.1%	237,500	228,349	96.1%	228,349	100.0%	96.1%	100.0%	(9,151)	34,765	-3.9%		
Sales & Use Tax	3,000,000	3,076,277	102.5%	3,225,000	3,262,413	101.2%	3,225,000	3,262,413	101.2%	3,262,413	100.0%	101.2%	100.0%	37,413	(24,636)	1.2%		
Electricity Tax	423,840	423,839	100.0%	417,000	421,016	101.0%	417,000	421,016	101.0%	421,016	100.0%	101.0%	100.0%	4,016	(18,229)	1.0%		
Gas/Natural Gas Tax	250,000	217,782	87.1%	205,000	193,007	94.1%	205,000	193,007	94.1%	193,007	100.0%	94.1%	100.0%	(11,993)	(400)	-5.9%		
Criminal Justice Tax	88,000	88,732	100.8%	90,000	95,218	105.8%	90,000	95,218	105.8%	95,218	100.0%	105.8%	100.0%	5,218	1,692	5.8%		
(Interfund) Water/Sewer Tax	340,000	331,803	97.6%	399,996	406,784	101.7%	399,996	406,784	101.7%	406,784	100.0%	101.7%	100.0%	6,788	3,251	1.7%		
Garbage Tax	62,000	57,418	92.6%	62,000	59,199	95.5%	62,000	59,199	95.5%	59,199	100.0%	95.5%	100.0%	(2,801)	1,692	-4.5%		
Cable Tax	92,000	91,913	99.9%	92,000	95,002	103.3%	92,000	95,002	103.3%	95,002	100.0%	103.3%	100.0%	3,002	1,692	3.3%		
Telephone Tax	325,000	323,956	99.7%	313,000	286,610	91.6%	313,000	286,610	91.6%	286,610	100.0%	91.6%	100.0%	(26,390)	20,803	-8.4%		
Leasehold Excise Tax	35,000	36,614	104.6%	38,000	37,843	99.6%	38,000	37,843	99.6%	37,843	100.0%	99.6%	100.0%	(157)	(293)	-0.4%		
Other Taxes	30	80	266.7%	32	97	303.1%	32	97	303.1%	97	100.0%	303.1%	100.0%	65	65	203.1%		
Total Tax Revenues	6,086,870	6,084,419	100.0%	6,328,528	6,290,819	99.4%	6,328,528	6,290,819	99.4%	6,290,819	100.0%	99.4%	100.0%	(37,709)	8,175	-0.6%		
Licenses & Permits	52,630	50,449	95.9%	63,980	72,155	112.8%	63,980	72,155	112.8%	72,155	100.0%	112.8%	100.0%	8,175	8,175	12.8%		
Intergov't Grants/Entitlements	404,918	319,468	78.9%	168,502	203,267	120.6%	168,502	203,267	120.6%	203,267	100.0%	120.6%	100.0%	34,765	34,765	20.6%		
Charges for Goods and Svcs.	793,725	787,108	99.2%	341,170	316,534	92.8%	341,170	316,534	92.8%	316,534	100.0%	92.8%	100.0%	(24,636)	(24,636)	-7.2%		
Fines and Forfeitures	162,080	153,855	94.9%	159,055	140,826	88.5%	159,055	140,826	88.5%	140,826	100.0%	88.5%	100.0%	(18,229)	(18,229)	-11.5%		
Interest Earnings	12,546	10,468	83.4%	9,306	8,906	95.7%	9,306	8,906	95.7%	8,906	100.0%	95.7%	100.0%	(400)	(400)	-4.3%		
Rents & Royalties	71,422	63,481	88.9%	70,100	71,792	102.4%	70,100	71,792	102.4%	71,792	100.0%	102.4%	100.0%	1,692	1,692	2.4%		
Donations/Contributions	80,361	77,720	96.7%	64,646	67,897	105.0%	64,646	67,897	105.0%	67,897	100.0%	105.0%	100.0%	3,251	3,251	5.0%		
Misc. Revenue/Insurance	7,798	13,260	170.0%	28,985	49,788	171.8%	28,985	49,788	171.8%	49,788	100.0%	171.8%	100.0%	20,803	20,803	71.8%		
Non-Revenues	4,866	4,179	85.9%	3,500	3,207	91.6%	3,500	3,207	91.6%	3,207	100.0%	91.6%	100.0%	(293)	(293)	-8.4%		
Total Non-Tax Revenues	1,590,346	1,479,988	93.1%	909,244	934,372	102.8%	909,244	934,372	102.8%	934,372	100.0%	102.8%	100.0%	25,128	25,128	2.8%		
Operating Transfers-In	74,017	0	0.0%	1,000,000	502,736	50.3%	1,000,000	502,736	50.3%	502,736	100.0%	50.3%	100.0%	(497,264)	(497,264)	-49.7%	(1)	
Total Other Financing Sources	74,017	0	0.0%	1,000,000	502,736	50.3%	1,000,000	502,736	50.3%	502,736	100.0%	50.3%	100.0%	(497,264)	(497,264)	-49.7%		
TOTALS	\$7,751,233	\$7,564,407	97.6%	\$8,237,772	\$7,727,927	93.8%	\$8,237,772	\$7,727,927	93.8%	\$7,727,927	100.0%	93.8%	100.0%	(\$509,845)	(\$509,845)	-6.2%		

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City of Chehalis
Comparative Financial Reports
December 2012 and 2013
PRELIMINARY 2013 DATA

GENERAL FUND (#001) EXPENDITURES	A December 2012		B		C=B/A		D December 2013		E		F=E/D		G		H^ Variance		I=G-F			
	Budget	Actual	Budget	Actual	% Exp'd	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	% Exp'd	Expected	Variance	%	Expected	Variance			
City Council	\$98,319	\$96,813	\$96,813	\$96,813	98.5%	\$76,587	\$73,122	\$73,122	\$73,122	95.5%	100.0%	100.0%	\$3,465	4.5%		\$3,465	4.5%			
Municipal Court	348,378	328,711	328,711	328,711	94.4%	333,882	319,632	319,632	319,632	95.7%	100.0%	100.0%	14,250	4.3%		14,250	4.3%			
City Manager	341,340	335,439	335,439	335,439	98.3%	242,621	239,740	239,740	239,740	98.8%	100.0%	100.0%	2,881	1.2%		2,881	1.2%			
Finance	322,719	317,540	317,540	317,540	98.4%	165,316	164,606	164,606	164,606	99.6%	100.0%	100.0%	710	0.4%		710	0.4%			
City Clerk	94,231	93,247	93,247	93,247	99.0%	56,516	54,289	54,289	54,289	96.1%	100.0%	100.0%	2,227	3.9%		2,227	3.9%			
Non-Departmental	447,420	381,346	381,346	381,346	85.2%	1,331,876	957,750	957,750	957,750	71.9%	100.0%	100.0%	374,126	28.1%		374,126	28.1%			
Human Resources	130,020	127,448	127,448	127,448	98.0%	91,769	91,716	91,716	91,716	99.9%	100.0%	100.0%	53	0.1%		53	0.1%			
Police	2,361,475	2,343,937	2,343,937	2,343,937	99.3%	2,484,641	2,471,162	2,471,162	2,471,162	99.5%	100.0%	100.0%	13,479	0.5%		13,479	0.5%			
Fire	1,687,281	1,649,289	1,649,289	1,649,289	97.7%	1,680,515	1,594,865	1,594,865	1,594,865	94.9%	100.0%	100.0%	85,650	5.1%		85,650	5.1%			
Public Works - Streets	577,175	540,496	540,496	540,496	93.6%	501,315	435,169	435,169	435,169	86.8%	100.0%	100.0%	66,146	13.2%		66,146	13.2%			
Public Works - Engineering	108,617	104,944	104,944	104,944	96.6%	0	0	0	0	N/A	100.0%	100.0%	0	N/A		0	N/A			
Community Development	1,253,861	1,248,614	1,248,614	1,248,614	99.6%	1,299,643	1,298,898	1,298,898	1,298,898	99.9%	100.0%	100.0%	745	0.1%		745	0.1%			
TOTALS	\$7,770,836	\$7,567,824	\$7,567,824	\$7,567,824	97.4%	\$8,264,681	\$7,700,949	\$7,700,949	\$7,700,949	93.2%	100.0%	100.0%	\$563,732	6.8%		\$563,732	6.8%			
Net Budget/Income/Variance:															(\$19,603)	(\$3,417)	(\$26,909)	\$26,978	\$53,887	0.6%

Key:

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^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 are made out of Non-Departmental, as necessary, to provide adequate cash-flow for the project. These funds are transferred back to the General Fund from the Federal and State Grant Fund when not required.

City of Chehalis
Comparative Financial Reports
December 2012 and 2013
PRELIMINARY 2013 DATA

WASTEWATER FUND (#404) REVENUES	A December 2012		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	%	Actual	Rec'd	Budget	December 2013	Actual	%	Rec'd	Expected % Rec'd*	Expected	Var'nc frm Expected	%	Variance			
Intergovernmental Revenues	\$0	\$1,025	N/A	\$35,000		\$35,000					100.0%	\$0	\$0	N/A				
Wastewater Fees	3,404,344	3,403,683	100.0%	4,144,622		4,160,318	4,144,622	99.6%		100.0%	100.0%	(15,696)	(15,696)	-0.4%				
Sewer Connection/Misc. Fees	25,000	26,623	106.5%	17,856		35,000	17,856	51.0%		100.0%	100.0%	(17,144)	(17,144)	-49.0%				
Rentals	3,750	3,323	88.6%	3,323		3,323	3,323	100.0%		100.0%	100.0%	0	0	0.0%				
Misc. Revenues/Insurance	22,000	25,886	117.7%	7,886		3,300	7,886	239.0%		100.0%	100.0%	4,586	4,586	139.0%				
Interfund Loan Received	250,000	250,000	100.0%	0		0	0	N/A		100.0%	100.0%	(2,504)	(2,504)	-83.5%				
Interest Earnings	4,655	0	0.0%	496		3,000	496	16.5%		100.0%	100.0%	(\$30,758)	(\$30,758)	-0.7%				
Totals:	\$3,709,749	\$3,710,540	100.0%	\$4,209,183		\$4,239,941	\$4,209,183	99.3%		100.0%	100.0%							

WASTEWATER FUND (#404) EXPENSES	A December 2012		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	%	Actual	Exp'd	Budget	December 2013	Actual	%	Exp'd	Expected % Exp*	Expected	Var'nc frm Expected	%	Variance			
Operating Expenses	\$2,533,710	\$2,498,207	98.6%	\$2,365,860		\$2,474,409	\$2,365,860	95.6%		100.0%	100.0%	\$108,549	\$108,549	4.4%				
Capital Outlay	650,000	282,656	43.5%	96,680		72,000	96,680	134.3%		100.0%	100.0%	(24,680)	(24,680)	-34.3%				
Debt Principal	1,694,944	1,694,943	100.0%	1,686,388		1,686,388	1,686,388	100.0%		100.0%	100.0%	0	0	0.0%				
Interest Expense	40,660	40,659	100.0%	32,540		32,540	32,540	100.0%		100.0%	100.0%	0	0	0.0%				
Totals:	\$4,919,314	\$4,516,465	91.8%	\$4,181,468		\$4,265,337	\$4,181,468	98.0%		100.0%	100.0%	\$83,869	\$83,869	2.0%				

Net Budget/Income/Variance: (\$1,209,565) (\$805,925) (\$25,396) \$27,715 \$53,111 1.3%

Key:

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City of Chehalis
Comparative Financial Reports
December 2012 and 2013
PRELIMINARY 2013 DATA

WATER FUND (#405) REVENUES	A December 2012		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	% Rec'd	Expected	% Exp*	Expected	Var inc frm Expected	Variance	% Variance
Intergovernmental Revenues	\$0	\$1,961	N/A	\$0	N/A	\$0	\$0	2,496,400	2,501,125	N/A	N/A	100.0%	100.0%	100.0%	\$0	N/A	N/A	N/A
Water Sales	2,556,633	2,495,206	97.6%	2,496,400	97.6%	2,496,400	2,501,125	20,000	24,239	100.2%	100.2%	100.0%	100.0%	100.0%	4,725	0.2%	0.2%	
Water Connection/Misc. Fees	44,000	44,246	100.6%	44,246	100.6%	20,000	24,239	82,794	82,794	121.2%	121.2%	100.0%	100.0%	100.0%	4,239	21.2%	21.2%	
Interfund Principal Repayment	0	0	N/A	0	N/A	82,794	82,794	0	0	100.0%	100.0%	100.0%	100.0%	100.0%	0	0.0%	0.0%	
Misc. Revenues/Insurance	0	3,287	N/A	3,287	N/A	0	48,809	11,901	11,071	N/A	N/A	100.0%	100.0%	100.0%	48,809	N/A	N/A	
Interest Earnings	10,000	13,176	131.8%	13,176	131.8%	11,901	11,071	\$2,611,095	\$2,668,038	102.2%	102.2%	100.0%	100.0%	100.0%	(830)	-7.0%	-7.0%	
Totals:	\$2,610,633	\$2,557,876	98.0%	\$2,557,876	98.0%	\$2,611,095	\$2,668,038			102.2%	102.2%	100.0%	100.0%	100.0%	\$56,943	2.2%	2.2%	

WATER FUND (#405) EXPENSES	A December 2012		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	% Exp'd	Expected	% Exp*	Expected	Var inc frm Expected	Variance	% Variance
Operating Expenses	\$1,902,438	\$1,813,859	95.3%	\$1,841,183	95.3%	\$1,841,183	\$1,673,498	125,000	117,555	94.0%	94.0%	100.0%	100.0%	100.0%	\$167,685	9.1%	9.1%	
Capital Outlay	790,000	453,943	57.5%	453,943	57.5%	125,000	117,555	0	0	N/A	N/A	100.0%	100.0%	100.0%	7,445	6.0%	6.0%	
Interfund Loan Disbursed	250,000	250,000	100.0%	250,000	100.0%	131,077	131,077	21,690	21,690	100.0%	100.0%	100.0%	100.0%	100.0%	0	N/A	N/A	
Debt Principal	130,077	130,077	100.0%	130,077	100.0%	131,077	131,077	0	0	N/A	N/A	100.0%	100.0%	100.0%	0	0.0%	0.0%	
Interest Expense	24,131	24,131	100.0%	24,131	100.0%	21,690	21,690	\$2,118,950	\$1,943,820	91.7%	91.7%	100.0%	100.0%	100.0%	\$175,130	8.3%	8.3%	
Totals:	\$3,096,646	\$2,672,010	86.3%	\$2,672,010	86.3%	\$2,118,950	\$1,943,820			91.7%	91.7%	100.0%	100.0%	100.0%	\$232,073	10.5%	10.5%	

Net Budget/Income/Variance: (\$486,013) -\$114,134

\$492,145 \$724,218

Key:

* The expected percentage is calculated as follows: since the report is for the 12th month of the year, 12 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
December 2012 and 2013
PRELIMINARY 2013 DATA

STORM FUND (#406) REVENUES	A December 2012		B		C=B/A		D		E December 2013		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Exp'd	Budget	Actual	% Rec'd	% Exp'd	Expected	% Rec'd*	Expected	% Exp.*	Expected	% Variance	Expected	% Variance
Storm & Surface Water Fees	\$407,780	\$409,387	\$441,674	\$442,985	100.4%	100.3%	0	489	N/A	100.0%	\$1,311	100.0%	489	100.0%	\$1,311	0.3%	489	N/A
Storm Connection/Misc. Fees	5,477	5,477	0	0	100.0%	N/A	500	0	0.0%	100.0%	(500)	100.0%	0	100.0%	(500)	-100.0%	0	N/A
Interest Earnings	500	0	0	0	0.0%	N/A	0	5,406	N/A	100.0%	5,406	100.0%	5,406	100.0%	5,406	N/A	5,406	N/A
Misc. Revenues/Insurance	0	7,322	0	0	N/A	N/A	0	0	N/A	100.0%	0	100.0%	0	100.0%	0	N/A	0	N/A
Totals:	\$413,757	\$422,186	\$442,174	\$448,880	102.0%	101.5%	\$442,174	\$448,880	101.5%	100.0%	\$6,706	100.0%	\$6,706	100.0%	\$6,706	1.5%	\$6,706	1.5%

STORM FUND (#406) EXPENSES	A December 2012		B		C=B/A		D		E December 2013		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	% Exp'd	% Exp.*	Expected	% Exp.*	Expected	% Exp.*	Expected	% Variance	Expected	% Variance
Operating Expenses	\$359,853	\$347,409	\$415,695	\$406,492	96.5%	97.8%	0	0	N/A	100.0%	\$9,203	100.0%	0	100.0%	\$9,203	2.2%	0	N/A
Capital Outlay	56,416	24,865	0	0	44.1%	N/A	0	0	N/A	100.0%	0	100.0%	0	100.0%	0	N/A	0	N/A
Totals:	\$416,269	\$372,274	\$415,695	\$406,492	89.4%	97.8%	\$415,695	\$406,492	97.8%	100.0%	\$9,203	100.0%	\$9,203	100.0%	\$9,203	2.2%	0	2.2%

Net Budget/Income/Variance: (\$2,512) \$49,912 \$26,479 \$42,388 \$15,909 3.7%

Key:

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

RECOMMENDATION/COUNCIL ACTION DESIRED

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

Received by  City Manager

City of Chehalis Sales & Use Tax Revenue

Month-by-Month Comparisons								2013	% 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	269,667.71	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	231,493.06	1.0%		
May	309,705.17	366,700.91	255,481.63	246,998.74	269,316.42	250,189.48	271,850.87	8.7%	3	
June	288,762.68	340,751.01	266,335.35	228,867.63	253,346.87	253,817.94	265,285.99	4.5%		
July	280,090.89	352,426.34	270,324.94	239,316.92	235,882.93	251,676.19	268,330.22	6.6%	3	
August	367,841.64	416,021.47	276,851.50	268,052.83	264,592.08	264,996.44	278,101.71	4.9%		
September	331,262.66	327,171.53	250,448.70	246,365.20	320,998.49	276,271.10	291,464.88	5.5%		
October	353,302.89	305,787.51	345,695.15	260,630.19	245,472.95	283,408.61	278,187.79	-1.8%		
November	352,562.39	373,132.35	257,314.61	251,801.70	267,382.66	273,852.79	285,244.13	4.2%		
December	314,120.78	194,375.82	234,399.17	241,368.04	233,191.67	258,144.76	277,923.31	7.7%		
Year Totals	3,809,518.98	4,017,332.26	3,288,677.40	3,015,751.34	3,049,030.18	3,076,277.00	3,262,412.92		6.1%	
As of 12/XX:	3,809,518.98	4,017,332.26	3,288,677.40	3,015,751.34	3,049,030.18	3,076,277.00	3,262,412.92		6.1%	
As of 3rd Qtr.:	2,789,532.92	3,144,036.58	2,451,268.47	2,261,951.41	2,308,982.90	2,260,870.84	2,421,057.69		7.1%	

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: January 14, 2014
TO: The Honorable Mayor and City Council
FROM: William Hillier, City Attorney
SUBJECT: Ordinance No. 923-B, Second and Final Reading – Granting Franchise Agreement

ISSUE

Franchise Agreement requested to construct, operate and maintain a telecommunications network in the city of Chehalis.

DISCUSSION

The city is in receipt of a Franchise Agreement request from LightSpeed Networks, Inc. The company provides networks services through fiber optic to schools, hospitals and medical facilities, and is requesting a ten (10) year Franchise Agreement, commencing with the effective date of the ordinance. Thereafter, the Franchise would continue for an additional ten (10) years unless notice is given by either party 90-days before expiration.

During the term of the Franchise, LightSpeed Networks, Inc. will be required to pay a utility tax in an amount equal to six percent (6%) of their gross revenues, as outlined in the ordinance. LightSpeed Networks, Inc. has also agreed to pay the city a one-time administrative fee of \$1,000 for reimbursement of costs associated with the preparation, processing and approval of this Franchise and other functions related to the approval. The administrative fee excludes normal permit fees required for work in the city Rights-of-Way.

At the meeting of January 13, 2014, Robin Smith, Legal & Compliance Director for LightSpeed Networks, provided the council with an overview of her company, what they hope to accomplish, and the benefits to Chehalis.

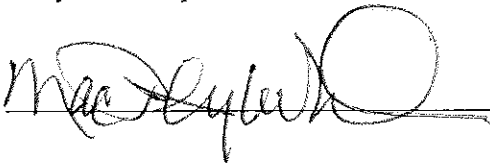
The council passed Ordinance No. 923-B on first reading, approving the Franchise Agreement between the city and LightSpeed Networks, Inc.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends the council pass Ordinance No. 923-B on second and final reading.

SUGGESTED MOTION

I move that the city council pass Ordinance No. 923-B on second and final reading.

Reviewed by: , City Manager

ORDINANCE NO. 923-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, GRANTING TO LIGHTSPEED NETWORKS, INC., DBA LS NETWORKS, DBA "LSN" AN OREGON CORPORATION, A FRANCHISE TO CONSTRUCT, OPERATE & MAINTAIN A TELECOMMUNICATIONS NETWORK WITHIN THE CITY OF CHEHALIS WASHINGTON

WHEREAS: LightSpeed Networks, Inc. dba LS Networks dba LSN, an Oregon Corporation provides Telecommunications services within the City of CHEHALIS, Washington; and

WHEREAS: Franchisee has applied for a Telecommunications Franchise pursuant to local ordinances relating to Telecommunications located in the public rights of way, and the City of CHEHALIS "City" has reviewed said application and has determined that it meets the requirements of the City's Ordinance subject to the terms and conditions stated herein:

NOW THEREFORE, THE CITY OF CHEHALIS ORDAINS AS FOLLOWS:

Section 1: Definitions.

Gross Revenues: Any and all revenue, of any kind, nature, or form, without deduction for expense in the City of CHEHALIS and is further defined in Section 11. All such revenue remains subject to applicable FCC rules and regulations which exclude revenues from internet access services while prohibited by law.

Rights-of-Way: the present and future streets, viaducts, elevated roadways, alleys, public highways and avenues in the City, including Rights-of-Way held in fee, or by virtue of an easement or dedication.

Telecommunications: the transmission between and among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

Telecommunications Network: infrastructure owned by Franchisee utilizing one or more facilities located within the City's Rights-of-Way, including, but not limited to, lines, poles, anchors, wires, cables, conduit, laterals, and other appurtenances, necessary and convenient to the provision of access to the Internet and Telecommunications service.

Telecommunications Service: the offering of Telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities' uses.

Section 2: Grant of Franchise. The City hereby grants to Franchisee, its successors and assigns as authorized herein, a nonexclusive right, privilege, authority and Franchise to erect, construct, operate, repair and maintain in, under, upon, along, across and over the City's Rights-of-Way, its lines, poles, anchors, wires, cables, conduits, laterals and other necessary and convenient fixtures and equipment, for the purposes of constructing, operating and maintaining a competitive Telecommunications network within the City.

Section 3: Franchise Not Exclusive. The Franchise granted herein (the "Franchise") is not exclusive, and shall not be construed as any limitation upon the right of the City to grant to other persons or corporations, including itself, rights, privileges or authority the same as, similar to or different from the rights, privileges or authority herein set forth, in the same or other Rights-of-Way, by Franchise, permit or otherwise; provided, however, that any such grant shall be done in a competitively neutral and non-discriminatory manner with respect to the rights, privileges and authorities afforded Franchisee.

Section 4: Term and Termination. The term of this Franchise shall be ten (10) years, commencing with the effective date of this Ordinance. Thereafter, this Franchise shall continue in full force and effect for an additional ten (10) years unless notice is given by either party ninety (90) days before expiration, of its intention to terminate or renegotiate the Franchise. Upon termination or expiration of the Franchise, Grantee shall, within one hundred and eighty days (180), remove all its facilities from the City's Rights-of-Way. Should the Grantee fail to remove its facilities within the one hundred and eighty day period (180), the City may remove.

Section 5: No Limitation of City Authority.

(a) Except as provided in Section 6 below, nothing in this Franchise shall in any way be construed or interpreted to prevent, or in any way limit, the City from modifying or performing any work in its Rights-of-Way, or granting other franchises for use of Rights-of-Way, or of adopting general ordinances regulating use of or activities in the Rights-of-Way, or of otherwise abrogating or limiting any rights, privileges or property interest the City now has in its Rights-of-Way, whether now owned or hereinafter acquired.

(b) In the event that any portion of the Franchisee's infrastructure interferes with any present or future use the City desires to make of its Rights-of-Way, Franchisee shall, upon request, and at its sole expense, promptly relocate such infrastructure, and restore the area where such relocation occurs to as good a condition as existed before the work was undertaken, unless otherwise directed by the City.

(c) Where the Franchisee had paid for the relocation costs of the same facilities at the request of the City within the past five (5) years, the Franchisee's share of the cost of relocation will be paid by the City if it requested the subsequent relocation.

(d) Except as otherwise provided by law, and subject to Section 6 herein, nothing in this Franchise shall be construed to give the Franchisee any credit or exemption from any nondiscriminatory, generally applicable business tax, or other tax now or hereafter levied upon Franchisee's taxable real or personal property, or against any permit fees or inspection fees required as a condition of construction of any improvements upon Franchisee's real property and imposed under a generally applicable ordinance or resolution.

Section 6: Competitively Neutral Application. The City shall impose, on a competitively neutral and nondiscriminatory basis, similar terms and conditions upon other similarly situated providers of Telecommunications services operating within the City. Any requirement imposed on Franchisee that is determined not in compliance with this Section 6 shall be unenforceable against Franchisee.

Section 7: Construction, Maintenance and Repair of Infrastructure.

(a) Franchisee may make all needful excavations in any Right-of-Way for the purpose of placing, erecting, laying, maintaining or repairing Franchisee's infrastructure, and shall repair, renew and replace the same as reasonably possible to the condition that existed prior to such excavation. Franchisee shall obtain all necessary permits for such excavation and construction, and pay all applicable fees. Such work shall be done only in accordance with plans or designs submitted to, and approved by, the City, such plans (1) to be evaluated by the standards applied to the construction of other similar Telecommunications systems in the City, and (2) maintained by the City as confidential and exempt from public disclosure to the maximum extent allowed by law. Such work shall be performed in a good and workmanlike manner and in compliance with all rules, regulations, or ordinances which may, during the term of this Franchise, be adopted from time to time by the City, or any other authority having jurisdiction over Rights-of-Way. Prior to commencing excavation or construction, Franchisee shall give appropriate notice to other franchisees, licensees or permittees of the City owning or maintaining facilities which may be affected by the proposed excavation or construction.

(b) In the event emergency repairs are necessary for Franchisee's facilities, Franchisee may immediately initiate such emergency repairs. Franchisee shall give notice to the City's Department of Public Works by telephone, electronic data transmittal or other appropriate means as soon as is practicable after commencement of work performed under emergency conditions. Franchisee shall make such repairs in compliance with applicable

ordinances and regulations, and shall apply for any necessary permits no later than the business day next following the discovery of the need for such repairs.

(c) Franchisee shall construct and maintain its Telecommunications system in such a manner so as to not interfere with City sewer or water systems, or other City facilities.

Section 8: Insurance.

(a) General. At all times during the term of this Franchise, Franchisee, at its own cost and expense, shall provide the insurance specified in this section.

(b) Evidence Required. Within 30 days of the effective date of this Franchise, Franchisee shall provide the City with a certificate of insurance executed by an authorized representative of the insurer or insurers, evidencing that Franchisee's insurance complies with this section.

(c) Notice of Cancellation, Reduction, or Material Change in Coverage. Policies shall include a provision requiring written notice by the insurer or insurers to the City not less than 30 calendar days prior to cancellation, reduction, or material change in coverage. If insurance coverage is canceled, reduced or materially changed, Franchisee shall, prior to the effective date of such cancellation, reduction or material change, obtain the coverage required under this section, and provide the City with documentation of such coverage. Franchisee shall be responsible, to the extent not caused by the City's negligence or intentional misconduct, for the costs of any damage, liability, or injury, which are not otherwise covered by insurance or because of a failure to comply with this section.

(d) Insurance Required. During the term of this contract, Franchisee shall maintain in force, at its own expense, the following insurance:

(1) Workers' compensation insurance for all subject workers; and

(2) Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and \$2,000,000 products-completed operations aggregate limit. Coverage's shall include contractual liability coverage for the indemnity provided under this contract, and naming the City, its officials, officers, employees and agents as additional insureds with respect to Franchisee's activities pursuant to this Franchise.

Section 9: Transfers and Change in Control.

(a) Transfer. This Franchise shall not be sold, leased, assigned or otherwise transferred, nor shall any of the rights or privileges herein granted or authorized be leased, assigned, mortgaged, sold or transferred, either in whole or in part, nor shall title hereto, either legal or equitable, or any right, interest or property herein, pass to or vest in any person, except the Franchisee, either by act of the Franchisee or by operation of law, without the consent of the City, expressed in writing, such consent not to be unreasonably withheld. If the Franchisee wishes to transfer this Franchise, the Franchisee shall give City written notice of the proposed transfer, and shall request consent of the transfer by the City.

(b) Any transfer of ownership affected without the written consent of the City shall render this Franchise subject to revocation. The City shall have 60 days to act upon any request for approval of a transfer. If the City fails to render a final decision on the request within said 60 days, the request shall be deemed granted unless the Franchisee and the City agree to an extension of time.

(c) The Franchisee, upon any transfer, shall within 60 days thereafter file with the City a certified statement evidencing the transfer and an acknowledgment of the transferee that it agrees to be bound by the terms and conditions contained in this Franchise.

(d) The requirements of this section shall not be deemed to prohibit the use of the Franchisee's property as collateral for security in financing the construction or acquisition of all or part of a Telecommunications System of

the Franchisee or any affiliate of the Franchisee. However, the Telecommunications System franchised hereunder, including portions thereof used as collateral, shall at all times continue to be subject to the provisions of this Franchise.

(e) The requirements of this section shall not be deemed to prohibit sale of tangible assets of the Franchisee in the ordinary conduct of the Franchisee's business without the consent of the City. The requirements of this section shall not be deemed to prohibit, without the consent of the City, a transfer to a transferee whose primary business is Telecommunications System operation and having a majority of its beneficial ownership held by the Franchisee, a parent of the Franchisee, or an affiliate, a majority of whose beneficial ownership is held by a parent of the Franchisee.

Section 10: Indemnification. Each party shall indemnify and hold the other harmless for any losses, claims, damages, awards, penalties or injuries incurred by any third party, including reasonable attorney's fees, which arise from any alleged breach of such indemnifying party's representations and warranties made under this Agreement, provided that the indemnifying party is promptly notified of any such claims. The indemnifying party shall have the sole right to defend such claims at its own expense. The other party shall provide, at the indemnifying party's expense, such assistance in investigating and defending such claims as the indemnifying party may reasonably request. This indemnity shall survive the termination of this Agreement.

Section 11: Compensation.

(a) **Utility Tax.** In consideration of permission to use the streets and Rights-of-Way of the City for the construction, operation, and maintenance of a Telecommunications system within the Franchise area the Franchisee shall pay to City during the term of this Franchise an amount equal to six percent (6%) of the Franchisee's Gross Revenues ("Franchise Fee"). Any net uncollectibles, bad debts or other accrued amounts deducted from Gross Revenues shall be included in Gross Receipts at such time as they are actually collected. Revenue from point to point and multi-point services is based on the pro-rata share of the revenue from those services.

(b) **Modification Resulting from Action by Law.** Upon thirty days notice and in the event any law or valid rule or regulation applicable to this Franchise limits the Utility Tax below the amount provided herein, or as subsequently modified, the Franchisee agrees to and shall pay the maximum permissible amount and, if such law or valid rule or regulation is later repealed or amended to allow a higher permissible amount, then Franchisee shall pay the higher amount commencing from the date of such repeal or amendment, up to the maximum allowable by law.

(c) **Payment of Utility Tax.** Payments due under this provision shall be computed and paid quarterly for the preceding quarter, as of March 31, June 30, September 30, and December 31, each quarterly payment due and payable no later than 45 days after such dates. Not later than the date of each payment, the Franchisee shall file with the City a written statement, in a form satisfactory to the City and signed under penalty of perjury by an officer of the Franchisee, identifying in detail the amount of gross revenue received by the Franchisee, the computation basis and method, for the quarter for which payment is made.

(d) The Utility Tax includes all compensation for the use of the City's Rights-of-Way. Franchisee may offset against the Utility Tax the amount of any fee or charge paid to the City in connection with the Grantee's use of the Rights-of-Way when the fee or charge is not imposed under a generally applicable ordinance or resolution. The Franchise Fee shall not be deemed to be in lieu of or a waiver of any ad valorem property tax which the City may now or hereafter be entitled to, or to participate in, or to levy upon the property of Franchisee.

(e) **Administrative Fee.** Pursuant to RCW 35.21.860, Franchisee has paid a one-time administrative fee of \$1,000 for reimbursement of costs associated with the preparation, processing and approval of this Franchise, including posting and publication costs, wages, benefits, overhead expenses, meetings, attorneys' fees, negotiations, and other functions related to the approval. The administrative fee excludes normal permit fees required for work in the Right-of-Way.

Section 12: Extension of City Limits. Upon the annexation of any territory to the City, the rights granted herein shall extend to the annexed territory to the extent the City has such authority. All Facilities owned, maintained, or operated by Grantee located within any public Rights-of-Ways of the annexed territory shall be subject to all of the terms of this Ordinance.

Section 13: Right to Inspect Records. In order to manage the Franchisee's use of Rights-of-Way pursuant to this Franchise, and to determine and verify the amount of compensation due to the City under this Franchise, the Franchisee shall provide, upon request, the following information in such form as may be reasonably required by the City: maps of the Franchisee's Telecommunications System; the amount collected by the Franchisee from users of Telecommunications Service provided by Franchisee via its Telecommunications network; the character and extent of the Telecommunications Service rendered therefore to them; and any other related financial information required for the exercise of any other lawful right of Franchisee under this Franchise. The City agrees that such information is confidential and that the City will use such information only for the purpose of managing its Rights-of-Way, determining compliance with the terms of this Franchise, and verifying the adequacy of Franchisee's fee payments. The City further agrees to protect such information from disclosure to third parties to the maximum extent allowed by Washington law.

Section 14: Right to Perform Franchise Fee Audit or Review; Default. In addition to all rights granted under Section 13, the City shall have the right to have performed, a formal audit or a professional review of the Franchisee's books and records by an independent private auditor, for the sole purpose of determining the Gross Receipts of the Franchisee generated through the provision of Telecommunications Services under this Franchise and the accuracy of amounts paid as Franchise fees to the City by the Franchisee; provided, however, that any audit or review must be commenced not later than 2 years after the date on which Franchise fees for any period being audited or reviewed were due. The cost of any such audit or review shall be borne by the City. The City agrees to protect from disclosure to third parties, to the maximum extent allowed by State law, any information obtained as a result of its rights pursuant to this Section, or any compilation or other derivative works created using information obtained pursuant to the exercise of its rights.

Section 15: Right to Inspect Construction. The City or its representatives shall have the right to inspect all construction or installation work performed pursuant to this Franchise and to make such tests as it shall find necessary to ensure compliance with the terms of this Franchise and other pertinent provisions of law relating to management of the City's Rights-of-Way.

Section 16: Limited Waiver of Sovereign Immunity; Venue.

(a) The City may have sovereign or other immunities which might prevent or impair enforcement or enjoyment of the terms of this Franchise. Without making a general waiver, limitation or modification of such sovereign or other immunity, the City hereby expressly grants, in favor of Franchisee, a limited, non-assignable waiver of its immunities for claims arising under this Franchise, it being the intent of the parties that the waivers herein provided shall result in the terms and conditions of this franchise being enforced in a competitively neutral manner.

(b) Venue for any proceeding brought to enforce any term or condition of this Franchise shall be the local Superior Court for the City; provided, however, that should any proceeding be brought in a federal forum, such proceeding shall be brought in the U.S. District Court of Oregon in Portland, Oregon, with the parties stipulating to trial in Portland, Oregon.

(c) Notwithstanding any applicable statute of limitations or other law, these limited waivers of sovereign immunity shall expire when all obligations under this Franchise have been fully and completely performed, or the passage of twenty-four months from the termination of this Franchise, whichever is later.

Section 17: Limitation of Liability. The City and the Franchisee agree that neither shall be liable to the other for any indirect, special, or consequential damages, or any lost profits, arising out of any provision or requirement contained herein, or, in the event this Franchise or any part hereof, is determined or declared to be invalid.

Section 18: Compliance with Applicable Laws. Franchisee shall comply with all applicable federal, state, and local laws, ordinances, and regulations, whether now in existence or hereinafter enacted. Nothing contained in this Franchise shall be construed as authorizing the Franchisee, its officers, employees or agents, to violate any federal, state or local law, whether now in existence or hereinafter enacted, including, by way of illustration but not of limitation, any provision of Washington anti-trust law, RCW 19.86.010 – 19.86.120. Nothing contained in this section shall be construed as requiring Franchisee to comply with any federal, state or local law that is repealed or otherwise rendered unenforceable subsequent to the adoption of this Franchise.

Section 19: Notice. Any notice provided for under this Franchise shall be sufficient if in writing and (1) delivered personally to the other party or deposited in the U.S. Mail, postage prepaid, certified mail, return receipt requested; (2) sent overnight by commercial air courier; or (3) sent by facsimile transmission, provided receipt of such facsimile is confirmed, in writing, on the first business day following the date of transmission. Notice shall be sent to the following address or such other address as each party may specify in writing:

Department: City Clerk
Name: City of Chehalis
Address: 350 N Market Blvd. Rm. 101
CHEHALIS, WA 98532
Phone: 360-345-3225
Facsimile: 360-748-0651

Contracts Administration
LS Networks
921 SW Washington St., STE 370
Portland, OR 97205
Phone: (503) 294-5300
Facsimile: (503) 227-8585

Notice shall be deemed effective upon the earliest date of actual delivery; three business days after deposit in the U.S. mail as provided herein; one business day after shipment by commercial air courier; or the same day as transmitted by facsimile, provided transmission of such facsimile is confirmed in writing as provided herein.

Section 20: Captions. The captions to sections of this Franchise are intended solely to facilitate reading and reference of the sections and provisions contained herein, and shall not affect the meaning or interpretation of any section or provision of this Franchise.

Section 21: Severability. If any part of this Franchise becomes or is held to be invalid for any reason, the determination will affect only the invalid portion of this Franchise. In all other respects this Franchise will stand and remain in full force and effect as if the invalid provision had not been part of this Franchise.

Section 22: Waiver.

(a) The City is vested with the power and authority to reasonably regulate, and manage, its Rights-of-Way in a competitively neutral and non-discriminatory manner, and in the public interest. Franchisee shall not be relieved of its obligations to comply with any provision of this Franchise by reason of the failure of the City to enforce prompt compliance, nor does the City waive or limit any of its rights under this Franchise by reason of such failure or neglect.

(b) No provision of this Franchise will be deemed waived unless such waiver is in writing and signed by the party waiving its rights. However, if Franchisee gives written notice of a failure or inability to cure or comply with a provision of this Franchise, and the City fails to object within a reasonable time after receipt of such notice, such

provision shall be deemed waived.

PASSED by the City Council of the City of Chehalis, Washington, during a regularly scheduled open public meeting thereof this ____ day of _____, 2014.

Mayor

Attest:

City Clerk

Approved as to form and content:


City Attorney

Accepted _____(date)

LightSpeed Networks, Inc.

By _____
Michael Weidman
Title President and CEO

**CITY OF CHEHALIS
AGENDA REPORT**

DATE: January 21, 2014
TO: The Honorable Mayor and City Council
FROM: Merlin MacReynold, City Manager 
SUBJECT: Resolution No. 1-2014 – Approving Interlocal Agreement (ILA)

ISSUE

Lewis County and the City of Chehalis are seeking to ensure continued local control and economic development opportunities concerning rail operations in our area. There is an opportunity to purchase a 20 mile section of railroad right-of-way that extends from Maytown, in Thurston County, to slightly south of Chehalis, in Lewis County. This right-of-way is currently owned by the City of Tacoma's Public Works Department and operated by Tacoma Rail.

DISCUSSION

Over the last several months, the administration has been working with Lewis County and other interested parties locally in an effort to gain ownership of the 20 mile section of rail line noted above. In April 2013, a roundtable discussion was held at the Lewis County Courthouse to discuss opportunities and ownership. A work group was formed to research and provide a proposal for consideration. Lewis County became the lead agency and there were further discussions and consideration of possible funding options. Counsel from both Lewis County and Chehalis developed the ILA and Purchase and Sale Agreement that were eventually sent to the city of Tacoma for their consideration.

On November 26, 2013, the City of Tacoma approved Resolution No. 38780 authorizing an ILA between Lewis County, the City of Chehalis and the City of Tacoma, outlining the terms and conditions of a potential sale/purchase, in the amount of \$3 million.

The terms of the proposed ILA provide assurance that the city of Tacoma will sell this section of the rail line to Lewis County and Chehalis within the next three years. The city of Tacoma based the price on a third-party appraisal and in-house valuations using information from other rail operators.

If the ILA is approved by all three agencies, upon execution of the agreement, Lewis County will deposit \$150,000 into an interest-bearing escrow account. Two years after the agreement is signed, if we have not purchased the property but still desire to do so, Lewis County will deposit an additional \$100,000 into the escrow account. At the end of

the three year period, if we have not purchased the property, or terminated the agreement, \$50,000 of the deposit will be retained by the city of Tacoma and the remaining balance returned to Lewis County.

The agreement also provides the city of Tacoma the ability to accept other offers during the three year period. In the event another viable offer is received, we will have four months from the date they receive notice of such offer to exercise the option to purchase. If we choose not to do so, the city of Tacoma may proceed with the other offer.

Upon execution of the ILA, grant applications will be developed for \$2 million, and the other \$1 million will be paid locally. There have been discussions with Western Washington Rail LLC about entering into a contract agreement to continue operation and maintenance activities on the rail line and that has been approved by the City of Tacoma. The intent will be to pay the debt service off with revenue received from lease activity through Western Washington Rail LLC.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the city council adopt Resolution No. 1-2014 on first and final reading.

SUGGESTED MOTION

I move that the city council adopt Resolution No. 1-2014 on first and final reading.

RESOLUTION NO. 1-2014

A RESOLUTION OF THE CITY OF CHEHALIS, WASHINGTON, AUTHORIZING THE EXECUTION OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF CHEHALIS, LEWIS COUNTY, AND THE CITY OF TACOMA FOR THE PURPOSE OF OUTLINING THE TERMS AND CONDITIONS OF A POTENTIAL PURCHASE, IN THE AMOUNT OF \$3 MILLION, OF THE SOUTHERNMOST 20 MILES OF RAILROAD RIGHT-OF-WAY WHICH RUNS FROM MAYTOWN, IN THURSTON COUNTY, TO SOUTH OF CHEHALIS, IN LEWIS COUNTY

WHEREAS, since 1995, the City of Tacoma, Public Works Department, Tacoma Rail Mountain Division (“TRMW”), has operated and maintained the rail line that runs between the City of Tacoma and the Port of Chehalis; and

WHEREAS, the southernmost 20-mile section of the rail line (“Property”), running from Maytown, in Thurston County, to the Port of Chehalis, in Lewis County, is currently operated by a third party, Western Washington Railroad, LLC, under a short-term lease agreement; and

WHEREAS, Lewis County and the City of Chehalis (collectively, the “Optionees”) are seeking to ensure local control and economic development opportunities over operation of the Property, including numerous crossings in Chehalis, Centralia, and Lewis County; and

WHEREAS, on November 26, 2013, the City of Tacoma City Council determined that the sale of the Property is in their best interests and is willing to sell the Property to Optionees for \$3 million within three years, which amount is based on a third-party appraisal and in-house valuation; and

WHEREAS, the proposed Interlocal Agreement provides for the following:
(1) upon execution of the agreement, Lewis County shall deposit \$150,000 into an interest-bearing escrow account; (2) if, after two years, Optionees have not purchased the Property but still desire to do so, an additional \$100,000 will be added to the escrow account by Lewis County; and (3) if Optionees have not purchased the Property or

terminated the Interlocal Agreement at the end of the three-year period, \$50,000 of the deposit will be retained by the City of Tacoma; and

WHEREAS, the proposed Interlocal Agreement provides the City of Tacoma with the ability to accept other offers on the Property during the three-year period; and

WHEREAS, in the event a viable offer is received, Optionees will have four months from the date notice of such offer is received to exercise the option to purchase the Property, and if Optionees decide not to proceed with the purchase, the City of Tacoma may proceed with the other offer; and

WHEREAS, the proposed Interlocal Agreement provides assurance that the City of Tacoma will sell the Property to Optionees for \$3 million within three years, and allows Optionees adequate time to seek funding assistance for the purchase.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON:

That the city manager of the City is hereby authorized to execute an Interlocal Agreement between the City of Chehalis, Lewis County and the City of Tacoma for the purpose of outlining the terms and conditions of a potential purchase, in the amount of \$3 million, of the southernmost 20 miles of railroad right-of-way which runs from Maytown, in Thurston County, to south of Chehalis, in Lewis County, all as more specifically set forth in the proposed Interlocal Agreement on file in the office of the City Clerk.

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 27th day of January, 2014.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

CITY OF CHEHALIS

AGENDA REPORT

DATE: January 27, 2014
TO: The Honorable Mayor and City Council
FROM: Dennis Osborn, Community Development Director
SUBJECT: Ordinance No. 924-B – Amending Chehalis Municipal Code for Section 17.12.330 dealing with Binding Site Plan.

ISSUE

Currently, the Municipal Code 17.12.330 C expires a binding site plan after one year. This amendment changes this to expire a preliminary binding site plan after 5 years. A preliminary approval is not final approval which would occur once a final Binding Site Plan is recorded. Therefore, the applicant would have five years to complete the preliminary BSP process.

DISCUSSION

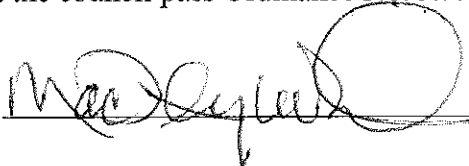
This item was brought to Council under the 2013 Code Amendments. The direction from the September 9, 2013 Council meeting was to bring this back in Ordinance form. However, this issue was set aside while Council and staff worked on the ADU and Signs in Right of way issue. Both of these issues are resolved and this item is back before Council in Ordinance for consideration.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that council pass Ordinance No. 924-B on first reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 924-B on first reading, as presented.

Reviewed:  _____, City Manager

ORDINANCE NO. 924-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,
AMENDING SECTION 17.12.330 OF THE CHEHALIS MUNICIPAL
CODE DEALING WITH BINDING SITE PLAN.**

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

Section 1. The Chehalis Municipal Code shall be amended to Section 17.12.330 entitled "Development Review Committee Review – Binding Site Plans".

Building Site Plan

17.12.330 Development review committee review – Building site plans.

A. The procedure for notice and the DRC review and decision for binding site plans and condominiums shall follow the procedure for short plats identified in CMC 17.12.210 through 17.12.240.

B. The DRC shall approve the binding site plan with or without conditions, or deny the application based upon the following findings:

1. The conformance of the proposed binding site plan with all city codes, ordinances, plans and regulations; and
2. The adequacy of water supply, sanitary and storm sewer facilities, fire hydrants and fire flow, internal access to all proposed uses within the site, open spaces and parking facilities.

C. Approval of the preliminary binding site plan shall be valid for a five years. During that period a final site plan shall be filed with the DRC. Upon good cause shown, the DRC may allow an extension of one additional one-year period.

PASSED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this _____ day of _____, 2014.

Mayor

Attest:

City Clerk

Approved as to form and for content:

City Attorney

CITY OF CHEHALIS

AGENDA REPORT

DATE: January 27, 2014
TO: The Honorable Mayor and City Council
FROM: Dennis Osborn, Community Development Director
SUBJECT: Ordinance No. 925-B – Adopting the I Codes of the 2012 International Building Code and Appendices

ISSUE

In 2013, the State amended and adopted the new International Building Codes. The City has been bound by these codes upon passage by the State. Formal adoption by the City assists the city in application of the code compliance section and clarifies the appendices to the I Codes adopted.

DISCUSSION

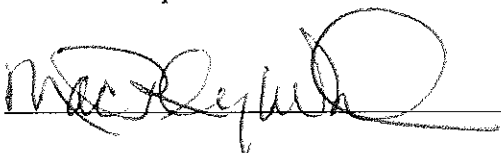
This item was brought to council under the 2013 Code Amendments. The direction from the September 9, 2013 council meeting was to bring this back in Ordinance form. However, this issue was set aside while council and staff worked on the ADU and Signs in Right of way issue. Both of these issues are resolved and this item is back before council in Ordinance for consideration.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that council pass Ordinance No. 925-B on first reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 925-B on first reading, as presented.

Reviewed:  _____, City Manager

ORDINANCE NO. 925-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, ADOPTING THE I CODES OF THE 2012 INTERNATIONAL BUILDING CODE AND APPENDICES (IBC); ADOPTING APPENDIX I OF IBC; ADOPTING APPENDIX J OF THE IBC; ADOPTING APPENDIX G OF THE INTERNATIONAL RESIDENTIAL CODE (IRC); AND ADOPTING APPENDIX H OF THE IRC; AND REPEALING ALL OTHER ORDINANCES OR PARTS OF ORDINANCES CONFLICTING HEREWITH.

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

Section 1. The City Council of the city of Chehalis, Washington, hereby adopts the 2012 International Building Codes and Appendix C, Appendix I and Appendix J, a copy of which is available at the Chehalis Planning Department, and incorporated herein by this reference.

Section 2. The City Council of the city of Chehalis, Washington, hereby adopts the International Residential Code and Appendix G and Appendix H as the city's official Building Code, a copy of which is available at the Chehalis Planning Department, and incorporated herein by this reference. **Section 3. Repeal.** All Ordinances or parts of Ordinances of the City of Chehalis, Washington, conflicting herewith, shall be, and the same are hereby repealed.

PASSED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this _____ day of _____, 2014.

Mayor

Attest:

City Clerk

Approved as to form and for content:

City Attorney

CITY OF CHEHALIS

AGENDA REPORT

DATE: January 27, 2014
TO: The Honorable Mayor and City Council
FROM: Dennis Osborn, Community Development Director
SUBJECT: Ordinance 926-B – Amending Chehalis Municipal Code for Vacation of Right-of-Way

ISSUE

Currently, state law prescribes vacation of right-of-way procedures. However, the Municipal Code provides no direction on procedures as to how to move forward on a vacation petition within the City of Chehalis. This amendment is to provide that direction.

DISCUSSION

This item was brought to Council under the 2013 Code Amendments. The direction from the September 9, 2013 Council meeting was to bring this back in Ordinance form. However, this issue was set aside while Council and staff worked on the ADU and Signs in Right of way issue. Both of these issues are resolved and this item is back before Council in Ordinance for consideration.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that council pass Ordinance No. 926-B on first reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 926-B on first reading, as presented.

Reviewed:  _____, City Manager

ORDINANCE NO. 926-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,
CREATING AND ADOPTING SECTION 12.32 OF THE CHEHALIS
MUNICIPAL CODE DEALING WITH STREET AND ALLEY
VACATIONS.**

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

Section 1. The Chehalis Municipal Code shall adopt Section 12.32 entitled
“Street and Alley Vacations”.

**Chapter 12.32
STREET AND ALLEY VACATIONS**

Sections:

- | | |
|------------------|--|
| <u>12.32.010</u> | Petition or resolution to vacate. |
| <u>12.32.020</u> | Filing petition with public works department – Fee. |
| <u>12.32.030</u> | Presentation of petition to public works department. |
| <u>12.32.040</u> | Notice of public hearing. |
| <u>12.32.050</u> | Notice of hearing where vacation initiated by council –
Objections. |
| <u>12.32.060</u> | Public hearing – Criteria for granting vacation. |
| <u>12.32.080</u> | Ordinance granting vacation. |
| <u>12.32.090</u> | Vacation of portion of area described in original petition. |
| <u>12.32.100</u> | Compensation and appraisal fees. |
| <u>12.32.110</u> | Assurance that petitioner meets conditions of vacation. |
| <u>12.32.120</u> | Property trade in lieu of payment. |
| <u>12.32.130</u> | Waiving compensation – Other governmental agencies. |

12.32.010 Petition or resolution to vacate.

The owners of an interest in any real estate abutting upon any street or alley who may desire to vacate the street or alley, or any part thereof, may petition the city council to make vacation in the manner hereinafter provided in this chapter and pursuant to Chapter 35.79 RCW, or the council may, itself, initiate by resolution such vacation procedure. The petition or resolution shall be reviewed by the public works department, and, if the petition is signed by the owners of more than two-thirds of the property abutting upon the part of such street or alley sought to be vacated, the council, by resolution, shall fix a time when the petition will be heard, which time shall not be more than sixty days nor less than twenty days after the date of passage of such resolution. The petition for vacation shall contain an accurate and correct legal description of the property requested by the vacation.

12.32.020 Filing petition with the City Clerk – Fee.

The petition, properly signed, and any information forms, shall be filed with the City Clerk together with payment of a filing fee as established by resolution of the city council, which shall be paid into the general fund of the city to aid in defraying expenses incurred by the city

in checking the sufficiency of such petition and investigating or reporting the facts, and shall not be returned to the petitioner(s) regardless of the council's action on such petition.

12.32.030 Presentation of petition to public works department.

The petition form, information forms, together with written instructions concerning the street vacation procedures, shall be available from the public works department. This information shall be completed and presented to the public works department for approval as to form and content prior to payment of the filing fee as set forth in Appendix A of the CMC.

12.32.040 Notice of public hearing.

Upon passage of the resolution fixing time, the city shall cause twenty days' notice to be given of the pendency of the petition by a written notice in three of the most public places in the city, a like notice to be posted in a conspicuous place on that portion of the street or alley sought to be vacated, a like notice in a newspaper of general circulation in the city, and copies of such notice shall be mailed, at least fifteen days prior to the date of hearing, to all owners of abutting property, including the petitioners, at the petitioner's local address if a resident of the city, otherwise to the last address showing on the records of the county assessor. The notice shall contain a statement that a petition has been filed to vacate the portion of the street or alley described in the notice together with a statement of the time and place fixed for the hearing of the petition and inviting interested persons to appear and be heard for or against the granting of the vacation. Failure to send notice by mail to any such property owner where the current address for such owner is not a matter of public record shall not invalidate any proceedings in connection with the proposed vacation.

12.32.060 Notice of hearing where vacation initiated by council – Objections.

In all cases where the proceeding is initiated by resolution of the council without a petition having been signed by the owners or more than two-thirds of the property abutting upon the part of the street or alley sought to be vacated, in addition to the notice required in CMC 12.32.040, there shall be given by mail at least fifteen days before the date fixed for the hearing a similar notice to the owners or reputed owners of all lots, tracts or parcels of land or other property abutting upon any street or alley or any part thereof sought to be vacated, as shown on the rolls of the county assessor, directed to the address thereon shown; provided, that if fifty percent of the abutting property owners shall file written objection to the proposed vacation with the public works department, prior to the time of hearing, the council shall not proceed with the vacation or proceed with the resolution.

12.32.060 Public hearing – Criteria for granting vacation.

At the time appointed for the hearing of the petition or resolution, or at such time as the same may be adjourned to by the council, the matter shall be considered and persons desiring to speak for or against the vacation shall be heard. Following such hearing, the council shall determine, among other things, the following:

- A. That the vacation will provide a public benefit, and/or will be for a public purpose;
- B. That the right-of-way vacation shall not adversely affect the street pattern or circulation of the immediate area or the community as a whole;

- C. That the public need shall not be adversely affected;
- D. That the right-of-way is not contemplated or needed for future public use, including utility routing or park or pedestrian/bike access;
- E. That no abutting owner becomes landlocked or his access will not be substantially impaired, i.e., there must be an alternative mode of ingress and egress by way of a city street or alley, even if less convenient; and
- F. That vacation of right-of-way shall not be in violation of RCW 35.79.035.

12.32.080 Ordinance granting vacation.

If there are no objections by owners of real estate abutting on the portion of street or alley to be vacated, sufficient to divest the council of jurisdiction, and if the council deems that such vacation shall be to the public's interest and advantage, the council shall authorize by ordinance the vacation of such street or alley or part thereof, subject to the provisions of this chapter regarding payment of compensation and appraisal fees. Such ordinance may provide for the retention by the city of an easement or the right to exercise and grant easements in respect to the vacated land for the construction, repair and maintenance of public utilities, facilities and services; provided, that the city council may also, if no vested rights are impaired, modified or changed, impose such other conditions or limitations to the granting of the petition for vacation as it deems necessary and proper to preserve any desired public use or benefit.

12.32.090 Vacation of portion of area described in original petition.

If, after a hearing, the council determines that the petition cannot be granted in whole, but that a vacation of a portion of the area described in the original petition should be vacated, then the council may order that the portion be vacated.

12.32.100 Compensation and appraisal fees.

Following council's determination that the petitioned right-of-way, or a portion thereof, should be vacated, the director of public works, or the director's designee, with the assistance of the property owner(s), shall estimate the approximate value of the right-of-way to be vacated in the following manner:

- A. Any vacation request shall have an appraisal done to determine the fair market value of the proposed vacation site. The appraisal value shall be determined upon an appraisal performed at the expense of the petitioner(s) to determine the value of the land; provided, however, said appraiser shall be approved by the city.
- B. The vacationing party shall compensate the city in an amount which does not exceed one-half the appraised value of the area so vacated. If the street or alley has been part of a dedicated public right-of-way for twenty five years or more, or if the subject property or portions thereof were acquired at public expense, the city may require the owners of the abutting property owners of the street or alley to compensate the city in an amount that does not exceed the full appraised value of the area vacated.
- C. Where the city elects to reserve a utility easement over all or a portion of a right-of-way being vacated, either the petitioner(s) shall pay ten percent of the appraised valued.

D. The city reserves the right to reject any appraisal which the city feels does not adequately reflect land value. It will be the city's responsibility thereafter to establish the value of the land being considered for vacation.

After value has been determined, the City Clerk shall notify the petitions(s) of the amount of compensation to be paid for the vacated property. The compensation amount shall be paid to the city clerk within ninety days of the date the city council passes the vacation ordinance. Upon such payment, the ordinance shall be published as provided by law.

12.32.110 Assurance that petitioner meets conditions of vacation.

In all cases where the payment of compensation by petitioners is required, the vacation ordinance shall not take effect until such time as compensation has been paid. In order to ensure payment, the street vacation ordinance, were passed, shall direct the city clerk not to publish the ordinance until payment has been verified, and in the event such payment has not been received within ninety days of the city council's adoption of said ordinance, the ordinance shall be null and void.

12.32.120 Property trade in lieu of payment.

In lieu of payment of monetary compensation, the petitions may grant or dedicate to the city for street or other municipal purposes real property useful for that purpose where the property to be acquired by such exchange has a fair market value at least equal to the amount of cash compensation that would otherwise be required. The city shall not be obligated to accept such an exchange and the decision of the city council on the acceptability of the alternate property offered shall be final.

PASSED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this _____ day of _____, 2014.

Mayor

Attest:

City Clerk

Approved as to form and for content:

City Attorney

CITY OF CHEHALIS

AGENDA REPORT

DATE: January 27, 2014
TO: The Honorable Mayor and City Council
FROM: Dennis Osborn, Community Development Director
SUBJECT: Ordinance No. 927-B – Amending Chehalis Municipal Code for tent camping within the City

ISSUE

This item was added as an enforcement issue arose in the City. The City regulates RV camping but has no provisions for tent camping. This Ordinance restricts tent camping within the City to the same time frame as RV camping and prohibits tent camping in the front yard.

DISCUSSION

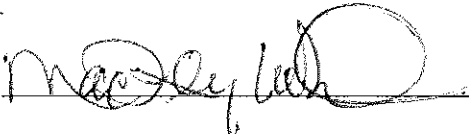
This item was brought to Council under the 2013 Code Amendments. The direction from the September 9, 2013 Council meeting was to bring this back in Ordinance form. However, this issue was set aside while Council and staff worked on the ADU and Signs in Right of way issue. Both of these issues are resolved and this item is back before Council in Ordinance for consideration.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that council pass Ordinance No. 927-B on first reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 927-B on first reading, as presented.

Reviewed:  _____, City Manager

ORDINANCE NO. 927-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,
AMENDING SECTION 17.81.010 OF THE CHEHALIS MUNICIPAL
CODE DEALING WITH TENT CAMPING.**

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

Section 1. The Chehalis Municipal Code Section 17.81.010 entitled "Tent
Camping" shall be amended to read as follows:

Tent Camping

17.81.010 Permanent habitation.

A. No recreational vehicle shall be used as a place of permanent habitation or residency except when located within an approved mobile home park and connected to required utilities. Habitation of any recreational vehicle on any private property exceeding 14 calendar days annually or 30 calendar days within an approved recreational vehicle park, or any habitation by persons not having an approved permanent address elsewhere shall be construed as permanent habitation of a recreational vehicle.

B. Any unit connected to utilities and/or electricity on any portion of any private property or city right-of-way shall be deemed to be inhabited and shall cause the city to investigate such usage.

C. No recreational vehicle shall be used for living or housekeeping purposes when parked on any public right-of-way, or any public property except approved recreational vehicles parks. No recreational vehicle shall be used for living or housekeeping purposes when parked on any private property except as provided in CMC 17.81.030(A)(1).

D. Tent camping within the city shall only be allowed in back/rear yards within the residential zone for a period not to exceed 14 days within any 30 day period. The tent must be on private property and located in the rear yard. Tent camping is prohibited in all other zones except for approved RV parks that comply with the appropriate provisions of the municipal code.

PASSED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this _____ day of _____, 2014.

Mayor

Attest:

City Clerk

Approved as to form and for content:

City Attorney

**CITY OF CHEHALIS
AGENDA REPORT**

DATE: January 22, 2014

TO: The Honorable Mayor and City Council

FROM: Rick Sahlin, Interim Public Works Director

SUBJECT: Engineering Services for the Chehalis Avenue Beautification and Overlay Project.

ISSUE

The city entered into an agreement with HDR ENGINEERING, INC. in June 2012 to provide engineering services for completing preliminary and final design, developing plans, specifications and engineers estimate of probable construction cost (PS&E) for the construction of Chehalis Avenue between West Main Street and N.W. Pacific Avenue. We are submitting an amendment to the contract for council review and approval.

DISCUSSION

The city had an approved engineering agreement with HDR Engineering, Inc., totaling \$38,555.00 for the design, developing plans, specifications and engineer's estimate of probable cost (PS&E) for the Chehalis Avenue Beautification and Overlay Project. Design was completed and the project was bid. In July of last year the city received two bids for the project. All bids received were above the engineer's estimate of \$472,486.00. We believe this was due to the contractors already having enough work lined up for the construction season. At the October 28th council meeting the council approved to reject both bids received and directed the administration to re-bid the Chehalis Avenue Beautification and Overlay Project. The decision was made at that time to re-bid the project early in 2014 in an attempt to get more favorable bids.

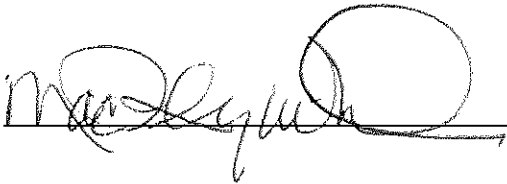
Attached is Amendment 1 to the Agreement with HDR Engineering, Inc. for an additional \$80,813.00 for additional engineering services to prepare PS&E to re-bid the project. Update and submit necessary documents to Washington State Department of Transportation and perform Project Management / Construction Services. The costs are broken down by Tasks in the attached Detailed Scope of Services. The largest cost for this amendment is the construction engineering support services (\$64,398), which was not in the original contract. This is required as the city does not have a licensed engineer.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the city council authorize acceptance of Amendment No. 1 to the agreement for engineering services for the Chehalis Avenue Beautification and Overlay Project with HDR Engineering, Inc., for an additional amount of \$80,813.00.

SUGGESTED MOTION

I move that the council authorize the city manager to execute Amendment No. 1 to the agreement for engineering services for the Chehalis Avenue Beautification and Overlay Project with HDR Engineering, Inc., for an additional amount of \$80,813.00.

REVIEWED BY:  _____, CITY MANAGER

AMENDMENT TO AGREEMENT
FOR
ENGINEERING SERVICES

WHEREAS:

HDR ENGINEERING, INC. ("HDR") entered into an Agreement on June 20th, 2013 to perform engineering services for CITY OF CHEHALIS ("OWNER") for Chehalis Ave., Main Street to Pacific Ave., Improvement ("PROJECT"); CITY OF CHEHALIS desires to amend this Agreement in order for HDR to perform services beyond those previously contemplated;

HDR is willing to amend the agreement and perform the additional engineering services.

NOW, THEREFORE, HDR and CITY OF CHEHALIS do hereby agree:

The Agreement and the terms and conditions therein shall remain unchanged other than those sections and exhibits listed below;

Section IV. COMPENSATION Item 1 shall be replaced with following:

- Direct Labor Costs times a factor of 3.2 for the services of Engineer's personnel Engaged on the Project, plus Reimbursable Expenses, estimated to be One Hundred Twenty Thousand Three Hundred Sixty Eight Dollars (\$120,368.00.)

Prime Contract	\$ 39,555.00
Amendment 1	80,813.00
Total Contracted Amount	120,368.00

Exhibit A – SCOPE OF SERVICES to the SHORT FORM AGREEMENT BETWEEN OWNER AND HDR ENGINEERING, INC. FOR PROFESSIONAL SERVICES is hereby amended as follows:

Supplement Existing A with Attachment A

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year written below:

HDR ENGINEERING, INC. ("HDR")

CITY OF CHEHALIS ("OWNER")

By: _____

By: _____

Name: Ronald G. Ohlsen

Name: _____

Its: Senior Vice President

Its: _____

Date: _____

Date: _____

CITY OF CHEHALIS

SCOPE OF SERVICES SUPPLEMENT NO. 1

- Project Management
- PS&E Updates
- Construction Inspection Services
- Materials Testing Services

Prepared by:

HDR Engineering, Inc.
606 Columbia Street NW, Suite 200
Olympia, Washington 98501-9000

**EXHIBIT A
SCOPE OF SERVICES**

SUPPLEMENT NO. 1

**CHEHALIS AVENUE
MAIN ST TO PACIFIC AVENUE IMPROVEMENTS**

ENGINEERING CONSULTING SERVICES

I. Introduction

During the term of the original AGREEMENT, HDR Engineering, Inc. (CONSULTANT) was to provide services for design and development of plans, specifications, and engineer's estimate of probable construction costs (PS&E) for improvement of Chehalis Avenue between Main Street and Pacific Avenue. The City, following completion of the design and PS&E has advertised contract documents for bid and will execute construction activities for completion of the project.

The City has elected to reject all bids received for construction of the project and re-advertise the contract documents for bid to support construction of the project. The work provided under this supplemental Agreement is to:

- Re-process the contract documents for the City's use in re-advertising the project for bid.
- Support the City during the bidding process
- Provide project management, preconstruction, and construction management services through observation of Contractor's work progress and field verification of materials and equipment used by the Contractor to complete Work.

The CONSULTANT staff shall not, as a result of such observations of Contractor's work progress, supervise, direct, nor have control over the Contractor's Work.

General Assumptions

Work performed on this project under this supplement shall be as directed by the CITY's Public Works Director and requirements of Sections I, II, and III of the original Scope of Services.

IV. Detailed Scope of Services

A. Preliminary Engineering

TASK 1: Administration - Project Management – (\$13,622)

The purpose of this activity is to provide administration and observation during construction of the project. The CONSULTANT's project manager shall be responsible for administering the communication plan, including creation and updates of the project schedule, implementation of quality control measures for the CONSULTANT's work, project reporting, and project documentation. Activities will include the following:

Task 1.1 – Project Reporting/Project Management

The CONSULTANT shall administer the construction contract and coordinate with the CITY to facilitate efficient progress and timely completion. Elements of work for this task include:

- Manage project activities
- Manage sub-consultant agreements
- Manage project budget and schedule
- Perform two (2) management and business reviews
- Prepare and submit progress reports and monthly invoice to CITY project manager.

Task 1.2 – Meetings

The CONSULTANT project manager, in addition to attending specific meetings as described in other tasks, shall attend weekly meetings with the CITY and Contractor. Elements of work for this task include:

- Prepare agenda, summarize decisions made, and assign tasks/action items.

Task 1.3 – Monthly Progress Reports

The CONSULTANT project manager, shall prepare and submit monthly progress reports along with monthly invoices. This work shall include the following:

- CONSULTANT shall review staff and Sub-Consultant work and provide a narrative report that identifies work activities completed during the month/invoicing period.
- The CONSULTANT shall also review the work and progress made in conjunction with the CONTRACTOR's construction activities/progress and incorporate that information into the narrative report for submittal to the CITY. This will include:

- An update of the current status of key work elements, project milestones, and identify variances in the baseline schedule.
- Major elements of construction work completed, work that is anticipated, and status of project budget.
 - This will include discussion regarding payments made to date, change order status, and other pending issues that could impact the project budget or schedule.

Task 1.4 – Agency Coordination

The CONSULTANT will assist the CITY Project Manager in updating the necessary forms and documents necessary for submittal to the Transportation Improvement Board (TIB) and Washington State Department of Transportation Southwest Region Local Programs Engineer (WSDOT). These services shall include:

- Obtaining TIB and WSDOT authorization to Re-Ad the Contract Documents for Bid.
- Developing a tabulation of all bids for TIB and WSDOT acceptance.
- Updating TIB's Updated Cost Estimate form to incorporate costs from the selected Contractor's bid amount including Construction Engineering costs.
- Updating/Supplementing WSDOT's Local Agency Agreement to include the selected Contractor's bid amount including Construction Engineering costs.

Assumptions:

- CONSULTANT/CITY/CONTRACTOR meetings shall be held weekly.
- Meetings are assumed to be one (1) hour or less in duration
- Duration of the Construction portion of the project is assumed to be April 2014 to July 31, 2014 four (4) months.
 - Assumes ten (10) meetings will be held during the April 2014 to July 31, 2014 timeframe.
- All meetings are assumed to be held at the City of Chehalis Public Works Department at 2007 NE Kresky Ave, Chehalis, WA., 98532 and will be attended by two members of the CONSULTANT staff, CITY Project Manager, and CONTRACTOR.

Task 1 – Deliverables

- Five (5) Monthly Invoice and Progress Reports
- Meeting Agenda's/Meeting Notes – ten (10) Meetings
- Bid Tabulation
- TIB Updated Cost Estimate Form
- WSDOT – Update/Supplement Local Agency Agreement

Task 8 – Plans, Specifications, and Estimate (PS&E) Development – (\$2,033)

This task shall consist of developing Plans, Specifications, and Engineers Estimate of Probable construction costs for use in construction of the improvements planned on Chehalis Avenue between Main Street and Pacific Avenue.

Task 8.2 100% PS&E Update/Submittal

CITY rejected all bid submittals opened July 11, 2013 and has elected to re-advertise for bid in late 2013 or early 2014.

CONSULTANT shall re-assess WSDOT's Amendments and current contract special provisions and update the contract documents for use in re-advertisement of the project for bid. This work shall consist of:

- Revising/Updating the contract amendments to verify if there have been changes to the amendments and will update the amendment portion of the contract documents to the most current version in use at time of pending Ad period.
- Updating the Special Provisions portion of the contract documents to incorporate new Advertisement and Bid Opening dates, and verify/update all special provisions that may have been change or modified between the previous Contract Ad period and pending Ad period.
- Updating the Federal and State Wage Rate data and compile into updated Contract Document for use in Advertisement of the project.

Task 8.2.1 Addendum

CONSULTANT anticipates one addendum will be required during the advertisement period to update the Federal and State Wage Rates included in the contract documents. Federal and State Wage Rates are updated on a two week cycle. Since the advertisement period for this project requires a three week advertisement period, the CONSULTANT assumes that one addendum will be required during advertisement of the contract documents.

Assumptions

- The CITY will submit Ad Ready contract documents to Builders Exchange for bidding purposes.
- CONSULTANT assumes there will be one addendum required to update the Federal and State Wage Rates during the three week Advertisement period

Task 8.2 Deliverables

- Ad Ready Contract Documents
- One Addendum.

Task 10: Construction Engineering Support Services (\$64,398)

(Note: CONSULTANT shall not commence with work identified in Tasks 10.1.2 thru 10.3 until authorized to do so by the CITY)

Description of Construction Work:

Construction of the project will improve of 0.24 miles (1162 L.F.) of Chehalis Avenue between Main Street and Pacific Avenue. This work includes removing portions cement concrete sidewalk, cement concrete curb, cement concrete curb and gutter, roadway excavation including haul, pavement repair excavation including haul, planning bituminous pavement, storm drainage, hot mix asphalt for pavement repair, hot mix asphalt, common borrow including haul, topsoil type A and C, compost, bark or wood chip mulch, installation of irrigation system, benches, cement concrete sidewalk, cement concrete curb ramps, cement concrete traffic curb and gutter, adjustment of manholes, catch basins, monuments, monument case and covers, and pavement markings, and other work, all in accordance with the attached Contract Plans, the Contract Provisions, and Standard Specifications.

The CONSULTANT and SUB-CONSULTANT (Pacific Testing and Inspection LLC) shall provide construction management, inspection, and materials testing during construction of the Chehalis Avenue – Main Street to Pacific Avenue project.

The CONSULTANT and SUB-CONSULTANT, through observation of the Contractor's work, shall document the progress of work and field verify the materials and equipment used during the Contractor's construction operation to provide protection for the CITY against defects and deficiencies in the work.

The CONSULTANT and SUB-CONSULTANT shall not, as a result of such observations of the Contractor's work progress, supervise, direct, nor have control of the Contractor's work. The CONSULTANT staff will not have any authority or responsibility for the means, methods, techniques, sequences, or procedures selected by the Contractor for affecting the work, safety, and programs incidental to the Contractor's work or progress, for any failure by the Contractor to comply with the Laws and Regulations applicable to the Contractor performing and furnishing the work, or responsibility of construction for the Contractor's failure to furnish and perform the work in accordance with the Contract Documents.

General Assumptions:

Work performed on this project per this scope of services shall be as directed by the CITY's Project Manager.

A. Construction Engineering Support

The purpose of this activity is to provide construction contract administration and observation services for the project. The CONSULTANT's project manager shall be responsible for

reviewing the contractor's baseline and updates of the project schedule, implementation of quality assurance program, coordination with WSDOT, project reporting, and project documentation. Activities will include the following:

Task 10.1 Preconstruction Services

Task 10.1.1 Bid Support -- (\$760)

This work will consist of the CONSULTANT providing the CITY with the final contract documents for solicitation of bids to Builders Exchange. The CONSULTANT shall compile the bid proposals, verify bid amounts, and provide recommendation to the CITY for award of contract based on the bidder's instructions, and organizing and managing construction documentation in accordance with WSDOT's Southwest Region Local Programs Engineer's process in accordance with WSDOT's Local Agency Guidelines (LAG) Manual.

Task 10.1.2 Preconstruction Meeting

The CONSULTANT will coordinate with the CITY Project Manager for identifying a location for conducting the Pre-construction meeting; compose letters for the CITY's submittal to the local utility company representatives, city staff, sub-consultants, and Contractor informing them of the date, time, and place of the meeting. The CONSULTANT shall also prepare a meeting agenda and lead a pre-construction conference, and develop and submit follow-up meeting minutes (notes) of the meeting and decisions made and distribute to all attendees.

Task 10.1.3 Preconstruction Photographs

The CONSULTANT will conduct a site visit and obtain photographs of the construction site to document the existing conditions prior to the start of construction.

Assumptions

- The CITY will provide the CONSULTANT with all Bid Submittals.
- The CITY will identify the location and site address for conducting the Preconstruction Meeting.
- The CONSULTANT will draft a Pre-Construction Meeting letter for the CITY's use in mailing to all utility company representatives, sub-consultants, the Contractor notifying them of the time/date/location of the Preconstruction Meeting.
- It will be the CITY's responsibility for finalizing and submitting the letter to the selected Contractor and local utility representatives
- The CONSULTANT will prepare an agenda and conduct the Pre-Construction Meeting.
- The CONSULTANT shall develop and distribute meeting notes of the Preconstruction meeting for distribution to all meeting attendees.
- The CONSULTANT will compile and provide photos of the construction site to the CITY Project Manager showing existing site conditions prior to commencing construction activities.

Task 10.2 Construction Engineering/Inspection Support

The CONSULTANT shall provide engineering services for managing the work and inspection of the Contractors progress, materials, and equipment used in construction of the project.

Task 10.2.1 Inspection

The CONSULTANT shall plan, organize, and layout work for CONSULTANT staff and coordinate staff changes with the CITY Project Manager to oversee construction of the project.

CONSULTANT shall prepare daily construction reports detailing the Contractor's activities performed for each working day. The report shall identify the items of work completed, the quantity of materials installed, and the equipment and personnel on the site.

CONSULTANT shall prepare paynotes daily quantifying the materials installed to support preparation and validation of the monthly payment to the Contractor.

The CONSULTANT shall assist the CITY as questions arise regarding the quality and acceptability of materials furnished, work performed, and rate of progress of work performed by the Contractor.

Task 10.2.2 – Public Meetings/Open House

The CITY will be organizing and conducting Public Meetings/Open Houses with adjacent property/business owners who have residences/businesses located in proximity to the project to inform them of the project and obtain feedback from the regarding construction of the project and how best to facility construction of the project to minimize impact to their residences and neighboring businesses..

The CONSULTANT will work with the CITY's Project Manager and Contractor as part of the Public Meeting/Open House process.

Assumptions:

- CITY will conduct each Public Meeting/Open House.
- CITY assumes that there will be two public meetings/open houses held for this project.
- One Public Meeting/Open House shall be scheduled prior to project ground breaking and be held at a meeting place, time, and date determined by the CITY Project Manager.
- The CONSULTANT shall schedule hours and a budgeted amount for attendance at initial Public Meeting/Open House, and two follow-up Public Meetings/Open Houses.
 - The CONSULTANT will not bill time to the two follow-up Public Meetings/Open Houses task unless attendance at the meetings is required by the CITY Project Manager.

- Public Meetings/Open Houses shall be attended by one CONSULTANT Staff, the Contractor and City Staff.
 - Meetings are assumed to be 3 hours in duration.
 - One hour for travel time (30 minutes to, and 30 minutes from the meeting), and two hours for meeting participation.
- The CITY will compile addresses for all known adjacent residences, business owners, stakeholders, and City representatives and mail notices requesting attendance at each meeting. CITY staff will develop the notices and fliers for use in the advertisement/notification of each meeting, including date, time, and place the meeting is to be conducted.
- The CITY will develop a meeting agenda and public response form to solicit and record public comment.
- The CONSULTANT shall develop exhibits for use at each Public Meeting/Open House as requested by the CITY Project Manager.

Task 10.2.3 Construction Schedule

The CONSULTANT shall review and comment on the Contractor's baseline schedule and four schedule updates received from the Contractor. The CONSULTANT will provide the Contractor's updates of the Contractors schedule to the CITY Project Manager.

The CONSULTANT shall:

- Bring any perceived challenges or problems to the CONTRACTOR's attention.
- Monitor the construction CONTRACTOR's conformance to schedule and require revised schedules when needed, and will advise the CITY of all schedule changes.
- Review third party utility work schedules for compatibility.

Task 10.2.4 Manage Submittal Process

The CONSULTANT shall receive, track and review, work plans, shop drawings, samples, test reports, and other data submitted by the CONTRACTOR for general conformance to the Contract Documents. Track review status in a submittal log.

Task 10.2.5 Record of Materials

The CONSULTANT and SUB-CONSULTANT shall review record of materials documentation to verify compliance with the CONTRACT specifications, and advise the CONTRACTOR of any know deficiencies.

The CONSULTANT's SUB-CONSULTANT shall perform the following inspections and material tests:

1. Visual soils inspection and in place density testing of native soils, imported aggregates, and roadway grindings;
2. In place density testing of asphalt placement;
3. Cold feed sampling of asphalt batch plant;

4. Cast-in-place concrete inspection and sampling of sidewalks, including slump, air, and temperature;
5. Related laboratory services per WSDOT standards

The SUB-CONSULTANT will provide verbal results after completion of each inspection, and will submit a hand written report prior to leaving the site. Typed reports will be sent out on a weekly basis. Deficiencies will be identified in the report and provided the CONTRACTOR for correction and re-inspection. If not corrected, a non-conformance report will be developed and distributed to the appropriate parties.

The CONSULTANT shall develop and maintain the Record of Materials compliance documentation received and advise the Contractor of any known deficiencies prior to installation.

Task 10.2.6 Manage Requests for Information (RFI's)

The CONSULTANT shall track and review/evaluate and respond to up to six (6) RFI's submitted by the CONTRACTOR.

Task 10.2.7 Change Orders

The CONSULTANT shall identify changes and/or potential changes as needed for construction of the project. These changes may be initiated by the CITY, CONSULTANT or the Contractor. The CONSULTANT will prepare the necessary documentation describing the change, an estimate of the costs, and its recommendations for acceptance, modification or rejection. The CONSULTANT will work with the CITY to negotiate the cost and any schedule impacts of the change.

CONSULTANT shall submit all supporting change requests/change orders to WSDOT's Southwest Region Local Programs Engineer for approval. Contractor shall not proceed with work until CONSULTANT given authorization to do so by WSDOT SW Region Local Programs Engineer.

The CONSULTANT will log and track change orders from inception through execution.

Task 10.2.8 Monthly Pay Requests

The CONSULTANT shall prepare monthly requests for payment and/or review pavement requests submitted by the CONTRACTOR.

The CONSULTANT shall review each payment request with the CITY and the CONTRACTOR, and provide recommendations for payment as appropriate.

Task 10.2.9 Evaluate Schedule of Values

The CONSULTANT shall evaluate the CONTRACTORS' Schedule of Value for lump sum items including contract price allocations and verify that such allocations are made in accordance with the requirements of the contract documents.

Task 10.2.10 Prevailing Wage Interviews

The CONSULTANT shall receive, review, return to the CONTRACTOR for revision if necessary, and transmit to the CITY the Contractor's Intent to Pay Prevailing Wage and weekly certified payrolls. Periodically, the CONSULTANT will conduct on-site wage interviews in accordance with WSDOT and Local Agency Guideline requirements.

Task 10.2.11 Record Drawings

The CONSULTANT shall review monthly, the CONTRACTOR's redline set of contract plans and track changes, and location of discovered anomalies and other items found during construction of the project. The CONSULTANT shall use these markups to check the progress of the CONTRACTOR-prepared Record Drawings markups. The CONSULTANT will prepare the final Record Drawings.

Task 10.2.12 Construction and Post Construction Audits

The CONSULTANT shall support the CITY during construction and post-construction reviews by WSDOT Highways and Local Programs, and FHWA.

Task 10.2.13 Project Closeout

The CONSULTANT shall prepare Certificates of Substantial, Physical, and Final Completion including punch list, and final pay estimates.

Task 10.2.14 Final Records

The CONSULTANT shall compile final Project records for transferring to the CITY for archiving at final acceptance of the Project. Records will consist of one hard copy originals and electronic records on a CD/DVD.

Assumptions

- Construction duration is forty (40) working days
- Schedule updates will be provided by the Contractor on a bi-weekly basis for a total of four (4) schedule updates.

Task 10.3 Design Support Services During Construction

The CONSULTANT shall provide engineering design support services during construction to respond to CONTRACTOR questions and plan changes as necessary during the construction phase of the project.

These services shall include:

- Conducting Shop Drawing Reviews
- Consulting with the CITY on plan clarifications and provide revisions as needed
- Design and provide PE stamped change order drawings as needed.
- Provide design concurrence on change orders. Concurrence shall be provided in writing.

- Attend construction meetings and field reviews as needed to assist with resolving design related issues during construction.

Assumptions

- Up to ten (10) Submittals Requiring Shop Drawing Reviews (including review of one resubmittal)
- Up to five (5) Consultation Meetings with CITY to clarify plan questions/concerns.
- Up to five (5) PE Stamped change order drawings
- Up to ten (10) – Construction Meetings and Field Reviews – Attended by one (1) CONSULTANT staff member

Task 10 Deliverables

- Draft Preconstruction Meeting Letter
- Agenda for Preconstruction Meeting
- Preconstruction meeting agenda and meeting notes
- Preconstruction photos of the site conditions
- Record of Materials
- Daily Inspection Reports
- Up to five (5) PE stamped change order drawings

