

**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 Sr., District 3 Chad E. Taylor, Position at Large Bob Spahr, Position at Large
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**Regular Meeting of Monday, March 24, 2014**

5:00 p.m.

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

<b>CITIZENS BUSINESS</b>		
This is an opportunity for members of the audience to address the council on matters not listed elsewhere on the agenda. Speaker identification forms are available at the door and may be given to the city clerk prior to the beginning of the meeting.		
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<b>PROCLAMATIONS / PRESENTATIONS</b>		
3. <u>Proclamation Declaring the Chehalis Bearcat Girls Basketball Team District and State 2A Champions.</u> (Mayor)	---	

CONSENT CALENDAR		
4. <u>Minutes of the Regular Meeting of March 10, 2014.</u> (City Clerk)	APPROVE	1
5. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	5
6. <u>Resolution No. 05-2014, First and Final Reading – Acknowledging that the Governmental Body Responsible for Overseeing Investment Decisions has Read and Understands the Prospectus Created by the Local Governmental Investment Pool.</u> (City Manager, Finance Manager)	ADOPT	6

ADMINISTRATION AND CITY COUNCIL REPORTS		
7. <u>Administration Reports.</u>		
a. Update on outdoor pool project. (Community Development Director, Project Architect/Engineer Norm Pfaff)	INFORMATION ONLY	21
b. Introduction of new Finance Manager. (City Manager)	INFORMATION ONLY	
c. February financial report. (Finance Manager)	INFORMATION ONLY	22
d. Update on loans received for city projects. (Public Works Director)	INFORMATION ONLY	
8. <u>Council Reports.</u>		
a. Councilor reports. (City Council)	INFORMATION ONLY	
b. Council committee reports. (City Council)	INFORMATION ONLY	

NEW BUSINESS		
9. <u>Resolution No. 01-2014, First and Final Reading – Adopting an Interlocal Agreement between the City, Lewis County and the City of Tacoma, Outlining the Terms and Conditions of a Potential Purchase of Railroad Right-of-Way Running From Maytown to Chehalis.</u> (City Manager, Lewis County Commissioner Bill Schulte)	ADOPT	28
10. <u>Resolution No. 04-2014, First and Final Reading - Revising the Chehalis Capital Improvement Plan.</u> (City Manager, Community Development Director)	ADOPT	57

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, APRIL 14, 2014

March 10, 2014

The Chehalis city council met in regular session on Monday, March 10, 2014, in the Chehalis city hall. Mayor Pro-tem Harris called the meeting to order at 5:00 p.m. with the following council members present: Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor, and Tony Ketchum. Mayor Dawes was absent (excused). Staff present included: Merlin MacReynold, City Manager; Assistant City Attorney Brian Kelly; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Dennis Osborn, Community Development Director; and Peggy Hammer, Human Resources Administrator. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Update on American Behavioral Health System (ABHS).** Program Manager Tony Prentice provided an annual update on the ABHS facility. He noted they continue to house up to 180 male clients and have up to 16 more in their Specialty Services Program. Mr. Prentice reported they've had two complaints since July 2013: the first involved clients looking out one of the windows; and the second was a noise complaint due to a fire alarm going off at 11:00 p.m. and the clients had to exit the building. He noted both issues had been resolved.

Mr. Prentice reported all of their clients come from the Department of Corrections (DOC), adding they receive no private or Division of Behavioral Health and Recovery funding. They've had 1,114 clients discharged from the facility, and 932 of those completed the program. Mr. Prentice noted 8.4 percent aborted the program and the DOC and Police Department had to be notified. He stated they had an 88 percent completion rate in 2013 and were running right about 90 percent for 2014.

Mr. Prentice reported the facility continues to employ 85 full-time employees. He noted they recently adopted a new therapeutic community model program, which is a DOC model for drug offenders. Mr. Prentice stated the program puts a little more emphasis on the community as a whole, and teaches the clients pro-social skills versus individual treatment. He suggested the program will effectively help clients help each other to get better.

Mr. Prentice reported a couple of their staff went to a recent "Free and Clean Weekend" event and saw over 15 of their ex-clients, and they were still clean. He stated it's encouraging to see they are having an effect in this fight.

Councilor Pope inquired about the age groups at the facility. Mr. Prentice stated they range from 18 to 62.

Mayor Pro-tem Harris thanked Mr. Prentice for coming and talking to the council, adding it was a much different situation than two years ago. He stated it was great to see their facility as a positive part of the community, adding the job they do is wonderful and necessary.

Councilor Spahr asked how ABHS followed up with clients who complete the program to see how successful they are down the road. Mr. Prentice reported DOC usually does that because they're under their supervision when they leave.

2. **Consent Calendar.** Councilor Spahr moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of February 24, 2014;
- b. Claim Vouchers No. 108525-108633 and Electronic Funds Transfer No. 12014 in the amount of \$116,079.31 dated February 28, 2014; and Payroll Vouchers No. 37171-37225, Direct Deposit Payroll Vouchers No. 4757-4839, and Electronic Federal Tax Payment No. 133 in the amount of \$655,649.79 dated February 28, 2014; and
- c. Adopt Resolution No. 03-2014 on first and final reading for surplus of city property.

The motion was seconded by Councilor Lund and carried unanimously.

3. **Administration Reports.**

a. **Discuss Combining Chehalis Planning Commission and Historic Preservation Commission (HPC).** Community Development Director Dennis Osborn reported, a few weeks back, he and the council had a discussion about the HPC and Planning Commission possibly becoming one. He felt it would be best to have someone from the state come and talk to the council about things that would need to be addressed if they decide to move in that direction.

March 10, 2014

Mr. Osborn introduced Megan DuVall from the Department of Archaeology and Historic Preservation to talk about the requirements of having a HPC.

Ms. DuVall reported the city passed an ordinance in 1986 to establish an HPC, and in January 1987 the city became a certified local government (CLG). She noted the National Historic Preservation Act of 1966 initially set up the statewide program; however, in 1980 the National Park Service amended the Act to create the CLG program.

Ms. DuVall reported they have a partnership between their office and the National Park Service to certify that local programs meet certain requirements, such as:

- Having an HPC
- Keeping a local register of historic buildings
- Do design review of changes to locally listed historic properties
- Hold open public meetings
- Participate in any national register nominations that come from the community

Ms. DuVall reported they have a couple of cities in Washington State that have combined their Planning Commission with their HPC. She noted it wasn't her preferred method, but if it's going to keep the HPC meeting regularly, she would prefer that over not having a Commission at all. Ms. DuVall stated it has worked, but you still have to maintain a system for surveying and inventory of historic properties and the Commission needs to meet regularly and have public participation. She talked briefly about the benefits of being a CLG, which include: the ability to offer special tax valuation to locally listed buildings; competitive grant programs; and scholarships for national and state-wide conferences.

Ms. DuVall reported a lot of their annual funding comes from the federal government, and 10 percent of it has to get passed through to the CLG. She stated there was no match required and the money could be used for things like education, planning, surveying/inventory work, national or local register nominations, and professional HPC consultant services.

Councilor Lund inquired about the 40 percent match on grant funding for city projects. Ms. DuVall stated they didn't have enough money to give construction type grants, noting they usually try to give enough to get things moving, such as planning and surveying services.

Ms. DuVall stated the biggest issue for the city is we don't have an active HPC. One of the requirements is that they must meet at least quarterly and it's been two solid years since they've met.

Councilor Lund suggested, if they had been meeting regularly, the members might have been interested in continuing to meet. Ms. DuVall agreed, adding giving them something to do would keep them interested. She stated she talked with Mr. Osborn about applying for a grant to hire a staff person or consultant to do survey and inventory work as a way to get the commission engaged again.

Councilor Pope reported there was a building downtown that he felt was unsafe that was put on the historical registry. He suggested if they're going to put such buildings on the registry they should have a plan on how to rehabilitate them and not let them continue to deteriorate to a point of having to be concerned about fire and human life.

Councilor Pope stated it was encouraging to have grant programs, but like most federal programs, they make you feel good until it comes time to get the money. Ms. DuVall stated she receives calls daily from people seeking grants to rehabilitate properties. She noted their job is to make sure they are recognized as historic buildings. She wished there was money available because they want to see them rehabilitated as well.

Ms. DuVall reported one of the requirements of the HPC is they all have to have a demonstrated interest, or experience in preservation. She noted they ask that you have two professionals on the Commission, which can be an architect, historian, or something of that nature. Ms. DuVall stated if the city plans to combine its HPC and the Planning Commission she would still have to have statements from everyone on the Commission that they are interested in preservation.

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Mayor Pro-tem Harris stated he knew that our HPC has been very functional in the past and thought one of the things that might have slowed things down is the economy. He suggested nobody is doing any developing, so getting together every month to talk about nothing is probably why we're in the position we're in now.

Councilor Spahr stated, as a realtor, he's had people concerned about buying a home on the historic registry because the restrictions put on them can hinder anything they might want to do to it. Ms. DuVall stated the job of the HPC is to protect the features that make it an historic building. She noted most HPCs have very broad guidelines and they're there to work with the property owners. Ms. DuVall suggested if someone went through the process they would be very surprised by the ease of it.

Councilor Ketchum asked if the main reason for combining the two was lack of interest in the community. Mr. Osborn stated that was correct, adding it's been that way for the Planning Commission for some time. He stated if the council is interested he could bring back a more focused discussion on what the code requires, what the current function is, and what the HPC would look like combined with the Planning Commission.

Councilor Ketchum stated he didn't think it was a bad idea, but didn't want to lose the historic part because that's what makes Chehalis unique. He stated the downside of combining the two is that we lose the uniqueness of both groups and their thought patterns.

City Manager MacReynold thought Ms. DuVall was being very kind in the fact that it's probably been more than two years since the HPC has met. He stated this is an opportunity to revisit the issue, adding the administration is looking for some guidance from the council.

Mr. Osborn reported the grant Ms. DuVall mentioned earlier is for \$10,000. He noted in order to launch the program the city would need to get up to speed on its requirements, whether it's a single Commission or joint with the Planning Commission.

City Manager MacReynold noted one of the long standing issues is staffing, adding four years ago the community development department had five or six employees, and now they have two.

Mayor Pro-tem Harris suggested it might be wise to touch base with the current Commission members to find out what their anxieties might be, and perhaps use a consultant to reenergize the program.

City Manager MacReynold stated if the council wants to keep the HPC a free-standing Commission, that's all the administration needed to know at this time.

Councilor Taylor suggested the HPC was probably successful in the past because they had Joanne Schwartz kicking it in the rear. He asked if the city had the staff to make it successful again. Mr. Osborn stated the lack of staff was part of the problem. He noted they have a lot on their plate right now just trying to keep up on the daily work, as well as meeting state and local requirements, undertaking the Shorelines Plan update, and the Comp Plan update that's due in a couple of years. Mr. Osborn didn't know how much more they could put on their plate if staffing remains the same.

Mr. Osborn suggested in the short-term they need take advantage of the grant, so they can get the program going again. He noted over the next year they can look into it further to figure out a long-term strategy for the program.

Councilor Spahr stated he thought the program offered by the Department of Archaeology & Historic Preservation was wonderful; however, the city has mountains of regulations and mandates that we have to meet, and as noted earlier, the city has gone from five employees down to two. He reported, over the years, programs have been set up to give staff the opportunity to work them, and if they can't, they go to the wayside which is probably what happened. Councilor Spahr stated historic preservation is important, and even though it's not a high priority in his book, he would be in favor of getting a grant for a consultant.

Councilor Pope stated, given what they are doing in the city right now, this would be an appropriate time to revitalize the HPC. He suggested they go for the grant.

March 10, 2014

Councilor Ketchum felt they should reengage the HPC. He suggested the administration talk with the current members to see if they still have any interest, adding if they don't it would be futile to keep it going.

Mr. Osborn stated what he was hearing from the council is, they would like to hold the course of the Commission. He noted he would meet with the current members and work with Ms. DuVall to get things moving again, and if the feedback from the members is not favorable, he would come back and report that to the council so they can look at other alternatives.

Councilor Spahr suggested Mr. Osborn talk with the Chehalis Community Renaissance Team as well.

Councilor Taylor thought it might be good for Mr. Osborn to engage Ms. Schwartz to find out what she did to make it so successful. City Manager MacReynold stated she staffed it with her incredible talent.

Councilor Taylor suggested Ms. Schwartz might be a good consultant. Mayor Pro-tem Harris stated her position on the Chehalis Foundation helps in that review process as well.

#### 4. Council Reports.

a. Update From Councilor Ketchum. Councilor Ketchum gave a shout out to the W.F. West Bearcat Girls Basketball Team for taking the State 2A Title. He noted Julie Spencer from Chehalis was also named MVP of the tournament.

City Manager MacReynold reported the administration was asked to prepare a proclamation for the next meeting, and they would try to get the team here for the presentation.

Councilor Ketchum reported the Lewis County Economic Development Council was holding a breakfast meeting on Thursday, March 13, at 7:00 a.m. at the Holiday Inn.

b. Update From Councilor Spahr. Councilor Spahr reported he attended a ribbon cutting ceremony at Adolphsen Real Estate last Friday, adding they were open again for business and happy to have the old name back.

c. Update From Councilor Pope. Councilor Pope reported Jim Vander Stoep passed away and the family was planning a memorial service on Saturday, March 15.

There being no further business to come before the council, the meeting adjourned 5:44 p.m.

\_\_\_\_\_  
Mayor


Attest:

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

#### SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of March 10, 2014.

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

DATE: March 14, 2014  
TO: The Honorable Mayor and City Council  
FROM: Judy Schave, Interim Finance Manager  
PREPARED BY: Michelle White, Accounting Tech II   
SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

Claim Vouchers No. 108634 through 108779 and Electronic Funds Transfer No. 22014 in the amount of \$424,269.34 dated March 14, 2014 and the transfer of \$70,341.16 from the General Fund, \$210,523.16 from the Federal & State Grants Fund, \$5,297.59 from the Automotive Equipment Reserve Fund, \$60,455.58 from the Wastewater Fund, \$49,254.41 from the Water Fund, \$3,370.47 from the Storm & Surface Water Utility Fund, \$23,606.81 from the Airport Fund, \$137.48 from the Firemen's Pension Fund and \$1,282.68 from the City Agency Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the March 14, 2014 Claim Vouchers No. 108634 through 108779 and Electronic Funds Transfer No. 22014 in the amount of \$424,269.34.

SUGGESTED MOTION

I move to approve the March 14, 2014 Claim Vouchers No. 108634 through 108779 and Electronic Funds Transfer No. 22014 in the amount of \$424,269.34.

Reviewed by: , City Manager

**CITY OF CHEHALIS  
AGENDA REPORT**

**DATE:** March 17, 2014  
**TO:** The Honorable Mayor and City Council  
**FROM:** Judy Pectol, Finance Manager  
**SUBJECT:** Resolution No. 5-2014

**ISSUE**

In an effort to provide more clarity with respect to how the Local Government Investment Pool (LGIP) operates, and as a result of the recently amended WACs, the LGIP created a prospectus and are distributing it to all investors.

**DISCUSSION**

As a result of the release of this prospectus it is important that each local government investing in the LGIP completes an updated Resolution. The attached Resolution acknowledges that the governmental body responsible for overseeing or making investment decisions has read and understands the prospectus. The last and most current Resolution adopted by the city regarding this matter was August 1986.

The deadline to provide an updated Resolution is June 30, 2014; otherwise, LGIP reserves the right to suspend our participation in the pool.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The administration recommends that council adopt Resolution No. 5-2014 on first and final reading.

**SUGGESTED MOTION**

I move that the council adopt Resolution No. 5-2014 on first and final reading.

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



**RESOLUTION 05-2014**

**AUTHORIZING INVESTMENT OF CITY OF CHEHALIS  
MONIES IN THE LOCAL GOVERNMENT INVESTMENT POOL**

**WHEREAS**, pursuant to Chapter 294, Laws of 1986, the Legislature created a trust fund to be known as the public funds investment account (commonly referred to as the Local Government Investment Pool (LGIP)) for the contribution and withdrawal of money by an authorized governmental entity for purposes of investment by the Office of the State Treasurer; and

**WHEREAS**, from time to time it may be advantageous to the authorized governmental entity, the City of Chehalis, the "governmental entity", to contribute funds available for investment in the LGIP; and

**WHEREAS**, the investment strategy for the LGIP is set forth in its policies and procedures; and

**WHEREAS**, any contributions or withdrawals to or from the LGIP made on behalf of the governmental entity shall be first duly authorized by the City Council, the "governing body" or any designee of the governing body pursuant to this resolution, or a subsequent resolution; and

**WHEREAS**, the governmental entity will cause to be filed a certified copy of said resolution with the Office of the State Treasurer; and

**WHEREAS**, the governing body and any designee appointed by the governing body with authority to contribute or withdraw funds of the governmental entity has received and read a copy of the prospectus and understands the risks and limitations of investing in the LGIP; and

**WHEREAS**, the governing body attests by the signature of its members that it is duly authorized and empowered to enter into this agreement, to direct the contribution or withdrawal of governmental entity monies, and to delegate certain authority to make adjustments to the incorporated transactional forms, to the individuals designated herein.

**NOW THEREFORE, BE IT RESOLVED** that the governing body does hereby authorize the contribution and withdrawal of governmental entity monies in the LGIP in the manner prescribed by law, rule, and prospectus.

**BE IT FURTHER RESOLVED** that the governing body has approved the Local Government Investment Pool Transaction Authorization Form (Form) as completed by

the Finance Manager and incorporates said form into this resolution by reference and does hereby attest to its accuracy.

**BE IT FURTHER RESOLVED** that the governmental entity designates Merlin G. MacReynold, City Manager, the "authorized individual" to authorize all amendments, changes, or alterations to the Form or any other documentation including the designation of other individuals to make contributions and withdrawals on behalf of the governmental entity.

**BE IT FURTHER RESOLVED** that this delegation ends upon the written notice, by any method set forth in the prospectus, of the governing body that the authorized individual has been terminated or that his or her delegation has been revoked. The Office of the State Treasurer will rely solely on the governing body to provide notice of such revocation and is entitled to rely on the authorized individual's instructions until such time as said notice has been provided.

**BE IT FURTHER RESOLVED** that the Form as incorporated into this resolution or hereafter amended by delegated authority, or any other documentation signed or otherwise approved by the authorized individual shall remain in effect after revocation of the authorized individual's delegated authority, except to the extent that the authorized individual whose delegation has been terminated shall not be permitted to make further withdrawals or contributions to the LGIP on behalf of the governmental entity. No amendments, changes, or alterations shall be made to the Form or any other documentation until the entity passes a new resolution naming a new authorized individual; and

**BE IT FURTHER RESOLVED** that the governing body acknowledges that it has received, read, and understood the prospectus as provided by the Office of the State Treasurer. In addition, the governing body agrees that a copy of the prospectus will be provided to any person delegated or otherwise authorized to make contributions or withdrawals into or out of the LGIP and that said individuals will be required to read the prospectus prior to making any withdrawals or contributions or any further withdrawals or contributions if authorizations are already in place.

**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 24th day of March, 2014.

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Mayor

ATTEST:

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City Clerk

Approved as to form and content:

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City Attorney

LOCAL GOVERNMENT INVESTMENT POOL  
TRANSACTION AUTHORIZATION FORM

Please fill out this form completely, including any existing information, as this form will replace the previous form.

Name of Entity:	Mailing Address:
Fax Number:	
E-mail Contact:	

Do you wish to have your monthly LGIP statements faxed to the number listed above?

**Please note** -- if you choose to receive statements via fax, you will not receive another copy via U.S. mail.

YES, please fax statements                       No, please send statements via U.S. mail

**Bank account where funds will be wired when a withdrawal is requested.**

(Note: Funds **will not** be transferred to any account other than that listed).

Bank Name:
Branch Location:
Bank Routing Number:
Account Number:
Account Name:

**Persons authorized to make deposits and withdrawals for the entity listed above.**

Name	Title	Signature	Telephone Number

By signature below, I certify I am authorized to represent the institution/agency for the purpose of this transaction.

<i>(Authorized Signature)</i>	<i>(Title)</i>	<i>(Date)</i>
<i>(Print Authorized Signature)</i>	<i>(E-mail Address)</i>	<i>(Telephone number)</i>

Any changes to these instructions must be submitted in writing to the Office of the State Treasurer. Please mail this form to the address listed below:

OFFICE OF THE STATE TREASURER  
LOCAL GOVERNMENT INVESTMENT POOL  
PO BOX 40200  
OLYMPIA, WA 98504-0200  
FAX: (360) 902-9044

Date Received: ___ / ___ / ___
Fund Number: _____
<i>(for LGIP use only)</i>

State of Washington    )  
County of \_\_\_\_\_) ss.  
Signed or attested before me by \_\_\_\_\_  
Dated this \_\_\_ day of \_\_\_\_\_, 20\_\_.

SEAL OR STAMP

\_\_\_\_\_  
*Signature of Notary*

\_\_\_\_\_  
*Typed or printed name of Notary*

Notary Public in and for the State of Wash.  
My appointment expires: \_\_\_\_\_

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LOCAL GOVERNMENT  
INVESTMENT POOL

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**Prospectus**

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January 2014



*James L. McIntire*  
*Washington State Treasurer*

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## I. The LGIP

The Local Government Investment Pool (the "LGIP") is an investment pool of public funds placed in the custody of the Office of the Washington State Treasurer (the "State Treasurer") for investment and reinvestment as defined by RCW 43.250.020. The purpose of the LGIP is to allow eligible governmental entities to participate with the state in the investment of surplus public funds, in a manner that optimizes liquidity and return on such funds. In establishing the LGIP, the legislature recognized that not all eligible governmental entities are able to maximize the return on their temporary surplus funds, and therefore it provided a mechanism whereby they may, at their option, utilize the resources of the State Treasurer to maximize the potential of their surplus funds while ensuring the liquidity of those funds.

The State Treasurer has established a sub-pool within the LGIP whose shares are offered by means of this Prospectus: The LGIP-Money Market Fund (the "LGIP-MMF" or the "Fund"). The State Treasurer has the authority to establish additional sub-pools in the future.

The Fund offered in this Prospectus seeks to provide current income by investing in high-quality, short term money market instruments. These standards are specific to the Fund, as illustrated in the following table. The LGIP-MMF offers daily contributions and withdrawals.

### FUND SNAPSHOT

The table below provides a summary comparison of the Fund's investment types and sensitivity to interest rate risk. This current snapshot can be expected to vary over time.

Fund	Investment Types	Maximum Dollar-Weighted Average Maturity for LGIP-MMF
LGIP-Money Market Fund	Cash	60 days
Current Investments (as of November 1, 2013)	Bank Deposits US Treasury bills Repurchase agreements US Government agency obligations	

### Fees and Expenses

**Administrative Fee.** The State Treasurer charges pool participants a fee representing administration and recovery costs associated with the operation of the Fund. The administrative fee accrues daily from pool participants' earnings prior to the earnings being posted to their account. The administrative fee will be paid monthly. In the event that there are no earnings, the administrative fee will be deducted from principal.

The chart below illustrates the operating expenses of the LGIP-MMF for past years, expressed in basis points as a percentage of fund assets.

**Local Government Investment Pool-MMF  
Operating Expenses by Fiscal Year (in Basis Points)**

	2006	2007	2008	2009	2010	2011	2012	2013
<i>Total Operating Expenses</i>	1.12	0.96	0.84	0.88	0.64	0.81	0.68	0.87

(1 basis point = 0.01%)

Because most of the expenses of the LGIP-MMF are fixed costs, the fee (expressed as a percentage of fund assets) will be affected by: (i) the amount of operating expenses; and (ii) the assets of the LGIP-MMF. The table below shows how the fee (expressed as a percentage of fund assets) would change as the fund assets change, assuming an annual fund operating expenses amount of \$800,000.

Fund Assets	\$6.0 bn	\$8.0 bn	\$10.0 bn
Total Operating Expenses (in Basis Points)	1.33	1.0	.80

**Portfolio Turnover:** The Fund does not pay a commission or fee when it buys or sells securities (or “turns over” its portfolio). However, debt securities often trade with a bid/ask spread. Consequently, a higher portfolio turnover rate may generate higher transaction costs that could affect the Fund’s performance.

## II. Local Government Investment Pool – Money Market Fund

### Investment Objective

The LGIP-MMF will seek to effectively maximize the yield while maintaining liquidity and a stable share price of \$1.

### Principal Investment Strategies

The LGIP-MMF will seek to invest primarily in high-quality, short term money market instruments. Typically, at least 55% of the Fund’s assets will be invested in US government securities and repurchase agreements collateralized by those securities. The LGIP-MMF means a sub-pool of the LGIP whose investments will primarily be money market instruments. The LGIP-MMF will only invest in eligible investments permitted by state law. The LGIP-MMF will not be an SEC-registered money market fund and will not be required to follow SEC Rule 2a-7. Investments of the LGIP-MMF will conform to the LGIP Investment Policy, the most recent version of which will be posted on the LGIP website and will be available upon request.

### Principal Risks of Investing in the LGIP-Money Market Fund

**Counterparty Credit Risk.** A party to a transaction involving the Fund may fail to meet its obligations. This could cause the Fund to lose the benefit of the transaction or prevent the Fund from selling or buying other securities to implement its investment strategies.

**Interest Rate Risk.** The LGIP-MMF’s income may decline when interest rates fall. Because the Fund’s income is based on short-term interest rates, which can fluctuate significantly over short periods, income risk is expected to be high. In addition, interest rate increases can cause the price of a debt security to decrease and even lead to a loss of principal.



**Liquidity Risk.** Liquidity risk is the risk that the Fund will experience significant net withdrawals of Fund shares at a time when it cannot find willing buyers for its portfolio securities or can only sell its portfolio securities at a material loss.

**Management Risk.** Poor security selection or an ineffective investment strategy could cause the LGIP-MMF to underperform relevant benchmarks or other funds with a similar investment objective.

**Issuer Risk.** The LGIP-MMF is subject to the risk that debt issuers and other counterparties may not honor their obligations. Changes in an issuer's credit rating (e.g., a rating downgrade) or the market's perception of an issuer's creditworthiness could also affect the value of the Fund's investment in that issuer. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation. Also, a decline in the credit quality of an issuer can cause the price of a money market security to decrease.

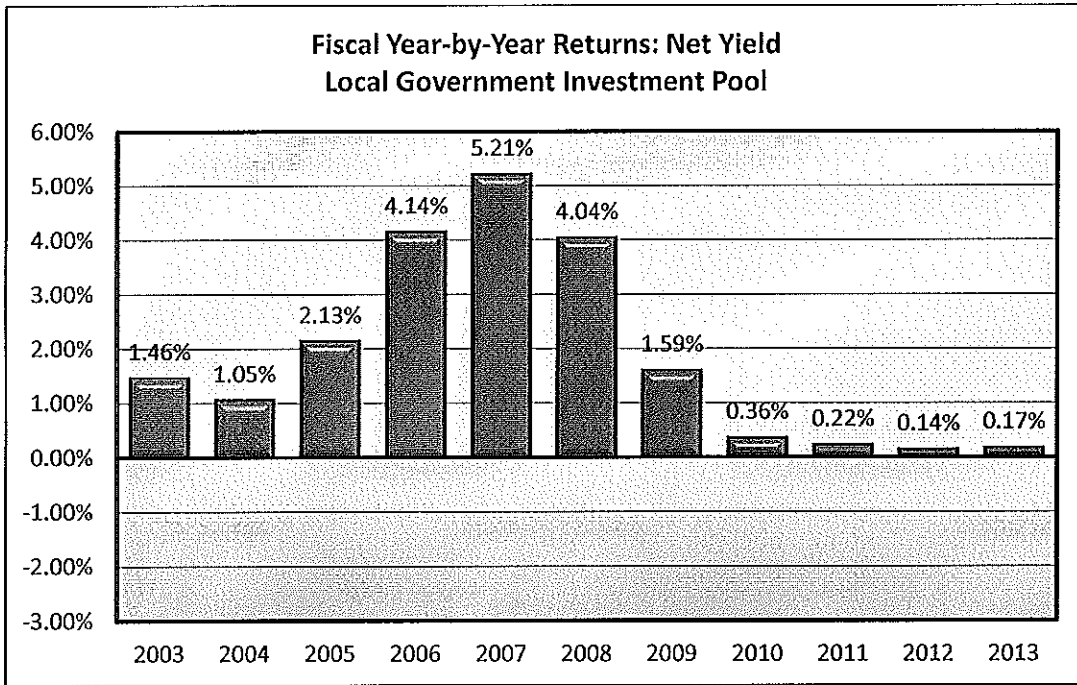
**Securities Lending Risk and Reverse Repurchase Agreement Risk.** The LGIP-MMF may engage in securities lending or in reverse repurchase agreements. Securities lending and reverse repurchase agreements involve the risk that the Fund may lose money because the borrower of the Fund's securities fails to return the securities in a timely manner or at all or the Fund's lending agent defaults on its obligations to indemnify the Fund, or such obligations prove unenforceable. The Fund could also lose money in the event of a decline in the value of the collateral provided for loaned securities or a decline in the value of any investments made with cash collateral.

**Risks Associated with use of Amortized Cost.** The use of amortized cost valuation means that the LGIP-MMF's share price may vary from its market value NAV per share. In the unlikely event that the State Treasurer were to determine that the extent of the deviation between the Fund's amortized cost per share and its market-based NAV per share may result in material dilution or other unfair results to shareholders, the State Treasurer may cause the Fund to take such action as it deems appropriate to eliminate or reduce to the extent practicable such dilution or unfair results.

**An investment in the LGIP-MMF is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of investments at \$1 per share, pool participants could lose money by investing in the LGIP-MMF. There is no assurance that the LGIP-MMF will achieve its investment objective.**

## **Performance**

The following information is intended to address the risks of investing in the LGIP-MMF. The information illustrates changes in the performance of the LGIP-MMF's shares from year to year. Returns are based on past results and are not an indication of future performance. Updated performance information may be obtained on our website at [www.tre.wa.gov](http://www.tre.wa.gov) or by calling the LGIP toll-free at 800-331-3284.



**Local Government Investment Pool-Money Market Fund**

**Average Accrued Net Yield**

<u>1 Year</u>	<u>3 years</u>	<u>5 years</u>	<u>10 years</u>
0.17%	0.19%	.52%	1.94%

**Transactions: LGIP-MMF**

**General Information**

The minimum transaction size (contributions or withdrawals) for the LGIP-MMF will be five thousand dollars. The State Treasurer may, in its sole discretion, allow for transactions of less than five thousand dollars.

**Valuing Shares**

The LGIP-MMF will be operated using a net asset value (NAV) calculation based on the amortized cost of all securities held such that the securities will be valued at their acquisition cost, plus accrued income, amortized daily.

The Fund's NAV will be the value of a single share. NAV will normally be calculated as of the close of business of the NYSE, usually 4:00 p.m. Eastern time. If the NYSE is closed on a particular day, the Fund will be priced on the next day the NYSE is open.

NAV will not be calculated and the Fund will not process contributions and withdrawals submitted on days when the Fund is not open for business. The time at which shares are priced and until which contributions and withdrawals are accepted is specified below and may be changed as permitted by the State Treasurer.

To the extent that the LGIP-MMF's assets are traded in other markets on days when the Fund is not open for business, the value of the Fund's assets may be affected on those days. In addition, trading in some of the Fund's assets may not occur on days when the Fund is open for business.

#### **Transaction Limitation**

The State Treasurer reserves the right at its sole discretion to set a minimum and/or maximum transaction amount from the LGIP-MMF and to limit the number of transactions, whether contribution, withdrawal, or transfer permitted in a day or any other given period of time.

The State Treasurer also reserves the right at its sole discretion to reject any proposed contribution, and in particular to reject any proposed contribution made by a pool participant engaged in behavior deemed by the State Treasurer to be abusive of the LGIP-MMF.

A pool participant may transfer funds from one LGIP-MMF account to another subject to the same time and contribution limits as set forth in WAC 210.10.060.

#### **Contributions**

Pool participants may make contributions to the LGIP-MMF on any business day. All contributions will be effected by electronic funds transfer to the account of the LGIP-MMF designated by the State Treasurer. It is the responsibility of each pool participant to pay any bank charges associated with such electronic transfers to the State Treasurer. Failure to wire funds by a pool participant after notification to the State Treasurer of an intended transfer will result in penalties. Penalties for failure to timely wire will be assessed to the account of the pool participant responsible.

**Notice.** To ensure same day credit, a pool participant must inform the State Treasurer of any contribution over one million dollars no later than 9 a.m. on the same day the contribution is made. Contributions for one million dollars or less can be requested at any time prior to 10 a.m. on the day of contribution. For all other contributions over one million dollars that are requested prior to 10 a.m., a pool participant may receive same day credit at the sole discretion of the State Treasurer. Contributions that receive same day credit will count, for earnings rate purposes, as of the day in which the contribution was made. Contributions for which no notice is received prior to 10:00 a.m. will be credited as of the following business day.

Notice of contributions may be given by calling the Local Government Investment Pool (800-331-3284) OR by logging on to State Treasurer's Treasury Management System ("TMS"). Please refer to the LGIP-MMF Operations Manual for specific instructions regarding contributions to the LGIP-MMF.

Direct deposits from the State of Washington will be credited on the same business day.

**Pricing.** Contribution requests received in good order will receive the NAV per unit of the LGIP-MMF next determined after the order is accepted by the State Treasurer on that contribution date.

#### **Withdrawals**

Pool participants may withdraw funds from the LGIP-MMF on any business day. Each pool participant shall file with the State Treasurer a letter designating the financial institution at which funds withdrawn from the LGIP-MMF shall be deposited (the "Letter"). This Letter shall contain the name of the financial institution, the location of the financial institution, the account name, and the account number to which funds will be deposited. This Letter shall be signed by local officials authorized to receive and disburse funds, as described in WAC 210-10-020.

Disbursements from the LGIP-MMF will be effected by electronic funds transfer. Failure by the State Treasurer to wire funds to a pool participant after proper notification to the State Treasurer to disburse funds to a pool participant may result in a bank overdraft in the pool participant's bank account. The State Treasurer will reimburse a pool participant for such bank overdraft penalties charged to the pool participant's bank account.

**Notice.** In order to withdraw funds from the LGIP-MMF, a pool participant must notify the State Treasurer of any withdrawal over one million dollars no later than 9 a.m. on the same day the withdrawal is made. Withdrawals for one million dollars or less can be requested at any time prior to 10 a.m. on the day of withdrawal. For all other withdrawals from the LGIP-MMF over one million dollars that are requested prior to 10 a.m., a pool participant may receive such withdrawal on the same day it is requested at the sole discretion of the State Treasurer. No earnings will be credited on the date of withdrawal for the amounts withdrawn. Notice of withdrawals may be given by calling the Local Government Investment Pool (800-331-3284) OR by logging on to TMS. Please refer to the LGIP-MMF Operations Manual for specific instructions regarding withdrawals from the Fund.

**Pricing.** Withdrawal requests with respect to the LGIP-MMF received in good order will receive the NAV per unit of the LGIP-MMF next determined after the order is accepted by the State Treasurer on that withdrawal date.

**Suspension of Withdrawals.** If the State Treasurer has determined that the deviation between the Fund's amortized cost price per share and the current net asset value per share calculated using available market quotations (or an appropriate substitute that reflects current market conditions) may result in material dilution or other unfair results, the State Treasurer may, if it has determined irrevocably to liquidate the Fund, suspend withdrawals and payments of withdrawal proceeds in order to facilitate the permanent termination of the Fund in an orderly manner. The State Treasurer will distribute proceeds in liquidation as soon as practicable, subject to the possibility that certain assets may be illiquid, and subject to subsequent distribution, and the possibility that the State Treasurer may need to hold back a reserve to pay expenses.

The State Treasurer also may suspend redemptions if the New York Stock Exchange suspends trading or closes, if US bond markets are closed, or if the Securities and Exchange Commission declares an emergency. If any of these events were to occur, it would likely result in a delay in the pool participants' redemption proceeds.

The State Treasurer will notify pool participants within five business days of making a determination to suspend withdrawals and/or irrevocably liquidate the fund and the reason for such action.

## **Earnings and Distribution**

### **LGIP-MMF Daily Factor**

The LGIP-MMF daily factor is a net earnings figure that is calculated daily using the investment income earned (excluding realized gains or losses) each day, assuming daily amortization and/or accretion of income of all fixed income securities held by the Fund, less the administrative fee. The daily factor is reported on an annualized 7-day basis, using the daily factors from the previous 7 calendar days. The reporting of a 7-day annualized yield based solely on investment income which excludes realized gains or losses is an industry standard practice that allows for the fair comparison of funds that seek to maintain a constant NAV of \$1.00.

### **LGIP-MMF Actual Yield Factor**

The LGIP-MMF actual yield factor is a net daily earnings figure that is calculated using the total net earnings including realized gains and losses occurring each day, less the administrative fee.

### **Dividends**

The LGIP-MMF's dividends include any net realized capital gains or losses, as well as any other capital changes other than investment income, and are declared daily and distributed monthly.

### **Distribution**

The total net earnings of the LGIP-MMF will be declared daily and paid monthly to each pool participant's account in which the income was earned on a per-share basis. These funds will remain in the pool and earn additional interest unless withdrawn and sent to the pool participant's designated bank account as specified on the Authorization Form. Interest earned will be distributed monthly on the first business day of the following month.

### **Monthly Statements and Reporting**

On the first business day of every calendar month, each pool participant will be sent a monthly statement which includes the pool participant's beginning balance, contributions, withdrawals, transfers, administrative charges, earnings rate, earnings, and ending balance for the preceding calendar month. Also included with the statement will be the monthly enclosure. This report will contain information regarding the maturity structure of the portfolio and balances broken down by security type.

## **III. Management**

The State Treasurer is the manager of the LGIP-MMF and has overall responsibility for the general management and administration of the Fund. The State Treasurer has the authority to offer additional sub-pools within the LGIP at such times as the State Treasurer deems appropriate in its sole discretion.

**Administrator and Transfer Agent.** The State Treasurer will serve as the administrator and transfer agent for the Fund.

**Custodian.** A custodian for the Fund will be appointed in accordance with the terms of the LGIP Investment Policy.

## **IV. Miscellaneous**

### **Limitation of Liability**

All persons extending credit to, contracting with or having any claim against the Fund offered in this Prospectus shall look only to the assets of the Fund that such person extended credit to, contracted with or has a claim against, and none of (i) the State Treasurer, (ii) any subsequent sub-pool, (iii) any pool participant, (iv) the LGIP, or (v) the State Treasurer's officers, employees or agents (whether past, present or future), shall be liable therefor. The determination of the State Treasurer that assets, debts, liabilities, obligations, or expenses are allocable to the Fund shall be binding on all pool participants and on any person extending credit to or contracting with or having any claim against the LGIP or the Fund offered in this Prospectus. There is a remote risk that a court may not enforce these limitation of liability provisions.

**Amendments**

This Prospectus and the attached Investment Policy may be amended from time to time. Pool participants shall receive notice of changes to the Prospectus and the Investment Policy. The amended and restated documents will be posted on the State Treasurer website: [www.tre.wa.gov](http://www.tre.wa.gov).

Should the State Treasurer deem appropriate to offer additional sub-pools within the LGIP, said sub-pools will be offered by means of an amendment to this prospectus.

**LGIP-MMF Contact Information**

Internet: [www.tre.wa.gov](http://www.tre.wa.gov) Treasury Management System/TMS

Phone: 1-800-331-3284 (within Washington State)

**Mail:**

Office of the State Treasurer  
Local Government Investment Pool  
PO Box 40200  
Olympia, Washington 98504  
FAX: 360-902-9044

**CITY OF CHEHALIS**

**AGENDA REPORT**

**DATE:** March 24, 2014  
**TO:** The Honorable Mayor and City Council  
**FROM:** Dennis Osborn, Community Development Director  
**SUBJECT:** Administrative Report - Shaw Aquatic Center Update

**ISSUE**

The Gail and Carolyn Shaw Aquatic Center project update.

**DISCUSSION**

As spring arrives and construction moves forward on the Gail and Carolyn Shaw Aquatic Center, it is timely that Norm Pfaff updates the Council on how the project is proceeding.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The administration is simply providing an update.

**SUGGESTED MOTION**

No motion at this time.

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

To: The Honorable Mayor and Council  
 Via: Merlin MacReynold, City Manager  
 From: Judy Pectol, Finance Manager  
 Prepared by: Betty Brooks, Payroll Accountant  
 Date: March 17, 2014  
 Subject: Monthly Financial Reports for February

City of Chehalis  
 Comparative Financial Reports  
 February 2013 and 2014

GENERAL FUND (#001) REVENUES	A February 2013		B Actual		C=B/A %		D February 2014		E Actual		F=E/D %		G Expected % Rec'd		H Variance Expected		I=F-G %	
	Budget	Actual	Budget	Actual	Rec'd		Budget	Actual	Rec'd		Expected	% Rec'd	Expected	Variance	%	Variance	%	
General Property Taxes	\$1,249,000	\$7,551	\$1,262,000	\$9,671	0.6%		\$1,262,000	\$9,671	0.8%		16.7%	16.7%	(\$200,662)	-15.9%				
EMS Property Taxes	237,500	1,425	239,500	1,840	0.6%		239,500	1,840	0.8%		16.7%	16.7%	(38,077)	-15.9%				
Sales & Use Tax	3,015,000	593,377	3,265,000	623,905	19.7%		3,265,000	623,905	19.1%		16.7%	16.7%	79,738	2.4%				
Electricity Tax	417,000	64,228	430,000	66,319	15.4%		430,000	66,319	15.4%		16.7%	16.7%	(5,348)	-1.3%				
Gas/Natural Gas Tax	240,000	34,075	222,000	40,509	14.2%		222,000	40,509	18.2%		16.7%	16.7%	3,509	1.5%				
Criminal Justice Tax	90,000	16,429	91,000	17,268	18.3%		91,000	17,268	19.0%		16.7%	16.7%	2,101	2.3%				
Water/Sewer Tax	399,996	61,584	415,834	67,982	15.4%		415,834	67,982	16.3%		16.7%	16.7%	(1,324)	-0.4%				
Garbage Tax	62,000	14,647	60,000	14,971	23.6%		60,000	14,971	25.0%		16.7%	16.7%	4,971	8.3%				
Cable Tax	92,000	23,944	94,000	24,808	26.0%		94,000	24,808	26.4%		16.7%	16.7%	9,141	9.7%				
Telephone Tax	313,000	42,167	318,000	54,423	13.5%		318,000	54,423	17.1%		16.7%	16.7%	1,423	0.4%				
Leasehold Excise Tax	38,000	9,032	38,000	9,046	23.8%		38,000	9,046	23.8%		16.7%	16.7%	2,713	7.1%				
Other Taxes	32	0	40	0	0.0%		40	0	0.0%		16.7%	16.7%	(7)	-16.7%				
<b>Total Tax Revenues</b>	<b>6,153,528</b>	<b>868,459</b>	<b>6,435,374</b>	<b>930,742</b>	<b>14.1%</b>		<b>6,435,374</b>	<b>930,742</b>	<b>14.5%</b>		<b>16.7%</b>	<b>16.7%</b>	<b>(141,820)</b>	<b>-2.2%</b>				
Licenses & Permits	63,980	12,124	69,980	4,087	18.9%		69,980	4,087	5.8%		16.7%	16.7%	(7,576)	-10.9%				
Intergovt Grants/Entitlements	168,502	7,342	167,950	17,847	4.4%		167,950	17,847	10.6%		16.7%	16.7%	(10,145)	-6.1%				
Charges for Goods and Svcs.	341,170	31,039	332,800	87,861	9.1%		332,800	87,861	26.4%		16.7%	16.7%	32,394	9.7%				
Fines and Forfeitures	159,055	24,156	151,875	22,804	15.2%		151,875	22,804	15.0%		16.7%	16.7%	(2,509)	-1.7%				
Interest Earnings	9,306	1,184	11,760	1,777	12.7%		11,760	1,777	15.1%		16.7%	16.7%	(183)	-1.6%				
Rents & Royalties	70,100	10,472	71,350	9,421	14.9%		71,350	9,421	13.2%		16.7%	16.7%	(2,471)	-3.5%				
Donations/Contributions	0	1,150	40,475	2,042	N/A		40,475	2,042	5.0%		16.7%	16.7%	(4,704)	-11.7%				
Misc. Revenue/Insurance	5,000	3,034	11,850	1,557	60.7%		11,850	1,557	13.1%		16.7%	16.7%	(418)	-3.6%				
Non-Revenues	3,500	649	4,225	482	18.5%		4,225	482	11.4%		16.7%	16.7%	(222)	-5.3%				
<b>Total Non-Tax Revenues</b>	<b>820,613</b>	<b>91,150</b>	<b>862,265</b>	<b>147,878</b>	<b>11.1%</b>		<b>862,265</b>	<b>147,878</b>	<b>17.1%</b>		<b>16.7%</b>	<b>16.7%</b>	<b>4,167</b>	<b>0.4%</b>				
Operating Transfers-In	500,000	0	1,000,000	122,012	N/A		1,000,000	122,012	12.2%		16.7%	16.7%	(44,655)	-4.5%				
<b>Total Other Financing Sources</b>	<b>500,000</b>	<b>0</b>	<b>1,000,000</b>	<b>122,012</b>	<b>N/A</b>		<b>1,000,000</b>	<b>122,012</b>	<b>12.2%</b>		<b>16.7%</b>	<b>16.7%</b>	<b>(44,655)</b>	<b>-4.5%</b>				
<b>TOTALS</b>	<b>\$7,474,141</b>	<b>\$959,609</b>	<b>\$8,297,639</b>	<b>\$1,200,632</b>	<b>12.8%</b>		<b>\$8,297,639</b>	<b>\$1,200,632</b>	<b>14.5%</b>		<b>16.7%</b>	<b>16.7%</b>	<b>(\$182,308)</b>	<b>-2.2%</b>				

Key:  
 \* The expected percentage is calculated as follows: since the report is for the 2nd month of the year, 2 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  
February 2013 and 2014

GENERAL FUND (#001) EXPENDITURES	A February 2013		B Actual	C=B/A		D February 2014		E Actual	F=E/D		G Expected % Exp	H <sup>^</sup> Variance		I=G-F % Variance
	Budget	Actual		% Exp'd	Budget	% Exp'd	Expected % Exp		Expected	Expected		Expected		
City Council	\$76,587	\$12,275		\$93,551	16.0%		\$12,555		13.4%	16.7%	\$3,037	3.3%		
Municipal Court	332,409	53,157		340,304	16.0%		52,129		15.3%	16.7%	4,588	1.4%		
City Manager	226,121	37,988		270,131	16.8%		43,975		16.3%	16.7%	1,047	0.4%		
Finance	159,594	30,306		183,331	19.0%		40,241		21.9%	16.7%	(9,686)	-5.2%		
City Clerk	56,516	8,313		74,986	14.7%		12,182		16.2%	16.7%	316	0.5%		
Non-Departmental	796,715	43,907		1,302,246	5.5%		128,173		9.8%	16.7%	88,868	6.9%		
Human Resources	91,769	15,720		90,033	17.1%		14,915		16.6%	16.7%	91	0.1%		
Police	2,464,666	413,612		2,573,370	16.8%		419,146		16.3%	16.7%	9,749	0.4%		
Fire	1,705,443	269,605		1,632,938	15.8%		270,315		16.6%	16.7%	1,841	0.1%		
Public Works - Streets	471,480	48,419		469,060	10.3%		50,598		10.8%	16.7%	27,579	5.9%		
Community Development	1,227,135	225,960		1,228,727	18.4%		185,019		15.1%	16.7%	19,769	1.6%		
<b>TOTALS</b>	<b>\$7,608,435</b>	<b>\$1,159,262</b>		<b>\$8,258,677</b>	<b>15.2%</b>		<b>\$1,229,248</b>		<b>14.9%</b>	<b>16.7%</b>	<b>\$147,198</b>	<b>1.8%</b>		
<b>Net Budget/Income/Variance:</b>				<b>(\$134,294)</b>	<b>(\$199,653)</b>		<b>\$38,962</b>		<b>(\$28,616)</b>		<b>(\$35,110)</b>	<b>-0.4%</b>		

Key:

\* The expected percentage is calculated as follows: since the report is for the 2nd month of the year, 2 is divided by 12-the number of months in the year.  
<sup>^</sup>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  
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WASTEWATER FUND (#404) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H <sup>^</sup>		I=F-G	
	Budget	February 2013 Actual	% Rec'd	Budget	February 2014 Actual	% Rec'd	Budget	February 2014 Actual	% Rec'd	Expected % Rec'd*	Expected % Rec'd*	Var'nc frm Expected	% Variance					
Wastewater Fees	\$4,160,318	\$664,113	16.0%	\$4,364,408	\$748,188	17.1%	10,000	4,545	45.5%	16.7%	16.7%	2,878	28.8%					
Sewer Connection/Misc. Fees	35,000	0	0.0%	3,323	0	0.0%	3,323	0	0.0%	16.7%	16.7%	(554)	-16.7%					
Rentals	3,323	3,323	100.0%	3,300	2,618	79.3%	3,300	2,618	79.3%	16.7%	16.7%	2,068	62.6%					
Misc. Revenues/Insurance	3,300	442	13.4%	300	46	15.3%	300	46	15.3%	16.7%	16.7%	(4)	-1.4%					
Interest Earnings	3,000	0	0.0%	\$4,381,331	\$755,397	17.2%						\$25,175	0.6%					
Totals:	\$4,204,941	\$667,878	15.9%															

WASTEWATER FUND (#404) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H <sup>^</sup>		I=G-F	
	Budget	February 2013 Actual	% Exp'd	Budget	February 2014 Actual	% Exp'd	Budget	February 2014 Actual	% Exp'd	Expected % Exp*	Expected % Exp*	Var'nc frm Expected	% Variance					
Operating Expenses	\$2,638,208	\$380,587	14.4%	\$2,550,559	\$330,791	13.0%	55,000	4,994	9.1%	16.7%	16.7%	\$94,302	3.7%					
Capital Outlay	192,000	0	0.0%	1,552,598	19,773	1.3%	27,480	0	0.0%	16.7%	16.7%	4,173	7.6%					
Debt Principal	2,001,005	53,374	2.7%	83,332	0	0.0%	83,332	0	0.0%	16.7%	16.7%	238,993	15.4%					
Interest Expense	38,715	1,868	4.8%	\$4,268,969	\$355,558	8.3%						4,580	16.7%					
Interfund Loan Repayment	0	0	N/A									13,889	16.7%					
Totals:	\$4,869,928	\$435,829	8.9%									\$355,937	8.4%					

Net Budget/Income/Variance: (\$664,987)      \$232,049      \$112,362      \$399,839      \$381,112      8.9%

Key:

\* The expected percentage is calculated as follows: since the report is for the 2nd month of the year, 2 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  
February 2013 and 2014

WATER FUND (#405) REVENUES	A February 2013		B		C=B/A		D		E February 2014		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	% Rec'd	% Rec'd	Expected % Rec'd*	% Rec'd	Var'nc Expected	% Variance	Var'nc Expected	% Variance		
Water Sales	\$2,496,400	\$363,011	\$2,566,160	\$398,232	14.5%	15.5%	\$2,566,160	\$398,232	15.5%	16.7%	16.7%	15.5%	(\$29,461)	-1.2%	(\$29,461)	-1.2%		
Water Connection/Misc. Fees	20,000	0	10,000	6,177	0.0%	61.8%	10,000	6,177	61.8%	16.7%	16.7%	61.8%	4,510	45.1%	4,510	45.1%		
Interfund Principal Repayment	397,411	0	83,332	0	0.0%	0.0%	83,332	0	0.0%	16.7%	16.7%	0.0%	(13,889)	-16.7%	(13,889)	-16.7%		
Misc. Revenues/Insurance	0	520	1,000	443	N/A	44.3%	1,000	443	44.3%	16.7%	16.7%	44.3%	276	27.6%	276	27.6%		
Interest Earnings	18,076	0	11,073	1,109	0.0%	10.0%	11,073	1,109	10.0%	16.7%	16.7%	10.0%	(737)	-6.7%	(737)	-6.7%		
Totals:	\$2,931,887	\$363,531	\$2,671,565	\$405,961	12.4%	15.2%	\$2,671,565	\$405,961	15.2%	16.7%	16.7%	15.2%	(\$39,300)	-1.5%	(\$39,300)	-1.5%		

WATER FUND (#405) EXPENSES	A February 2013		B		C=B/A		D		E February 2014		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	% Exp'd	% Exp'd	Expected % Exp*	% Exp'd	Var'nc Expected	% Variance	Var'nc Expected	% Variance		
Operating Expenses	\$1,782,704	\$263,027	\$1,834,545	\$247,473	14.8%	13.5%	\$1,834,545	\$247,473	13.5%	16.7%	16.7%	13.5%	\$58,285	3.2%	\$58,285	3.2%		
Capital Outlay	640,000	0	210,000	0	0.0%	0.0%	210,000	0	0.0%	16.7%	16.7%	0.0%	35,000	16.7%	35,000	16.7%		
Debt Principal	131,077	9,000	132,077	9,000	6.9%	6.8%	132,077	9,000	6.8%	16.7%	16.7%	6.8%	13,013	9.9%	13,013	9.9%		
Interest Expense	21,690	3,750	19,225	3,300	17.3%	17.2%	19,225	3,300	17.2%	16.7%	16.7%	17.2%	(96)	-0.5%	(96)	-0.5%		
Totals:	\$2,575,471	\$275,777	\$2,195,847	\$259,773	10.7%	11.8%	\$2,195,847	\$259,773	11.8%	16.7%	16.7%	11.8%	\$106,202	4.9%	\$106,202	4.9%		

Net Budget/Income/Variance: \$356,416 \$87,754 \$475,718 \$146,188 \$66,902 3.4%

Key:

\* The expected percentage is calculated as follows: since the report is for the 2nd month of the year, 2 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  
February 2013 and 2014

STORM FUND (#406) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	February 2014 Actual	February 2014 Actual	% Rec'd	% Rec'd	Expected	% Rec'd*	Expected	Variance	Expected	% Variance
Storm & Surface Water Fees	\$441,674	\$73,697	\$73,697	\$73,697	16.7%	17.0%	\$470,284	\$79,824	0	\$79,824	N/A	17.0%	\$1,443	16.7%	\$1,443	0.3%	\$1,443	0.3%
Storm Connection/Misc. Fees	0	0	0	0	N/A	N/A	0	1,232	0	1,232	N/A	N/A	1,232	16.7%	1,232	N/A	1,232	N/A
Interest Earnings	500	0	0	0	0.0%	0.0%	300	0	300	0	0.0%	0.0%	(50)	16.7%	(50)	-16.7%	(50)	-16.7%
Totals:	\$442,174	\$73,697	\$73,697	\$73,697	16.7%	17.2%	\$470,584	\$81,056	\$81,056	\$81,056	17.2%	16.7%	\$2,625	16.7%	\$2,625	0.5%	\$2,625	0.5%

STORM FUND (#406) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	February 2014 Actual	February 2014 Actual	% Exp'd	% Exp'd	Expected	% Exp*	Expected	Variance	Expected	% Variance
Operating Expenses	\$345,875	\$58,336	\$58,336	\$58,336	16.9%	13.3%	\$452,358	\$60,373	\$60,373	\$60,373	N/A	13.3%	\$15,020	16.7%	\$15,020	3.4%	\$15,020	3.4%
Capital Outlay	0	0	0	0	N/A	N/A	15,000	0	0	0	N/A	N/A	2,500	16.7%	2,500	N/A	2,500	N/A
Totals:	\$345,875	\$58,336	\$58,336	\$58,336	16.9%	12.9%	\$467,358	\$60,373	\$60,373	\$60,373	12.9%	16.7%	\$17,520	16.7%	\$17,520	3.8%	\$17,520	3.8%

Net Budget/Income/Variance: \$96,299      \$15,361      \$3,226      \$20,683      \$20,145      4.3%

Key:

\* The expected percentage is calculated as follows: since the report is for the 2nd month of the year, 2 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  
February 2013 and 2014

AIRPORT FUND (#407) REVENUES	A February 2013		B		C=B/A		D February 2014		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Exp'd	Budget	Actual	Budget	Actual	% Rec'd	% Exp'd	Expected % Rec'd*	Expected % Exp*	Varnc Expected	frm Expected	Variance	%
Intergovernmental Revenues	\$0	\$0	\$265,000	\$0	N/A	N/A	\$0	\$0	\$0	\$0	0.0%	0.0%	16.7%	16.7%	(\$44,167)	(\$44,167)	-16.7%	-16.7%
Charges for Goods and Svcs.	0	0	500,000	62,845	N/A	N/A	62,845	0	62,845	0	12.6%	0.0%	16.7%	16.7%	(20,488)	(20,488)	-4.1%	-4.1%
Interest Earnings	0	0	8,000	0	N/A	N/A	0	0	0	0	0.0%	0.0%	16.7%	16.7%	(1,333)	(1,333)	-16.7%	-16.7%
Rents & Royalties	0	0	73,203	11,919	N/A	N/A	11,919	0	11,919	0	16.3%	0.0%	16.7%	16.7%	(282)	(282)	-0.4%	-0.4%
Misc. Revenues/Insurance	0	0	2,000	922	N/A	N/A	922	0	922	0	46.1%	0.0%	16.7%	16.7%	589	589	29.4%	29.4%
Capital Contribution - Airport	0	0	1,672,724	164,142	N/A	N/A	164,142	0	164,142	0	9.8%	0.0%	16.7%	16.7%	(114,645)	(114,645)	-6.9%	-6.9%
Capital Lease Receipts	0	0	821,918	142,934	N/A	N/A	142,934	0	142,934	0	17.4%	0.0%	16.7%	16.7%	5,948	5,948	0.7%	0.7%
Totals:	\$0	\$0	\$3,342,845	\$382,762	N/A	N/A	\$382,762	\$0	\$382,762	\$0	11.5%	0.0%	16.7%	16.7%	(\$174,379)	(\$174,379)	-5.2%	-5.2%

AIRPORT FUND (#407) EXPENSES	A February 2013		B		C=B/A		D February 2014		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Expected % Exp*	Expected % Exp*	Varnc Expected	frm Expected	Variance	%
Operating Expenses	0	0	\$941,045	\$92,085	N/A	N/A	\$92,085	0	\$92,085	0	9.8%	9.8%	16.7%	16.7%	\$64,756	\$64,756	6.9%	6.9%
Capital Outlay	0	0	398,500	3,675	N/A	N/A	3,675	0	3,675	0	0.9%	0.0%	16.7%	16.7%	62,742	62,742	15.8%	15.8%
Principal - G.O. Bonds	0	0	222,285	0	N/A	N/A	0	0	0	0	0.0%	0.0%	16.7%	16.7%	37,048	37,048	16.7%	16.7%
Interest Expense	0	0	93,921	0	N/A	N/A	0	0	0	0	0.0%	0.0%	16.7%	16.7%	15,654	15,654	16.7%	16.7%
Totals:	\$0	\$0	\$1,655,751	\$95,760	N/A	N/A	\$95,760	\$0	\$95,760	\$0	5.8%	5.8%	16.7%	16.7%	\$180,199	\$180,199	10.9%	10.9%

Net Budget/Income/Variance: \$0 \$1,687,094 \$287,002 \$5,820 5.7%

Key:


- \* The expected percentage is calculated as follows: since the report is for the 2nd month of the year, 2 is divided by 12-the number of months in the year.
- ^To calculate the dollar variance between expected and actual expenditures, the following formula is used:  
H=(D\*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

**RECOMMENDATION/COUNCIL ACTION DESIRED**

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

Reviewed by  City Manager

**CITY OF CHEHALIS  
AGENDA REPORT**

**DATE:** March 19, 2014  
**TO:** The Honorable Mayor and City Council  
**FROM:** Merlin MacReynold, City Manager   
**SUBJECT:** Resolution No. 1-2014 – Approving Interlocal Agreement

**ISSUE**

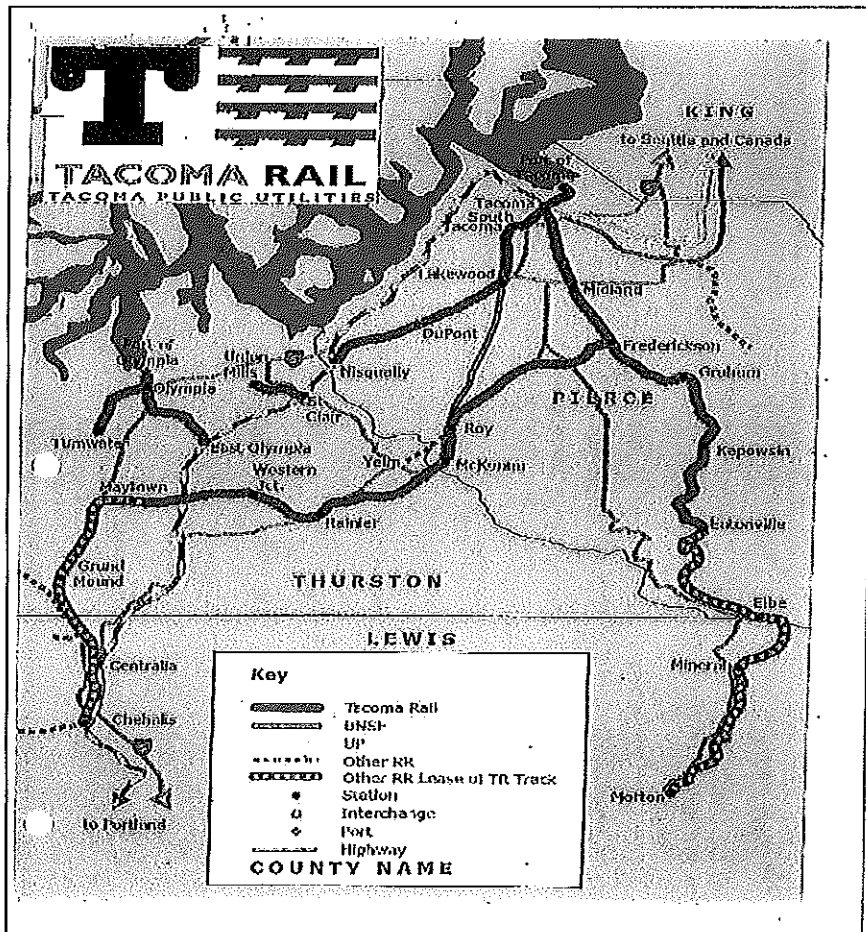
Lewis County and the City of Chehalis are seeking to ensure continued local control and economic development opportunities concerning rail operations in our area. We have an opportunity to purchase a 20 mile section of railroad right-of-way that extends from Maytown, in Thurston County, to slightly south 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 and there were further discussions and consideration of possible funding options.

Counsel from the City of Tacoma, Lewis County and Chehalis developed an Interlocal Agreement (ILA) and Purchase and Sale Agreement, and on November 26, 2013, the City of Tacoma approved both agreements through the adoption of Resolution No. 38780 that outlined the terms and conditions of the ILA and a sale and purchase price of \$3 million.

The terms of the proposed ILA provide a three-year period whereby the county and the city develop a business plan, conduct needed environmental review, and seek federal grants of at least \$2 million for a possible purchase of the Tacoma rail line from Chehalis to Maytown at the agreed price of \$3 million.



The ILA provides a three-year due diligence phase, and includes the following benchmarks:

- Complete a Business Plan (Should the plan not show that it can be profitable, then the county and city withdraw)
- Utilizing PARC (Public Affairs Research Consultants), the jurisdictions jointly seek federal grant funding of at least \$2 million (Should federal grant funding not be made available, then the county and city withdraw)
- Determine what environmental impacts and risks would be faced in a purchase
- Determine the condition of the rail and bridges, and associated maintenance and operation costs
- Determine \$1 million local funding source and provide debt service from lease of the rail line to Western Washington Railroad

A feasibility study conducted by Larry McGee in July 2013 identified the following economic development opportunities:

- Freight Service
- Trans Loading/Reloading Services
- Trackage Rights
- Car Storage (can generate \$50,000 - \$70,00/yr)

The study also identified examples of short line successes:

- Oregon International Port of Coos Bay and ARG, LLC together own and operate the Coos Bay Rail Link, a shortline that is profitable
- Port of Pend Oreille owns and operates the profitable Pend Oreille Valley Railroad (POVA) and has for two decades
- The City of Prineville railroad breaks even with only 650 cars managed

Based on the feasibility study we believe this may be an economic development opportunity for our Lewis County communities.

Approval of the ILA provides the county and city with three years to conduct due diligence to determine the feasibility of the purchase based upon completion of a business plan, and environmental review and acquisition of federal grants of at least \$2 million.

#### **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**, City of Tacoma administration has 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; and

**WHEREAS**, during the three-year period, TRMW will continue to use reasonable efforts to continue the contract with Western Washington Railroad, LLC for use of the Property, to ensure appropriate operational and maintenance activities occur on the Property in order to mitigate expenses.

**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 13th day of January, 2014.

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Mayor

Attest:

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City Clerk

Approved as to form and content:

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City Attorney

**INTERLOCAL AGREEMENT – OPTION TO PURCHASE**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between **LEWIS COUNTY, WASHINGTON**, a municipal corporation (hereinafter "County"), the **CITY OF TACOMA**, a municipal corporation (hereinafter "Tacoma"), and the **CITY OF CHEHALIS**, a municipal corporation (hereinafter "Chehalis")(collectively "the Parties").

**WITNESSETH:**

**WHEREAS**, Tacoma has owned and operated the Mountain Division of the municipal railroad system for a number of years, including the approximately 20-mile portion of the system extending from Maytown in Thurston County to the Port of Chehalis in Lewis County (hereinafter "the Chehalis Extension"); and,

**WHEREAS**, Tacoma wishes to consolidate its own railroad operations to conserve municipal resources and better serve customers; and,

**WHEREAS**, Lewis County, the City of Chehalis and other local communities wish to ensure local control over the operation of the Chehalis Extension of the railroad system, including numerous crossings in Centralia, Chehalis and Lewis County; and,

**WHEREAS**, Chehalis and Lewis County need three (3) years to apply for and obtain grant funding from foundations, governments and other sources to fund the purchase of the Chehalis Extension and related rights, assets, and other improvements; and,

**WHEREAS**, other municipal entities in Lewis County, including the City of Centralia and the Ports of Centralia and Chehalis, may eventually wish to participate with Lewis County and the City of Chehalis; and,

**WHEREAS**, Tacoma wishes to ensure continuing municipal control of the Chehalis Extension and, to that end, is willing to offer an Option to Purchase on certain terms, which include the potential forfeiture of a portion of the funds deposited in escrow by the County and Chehalis should certain conditions arise;

**NOW, THEREFORE, IN CONSIDERATION** of the above-referenced recitals, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

**AGREEMENT FOR OPTION TO PURCHASE**

**SECTION 1. OPTION TO PURCHASE.** Subject to the terms and conditions of this Agreement, Tacoma hereby grants and conveys to County and Chehalis and their designees (singly and collectively "Optionee") an irrevocable option (the "Option") to purchase that portion of the Tacoma Rail Line that runs between the Port of Chehalis located in Chehalis, Washington, and Maytown, Washington, and is approximately twenty (20) miles in length. The Property is described as follows:

1.1 Tax Parcel Numbers: Found in Exhibit "A."

1.2 **Legal Description:** to be described in Exhibit "B", attached hereto and by this reference incorporated herein as though fully set forth, including all buildings and improvements thereon (hereinafter "Property"). Such Property shall include all of Tacoma's right, title and interest in: any tangible personal property and fixtures of any kind owned by Tacoma and attached or used exclusively in connection with the ownership, maintenance or operation of the land and buildings, if any, and all of Tacoma's right, title, and interest in any third party leases, licenses, franchises, occupancy agreements, or other agreements demising space in, providing for the use or occupancy of, or otherwise similarly affecting or relating to, the Property, as of the date of Closing. Within ninety (90) days of Closing, as defined in Section 15 herein, Tacoma shall pay to Optionee the amount, if any, of all rents under the leases and all security deposits held by Tacoma under the leases from the date of closing. Included in Exhibit "C" is a list of current agreements, leases, crossings, easements to be assigned with the Property.

**SECTION 2. TERM OF OPTION.** The Option shall commence on the date of acceptance of this Agreement and shall expire three (3) years thereafter if Optionee has not given Tacoma written notice of exercise of the Option on or before such date. Optionee acknowledges that Tacoma is currently leasing the Property to Western Washington Railroad, which said lease is set to expire January 17, 2014. As a condition of this Agreement, Tacoma agrees it will use commercially reasonable efforts to continue to lease the Property to Western Washington Railroad (WWR) throughout the three-year option period granted hereunder. It is understood by the Parties that WWR is responsible for maintaining the Property under its current lease, and Tacoma shall require WWR under any future lease to maintain the Property in its present condition, normal wear and tear excepted.

**SECTION 3. OPTION EARNEST MONEY.**

3.1 **Deposit.** As consideration for the Option, within five (5) business days from the effective date of this Agreement, Optionee shall deposit One Hundred and Fifty Thousand Dollars (\$150,000.00) with TITLE GUARANTY COMPANY OF LEWIS COUNTY, in Chehalis, Washington ("Escrow Agent") as Option Earnest Money, the entire amount of which shall be applied to the Purchase Price at Closing. The Option Earnest Money shall be deposited by Escrow Agent in an interest bearing account at a financial institution acceptable to Optionee, with all interest accruing to the account of Optionee, to be held subject to the terms and conditions of this Agreement.

3.2 **Funds to be Paid at Closing.** At Closing, the entire amount of the Purchase Price, less the amount of the Option Earnest Money to be applied to the Purchase Price and all interest earned on the Option Earnest Money, shall be paid by Optionee to Escrow Agent in cash or certified check, bank cashier's check or wire transfer of funds (so long as the form of payment is recognized by Escrow Agent as immediately available funds), subject, however, to the Closing adjustments described in Section 16, ESCROW/CLOSING COSTS.

#### **SECTION 4. DISPOSITION OF OPTION EARNEST MONEY.**

- 4.1 **Termination before Second Anniversary.** If Optionee terminates this Agreement before the second anniversary of this Agreement's execution by the Parties (hereinafter "the Second Anniversary"), the entire Option Earnest Money deposit in escrow shall be returned to Optionee.
- 4.2 **After Second Anniversary.**
- 4.2.1 **Additional Earnest Money Deposit.** If Optionee does not terminate this Agreement before the Second Anniversary, Optionee shall be required to deposit an additional One Hundred Thousand and no/100 Dollars (\$100,000.00) in earnest money with the escrow agent identified above by the Second Anniversary. If the Optionee does not timely deposit the additional earnest money in escrow, Tacoma may terminate this Agreement and the Option Earnest Money shall be returned to Optionee.
- 4.2.2 **Partial Forfeiture.** If for any reason other than the inability of Optionee to secure grant funding to purchase the Property, Optionee terminates this Agreement after the Second Anniversary, Optionee shall forfeit \$50,000.00 of the Option Earnest Money and all remaining funds in escrow shall be returned to Optionee.

**SECTION 5. RIGHT OF FIRST REFUSAL.** Tacoma grants Optionee a right of first refusal to purchase the Property on the terms and conditions stated in the Purchase and Sale Agreement portion of this Agreement.

- 5.1 **Option to Purchase.** Tacoma shall not sell, transfer or otherwise dispose of the Property without first offering such Property to Optionee.
- 5.2 **Election of Price and Requirements of Competing Offer.** If Tacoma receives an acceptable offer from a buyer that is ready, willing and able to purchase the Property in its entirety before the Second Anniversary (the "Competing Offer"), Tacoma shall give Optionee notice of the terms and conditions of the Competing Offer and shall offer the Property to Optionee for Three Million and no/100 Dollars (\$3,000,000.00). The other terms of purchase shall be those stated in Sections 1, 3, 7, and 9 through 19 of this Agreement.
- 5.3 **Notice of Offer to Optionee.** Tacoma shall make such offer in writing and shall notify Optionee of such offer as provided in Section 7 of this Agreement.
- 5.4 **Notice of Acceptance or Rejection.** Optionee or its designee shall notify Tacoma of its acceptance or rejection of such offer within one hundred twenty (120) calendar days of Optionee's receipt of Tacoma's offer and in the manner provided in Section 7.
- 5.5 **Time to Purchase.** Optionee shall have One Hundred Twenty (120) days from and after notifying Tacoma of its acceptance of Tacoma's offer, to pay the price of Three Million and no/100 Dollars (\$3,000,000.00) on the terms and conditions stated in the Purchase and Sale

Agreement below.

**SECTION 6. PURCHASE PRICE.** The purchase price shall be Three Million and no/100 Dollars (\$3,000,000.00).

**SECTION 7. NOTICES.**

- 7.1 All notices to be given by each Party to the other pursuant to this Agreement shall be delivered in person or deposited in the United States mail, postage prepaid, by certified or registered mail, return receipt requested, and addressed to the Parties at the addresses set forth below their signatures.
- 7.2 Any Party, by written notice to the other(s) as above described, may alter the address for receipt of such notice.
- 7.3 Receipt of any notice shall be defined as the earlier of: three (3) business days following the postmark date; or the date the notice is actually received by the Party.

**SECTION 8. RECORDING.** The Parties hereto agree that a "Memorandum of Option to Purchase Real Estate," in form acceptable to the Parties, shall be executed by the Parties contemporaneously with this Agreement and recorded in Lewis County, Washington.

**PURCHASE AND SALE AGREEMENT**

**SECTION 9. EXERCISE OF OPTION.** Optionee may exercise the Option at any time during the term of the Option by delivering written notice to Tacoma of such exercise in accordance with Section 7. If Optionee exercises this Option to Purchase, the purchase of the Property shall be subject to the terms and conditions stated in Sections 1, 3, 6, 7, and 9 through 19 of this Agreement, which shall constitute the terms and conditions of purchase of the Property.

**SECTION 10. CONDITIONS TO OPTIONEE'S PURCHASE.** Optionee's obligations to purchase Property shall be subject to and contingent upon the satisfaction as of Closing of the following conditions:

- 10.1 **Indemnification against Liens.** Optionee shall indemnify and hold harmless Tacoma from and against any mechanic's or other liens or claims that may be filed or asserted against the Property or Tacoma resulting from any actions taken by Optionee in connection with inspection of the Property.
- 10.2 **Due Diligence.** Satisfactory inspection of the Property, including, but not limited to, the rail line system, regarding its condition. Such review shall extend to all matters concerning the Property including, but not limited to, the physical condition of the Property; zoning status; tax consequences of this transaction; utilities; operating history or projections or valuation; compliance by the Property with Environmental Laws (defined below) or other laws, statutes, ordinances, decrees, regulations and other requirements applicable to the Property; the presence of any Hazardous Substances (defined below), wetlands, asbestos, lead, lead-based

paint or materials in, on, or under the Property; the condition or existence of any of the above-ground or underground structures or improvements, including tanks and transformers in, on or under the Property; and the condition of title to the Property (collectively, the "Condition of the Property"). Tacoma will allow Optionee and its agents at their sole expense to have access to the Property for the purpose of conducting physical and environmental and other due diligence. Prior to accessing the Property, the County and/or Chehalis shall obtain a Right of Entry permit from Tacoma, and be responsible for any costs related to accessing the Property, which may include paying flagging cost since the Property is an active railroad. Tacoma shall cooperate in good faith with Optionee's due diligence activities and make appropriate employees, agents, or contractors available to answer reasonable inquiries from Optionee concerning the Condition of the Property. Optionee shall have until Closing to determine in their sole and absolute discretion whether there are any conditions including, but not limited to, environmental conditions, affecting the Property that are unacceptable to any or all of them in their sole discretion. If Optionee determines that there is an existing condition affecting the Property that is unacceptable to it in its sole discretion, then Optionee shall terminate this Agreement. If Optionee does so terminate this Agreement, this Agreement shall terminate and Tacoma shall pursuant to Section 4 refund to the Optionee the Option Earnest Money and other monies held in escrow, and none of the Parties shall have any further obligation hereunder.

**10.3 Title.** Obtaining and examining title reports, surveys and title commitments, to determine whether Optionee will be able to obtain title insurance endorsements it desires and to identify any title concerns it may have. If Optionee is not, for any reason, satisfied with the status of any such reports, surveys, or commitments, then Optionee may elect to terminate this Agreement in which case Tacoma shall refund pursuant to Section 4 the Option Earnest Money and any other monies held in escrow to the Optionee, and none of the Parties shall have any further rights or obligations hereunder.

**10.4 Intergovernmental Agreement of Lewis County Entities.** Timely approval by the respective governing bodies of Lewis County and the City of Chehalis, and any other municipal entities that choose to participate as Optionee, of this Agreement and the timely approval and execution by those governing bodies of an inter-local agreement providing for: full payment of debt service on any bonds or other obligations issued or to be issued by Lewis County and/or those entities to fund the purchase of the Property; full payment of all costs to investigate, remediate, or respond to any physical condition limiting the use of the Property or any and all environmental conditions (including but not limited to release of hazardous substances) on, in or under the Property to the extent not paid by Tacoma; and payment of any and all costs of operation, maintenance and insurance of the Property. All of such approvals and executions of agreements shall be obtained and completed within TWO (2) YEARS of the execution of this Agreement. Optionee shall have TWO (2) YEARS from and after the execution of this Agreement to obtain such approvals and agreements. This contingency is non-waivable. If such approvals and agreements are not obtained prior to the expiration of such two-year



period, this Agreement shall terminate and Tacoma shall refund pursuant to Section 4 to the Optionee the Option Earnest Money and other monies held in escrow, and none of the Parties shall have any further obligation hereunder.

**10.5 Surface Transportation Board.** At Optionee's sole expense, Optionee obtains any necessary authority or exemption from the Surface Transportation Board ("STB") to complete the transaction contemplated by this Agreement or obtain a ruling from the STB that the acquisition of the Property is not subject to the jurisdiction of the STB. Tacoma shall reasonably cooperate with the Optionee in connection with any hearings or submittals required to obtain the necessary authority or a jurisdictional ruling from the STB.

**10.6 Termination.** If the required governmental approvals or agreements are not obtained, or if Optionee does not approve of the results of its investigations and reviews of matters relating thereto and decides not to proceed with this transaction, then Optionee may terminate this Agreement by giving a written notice to Tacoma and Escrow Agent stating Optionee's disapproval and intent to terminate this Agreement ("Termination Notice") and stating the section(s) of the Agreement upon which it bases termination. If Optionee fails to give written notice of its dissatisfaction with the results of its investigation and review prior to the expiration of the applicable deadline, then the right to Terminate shall be deemed waived. If Optionee gives its Termination Notice to Tacoma, then Escrow Agent shall disburse to Optionee pursuant to Section 4 the funds deposited into escrow by Optionee, all accrued interest thereon, and upon such disbursement neither Optionee nor Tacoma shall have any further liability to the other under this Agreement.

#### **SECTION 11. TACOMA'S DISCLOSURE AND REPRESENTATIONS.**

**11.1 Warranty.** Tacoma makes no warranties as to the condition of the Property, and it is specifically agreed between the Parties that Tacoma is not required to make any disclosures regarding the Condition of the Property. Notwithstanding the foregoing, Tacoma is required to cooperate with Optionee in the due diligence process as provided in Section 10.2. This sale is AS IS, WHERE IS, WITH NO WARRANTIES.

**11.2 Property Maintenance.** Tacoma will perform ordinary maintenance on the Property until the earlier of Closing or as otherwise agreed.

**11.3 Boundaries/Square Footage.** Tacoma makes no representations regarding the locations or length of the boundary lines and other improvements. Optionee has personally observed the Property and has reached Optionee's own conclusions as to the adequacy and acceptability of the boundaries and square footage of the Property based upon such personal inspection.

**11.4 Material Impairment by Pending Litigation.** Tacoma has not received any written notice of and has no knowledge of any actual or pending litigation, proceeding or claim by any organization, person, individual, or government agency against Tacoma that could materially impair Tacoma's ability to perform its obligations under this Agreement.

- 11.5 **Adverse Property Rights.** Tacoma has not received any written notice of and has no knowledge of any actual or pending litigation asserting through a claim of adverse possession or other prescriptive rights that Tacoma does not own the Property or any portion of the Property.
- 11.6 **Uncured Existing Violations.** Tacoma has not received any written notice of and Tacoma has no knowledge of any written notice from any governmental authority alleging any uncured existing violation of any applicable governmental laws, statutes, ordinances, rules, codes, regulations or orders, including Environmental Laws, affecting the Property or the conduct of railroad operations on the Property.
- 11.7 **Third Party Rights in Property.** To Tacoma's knowledge, the Property is not subject to any leases, tenancies or rights of persons in possession, franchises, occupying agreements, unrecorded easements or other agreements demising space in, providing for the use or occupancy of, or otherwise similarly affecting the Property other than the agreements listed in Exhibit "C".
- 11.8 **Labor Agreements.** Tacoma represents that execution of this Agreement or conveyance of any of the Property will not cause Optionee to become a party to any collective bargaining agreement or to become an employer of persons now employed by Tacoma. Tacoma shall indemnify Optionee for any sums Optionee is obliged to expend during a term of five years following the execution of this Agreement by virtue of becoming an employer of any such persons.

## **SECTION 12. ENVIRONMENTAL MATTERS.**

- 12.1 **Condition of Property.** It is expressly understood by Tacoma and Optionee that the Property is an active railroad. Notwithstanding the foregoing, Tacoma has no knowledge of the existence at any time, whether still occurring or not, of any of the following activities on the Property:
- i. Routine fueling of trains or train related equipment;
  - ii. Treatment of railroad ties;
  - iii. Creosote treating operations (provided that cross ties installed over time are creosote treated but Tacoma does not engage in any treating operations);
  - iv. Above-ground or underground storage tanks;
  - v. Transformers; or
  - vi. Repair shops.
- 12.2 **Intent of the Parties.** In full recognition of the foregoing, Optionee and Tacoma agree that it is the express intent of the Parties that the Optionee and Tacoma shall have no liability for hazardous water or materials present on the Property to each other, except as provided herein.

- 12.3 **Environmental Compliance.** Tacoma represents and warrants, to the best of its knowledge, that the Property was not used for the generation, storage, treatment, or disposal of any Hazardous Substances (as defined in Section 12.5). Tacoma further gives assurance, to the best of its knowledge, that: (i) no Hazardous Substance, the release of which has or might result in or contribute to the need for remedial action, was or is being released at, on or beneath the Property; and (ii) no underground storage tanks exist on the Property which have in the past or are now currently releasing Hazardous Substances on, at or under the Property.
- 12.4 **Optionee's Reliance.** Optionee is entering into this Agreement in reliance on Tacoma's representation that there are no known Hazardous Substances present on, at or under the Property, and further that Tacoma has not caused any such releases of Hazardous Substances. If facts later establish that Tacoma did cause a release(s) of Hazardous Substances on, at or under the Property, Tacoma shall be responsible after closing to reimburse Optionee for all required remedial action costs Optionee incurs to properly remediate, and/or dispose of such Hazardous Substances which may be found to exist on, at or under the Property, as well as any other costs and expenses covered by Section 12.6 below. Optionee shall have no obligation to inspect the Property for the existence of Hazardous Substances and no obligation of Tacoma shall be waived whether or not Optionee inspects the Property for the existence of Hazardous Substances. Tacoma agrees that it shall be fully responsible and liable for any Hazardous Substances that have been, or are being released on, at or under the Property, if such release was or is caused by or resulting from Tacoma's actions.
- 12.5 **Hazardous Substances and Other Definitions.** For the purpose of this Agreement, the terms "Hazardous Substances" shall be defined according to the Model Toxics Control Act ("MTCA") at RCW 70.105D.020(10) and WAC 173-340-200. The term "Hazardous Substances" shall also include materials and/or wastes regulated under the Toxics Substance Control Act (15 U.S.C § 2601, et seq.), and its implementing regulations at 40 CFR Part 761.3, including hazardous, toxic, radioactive or infectious substance. The terms "release" or "released", "remedial action", "remediate", and "potentially responsible person" as they appear in this Article shall be defined according to RCW 70.105D.020(25), RCW 70.105D.020(26) and RCW 70.105D.020(21) respectively, and WAC 173-340-200, as well as applicable common law.
- 12.6 **Tacoma's Environmental Indemnity and Hold Harmless.** For a period of twenty-four (24) months following the date of Closing on Optionee's purchase of the Property ("Indemnity Period"), Tacoma shall indemnify, defend, and hold Optionee and Optionee's officers, directors, elected officials, employees harmless from and against any and all present and future claims, demands, and any and all injuries, causes of action (including without limitation causes of action for tort), damages, liabilities, losses, expenses (including without limitation, fines, penalties, judgments, and attorney's fees), and all costs and fees for legal actions, including remedial actions related thereto (collectively "Loss" or "Losses"), whether such Loss or Losses are initiated by a federal or state agency, or local jurisdiction (including the Optionee if Optionee decides to voluntarily undertake remedial actions on the Property), and/or a non-

governmental third party, which are caused by or resulting from Tacoma releasing a Hazardous Substance on, at or under the Property. For purposes of this Section 12, the phrase "caused by or resulting from Tacoma releasing a Hazardous Substances on, at or under the Property" means Tacoma either released such Hazardous Substances on its own, directed others (i.e., an employee or third party) to do so, or such Hazardous Substances were otherwise released by persons working for and/or on behalf of Tacoma, with or without Tacoma's knowledge. This Agreement to indemnify and hold harmless shall apply to Losses brought by any party based upon any applicable state or federal statutory or common law, and shall include, but not be limited to, any and all remedial action costs to address such release of Hazardous Substances, as well as any and all litigation costs and expenses, administration, oversight, and personnel costs arising from such release of Hazardous Substances. Notwithstanding the above, Tacoma shall have no obligation to indemnify, defend, and hold Optionee harmless from and against Losses based on a release of Hazardous Substances on, at or under the Property not caused by the actions of Tacoma. Optionee shall cooperate with and make available to Tacoma such assistance as may be reasonably requested by Tacoma with respect to any Losses. Tacoma shall have sole discretion regarding the settlement of any Losses, provided that Optionee will not be subject to any liability for any settlement made without consent, but such consent shall not be unreasonably withheld.

**12.7 Reservation of Tacoma.** Tacoma reserves and does not waive its right to seek contribution for the recovery of remedial action costs from Optionee under RCW 70.105D.080, or other applicable federal or state law, or under applicable common law during and following termination of the Indemnity Period.

**12.8 Reservation of Optionee.** In addition to and notwithstanding the foregoing, Optionee reserves and does not waive its right to seek contribution for the recovery of remedial action costs from Tacoma under RCW 70.105D.080, or other applicable federal or state law, or under applicable common law.

**12.9 Optionee's Environmental Indemnity and Hold Harmless.** Optionee shall indemnify, defend, and hold Tacoma and Tacoma's officers, directors, elected officials, employees harmless from and against any and all present and future claims, demands, and any and all injuries, causes of action (including without limitation causes of action for tort), damages, liabilities, losses, expenses (including without limitation, fines, penalties, judgments, and attorney's fees), and all costs and fees for legal actions, including remedial actions related thereto (collectively "Loss" or "Losses"), whether such Loss or Losses is initiated by a federal or state agency, or local jurisdiction (including Optionee if Optionee decides to voluntarily undertake remedial actions on the Property), and/or a non-governmental third party, which are caused by or resulting from Optionee releasing a Hazardous Substances on, at or under the Property after Closing. For the purpose of this Article, the phrase "caused by or resulting from Optionee releasing a Hazardous Substances on, at or under the Property" means Optionee either released such Hazardous Substances on its own, directed others (i.e., an employee or third party) to do so, or such Hazardous Substances were otherwise released by persons working

for and/or on behalf of Optionee, with or without Optionee's knowledge. This Agreement to indemnify and hold harmless shall apply to Losses brought by any Party based upon any applicable state or federal statutory or common law, and shall include, but not be limited to, any and all remedial action costs to address such release of Hazardous Substances, as well as any and all litigation costs and expenses, administration, oversight, and personnel costs arising from such release of Hazardous Substances. Notwithstanding the above, Optionee shall have no obligation to indemnify, defend, and hold Tacoma harmless from and against Losses based on a release of Hazardous Substances on, at or under the Property not caused by the actions of Optionee, or for any Conditions of the Property existing prior to Closing and transfer of possession to Optionee, or to any Releases occurring on the Property prior to Closing and transfer of possession to Optionee. Provided, however, this Indemnity and Hold Harmless shall include Losses arising from Optionee's exacerbation of a Release existing on or around the Property at the date of Closing. Tacoma shall cooperate with and make available to Optionee such assistance as may be reasonably requested by Optionee with respect to any Losses. Optionee shall have sole discretion regarding the settlement of any Losses, provided that Tacoma will not be subject to any liability of any settlement made without consent, but such consent shall not be unreasonably withheld.

**SECTION 13. CONDITIONS TO TACOMA'S OBLIGATION TO SELL.**

- 13.1 **City Council Approval.** Tacoma's obligations to sell the Property shall be subject to and contingent upon the approval by the Tacoma City Council and such contingency shall be non-waivable. This Agreement shall be deemed terminated if the City Council has not approved the transaction prior to Closing.
- 13.2 **Weyerhaeuser Right of Refusal.** Tacoma's obligation to sell the Property to the Optionee shall be subject to and contingent upon providing notice of its desire to sell the Property to Optionee and the Price to the Weyerhaeuser Company 90 days prior to the closing date in the Agreement, whereby the Weyerhaeuser Company shall have the right to repurchase the Property at the Price. If the Weyerhaeuser Company or its successor fails to exercise such right within 90 days of said notice, Tacoma's contingency shall be met.

**SECTION 14. CONVEYANCE OF TITLE.** Conveyance of fee title shall be by way of a bargain and sale deed. Optionee and Tacoma understand that the form of the deed may affect significant legal rights.

**SECTION 15. CLOSING.** Closing shall be within ten (10) days after satisfaction or waiver of all contingencies and as agreed by the Parties, but not later than February 1, 2017, the latter of which shall be the termination date of this Agreement. Closing shall mean the date on which all documents are recorded and the net sales proceeds are available for disbursement to Tacoma. Optionee and Tacoma shall deposit, when notified and without delay, in escrow with TITLE GUARANTY COMPANY OF LEWIS COUNTY, the title company which will conduct the Closing, all instruments, moneys, and other documents reasonably required to complete the closing of the transaction in accordance with the terms of this Agreement.

**SECTION 16. ESCROW/CLOSING COSTS.**

16.1 **Place of Closing.** Closing shall occur at TITLE GUARANTY COMPANY OF LEWIS COUNTY, 200 N. W. Prindle Avenue, Chehalis, Washington, 98532, who shall act as the escrow/closing agent unless the Parties agree in writing otherwise.

16.2 **Closing Costs.** Unless limited by law or modified by the terms of this Agreement, Optionee and Tacoma shall pay at Closing all customary and usual closing costs and fees, including but not limited to the following: Tacoma shall pay the seller's excise tax, the cost of recording fees, and seller's half share of escrow fees. Optionee shall pay all costs and fees associated with any buyer's financing, recording fees, any other costs agreed to under the terms of this Agreement, and buyer's half share of the escrow fees.

**SECTION 17. TERMINATION OF PURCHASE.** If the Purchase and Sale Agreement is terminated for any reason, any costs authorized under this Purchase and Sale Agreement to be advanced from the earnest money deposit shall be deducted before the remaining earnest money is refunded to the Optionee or forfeited to Tacoma in accordance with Section 4 of this Agreement. Disposition of the Option Earnest Money as provided in Section 4 of this Agreement shall constitute Tacoma's sole and exclusive remedy for Optionee's failure to purchase the Property. If a dispute should arise regarding the disbursement of any earnest money, if the earnest money is held by someone other than Optionee or Tacoma, the Party holding the earnest money may interplead the funds into court and that Party shall recover all costs and attorney fees associated with the interpleader action from the earnest money before any other disbursements are made.

**SECTION 18. CASUALTY/LOSS.** If, prior to Closing, the Property or improvements on the Property are destroyed or materially damaged by fire or other casualty, Optionee may elect to terminate this Agreement, and the earnest money shall be refunded to Optionee pursuant to Section 4.

**GENERAL PROVISIONS APPLICABLE TO OPTION AGREEMENT AND PURCHASE AGREEMENT**

**SECTION 19. GENERAL PROVISIONS.**

19.1 **Integration.** This Agreement contains the entire understanding of the Parties. No variations, modifications, or changes shall be binding upon any Party unless set forth in a document duly executed by or on behalf of such Party. The representations, warranties, and covenants set forth herein shall survive the Closing and shall not merge into any document or instrument executed and delivered at or in connection with Closing.

19.2 **Amendment.** Optionee and Tacoma agree that they may only amend this Agreement by written agreement.

19.3 **Time is of the Essence.** Time is of the essence as to all terms and conditions of this Agreement.

19.4 **Computation of Time.** Unless specified otherwise herein, any periods of time referenced in

this Agreement shall expire at 9:00 p.m. (Pacific Time Zone) of the last calendar day of the specified time period, unless the last day is a Saturday, Sunday, or legal holiday as prescribed in RCW 1.16.050, in which event the specified period of time shall expire at 9:00 p.m. (Pacific Time Zone) on the next business day. Any specified period of three (3) days or less shall include business days only.

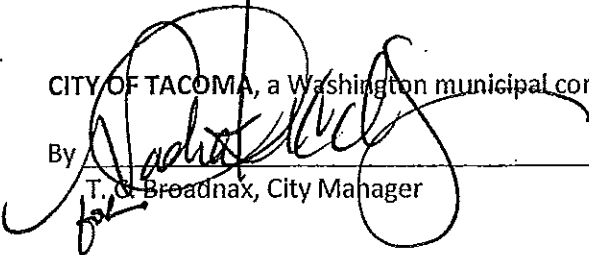
19.5 **Backup Offers.** Optionee is aware that during the term of this Agreement, Tacoma may continue to market the Property and solicit and accept backup offers.

19.6 **Venue/Applicable Law.** This Agreement shall be interpreted and construed according to the laws of the state of Washington; venue shall be in Lewis County, Washington.

19.7 **Survival.** All terms of this Agreement, which are not satisfied or waived prior to Closing, shall survive Closing. These terms shall include, but not be limited to, representations and warranties, attorney's fees and costs, disclaimers, repairs, rents and utilities, etc.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first above written.

CITY OF TACOMA, a Washington municipal corporation

By   
T. G. Broadnax, City Manager

CITY OF CHEHALIS, A Washington municipal corporation

By \_\_\_\_\_  
Merlin MacReynold, City Manager

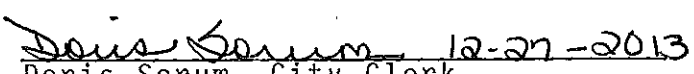
LEWIS COUNTY, a Washington municipal corporation

By \_\_\_\_\_  
P. W. "Bill" Schulte, Chairman,  
Board of County Commissioners

CITY OF TACOMA  
Approved as to Form:

  
for Elizabeth Pauli, City Attorney

Attest:

 12-27-2013  
Doris Sorum, City Clerk

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF Pierce )

On this 24<sup>th</sup> day of December, 2013, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared F. C. Nadia Chandler Hardy <sup>Acting</sup> **BROADNAX**, to me known to be the city Manager of the City of Tacoma, a Washington municipal corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that his is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

Jodi L. Davila

NOTARY PUBLIC in and for the state of Washington

Residing at Puyallup

My name is Jodi L. Davila (printed)

My appointment expires 5-21-15





STATE OF WASHINGTON         )  
  ) ss.  
COUNTY OF \_\_\_\_\_         )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2013, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared **MERLIN MACREYNOLD**, to me known to be the City Manager of the City of Chehalis, a Washington municipal corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that his is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

\_\_\_\_\_  
NOTARY PUBLIC in and for the state of Washington  
Residing at \_\_\_\_\_  
My name is \_\_\_\_\_ (printed)  
My appointment expires \_\_\_\_\_

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2013, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared **P. W. "BILL" SCHULTE**, to me known to be the Chairman of the Lewis County Board of County Commissioners, a Washington municipal corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that his is authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto affixed the day and year first above written.

\_\_\_\_\_  
NOTARY PUBLIC in and for the state of Washington  
Residing at \_\_\_\_\_  
My name is \_\_\_\_\_ (printed)  
My appointment expires \_\_\_\_\_

EXHIBIT "A"

Parcel List  
TRMW MP 47.5C to End of C-Line

Thurston Parcel #	Lewis Parcel #
09200011001	023564004000
09790002000	009772002000
09790005001	023602002000
Portion of 12603310000	023602001002
12604330400	009647002000
12605320100	021058011000
12607410100	021410000000
12608220300	003456002000
12618110300	003449008000
12619110300	003205026000
12619420200	003325001000
13501100000	003325003000
13512200000	003326002000
13513221400	003331004000
13524120100	003356000000
13636400000	002119002001
	002134005001
	000548003001
	000549001001
	000798003001
	000676003008
	000670001003
	000670001004
	000660003001
	003563002000
	002439002005
	003583005003
	021502002000
	021506007000
	021513002000
	021607001000
	005605082000
	005659005000
	004331005000
	004272003001
	005752002000
	004870003000
	005771004000
	005811005000
	005811004000

EXHIBIT "B"

LEGAL DESCRIPTION  
TRMW MP 47.5C to End of C-Line  
Page 1 of 2

That portion of the Tacoma Rail Mountain Division right of way acquired from the Weyerhaeuser Company by Quit Claim Deed recorded under Thurston County Auditor's File No. 9508140208, records of Thurston County, Washington and by Quit Claim Deed recorded under Lewis County Auditor's File No. 9511613, records of Lewis County, Washington and from Lakeside Industries Inc. by Warranty Deed recorded under Lewis County Auditor's File No. 3364589, records of Lewis County and from Daniel A. Chaney and Lisa Chaney, husband and wife and Christopher M. Hunter, a single person by Corrective Deed recorded under Lewis County Auditor's No. 3262870, records of Lewis County, Washington, all lying between Mile Post 47.5C located in the Southeast Quarter of Section 3, Township 16 North, Range 2 West, W.M, in Thurston County, Washington and the Southerly terminus of said Tacoma Rail Mountain Division right of way located in the Southeast Quarter of Section 31, Township 14 North, Range 2 West, W.M, in Lewis County, Washington.

Except those portions of said right of way conveyed to Daniel A. Chaney and Lisa Chaney, husband and wife and Christopher M. Hunter, a single person by Corrective Deed recorded under Lewis County Auditor's No. 3262871 and to the State of Washington by Quit Claim Deeds recorded under Lewis County Auditor's Nos. 3377947 and 3377948, records of Lewis County, Washington.

Situate in the, Counties of Thurston and Lewis, State of Washington; and as further shown in Exhibit "B" attached hereto and by this reference incorporated herein.

The foregoing shall be referred to as the "Premises".

Subject To: This conveyance is subject to covenants, conditions, restrictions and easements, if any, affecting title, which may or may not appear of public record, including those shown on any recorded plat or survey.

EXHIBIT "B"

MAP OF PREMISES  
TRMW MP 47.5C to End of C-Line  
Page 2 of 2

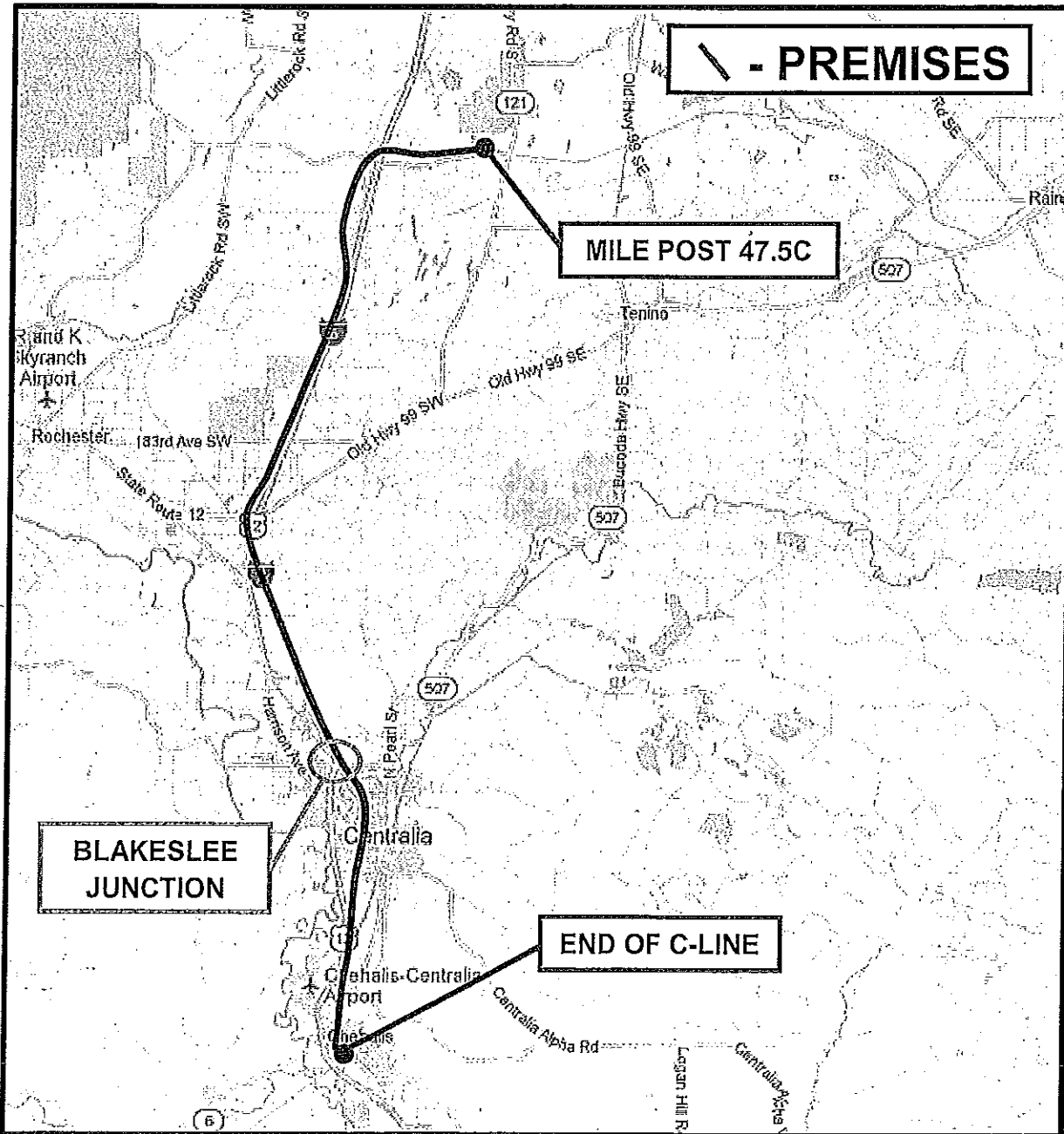


EXHIBIT "C"

THIRD PARTY AGREEMENTS

Page 1 of 5

Start Date	DOC TYPE	Party	Description	Mile Post
8/15/1952	DISCLAIMER	Cloyd D. Wehner	Garage	48.8 C
3/17/1982	PERMIT	Perry Bros.	Building	56.2 C
4/17/1983	PERMIT	Perry Bros.	Lawn	56.2 C
7/20/1983	PERMIT	Zimmerman, John T. and Patricia J.	Driveway, Concrete Slab, Lawn and Landscaping	62.9 C
8/25/1993	PERMIT	Wilson, Donald and Becky	Driveway, Lawn and Landscaping	62.9 C
4/17/1992	PERMIT	Farm Boy Restaurant	Painting	49.6 C
9/13/1909	AGREEMENT	Thurston County	Road Crossing	49.1 C
8/14/1913	FRANCHISE	City of Centralia	Road Crossings	62 C to 63 C
4/27/1914	JUDGMENT	Centralia Boulevard Land Co. & Centralia Meat Co.	RR Acquisition	60 C to 61.2 C
11/15/1922	AGREEMENT	City of Chelan	Utility Crossing	56.2 C
7/27/1923	AGREEMENT	Thurston County	Road Crossing	50.3 C
7/23/1971	AGREEMENT	Thurston County	Road Crossing	59 C
10/27/1946	AGREEMENT	Northern Pacific Railway Company	Road Crossing	56 C
3/31/1949	AGREEMENT	City of Centralia	Track Crossing	56 C
5/4/1951	AGREEMENT	State of Washington - Department of Transportation	Pipeline	51.2 C
10/30/1952	AGREEMENT	Washington State - Department of Transportation	Highway Encroachment	64.3 C
10/30/1952	AGREEMENT	Washington State - Department of Transportation	Highway Encroachment	57.4 C
10/30/1952	AGREEMENT	Washington State - Department of Transportation	Highway Encroachment	58.3 C
8/4/1953	AGREEMENT	Washington State - Department of Transportation	Highway Encroachment	58.4 C
10/17/1953	CCD	Chicago, Milwaukee and Puget Sound Railroad Company	Highway Encroachment	64.3 C to 64.8 C
10/17/1953	EASEMENT	Washington State - Department of Transportation	Railroad ROW	58.5 C
10/17/1953	CCD	Washington State - Department of Transportation	Highway Overpass	56.5 C
11/22/1971	AGREEMENT	Washington State - Department of Transportation	Highway Overpass	56.5 C
7/28/1977	AGREEMENT	Graystone Corporation	Road Crossing	47.7 C
7/3/1984	AGREEMENT	Franklin, Paul	Road Crossing	51.7 C
3/23/1988	AGREEMENT	Washington State - Department of Transportation	Road Crossing	62.9 C
8/17/1995	CCD	Washington State - Department of Transportation	Signals	49.8 C
7/19/1995	EASEMENT	City of Tacoma	RR Acquisition	59.1 C to END
10/13/1999	AGREEMENT	Jere, Nacine L.	Pipeline Longitudinal	62.8 C
9/15/2006	DEED	Puget Sound and Pacific Railroad	Trackage Rights	60.5 to End
9/15/2006	DEED	City of Tacoma	Railroad ROW	62 C
5/17/1980	AGREEMENT	Huner, Christopher	Fee Simple	62 C
5/17/1980	AGREEMENT	City of Centralia	Signals	63.1 C
3/6/1956	AGREEMENT	City of Centralia	Signals	62.8 C
2/16/1971	AGREEMENT	Washington State - Department of Transportation	Signals	61.2 C
7/29/1957	AGREEMENT	City of Centralia	Signals	62.2 C
3/13/1975	AGREEMENT	Washington State - Department of Transportation	Signals	62.9 C
11/27/1952	AGREEMENT	City of Chelan	Signals	66.7 C
11/27/1952	AGREEMENT	Washington State - Department of Transportation	Highway overpass	65.6 C
11/27/1952	AGREEMENT	Washington State - Department of Transportation	Track Interchange	56 C
6/30/1983	PERMIT	Northern Pacific Railway Company	Fence, Pasture and Out Hay	63.8 C

EXHIBIT "C"

THIRD PARTY AGREEMENTS

Page 2 of 5

Start Date	DOC TYPE	Party	Description	Mile Post
5/20/1981	AGREEMENT	United States of America - Bonneville Power Administration	Utility Crossing	52 C
11/13/1989	AGREEMENT	United States of America - Bonneville Power Administration	Utility Crossing	52 C
2/27/1945	AGREEMENT	Puget Sound Energy	Utility Crossing	47.1 C
9/27/1953	AGREEMENT	Qwest Communications (formerly Pacific Telephone and Telegraph)	Telephone	50.2 C
10/13/1984	AGREEMENT	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	47.2 C
7/28/1956	AGREEMENT	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	49.4 C
10/22/1989	AGREEMENT	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	47.7 C
7/2/1984	EASEMENT	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	49.8 C
7/2/1984	EASEMENT	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	51.9 C
8/9/1976	AGREEMENT	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	47.2 C
9/30/1976	AGREEMENT	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	50.8 C
11/11/1976	AGREEMENT	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	49.4 C
5/19/1978	AGREEMENT	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	52.9 C
9/21/1978	AGREEMENT	Puget Sound Energy	Utility Crossing	51.9 C
6/19/1974	AGREEMENT	Comcast (formerly Twin City Cablevision)	Cable TV	62 C
1/7/1985	AGREEMENT	Lewis County PUD No. 1	Utility Crossing	66.5 C
1/8/1983	AGREEMENT	Washington State - Department of Transportation	Culvert crossing	52.4 C
5/5/1983	AGREEMENT	Washington State - Department of Transportation	Bridge Crossing	50 C
2/8/1986	AGREEMENT	Washington State - Department of Transportation	Bridge Crossing	50 C
10/1/2007	AGREEMENT	Washington State - Department of Transportation	Bridge Crossing	50 C
7/14/1967	AGREEMENT	Washington State - Department of Transportation	Road Crossing and Signals	49.8 C
12/1/1972	AGREEMENT	Washington State - Department of Transportation	Road Crossing and Signals	47.2 C
3/16/1973	AGREEMENT	Washington State - Department of Transportation	Road Crossing and Signals	47.2 C
9/27/1952	AGREEMENT	Doelman, Cornelius	Pipeline	50.3 C
7/8/1941	AGREEMENT	Qwest Communications (formerly Pacific Telephone and Telegraph)	Telephone	48.1 C
8/17/1972	AGREEMENT	Puget Sound Energy	Utility Crossing	56 C
12/1/1987	AGREEMENT	Burlington Northern RR/Oregon-Washington RR/Union Pacific RR	Interlocking Plant Agreement	61.2 C
11/4/2011	AGREEMENT	Puget Sound & Pacific Railroad	Interlocking Plant Agreement	61.2 C
8/16/1966	AGREEMENT	Washington State - Department of Transportation	Bridge overpass	59 C
8/18/1966	AGREEMENT	Washington State - Department of Transportation	Bridge overpass	55 C
9/8/1956	AGREEMENT	United States of America - Bonneville Power Administration	Utility Crossing	61.4 C
10/24/1967	AGREEMENT	Puget Sound Energy (formerly Washington Natural Gas Co.)	Pipeline	61.2 C
4/30/1969	AGREEMENT	City of Centralia	Utility Crossing	63 C
2/4/1970	AGREEMENT	City of Centralia	Utility Crossing	62.2 C
7/22/1958	AGREEMENT	City of Centralia	Drainage ditch	64.3 C
1/29/1964	AGREEMENT	City of Centralia	Pipeline	63 C
1/8/1977	AGREEMENT	City of Centralia	Pipeline	62.7 C
1/8/1977	AGREEMENT	City of Centralia	Pipeline	61.2 C
7/13/1953	AGREEMENT	Qwest Communications (formerly Pacific Telephone and Telegraph)	Telephone	62 C
7/27/1965	AGREEMENT	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	62.4 C

EXHIBIT "C"  
THIRD PARTY AGREEMENTS  
Page 3 of 5

Start Date	DOC TYPE	Party	Description	Mile Post
1/15/1974	AGREEMENT	Puget Sound Energy (formerly Washington Natural Gas Co.)	Pipeline	63 C
1/15/1974	AGREEMENT	Puget Sound Energy (formerly Washington Natural Gas Co.)	Pipeline	62.2 C
2/19/1976	AGREEMENT	City of Chehalis	Utility Crossing	66.6 C
5/4/1959	AGREEMENT	City of Chehalis	Pipeline	66.4 C
9/28/1980	AGREEMENT	City of Chehalis	Pipeline	67 C
11/29/1988	AGREEMENT	City of Chehalis	Pipeline	65.6 C
10/12/1979	AGREEMENT	City of Chehalis	Pipeline	65.6 C
5/7/1940	AGREEMENT	Lewis County PUD No. 1	Utility Crossing	60.6 C
11/27/1963	AGREEMENT	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	66.1 C
12/31/1968	AGREEMENT	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	65.6 C
11/31/1952	AGREEMENT	Washington State - Department of Transportation	Highway overpass	65.6 C
3/18/1957	AGREEMENT	Puget Sound Energy (formerly Washington Natural Gas Co.)	Pipeline	65.7 C
3/18/1957	AGREEMENT	Puget Sound Energy (formerly Washington Natural Gas Co.)	Pipeline	66.2 C
12/3/1968	AGREEMENT	Puget Sound Energy (formerly Washington Natural Gas Co.)	Pipeline	65.6 C
9/4/1936	AGREEMENT	Lewis County PUD No. 1	Utility Crossing	61 C
4/8/1918	AGREEMENT	Qwest Communications (formerly Pacific Telephone and Telegraph)	Telephone	62.4 C
4/8/1918	AGREEMENT	Qwest Communications (formerly Pacific Telephone and Telegraph)	Telephone	62.5 C
4/8/1918	AGREEMENT	Qwest Communications (formerly Pacific Telephone and Telegraph)	Telephone	62.5 C
4/8/1918	AGREEMENT	Qwest Communications (formerly Pacific Telephone and Telegraph)	Telephone	62.7 C
4/8/1918	AGREEMENT	Qwest Communications (formerly Pacific Telephone and Telegraph)	Telephone	62.8 C
4/8/1918	AGREEMENT	Qwest Communications (formerly Pacific Telephone and Telegraph)	Telephone	62.9 C
4/22/1925	AGREEMENT	City of Centralia	Pipeline	63 C
4/22/1925	AGREEMENT	City of Centralia	Pipeline	62.9 C
4/22/1925	AGREEMENT	City of Centralia	Pipeline	62.8 C
1/19/1946	AGREEMENT	City of Centralia	Pipeline	62.5 C
5/28/1946	AGREEMENT	City of Centralia	Utility Longitudinal and Crossing	62.2 C to 63 C
8/20/1928	AGREEMENT	City of Centralia	Concrete box	62.6 C
4/26/1938	AGREEMENT	City of Centralia	Drainage ditch	62.6 C
1/22/1951	AGREEMENT	City of Centralia	Utility Crossing	66.7 C
12/21/1920	AGREEMENT	Lewis County PUD No. 1	Pipeline	66.1 C
3/9/1921	AGREEMENT	Puget Sound Energy (formerly North Pacific Public Service Company)	Pipeline	66.6 C
8/9/1947	AGREEMENT	Lewis-Pacific Dairymen's Association	Pipeline	66.1 C to 66.6 C
12/19/1932	AGREEMENT	City of Chehalis	Pipeline	66.7 C
9/11/1950	AGREEMENT	Qwest Communications (formerly Pacific Telephone and Telegraph)	Telephone	66.6 C
3/19/1954	EASEMENT	Washington State - Department of Transportation	Highway overpass	61.2 C
12/7/1953	AGREEMENT	Washington State - Department of Transportation	Highway overpass	61.2 C
10/26/1973	AGREEMENT	Washington State - Department of Transportation	Highway overpass	61.2 C
7/13/1983	EASEMENT	National Frozen Foods Corporation	Road and Utility Crossing	64.3 C
10/17/1983	EASEMENT	City of Centralia	Dike	64.2 C
7/30/1984	EASEMENT	Puget Sound Energy	Utility Crossing	50.2 C



EXHIBIT "C"

THIRD PARTY AGREEMENTS

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Start Date	DOC TYPE	Party	Description	Mile Post
7/30/1984	EASEMENT	Puget Sound Energy	Utility Crossing	52.9 C
7/30/1984	EASEMENT	Puget Sound Energy	Utility Crossing	47.8 C
5/1/1985	LETTER	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	52.9 C
4/25/1985	EASEMENT	Wright, Frank (formerly owned by D. Mark Hanson)	Pipeline	56.4 C
3/25/1987	EASEMENT	Qwest Communications (formerly Pacific Northwest Bell Telephone)	Telephone	49 C
2/19/1987	LETTER	Sprint Communications	Telephone	52 C
5/23/1987	EASEMENT	City of Chehalis	Pipeline	66.6 C
11/2/1989	LETTER	Puget Sound Energy (formerly Washington Natural Gas Co.)	Pipeline	61.2 C
5/16/1990	EASEMENT	Greg Kimball (formerly owned by Richard and Reda Cannon)	Easement	62.1 C
1/17/1990	EASEMENT	Comcast Cable (formerly TCI Cablevision)	Cable TV	65.6 C
2/19/1991	LETTER	City of Chehalis	Pipeline	66.5 C
4/15/1991	EASEMENT	Comcast Cable (formerly TCI Cablevision)	Cable TV	47.7 C
5/23/1991	EASEMENT	Comcast Cable (formerly TCI Cablevision)	Cable TV	49 C
5/23/1991	EASEMENT	Duffin, Mark and Sarah (formerly owned by Lee and Irene Duffin)	Road Encroachment	60.1 C
5/18/1992	EASEMENT	Duffin, Mark and Sarah (formerly owned by Lee and Irene Duffin)	Access to RR ROW	60.1 C
7/20/1992	PERMIT	Qwest Communications (formerly US West Communications)	Telephone	50.8 C
8/12/1992	EASEMENT	City of Centralia	Drainage Ditch and Gate	61.3 C to 61.6 C
4/20/1914	AGREEMENT	Qwest Communications (formerly US West Communications)	Telephone	52.9 C
5/17/1915	FRANCHISE	City of Chehalis	Road Crossing	66.2 C and 66.5 C
1/18/1992	EASEMENT	Lewis County PUD No. 1	Road Crossing	66.2 C to 66.5 C
1/13/1994	LETTER	Puget Sound Energy (formerly Washington Natural Gas Co.)	Utility Crossing	66.7 C to 67 C
10/18/1994	EASEMENT	Michael Ott (formerly owned by Bree Vandolait)	Pipeline	62.1 C
2/10/1995	EASEMENT	Puget Sound Energy (formerly Washington Natural Gas Co.)	Easement	61.9 C
4/7/1995	EASEMENT	Qwest Communications (formerly US West Communications)	Pipeline	63.4 C
8/18/1994	EASEMENT	Lewis County Flood Control District #2	Telephone	50.2 C
8/24/2000	EASEMENT	Lewis County Flood Control District #2	Flood Control	63.3 C
4/30/1996	PERMIT	City of Centralia	Flood Control	63.3 C
1/1/1999	PERMIT	Thurston County Water Dept.	Pipeline	62.7 C
8/9/2004	PERMIT	Clear Channel Outdoor	Utility Crossing	56.1 C
11/23/2005	PERMIT	National Frozen Foods Corporation	Billboard	50 C
1/17/2007	PERMIT	City of Centralia	Parking Lot	66 C
1/17/2007	PERMIT	City of Centralia	Utility Crossing	63.2 C
4/16/2008	PERMIT	Qwest Communications	Utility Crossing	63.3 C
3/31/2008	PERMIT	Puget Sound Energy	Telephone	49.9 C
9/9/2008	PERMIT	Puget Sound Energy	Utility Crossing	49.5 C
8/18/2010	PERMIT	Thurston County	Pipeline	61.2 C
6/15/2010	EASEMENT	Washington State Department of Transportation	Utility Crossing	56.7 C
6/15/2010	EASEMENT	Washington State Department of Transportation	Scopes	57.1 C to 59.1 C
7/20/2010	EASEMENT	Washington State Department of Transportation	Scopes	59.1 C to 60.5 C
7/20/2010	EASEMENT	Washington State Department of Transportation	Highway Overpass	56.5 C

EXHIBIT "C"

THIRD PARTY AGREEMENTS  
Page 5 of 5

Start Date	DOC TYPE	Party	Description	Mile Post
7/20/2010	EASEMENT	Washington State Department of Transportation	Skopes	56.4 C
7/6/2010	AGREEMENT	Washington State Department of Transportation	Highway Overpass	56.5 C
10/13/2010	PERMIT	Puget Sound Energy	Pipeline	58.1 C
4/25/2011	WD	City of Tacoma	Railroad ROW	61.2 C
3/29/2012	QCD	Washington State Department of Transportation	Highway Overpass	61.2 C
3/28/2012	QCD	Washington State Department of Transportation	Highway Overpass	61.2 C
4/14/2012	PERMIT	Northwest Open Access Network	Fiber Optics	63 C
7/31/2012	PERMIT	Owest Communications	Fiber Optics	55 C
2/29/2013	PERMIT	Valley Freightliner, Inc.	Road Crossings	49.8 C
4/16/2013	PERMIT	Valley Nut & Bolt Co.	Road Crossing	49.4 C
10/17/2013	LEASE	Western Washington Railroad LLC	Railroad Operations	47.5 C to END

## CITY OF CHEHALIS

### AGENDA REPORT

**DATE:** March 24, 2014  
**TO:** The Honorable Mayor and City Council  
**FROM:** Dennis Osborn, Community Development Director  
**SUBJECT:** Resolution No. 04-2014 - Updating the City of Chehalis Capital Improvement Plan

#### ISSUE

The City's Capital Improvement Plan (CIP) needs to be updated to include projects that may be eligible for local and state grant funding.

#### DISCUSSION

This issue was set aside while Council and staff worked on the ADU and Signs in Right-of-Way issues. This item has expanded beyond a Public Works update and now includes Community Development and Airport projects.

Cities planning under the Growth Management Act must keep a CIP list. In order to be compliant with state law in funding capital projects with local and state grant funds, capital projects being undertaken by the city need to be on the CIP. The CIP is an estimate of when the project will occur and projected cost. We are not required to be exact on timing or projected costs. The flexibility is to allow jurisdictions to pursue a project on the CIP, or update the CIP when funding becomes available.

On February 24, the administration presented the council with the proposed updates. The direction of the council was to incorporate the updates and bring the plan back for their consideration.

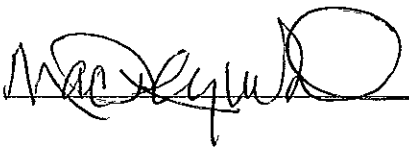
The Public Works updates are for projects on the immediate event horizon (next few years) and projects that received or look to be favorable for grant/loan funding. The pool and a couple of ball field improvements are added to make sure these are listed as we move forward on these projects over the next few years. Additionally, the updated plan includes projects identified by the Airport Manager, since the airport is now part of the city.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

The administration recommends that Council adopt Resolution No. 04-2014 on first and final reading.

**SUGGESTED MOTION**

I move that the council adopt Resolution No. 04-2014 on first and final reading, adopting the City Capital Improvement Plan.

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

**RESOLUTION NO. 04-2014**

**A RESOLUTION OF THE CITY OF CHEHALIS,  
WASHINGTON, REVISING THE CHEHALIS  
CAPITAL IMPROVEMENT PLAN AND PROVIDING  
FOR AN EFFECTIVE DATE HEREOF.**

**WHEREAS**, The Chehalis Capital Improvement Plan (CIP) is adopted as a component of the Chehalis Comprehensive Plan; and

**WHEREAS**, The Chehalis Comprehensive Plan provides that amendments and revisions to the Capital Improvement Plan are anticipated to be made by the Council to reflect changing conditions; and

**WHEREAS**, The Administration has identified a requirement in the state law that necessitates amending the current CIP to satisfy state auditor requirements for certain budget amendments; and

**WHEREAS**, The Administration has reviewed the current CIP and recommended changes to reflect current operating conditions and budget constraints; now, therefore,

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

**Section 1.** The Chehalis Capital Improvement Plan for project years 2014 through 2016, attached hereto, and dated March 2014, shall be, and the same hereby is, adopted by reference as if fully set forth herein.

**Section 2.** The 2014 through 2016 Capital Improvement Plan dated March 2014, shall be inserted into the Chehalis Comprehensive Plan replacing all prior versions thereof.

**Section 3.** The effective date of this Resolution shall be immediately upon its adoption.

**ADOPTED** by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof on this 24<sup>th</sup> day of March, 2014.

Attest:

\_\_\_\_\_  
Mayor

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

Approved as to form and content:

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

City of Chehalis - Capital Improvement Plan														
Department	Category	Project	General Description	Funding Source	Start Year	Prior Years	2011	2012	2013	2014	2015	2016	Future	Total Cost
Public Works	Vehicles / Equipment	Pickup	Replacement 1996 Crown Vic	General Fund, Engineering	Future								20,000	20,000
Public Works	Projects	Westside Storm Capacity Retrofit	West Street to Sitka	Stormwater Fund & Grants	Future								5,000,000	5,000,000
Public Works	Projects	Exhibitor Road Bridge	Erosion Control / Protection	Stormwater Fund & Grants	Future								100,000	100,000
Public Works	Projects	20th Street Improvements	Capacity and route to Dillywig	Stormwater Fund & Grants	Future								1,000,000	1,000,000
Public Works	Projects	National Ave. Box Culvert over Coal Creek	Repair erosion damage	Stormwater Fund, Grants & Loans	Future								1,000,000	1,000,000
Public Works	Projects	16th - William to Kelly	Storm System Replacement	Stormwater Fund & Grants	Future								1,500,000	1,500,000
Public Works	Vehicles / Equipment	Sweeper	1/2 Replacement of 1995 - mobile	Stormwater / Auto Equip. Reserve	Future								125,000	125,000
Public Works	Projects	Louisiana Ave Repairs	Spot repair & overlay Hwy 6 North 1.15 mi.	General Fund / TBD	Future								450,000	450,000
Public Works	Projects	Airport Rd Extension	Extend roadway from dike to I-5 Toyota, curb, gutter, streetlights, storm, etc.	General Fund, Utility Funds & Grants	2013				245,000	2,205,000				2,450,000
Public Works	Projects	National Ave. Overlay	Grind, overlay, guardrail, etc.	Grants	Future								1,066,000	1,066,000
Public Works	Projects	Kresky Ave Flood Mitigation	Raise roadway between Exhibitor and Scott Johnson Blvd.	General Fund	Future								2,078,000	2,078,000
Public Works	Projects	Market Blvd. - Park to N National Ave.	renaissance streetscape planning	Utility Fund & Twin Transit	Future								2,000,000	2,000,000
Public Works	Projects	Suively Ave improvements	Reconstruct 16th to 20th	General Fund, Utility Funds & Twin Transit	Future								2,234,000	2,234,000
Public Works	Projects	Guardrail	Various locations throughout city	General Fund	Future								125,000	125,000
Public Works	Projects	Riverside Dr/Newaukum Ave repairs	Spot repairs Hwy 6 to Shorey Rd	General Fund	Future								250,000	250,000
Public Works	Projects	Chamber Way Bridge Replacement	Replace Bridge	Grants & Loans	Future								15,000,000	15,000,000
Public Works	Projects	Kresky Ave improvements	Structural rebuild	Grants & Loans	Future								2,000,000	2,000,000
Public Works	Projects	Market Blvd - 13th to city limits	Grind / overlay	Grants & Loans	Future								2,500,000	2,500,000
Public Works	Projects	Front, Pacific, Park Streets improvements	Grind, overlay/utility/frontage improvements	General Fund, Grants & Loans	Future								2,500,000	2,500,000
Public Works	Projects	Louisiana Ave improvements	Structural rebuild SR-6 to Chamber Way	General Fund, Grants & Loans	Future								2,500,000	2,500,000
Public Works	Projects	Washington Ave - Cascade to National	Structural rebuild	General Fund, Grants & Loans	Future								2,000,000	2,000,000
Public Works	Projects	Chenails Ave - Pacific to Main	Grind, overlay and beauty	Grants & Loans	Future					600,000				600,000
Public Works	Projects	Interstate Ave - Parkland to Bishop	Structural rebuild	Grants & Loans	Future								3,500,000	3,500,000

City of Chehalis - Capital Improvement Plan														
Department	Category	Project	General Description	Funding Source	Start Year	Prior Years	2011	2012	2013	2014	2015	2016	Future	Total Cost
Public Works	Projects	Salsbury Ave improvements	Structural rebuild 21st to Jackson	Grants & Loans	Future								1,500,000	1,500,000
Public Works	Projects	National/Coal Creek Scour Phase I	Scour project & bridge replacement	TBD	2014-2015					114,000	76,500			190,500
Public Works	Projects	National/Coal Creek Scour Phase II	Scour project & bridge replacement	TBD	Future								1,000,000	1,000,000
Public Works	Vehicles / Equipment	Pickup	Replacement - 1999 Chevrolet Silverado	TBD	2014					25,000				25,000
Public Works	Vehicles / Equipment	Sweeper	1/2 Replacement of 1995 - mobile	TBD	2014					125,000				125,000
Public Works	Vehicles / Equipment	Backhoe	Replacement - 1986 Case	TBD	Future								150,000	150,000
Public Works	Vehicles / Equipment	Dump	Replacement - 1995 Dump	TBD	Future								150,000	150,000
Public Works	Vehicles / Equipment	Dump	Replacement - 1997 Dump	TBD	Future								65,000	65,000
Public Works	Vehicles / Equipment	Dump	Replacement - 1995 Ford w/ sander/plow	TBD	Future								125,000	125,000
Public Works	Vehicles / Equipment	Dump	Replacement - 1990 Dump w/ sander/plow	TBD	Future									
Public Works	Projects	State Ave Pump Station	Reconstruct - drywell to submersible pumps	Wastewater Fund / G.O. Bonds	2011		40,000	250,000						290,000
Public Works	Projects	Airport Rd Extension	Sewerline Extension	Wastewater Fund / G.O. Bonds	2012		350,000							350,000
Public Works	Projects	Sewer Basin No. 1022 Phs. I	Rehab / Repair	Wastewater Fund	2014					75,000	75,000	1,250,000		1,400,000
Public Works	Projects	Sewer Basin No. 1022 Phs. II	Rehab / Repair	Wastewater Fund	Future								1,515,000	1,515,000
Public Works	Projects	Sewer Basin No. 80225A	Rehab / Repair	Wastewater Fund	Future								872,000	872,000
Public Works	Projects	Sewer Basin No. 8022B	Rehab / Repair	Wastewater Fund	Future								1,280,000	1,280,000
Public Works	Projects	Sewer Basin No. 8022C	Rehab / Repair	Wastewater Fund	Future								1,185,000	1,185,000
Public Works	Projects	Sewer Basin No. 8022D	Rehab / Repair	Wastewater Fund	Future								1,146,000	1,146,000
Public Works	Projects	Sewer Basin No. 4050	Rehab / Repair	Wastewater Fund	Future								696,600	696,600
Public Works	Projects	Sewer Basin No. 5076A	Rehab / Repair	Wastewater Fund	Future								934,500	934,500
Public Works	Projects	Sewer Basin No. 5076B	Rehab / Repair	Wastewater Fund	Future								1,027,300	1,027,300
Public Works	Projects	Sewer Basin No. 5076D	Rehab / Repair	Wastewater Fund	Future								926,500	926,500
Public Works	Projects	Front Street Pump Station	Capacity & maintenance upgrades	Wastewater Fund	2013-2014				15,000	30,000				45,000
Public Works	Projects	Capacity Analysis	Review capacity/sludge	Wastewater Fund	2014					50,000				50,000
Public Works	Projects	EQ2 fencing		Wastewater Fund	2014					12,000				12,000

City of Chehalis - Capital Improvement Plan														
Department	Category	Project	General Description	Funding Source	Start Year	Prior Years	2011	2012	2013	2014	2015	2016	Future	Total Cost
Public Works	Projects	Airport Pump Station Upgrade & Force Main	P.S. Upgrade	Developer	2013-2014				15,000	30,000				45,000
Public Works	Projects	PTP Disinfection System	Change from C12 gas to liquid C12	Wastewater Fund	2016-Future							25,000	200,000	225,000
Public Works	Vehicles/Equipment	Boom Truck	Replacement - 1980 GMC w/boom	Wastewater Fund	2011		85,000							85,000
Public Works	Vehicles/Equipment	Forklift	Replacement - 1983 Hyster WW-9	Wastewater Fund	2016							60,000		60,000
Public Works	Vehicles/Equipment	Pickup	Replacement - 1994 Chevrolet pickup WW-6	Wastewater Fund	2013			35						35
Public Works	Vehicles/Equipment	Van	Replacement - 1995 Ford WW-13	Wastewater Fund	2013				30,000					30,000
Public Works	Vehicles/Equipment	Van	Replacement - 1990 GMC Camera Van WW-5	Wastewater Fund	Future								100,000	100,000
Public Works	Vehicles/Equipment	Skidsteer	Replacement - 1980 Bobcat Skidsteer	Wastewater Fund	Future								40,000	40,000
Public Works	Vehicles/Equipment	Centralia Alpha Pump Station	Upgrade	Water Fund	Future								55,000	55,000
Public Works	Projects	Service Meter Replacement Program (on-going)	Replace 10% yearly w/tough-read meters	Water Fund	on-going		25,000	25,000	25,000	25,000	25,000	25,000	25,000	175,000
Public Works	Projects	Water system plan update	Required 6-year update of plan	Water Fund	Future						380,000		200,000	380,000
Public Works	Projects	Water Filter Plant	Replace reservoir cover	Water Fund	2015									
Public Works	Projects	SE Evergreen Waterline Replacement	replace 6" waterline from SE Park to SE Prospect	Water Fund	2011		210,000							210,000
Public Works	Projects	Telemetry at Chehalis River pump station	New equipment	Water Fund	2011		68,966							68,966
Public Works	Projects	Generator at high level pump station	Replacement of old generator	Water Fund	2011		41,034							41,034
Public Works	Projects	Chehalis River Crib	Rebuild	Water Fund	Future								600,000	600,000
Public Works	Projects	Filter Plant Automation Phase V	Upgrade per 1999 pre-design report	Water Fund / G.O.	2018								450,000	450,000
Public Works	Projects	Newgard Addition Phase II	Design & construction of 8" & 10" water line - Prospect from Evergreen to Greenwood including	Bonds	2012			209,000						209,000
Public Works	Projects	Airport Road Extension - 12" watermain	Replace 16" raw watermain from N Fork	Water Fund / G.O.	Future								300,000	300,000
Public Works	Projects	S Market Blvd - 22nd - 11th	Replace 16" raw watermain from N Fork	Water Fund	Future								600,000	600,000
Public Works	Projects	SE Satellite Water Filter Facility	Design & Level Pump Station	Water Fund	Future								3,000,000	3,000,000
Public Works	Projects	High Level Pump Station	Replacement design & construction	Water Fund	Future								2,000,000	2,000,000
Public Works	Projects	Replace Thomsen Avenue watermain	Replace water main	Water Fund	Future								80,000	80,000



City of Chehalis - Capital Improvement Plan														
Department	Category	Project	General Description	Funding Source	Start Year	Prior Years	2011	2012	2013	2014	2015	2016	Future	Total Cost
Public Works	Projects	Bishop Rd I watermain extension	2200' of 12" Sturdevant to Maurin	Water Fund	Future								300,000	300,000
Public Works	Projects	Bishop Rd II watermain extension	4400' of 12" Maurin Rd to Borovec on Bishop	Water Fund	Future								748,000	748,000
Public Works	Projects	1-5 watermain extension/connection	Bore 1300' of 12" Walmart to State Street	Water Fund	Future								650,000	650,000
Public Works	Projects	Newgard Addition Phase III	Greenwood/Crestview area - design & construct 8" waterline - add fire protection loop to high level resv.	Water Fund, Grants, Loans	2016-2017							40,000	540,000	580,000
Public Works	Projects	High Level Reservoir	Replacement design & construction	Water Fund & Loans	2014-2015				50,000		500,000			550,000
Public Works	Projects	Chehalis River Crif	Rebuild	Water Fund	2018-2019								600,000	600,000
Public Works	Projects	Replace water line	Kelly Ave & Snively from 16th to Pacific Ave	Water Fund	2020								320,000	320,000
Public Works	Projects	Water	Redundant Flocculation Basin	Water Fund	2014-2015					119,000	781,000			900,000
Public Works	Vehicles / Equipment	Generator	Replacement - 1.5kw @ North Fork intake	Water Fund	2012			40,000						40,000
Public Works	Vehicles / Equipment	Pickup	Replacement - 1989 Chevrolet W-6	Water Fund	2014					20,000				20,000
Public Works	Vehicles / Equipment	Generator	Replacement - 2006 230kw - WFP	Water Fund	Future								30,000	30,000
Public Works	Vehicles / Equipment	Generator	Replacement - 15kw @ North Fork intake	Water Fund / G.O. Bonds	2016						40,000			40,000
Public Works	Vehicles / Equipment	Dump Truck	Replacement - 2004 C3500 Dump Truck W-2	Water Fund	Future								35,000	35,000
Public Works	Vehicles / Equipment	Forklift	Replacement - 1980 10-ton forklift w-20	Water Fund	Future								60,000	60,000
Public Works	Vehicles / Equipment	Generator	Replacement - 1999 35kw generator - Centralia Alpha PS	Water Fund	Future								40,000	40,000
Public Works	Vehicles / Equipment	Generator	Replacement - 1965 60kw generator - WFP High Level Pump	Water Fund	Future								40,000	40,000
Public Works	Vehicles / Equipment	Generator	Replacement - 1999 200kw generator - Chehalis River PS	Water Fund	Future								60,000	60,000
Public Works	Vehicles / Equipment	Generator	Replacement - 1999 generator - Southend PS	Water Fund	Future								40,000	40,000
Public Works	Vehicles / Equipment	Pickup	Replacement - 2008 4wd extended cab w-25	Water Fund	Future								26,000	26,000
Public Works	Vehicles / Equipment	Pickup	Replacement - 2008 4wd extended cab w-26	Water Fund	Future								26,000	26,000
Public Works	Vehicles / Equipment	Air Compressor	Replacement - 2008 Ingersoll-Rand P185WJD w-27	Water Fund	Future								20,000	20,000

City of Chehalis - Capital Improvement Plan

Department	Category	Project	General Description	Funding Source	Start Year	Prior Years	2011	2012	2013	2014	2015	2016	Future	Total Cost
Public Works	Vehicles / Equipment	Trailer	Replacement - 1995 12-ton Walton trailer w-13	Water Fund	Future								22,000	22,000
Public Works	Vehicles / Equipment	Backhoe	Replacement - 2007 CAT Backhoe w-24	Water Fund	Future								90,000	90,000
Public Works	Vehicles / Equipment	Pickup	Replacement - 1997 S-10 w-21	Water Fund	2013				25,000					25,000
Public Works	Vehicles / Equipment	Dump Truck	Replacement - 1987 Chevrolet - w-7	Water Fund	2015						125,000			125,000
Public Works	Vehicles / Equipment	Generator w/Trailer	Replacement - 60kw on trailer	Water Fund	Future								80,000	80,000
Public Works	Vehicles / Equipment	Van	Replacement - 1996 Ford Utility Van W-15	Water Fund	Future								25,000	25,000
Public Works	Vehicles / Equipment	Step-van	Replacement - 2001 Ford utility van W-9	Water Fund	Future								40,000	40,000
Human Resources	Office Equipment	Computer	Routine replacement	General Fund	2013				1,100					1,100
City Clerk	Office Equipment	Computer	Computer replacement	General Fund	2013				800					800
City Clerk	Office Equipment	Computer	Monitor replacement	General Fund	2012			300						300
Fire	Vehicles / Equipment	Engine	Replacement - 1978 Fire Truck	TBD / EMS Levy	2014					600,000				600,000
Fire	Vehicles / Equipment	Engine	Replacement - 1993 Fire Truck	TBD / EMS Levy	Future								600,000	600,000
64	Vehicles / Equipment	Engine	Replacement - 2004 Fire Truck	TBD	Future								600,000	600,000
	Vehicles / Equipment	Ladder	Replacement - 1993 Ladder Truck	TBD	Future								1,200,000	1,200,000
Fire	Vehicles / Equipment	Medic	Replacement - 2005 Medic Unit	TBD / EMS Levy	Future								120,000	120,000
Fire	Vehicles / Equipment	Boat	Airboat	TBD	Future								60,000	60,000
Fire	Vehicles / Equipment	Truck	Replacement - 2000 Ford Expedition	TBD	Future								50,000	50,000
Fire	Vehicles / Equipment	Truck	Replacement - 1999 Pickup	TBD	Future								50,000	50,000
Fire	Vehicles / Equipment	Truck	Replacement - 2002 Pickup	TBD	Future								50,000	50,000
Fire	Vehicles / Equipment	Truck	Replacement - 2005 Tahoe	TBD	Future								60,000	60,000
Fire	Equipment	Turnout Gear	4 Sets / Year Replacement	General Fund - Fire	2011		8,000	8,000	9,000	9,000	9,500	9,500	9,500	62,500
Fire	Equipment	Computers - Desktop	one per year	General Fund - Fire	2011		1,233	1,233	1,233	1,233	1,233	1,233	1,233	8,631
Fire	Equipment	Portable Radios	Replacements	TBD	Future								30,000	30,000
Fire	Equipment	Computer Server	Replace current every 5 years	TBD	2011				3,500				3,500	7,000

City of Chehalis - Capital Improvement Plan														
Department	Category	Project	General Description	Funding Source	Start Year	Prior Years	2011	2012	2013	2014	2015	2016	Future	Total Cost
Fire	Equipment	Computers - vehicles	Mobile for vehicles	TBD	Future								12,000	12,000
Fire	Equipment	Copier / Printer	Unknown	TBD	Future								9,000	9,000
Police	Vehicles	Patrol Vehicles	Annual Vehicle Replacement	Auto/Equip. Repl. Fund/TBD	2012			35,500	32,700	62,500	33,000		200,750	364,450
Police	Equipment	3-camera ALPR	New equipment	Grant	2011		7,640							7,640
Police	Vehicles	Detective Vehicle	Replacement	TBD	2013				24,800					24,800
Police	Vehicles	CSO Vehicle	Replacement	TBD	2015						22,000			22,000
Police	Equipment	Balistic Vests	Annual Vest Replacement	General Fund / Grant	2011		1,390	1,430	5,100	3,675	1,480		13,585	26,660
Police	Equipment	Computer	Annual Computer Replacement	General Fund: Police	2011		1,800	1,200	1,800	1,200	1,800		7,200	15,000
Police	Equipment	Mobile Data Terminals (laptops)	New terminals / fleet	General Fund: Police	2011		7,000	3,500	7,000	3,500	7,000		24,500	52,500
Police	Equipment	Mobile Radios	Annual Radio Replacement	General Fund: Police	2011		650	650	650	650	650		1,950	5,200
Police	Equipment	Portable Radios	Annual Radio Replacement	General Fund: Police	2011		650	650	650	650	650		1,950	5,200
Police	Equipment	Service Handguns	Replacement of six weapons	General Fund: Police	2014					3,600	3,600		3,600	10,800
Police	Equipment	Tazer	Purchase 3 new weapons	General Fund: Police	2011		815	815	815	815	815		4,890	8,965
Police	Equipment	Copier / Printer / Fax	Replacement	TBD	Future								9,000	9,000
Police	Equipment	Varda alarm	Replacement	TBD	2014					5,000			5,000	10,000
Police	Equipment	Generator	Replacement - 1999 Generator	TBD	Future								50,000	50,000
Police	Equipment	Tazer	Replacement	TBD	Future								15,000	15,000
Community Development	Vehicles / Equipment	Sedan	Replacement - Admin. car	TBD	Future								8,000	8,000
Community Development	Vehicles / Equipment	Sedan	Replacement - Building Official car	TBD	Future								8,000	8,000
Community Development	Equipment	Computer	Replacement - 5 computers	TBD	Future								20,000	20,000
Community Development	Buildings	Fire Station	Acquire new fire station building	General fund / Pub. Fac. Res. Fund & Loan	Future								4,500,000	4,500,000
Community Development	Buildings	Animal Shelter	Reconstruct animal shelter	General fund / Pub. Fac. Res. Fund & Loan	Future								100,000	100,000
Community Development	Buildings	13th & Market Bldg.	Replace HVAC w/heat pump	General fund / Pub. Fac. Res. Fund & Loan	Future								30,000	30,000
Community Development	Buildings	13th & Market Bldg.	Replace sewer line	General fund / Pub. Fac. Res. Fund & Loan	Future								15,000	15,000
Community Development	Buildings	Swimming Pool	Replace pool blanket	General Fund / Donations & Grants	2012			12,000						12,000

City of Chehalis - Capital Improvement Plan														
Department	Category	Project	General Description	Funding Source	Start Year	Prior Years	2011	2012	2013	2014	2015	2016	Future	Total Cost
Community Development	Buildings	Swimming Pool	Repair, Circ Line, Pump, Vinyl Liner	General fund / Pub. Fac. Res. Fund & Loan	Future								50,000	50,000
Community Development	Buildings	Swimming Pool	Replacement of building, circulation system, filters, pool liner, pool reconfiguration, deck upgrade, fencing, amenities & safety equipment, 3 misex restrooms, zero depth entry addition & interactive toys & slides.	General fund / Pub. Fac. Res. Fund & Loan	Future								3,400,000	3,400,000
Community Development	Buildings	VR Lee Bldg	Interior remodel/repair, replace windows	General fund / Pub. Fac. Res. Fund & Loan	Future								43,000	43,000
Community Development	Buildings	Hess Kitchen	Linoleum	General fund / TBD	2012			5,000						5,000
Community Development	Buildings	Hess Kitchen	Interior remodel/repair, replace windows	General fund / Pub. Fac. Res. Fund & Loan	Future								25,000	25,000
Community Development	Buildings	Public Safety Building	Replace light fixtures	General fund / Pub. Fac. Res. Fund & Loan	Future								8,000	8,000
Community Development	Buildings	Public Safety Building	Replace phone system, HVAC system	General fund / Pub. Fac. Res. Fund & Loan	Future								50,000	50,000
Community Development	Buildings	Scout Lodge	Remodel/repair bldg	General fund / Pub. Fac. Res. Fund, Donations & Grants	Future								150,000	150,000
Community Development	Buildings	Activity Building	Replace carpet	General fund & Pub. Fac. Res. Fund	Future								10,000	10,000
Community Development	Buildings	Roof repair / replace	Various - parks office, public restrooms, babe ruth, RV Park, pool, public safety (2011), activity bldg, Scout Lodge	General Fund, Donations & TBD	2011		5,000	5,000	5,000				65,000	80,000
Community Development	Buildings	Parking lots	Replace/repair parking lots - Henderson, pool, RV Park, Little League, Slowpitch, Rec. Park	General fund & Pub. Fac. Res. Fund	Future								250,000	250,000
Community Development	Parks	Hedwall Park	Annual irrigation upgrade/repair	General Fund	2005	100,000		20,000	20,000	20,000	20,000		80,000	260,000

City of Chehalis - Capital Improvement Plan														
Department	Category	Project	General Description	Funding Source	Start Year	Prior Years	2011	2012	2013	2014	2015	2016	Future	Total Cost
Community Development	Parks	Hedwall Park	Design/construct sewer collection system	Wastewater Fund & Pub. Res. Fund	2007	70,000							80,000	150,000
Community Development	Parks	Hedwall Park	Replace 1993 Big Toy at Little League Complex	General Fund, Pub. Fac. Res. Fund, Donations & Grants	2013			8,000						8,000
Community Development	Parks	Hedwall Park	Replace general playground equipment	General Fund, Pub. Fac. Res. Fund & Grants	Future								15,000	15,000
Community Development	Parks	Hedwall Park	Replace Scout Island Bridge	General Fund, Pub. Fac. Res. Fund, Donations & Grants	Future								50,000	50,000
Community Development	Parks	Henderson Park	Design/construct irrigation system	General, Pub. Fac. Res. Fund, grants	Future								15,000	15,000
Community Development	Parks	Recreation Park	Replace Penny Playground equipment, security lighting	General Fund, Pub. Fac. Res. Fund, Donations & Grants	Future								125,000	125,000
Community Development	Parks	Westside Park	Replace playground equipment	TBD	Future								15,000	15,000
Community Development	Ballfields	Little League	Replace drainage (f1, 2, 3), dugouts (f4), fence (f3, 4), lighting (f1), scoreboard (f2)	General Fund, Pub. Fac. Res. Fund, Donations & Grants	Future								227,000	227,000
Community Development	Ballfields	Babe Ruth	Replace drainage (f1), fence (f1, 2), scoreboard	General Fund, Pub. Fac. Res. Fund, Donations & Grants	Future								126,000	126,000
Community Development	Ballfields	Slowpitch	Replace fence (f1, 2, 3, 4)	General Fund, Pub. Fac. Res. Fund, Donations & Grants	Future								140,000	140,000
Community Development	Ballfields	Slowpitch	Field drainage, soil improvement & grading, backstops, dugouts, netting & walkways	General Fund, Pub. Fac. Res. Fund, Donations & Grants	Future								500,000	500,000
Community Development	Ballfields	Fastpitch	Replace roof, netting, scoreboard (f1, 2), backstops (f1, 2, 3, 4) fence (f1, 2)	General Fund, Pub. Fac. Res. Fund, Donations & Grants	Future								195,000	195,000
Community Development	Ballfields	Fastpitch	Field drainage, soil improvement & grading, field irrigation, concrete viewing corridor, parking & loop road, remodel Penny Playground restroom, batting cage	General Fund, Pub. Fac. Res. Fund, Donations & Grants	Future								1,600,000	1,600,000

City of Chehalis - Capital Improvement Plan														
Department	Category	Project	General Description	Funding Source	Start Year	Prior Years	2011	2012	2013	2014	2015	2016	Future	Total Cost
Community Development	Community	Central Business District	Replace street furniture/benches	General Fund, Pub. Fac. Res. Fund, Donations & Grants	2012			5,000		5,000			15,000	25,000
Community Development	Community	Central Business District	Add & replace garbage cans	General Fund, Pub. Fac. Res. Fund, Donations & Grants	Future								5,000	5,000
Community Development	Community	Walking Trail Project	Design/construct walking trail - Port to Hillburger	General Fund, Pub. Fac. Res. Fund, Donations & Grants	Future								150,000	150,000
Community Development	Community	Walking Trail Project	Construct Hedwall Trail	TBD	2010								220,000	220,000
Community Development	Vehicles	Truck	Replacement - 1991 GMC (4512)	TBD	2013			8,000					8,000	8,000
Community Development	Vehicles	Truck	Replacement - 1993 GMC (4515)	TBD	Future								8,000	8,000
Community Development	Vehicles	Sedan	Replacement - 1995 Ford (4520)	TBD	Future								6,000	6,000
Community Development	Vehicles	Scooter	Replacement - Cushman (4514)	TBD	Future								6,000	6,000
Community Development	Vehicles	Truck	Replacement - 1971 International - sewer 4540	TBD	Future								25,000	25,000
Community Development	Vehicles	Truck	Replacement - 1976 Ford Dump (4513)	TBD	2012			25,000						25,000
Community Development	Equipment	Field Groomer	Replacement - 2002 Gator 6 x 4	TBD	Future								8,000	8,000
Community Development	Equipment	Field Groomer	Replacement - 1985 Lily Roto Harrow	TBD	Future								10,000	10,000
Community Development	Equipment	Sprayer	Replacement - 1996 chemical sprayer	TBD	Future								10,000	10,000
Community Development	Equipment	Tractor	Replacement - 1971 Tractor	TBD	Future								15,000	15,000
Community Development	Equipment	Mower	Replacement - 2000 73" riding mower	TBD	2012			15,000						15,000
Community Development	Equipment	Trailer	Replacement - tilt trailer	TBD	Future								8,000	8,000
Community Development	Equipment	Tractor	Replacement - 1987 4-wheel w/loader	TBD	Future								20,000	20,000
Community Development	Equipment	Generator	Replacement - 1992 EOC generator	TBD	Future								25,000	25,000
Community Development	Equipment	Mower	Replacement - 2003 72" riding mower	TBD	2013				18,000					18,000

City of Chehalis - Capital Improvement Plan

Department	Category	Project	General Description	Funding Source	Start Year	Prior Years	2011	2012	2013	2014	2015	2016	Future	Total Cost
Community Development	Equipment	Sweeper	Replacement - 1974 Toro	TBD	2012			25,000						25,000
Community Development	Equipment	Sweeper	Replacement - 2005 sidewalk sweeper	TBD	Future								35,000	35,000
Community Development	Equipment	Mower	Replacement - 2003 xmark 48	TBD	Future								10,000	10,000
Community Development	Equipment	Mower	Replacement - 1995 walk behind Toro	TBD	Future								1,500	1,500
Municipal Court	Equipment	Hearing equipment	ADA Hearing Assistance	TBD	2013				2,500					2,500
Council	Equipment	Video Equipment	Video Monitors - presentations	TBD	2013				2,500					2,500
Community Development	Projects	Parks & Facilities Maint.	Labor for Parks & Fac. Maint.	1st Qtr. REET Fund	2011		40,000							40,000
Community Development	Projects	Parks & Facilities Maint.	Labor for Parks & Fac. Maint.	2nd Qtr. REET Fund	2011		40,000							40,000
Non-Deptl.	Debt Svc.	2011 G.O. Debt Service	Debt service on 15-year bonds	Non-Deptl - General Fund	2012			26,919	27,869	27,381	26,894	27,494	274,164	410,721
Non-Deptl.	Debt Svc.	2011 G.O. Debt Service	Debt service on 15-year bonds	1st Qtr. REET Fund	2012			45,762	47,377	46,548	45,719	46,739	466,075	698,220
Non-Deptl.	Debt Svc.	2011 G.O. Debt Service	Debt service on 15-year bonds	2nd Qtr. REET Fund	2012			34,994	36,229	35,596	34,962	35,742	356,413	533,936
Airport	Buildings	Acquisition	PCLI Hangar Acquisition	Airport	2013				145,000					145,000
Airport	Buildings	New Construction	Construct garage for vehicle storage	Airport / FAA	2013				130,800					130,800
Airport	Buildings	Remodel	Convert Hangar A to Maintenance Shop/Office	Airport	Future								25,000	25,000
Airport	Buildings	New Construction	Construct restroom	Airport	2014					40,000				40,000
Airport	Vehicles	Opps SUV	Purchased used SUV	Airport	2013				15,000					15,000
Airport	Vehicles	Refueler Truck	Replaced 1986 truck	Airport	2013				85,000					85,000
Airport	Vehicles	Tractor	Replacement - 26 hp Kubota	Airport	2014					20,000				20,000
Airport	Vehicles	Truck	Replacement - 2000 Chevrolet	Airport	2014					15,000				15,000
Airport	Vehicles	Truck	ARFF Fire Truck	Airport	2015						100,000			100,000
Airport	Vehicles	Tractor	Replacement of 66hp Kubota	Airport	2016							50,000		50,000
Airport	Equipment	Fuel tank	12,000 gal. above ground tank	Airport	2015						70,000			70,000
Airport	Equipment	Fuel tank	6,000 gal. above ground tank	Airport	2015						68,000			68,000
Airport	Equipment	Fencing	Security fencing North	Airport / FAA	Future								155,000	155,000
Airport	Equipment	Lighting	Runway guard lights	Airport	Future								16,000	16,000
Airport	Equipment	Video Equipment	Video Surveillance Equipment	Airport	2014					10,000				10,000
Airport	Projects	Landscaping	Entry road beautification & sound barrier for residential area (trees & lights)	Airport	2014					20,000				20,000

City of Chehalis - Capital Improvement Plan														
Department	Category	Project	General Description	Funding Source	Start Year	Prior Years	2011	2012	2013	2014	2015	2016	Future	Total Cost
Airport	Projects	TBD	TBD	Airport / FAA (FAA Use It or Lose It)	2014								137,500	137,500
Airport	Projects	Ramp reconstruction	Main parking ramp reconfiguration	Airport / FAA	2016							800,000		800,000
Airport	Bond	Payment	Balloon payment for bond	Airport	2017								1,250,000	1,250,000
Airport	Road	New Construction	Taxilane construction for new T-Hangar	Airport / FAA	Future								222,000	222,000
Airport	Buildings	New Construction	Construct 12-unit T-Hangar	Airport	Future								400,000	400,000
Airport	Demolition	Demo.	Demolish old T-Hangar	Airport	Future								30,000	30,000
Airport	Road	Arkansas Way	Arkansas Way extension	Airport & TBD	Future								880,000	880,000
						170,000	934,178	796,953	995,458	4,411,348	2,409,803	2,410,708	91,020,210	103,148,658