

CHEHALIS CITY COUNCIL AGENDA

CITY HALL
350 N MARKET BLVD | CHEHALIS, WA 98532

Dennis L. Dawes, Position at Large Mayor	Terry F. Harris, District 1, Mayor Pro Tem Daryl J. Lund, District 2 Dr. Isaac S. Pope, District 4	Anthony E. Ketchum Sr., District 3 Chad E. Taylor, Position at Large Robert J. Spahr, Position at Large
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Regular Meeting of Monday, October 28, 2019 5:00 p.m.

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| 1. <u>Call to Order.</u> (Mayor)

2. <u>Pledge of Allegiance.</u> (Mayor) |
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- | SPECIAL BUSINESS |
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| 3. <u>Introduction of New Planning & Building Manager Tammy Baraconi.</u> (City Manager)

4. <u>Introduction of New Wastewater Superintendent Devlin Pool.</u> (City Manager)

5. <u>Port of Chehalis Update.</u> (Randy Mueller, Chief Executive Officer) |

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

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
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6. <u>Minutes of the Regular City Council Meeting of October 14, 2019.</u> (City Clerk)	APPROVE	1
7. <u>Vouchers and Transfers – Accounts Payable in the Amount of \$1,316,411.90.</u> (City Manager, Finance Director)	APPROVE	5

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8. <u>Addendum to City Manager Contract to Provide for a Cost of Living Adjustment and Executive Leave.</u> (City Manager, Human Resources/Risk Manager)	APPROVE	7
9. <u>Resolution No. 14-2019, First and Final Reading - Approval for Application of Community Aviation Revitalization Loan Program for Airport Improvements.</u> (City Manager, Public Works Director, Airport Operations Coordinator)	ADOPT	11
10. <u>Resolution No. 15-2019, First and Final Reading – Setting a Public Hearing Regarding Petition to Vacate Right-of-Way (Un-named Alley) within the Darigold Site on SW Chehalis Avenue.</u> (City Manager, Public Works Director)	ADOPT	14

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
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11. <u>Implementation of Online Bill Pay Program for Utility Customers and Council Policy Directions for Payment Transaction Fees.</u> (City Manager, Finance Director)	APPROVE	23
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ITEM	ADMINISTRATION RECOMMENDATION	PAGE
ADMINISTRATION AND CITY COUNCIL REPORTS		
13. <u>Administration Reports.</u>	INFORMATION ONLY	- - -
a. Finance Report. (City Manager, Finance Director)		35
b. Parks & Facilities Projects Report. (City Manager, Public Works Director, Parks & Facilities Manager)		
c. City Manager Update. (City Manager)		
14. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	- - -

EXECUTIVE SESSION		
15. Pursuant to RCW:		
a. 42.30.110(1)(b) – Selection of Site or Acquisition of Real Estate		
b. 42.30.140(4)(b) – Collective Bargaining		

THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.
NEXT REGULAR CITY COUNCIL MEETING IS **TUESDAY**, NOVEMBER 12, 2019.

October 14, 2019

The Chehalis city council met in regular session on Monday, October 14, 2019, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Terry Harris, Tony Ketchum, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Kiley Franz, City Manager's Administrative Assistant; Brian Kelly, City Attorney; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media included Celine Fitzgerald of *The Chronicle*.

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

- a. Minutes of the regular meeting of September 23, 2019;
- b. September 30, 2019 Claim Vouchers No. 126977-127099 in the amount of \$541,282.18;
- c. September 30, 2019 Payroll Vouchers No. 41033-41078, Direct Deposit Payroll Vouchers No. 11262-11384, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 260-264 in the amount of \$917,632.78;
- d. Change Order No. 1 in the amount of \$167,087.88 for the Riverside Force Main Replacement Project;
- e. Water Use Efficiency Plan update;
- f. Resolution No. 12-2019, first and final reading – delegating signing authority to the Airport Operations Coordinator for reimbursement on federally and state funded infrastructure projects – Taxiway Realignment;
- g. Resolution No. 13-2019, first and final reading – delegating signing authority to the Recreation Manager for reimbursement on federally and state funded facility improvement projects – Recreation Park; and
- h. Budget request for professional services for firemen's pension fund actuarial valuation.

The motion was seconded by Councilor Lund.

Mayor Dawes spoke about item "d" and stated it was his understanding that the change order was needed due to electrical and/or cable lines that were in the right-of-way but were not located. Once found, the route had to be changed to go around the lines, which increased the project cost. Patrick Wiltzius clarified the lines were telecommunications/fiber optic lines. He explained that during the process, the city called in a design locate to trigger agencies to locate their lines so engineers can design accordingly. It appears that some agencies did not locate their lines. A construction locate was then called in and was responded to about a week late after construction was started and had to be stopped to redesign the project. He didn't know if recouping the costs was something that could be pursued. He suggested it could be addressed when franchise agreements are renewed.

Mayor Dawes stated city staff did everything they were supposed to do, but it was very frustrating that the agencies did not locate their lines and the city was on the hook for the redesign.

The motion carried unanimously.

2. **Lodging Tax Advisory Committee (LTAC) Recommendations for 2020 Tourism Funds and Reappointment of Committee Members**. Councilor Harris, chair of the LTAC, thanked the applicants for reviewing their projects with the committee and Kiley Franz for her assistance to the committee. He reviewed the requests and LTAC recommendations:

	Request	LTAC Recommendation
1. Chehalis-Centralia Railroad & Museum (personnel)	\$ 25,000	\$ 15,000
2. Lewis County Historical Museum	\$ 45,000	\$ 40,000
3. Veterans Memorial Museum	\$ 30,000	\$ 30,000
4. Chamber of Commerce Building/City of Chehalis Utilities	\$ 50,000	\$ 50,000
5. Chehalis-Centralia Railroad and Museum (marketing)	\$ 35,000	\$ 35,000

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6. Chehalis Community Renaissance Team	\$ 49,000	\$ 27,000
7. Centralia-Chehalis Chamber (Visitor Center Services)	\$ 40,000	\$ 40,000
8. Discover Lewis County	\$ 5,000	\$ 0
9. Artrails	\$ 12,000	\$ 5,000
10. Southwest Washington Fair	\$ 18,500	\$ 10,000
11. Chehalis Wedding Show	\$ 12,435	\$ 12,435
12. Youth Athletic Tournaments	\$ 15,000	\$ 15,000
TOTALS	\$336,935	\$279,435

Councilor Harris stated the projected 2020 beginning fund balance for the Tourism Fund was \$430,483. \$50,000 is kept as a reserve and the committee agreed to pay up to \$75,000 a year to pay back the loan on the Recreation Park project. This year the amount was \$63,395.91. He pointed out that the request from the CCRT was \$49,000; however, after discussion, they are no longer going to produce the Lewis County Visitors Guide, so that is why the LTAC recommendation is \$27,000.

Mayor Dawes asked if Centralia was contributing any tourism funds to the chamber building/utilities. Councilor Harris stated the city was requesting those funds for potential relocation of the chamber building since the city owns the land that the chamber building sits on. The building will remain on the same property but will be moved to accommodate future I-5 widening. He didn't believe that Centralia had announced any of their LTAC recommendations to-date.

Mayor Dawes stated he had concerns about the steam train, specifically when the steam locomotive would be running again and the financial condition of the group. He stated advertisements still referred to steam train rides, but it was really a diesel locomotive pulling the trains right now. He hoped that if the money was appropriated, they would see the steam train running again, and work that needs to be done on the tracks and bridges was done. He was concerned about the city's liability. He stated he supported the steam train and wanted to see it be a success.

Mary Kay Nelson, representing the steam train, stated they have done the best they can given their web address was steamtrainride.com. They are doing their best to not post pictures of the steam locomotive and have a disclaimer on the website and Facebook that the diesel engine is currently being used since the steam locomotive is under construction. They have "train checks" that they have not had to use in case people come and didn't realize the diesel was being used. They have not seen a decline in ridership. The target date to have the steam train running is May 2020. She noted extra runs have been added to the Polar Express trains. Ms. Nelson stated a bid was submitted to the Port of Chehalis for purchasing the track, which has been maintained by the steam train for the past 30 years. It was difficult to go after grants because the locomotive and tracks are not owned by the association. She stated ridership covers their operating expenses, but not the major upkeeps. She stated she was committed to the project to get the ship righted. She stated they have talked with the Veterans Museum about making a beautiful park-like complex along the freeway to drive people off the freeway.

Councilor Pope asked if the steam train had its own liability insurance. Ms. Nelson indicated they did.

Councilor Harris stated the steam train had a third request that came in late and the LTAC will meet to review the request relating to repair work on the locomotive. A recommendation will be coming back to the council.

Councilor Spahr moved to approve the candidates and funding amounts, both individually and collectively, of the Lodging Tax Advisory Committee for use of lodging tax funds for 2020; a reserve amount not to exceed \$75,000 a year for the debt service related to the Recreation Park Improvement Project; and the reappointments of Todd Chaput, Gloria Choi, Jena Sorenson, Alicia Bull, Rick Burchett, and Chip Duncan to the Lodging Tax Advisory Committee. The motion was seconded by Councilor Pope and carried unanimously. Councilor Taylor abstained from voting.

3. Recreation Park Improvement Project – Request to Use Funds Designated for the Project to Proceed with Change Orders, and Utilize Contract Purchasing for Playground Equipment and Services. Lilly Wall stated the project budget was \$4,146,669. \$2,946,169.75 was previously approved by council, leaving a balance of \$1,200,499.25. The remaining balance would be used to complete ballfields and general site work; purchase of playground surfacing material and play structures; and "wish list" items. The request includes an increase of \$305,499.25 including sales tax and a 5% contingency for the ballfields and general site work. The funds will be used to complete the activities being done at the park by KBH Construction and provides the needed funds to allow the purchase of materials, equipment and supplies for project-related work to be completed by city staff as part of the wish list. The requested allocation also includes funds in the amount of \$895,000 to

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purchase the playground equipment and surfacing, which will be procured through government purchasing contracts. The projected completion date is February 2020.

Councilor Ketchum moved to authorize the City Manager to spend the remaining budget allocated for the Recreation Park Improvement Project, which was \$1,200,499.25 to complete the project, which includes the following activities and expenditures: purchase playground equipment and surfacing utilizing contract purchasing in an amount not-to exceed \$895,000, including tax and a 5% contingency; manage and authorize additional change orders to the contract with KBH Construction within the project budget needed to facilitate completion of the project; purchase materials, equipment, and supplies for project-related work that will be done by City staff; and purchase additional items or materials needed to enhance the project if project funding is available. The motion was seconded by Councilor Spahr and carried unanimously.

4. **Investment Policy Update.** Chun Saul stated the city's current policy was adopted in June 1994 and modifications were needed to meet current standards and practices. She stated the primary objectives, in priority order, were to preserve principal (safety); to meet cash flow needs (liquidity); and consider investment risk and cash flow needs (return on investment). Major changes included the addition of a governing authority section; a prudence section; a list of prohibited investments; maximum maturities – changed from 4 years to 5 years; reporting frequency – changed from monthly to quarterly; and an updated diversification section. Ms. Saul also reviewed minor changes to the document.

Councilor Ketchum moved to approve the modifications and adopt the Investment Policy. The motion was seconded by Councilor Lund and carried unanimously.

5. **Administration Reports.**

a. **City Manager Update.** City Manager Anderson thanked the public for their patience during the Recreation Park project. She reminded everyone that city hall be handing out candy on Halloween and the Trick or Treat Transit will be available.

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

a. Councilor Taylor stated Twin Transit has been holding community meetings, which have been well attended. He stated Director Joe Clark has put together a presentation and he suggested that Mr. Clark be invited to a future meeting. He stated amazing things are happening under his leadership. Some wait times for buses have decreased and turnouts will be added along Market Boulevard. Buses now have GPS and Wifi, and you can buy bus passes online. He stated several old buses were surplused to local non-profits.

b. Mayor Dawes attended the following: budget committee meetings; mayors meeting; and groundbreaking for Penny Playground. He and City Manager Anderson also participated in creating a video that will be shown as part of the Chehalis Foundation gala.

c. Councilor Taylor stated he spoke with the City Manager regarding Tim Eyman's initiative (I-976) that will be on the upcoming ballot and he asked if it would impact the city. They didn't think it would since it only relates to car tab fees and the city's Transportation Benefit District relies on sales tax. He stated it got him to thinking that the city has such limited resources already and should be thinking about additional revenue sources.

Councilor Harris stated the council budget committee has also been thinking about new revenue streams, specifically for the general fund. Mayor Dawes stated one example was using the Firemen's Pension Fund to fund LEOFF I medical expenses if an actuarial study determines the fund is sufficient to pay the estimated demands of pension benefits.

City Manager Anderson the city has a bridge project that will need state funding. It is those types of projects that could have an unknown impact to future projects if I-976 passes – many or more projects going after a smaller pot of money.

7. Commissioner Edna Fund expressed condolences to the family of Keith Blackwell who passed away last Friday. She stated an open house would be held on October 26 at 2:00 pm at the old Jackson Courthouse, along with celebrating Julie McDonald Zander's new book on Washington Territory's Grand Lady – The Story of Matilda (Glover) Koontz Jackson. The 5th Annual Roundtable with the Legislators will be on November 1 from 9:00 am to noon at the courthouse. She also reminded everyone that October was breast cancer awareness month and she encouraged all women and men to get their check-ups.

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8. **Executive Session.** Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(c) – Minimum Price at Which Real Estate Will Be Offered for Sale/Lease; and RCW 42.30.110(1)(g) – Review Performance of a Public Employee, not to exceed 7:15 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:03 pm. The executive session began at 6:06 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 7:14 pm.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:
Initials: _____

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

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

MEETING OF: October 28, 2019

SUBJECT: Vouchers and Transfers – Accounts Payable in the Amount of \$1,316,411.90

ISSUE

City Council approval is requested for Vouchers and Transfers dated October 15, 2019.

DISCUSSION

The October 15, 2019 claim vouchers have been reviewed by a committee of three councilors prior to the release of payments. The administration is requesting City Council approval for Claim Vouchers No. 127100-127246 and Electronic Funds Transfer Nos. 92019, 920191 and 102019 in the amount of \$1,316,411.90 dated October 15, 2019 which includes the transfer of:

- \$ 201,416.33 from the General Fund
- \$ 372.98 from the Dedicated Street Fund – 4% Sales Tax Fund
- \$ 300.00 from the 2011 G.O. Bond Fund
- \$ 34,796.52 from the Public Facilities Reserve Fund
- \$ 157.67 from the Automotive Equipment Reserve Fund
- \$ 571.66 from the Garbage Fund
- \$ 166,054.96 from the Wastewater Fund
- \$ 82,042.41 from the Water Fund
- \$ 3,461.93 from the Storm & Surface Water Utility Fund
- \$ 827,237.44 from the Airport Fund

RECOMMENDATION

It is recommended that the City Council approve the October 15, 2019 Claim Vouchers No. 127100-127246 and Electronic Funds Transfer Nos. 92019, 920191 and 102019 in the amount of \$1,316,411.90.

SUGGESTED MOTION

I move that the City Council approve the October 15, 2019 Claim Vouchers No. 127100-127246 and Electronic Funds Transfer Nos. 92019,920191 and 102019 in the amount of \$1,316,411.90.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Judy Schave, HR/Risk Manager

DATE: October 28, 2019

SUBJECT: Addendum to City Manager Contract to Provide for a Cost of Living Adjustment and Executive Leave

ISSUE

The employment agreement between the City and City Manager Jill Anderson provides for an annual adjustment of salary upon an annual performance review conducted by the City Council.

DISCUSSION

On October 14, the City Council met with City Manager Anderson for her annual review, which was very positive. City Manager Anderson's employment agreement provides for an annual adjustment of salary based upon an annual performance review by the City Council and the Consumer Price Index All Washington (CPI/W).

The Administration has prepared an amendment to the employment agreement to reflect a cost of living increase of 2.5% effective with the pay period beginning October 25, 2019. This adjustment is based on the August 2019 Consumer Price Index All Washington (CPI/W), as outlined in the employment agreement.

In consideration of City Manager Anderson's recent performance evaluation, the City Council also conceptually agreed to provide City Manager Anderson with 80 hours annual executive leave effective with the pay period beginning October 25, 2019. This leave would not carry over from year to year, so it would be "use it or lose it."

FISCAL IMPACT

The annual cost of the proposed salary adjustment is approximately \$3,713.14 and is included in the 2020 proposed budget.

RECOMMENDATION

It is recommended that the City Council amend the Employment Agreement with City Manager Jill Anderson to reflect a 2.5% cost of living increase and 80 hours of annual executive leave effective October 25, 2019.

SUGGESTED MOTION

I move that the City Council approve the proposed addendum to the City Manager Employment Agreement.

ADDENDUM TO CITY MANAGER EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of October, 2019, by and between the **CITY OF CHEHALIS, WASHINGTON, a municipal corporation**, hereinafter referred to as “City”, and **TRACIE JILL ANDERSON**, hereinafter referred to as “Manager”.

WITNESSETH:

WHEREAS, City has had an agreement with Manager since 2016 for employment services, which agreement City is desirous of amending; and

WHEREAS, the parties have agreed to certain changes to the 2016 City Manager Employment Agreement, which changes should be reduced to writing; now, therefore,

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

1. Paragraph, 5.a. of the 2016 City Manager Employment Agreement shall be, and the same hereby is amended to read as follows:

a. **Base Salary**. For services rendered by Manager, City shall pay a base annual salary of One Hundred Fifty-Two Thousand Two Hundred Thirty-Eight and 58/100 Dollars (\$152,239.58), payable in equal monthly installments on the last working date of each month of the year effective October 2018. Said pay is subject to normal deductions and withholding as customarily occurs with City employees.

2. A new Paragraph 6.j. shall be added to the 2016 City Manager Employment Agreement to read as follows:

j. **Executive Leave.** Manager shall be entitled to executive leave benefits at the rate of 80 hours per year. Said executive leave shall not carry over from year to year.

In all other respects, that certain 2016 City Manager Employment Agreement shall remain in full force and effect.

EXECUTED IN DUPLICATE on the date and year first above written.

CITY OF CHEHALIS, WASHINGTON

By: _____
Its Mayor

CITY

Tracie Jill Anderson

MANAGER

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Trent Lougheed, P.E., Community Development Director
Brandon Rakes, Airport Operations Coordinator

MEETING OF: October 28, 2019

SUBJECT: Resolution No. 14-2019, First and Final Reading - Approval for Application of Community Aviation Revitalization Loan Program for Airport Improvements

ISSUE

The Chehalis-Centralia Airport would like to apply for a loan from the Washington State Department of Transportation (WSDOT) as part of the Community Aviation Revitalization Loan Program. This loan program would assist significantly in funding our transition to above-ground fuel storage.

DISCUSSION

The new Community Aviation Revitalization Loan Program was established by EHB 1102 and funded initially with \$5 million. The revolving loan program is for revenue-producing capital projects that help public-use, general aviation airports become more self-sustainable. The program provides loans up to \$750,000 at 3% interest to airports with less than 75,000 annual commercial enplanements, as reported to the FAA. Loans can have a maximum 20-year loan period, and recipients can opt to have up to a 3-year loan repayment grace period. Loan recipients must commit to providing public access to the airport for a period of time equivalent to one and one-half times the term of the loan.

Eligible projects can include hangars, fueling facilities, business parks on airport property, paid parking facilities, passenger amenities, and other revenue-generating or cost-cutting developments. The initial deadline for loan applications is Tuesday, November 12, 2019.

The loan requires approval by the City of Chehalis as sponsors/owners of the Airport for the application and acceptance of the funding.

Our intended use of loan proceeds would be to replace our underground fuel storage facilities with above ground fuel storage.

Our current fuel tanks are nearing the end of their useful life expectancy, increasing the risk of an environmental hazard due to fuel leaking. Also, we are currently limited to six-thousand gallons of fuel for 100LL and Jet A fuel, which adversely limits us in the amount of fuel that we have on hand. Often, we are required to order partial fuel loads from our fuel supplier to have enough fuel on hand to meet demand. Having the ability to store more fuel on-site will enable us to ensure that we always have enough fuel to meet the needs of our pilots and will increase our strategic capabilities for emergency response.

Contingent upon receipt of funding from the Community Aviation Revitalization Loan Program we could possibly begin construction in the summer of 2020.

TERMS OF THE PROPOSAL

The proposed terms would be a 20-year amortization at 3% with a maximum loan size of \$750,000.

The airport must commit to providing public access to the airport for a period of time equivalent to one and one-half times the term of the loan.

FISCAL IMPACT

The anticipated monthly payment for a 20-year amortization loan of \$750,000 at 3 % interest is \$4,159.48.

Total interest on the loan, if allowed to amortize is \$248,275.68.

The total amount repaid, if not paid off early, will equal \$998,275.68.

RECOMMENDATION

The administration recommends that the City Council adopt Resolution No. 14-2019 on first and final reading and authorize the city manager to apply for the Community Aviation Revitalization Loan Program for \$750,000 for the specific purpose of replacing the current underground fuel storage facilities with above ground fuel storage facilities.

SUGGESTED MOTION

I move that the City Council adopt Resolution No. 14-2019 on first and final reading and authorize the city manager to apply for the Community Aviation Revitalization Loan Program for \$750,000 for the specific purpose of replacing the current underground fuel storage facilities with above ground fuel storage facilities.

RESOLUTION NO. 14-2019

A RESOLUTION OF THE CITY OF CHEHALIS, WASHINGTON, AUTHORIZING THE SUBMITTAL OF A GRANT APPLICATION FOR AIRPORT IMPROVEMENTS TO THE WASHINGTON STATE DEPARTMENT OF TRANSPORTATION.

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

Section 1. The City of Chehalis hereby authorizes the submittal of a loan application for airport aid to the Washington State Department of Transportation for the specific purpose of replacing the current underground fuel storage facilities with above ground fuel storage facilities.

Section 2. The elected officials support the application. The City further authorizes the City Manager to be the authorized representative of the City for signature purposes on any application with the Department of Transportation.

Section 3. The sponsor must commit to providing public access to the airport for a period of time equivalent to one and one-half times the term of the loan.

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 _____ day of _____, 2019.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Trent J. Lougheed, P.E., Community Development Director

MEETING OF: October 28, 2019

SUBJECT: Resolution No. 15-2019, First and Final Reading – Setting a Public Hearing Regarding Petition to Vacate Right-of-Way (Un-named Alley) within the Darigold Site on SW Chehalis Avenue

ISSUE

It is proposed that the City Council set a public hearing for Monday, November 25, 2019 at 5:00 pm to receive comment regarding a petition to vacate an un-named alley within the Darigold site on SW Chehalis Avenue consistent with the process established by the Revised Code of Washington and the Chehalis Municipal Code.

PROPOSED RIGHT-OF-WAY VACATION

The City has received a petition to vacate right-of-way of an un-named alley within the Darigold site on SW Chehalis Avenue. The proposed right-of-way vacation petition was submitted on September 19, 2019, by Darigold, Inc.

The City of Chehalis Development Review Committee (DRC) reviewed the initial proposal on September 26, 2019. There is a stormwater pipe located in the alley right-of-way that used to drain stormwater from the buildings that used to be located on the corner of SW Chehalis Avenue and W. Main Street. These buildings were demolished this past summer. The stormwater pipe would become part of private property as part of this vacation. The Public Works Department has no issues with this. Darigold owns all of the surrounding parcels and therefore representative Brent Daniels is the only person who signed the application. The westerly portion of this alleyway was vacated in 1983.

The vacation process requires a resolution establishing a date and time for public hearing. Once the public hearing date is set, surrounding property owners and agencies potentially impacted by the vacation will be notified and given an opportunity to submit comments. The purpose of this item is to set the time and place for the public hearing. The details surrounding the proposed right-of-way vacation and related history will be discussed at that time.

FISCAL IMPACT

There is no fiscal impact associated with the setting of the public hearing date.

RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 15-2019 on first and final reading establishing the public hearing regarding the Petition to Vacate Right-of-Way (Un-named Alley) within the Darigold site on SW Chehalis Avenue for 5:00 pm on Monday, November 25, 2019 in City Council Chambers.

SUGGESTED MOTION

I move the City Council adopt Resolution No. 15-2019 on first and final reading.

RESOLUTION NO. 15-2019

**A RESOLUTION OF THE CITY OF CHEHALIS,
WASHINGTON, SETTING A PUBLIC HEARING DATE
FOR A PETITION FOR VACATION OF RIGHT-OF-WAY
OF AN UNNAMED ALLEY WITHIN THE DARIGOLD SITE
ON SW CHEHALIS AVENUE.**

WHEREAS, the City of Chehalis has received a Petition for Right-of-Way Vacation for an unnamed alley within the Darigold site on SW Chehalis Avenue located in the city limits of Chehalis described herein in Exhibit A, and

WHEREAS, pursuant to RCW 35.79.010 and CMC 12.32.010, the City Council shall fix a time when the petition shall be heard, which time shall not be more than 60 days nor less than 20 days after the date of passage of such resolution.

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

Section 1. The Chehalis City Council will conduct a public hearing at the regularly scheduled City Council meeting on November 25, 2019 at 5:00 pm, to consider the Petition for Right-of-Way Vacation for unnamed alley within the Darigold site on SW Chehalis Avenue, described herein in Exhibit A.

Section 2. The required public hearing notice, attached hereto as Exhibit B, shall be published in the legal newspaper of general circulation, mailed to adjacent property owners and distributed to other interested parties a minimum of ten (10) days prior to the hearing date.

ADOPTED by the City Council of the City of Chehalis, Washington and **APPROVED** by its Mayor, at a regularly scheduled meeting thereof this ____ day of _____, 2019.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

Permit Application

Submit this form and any required attachments to:

City of Chehalis
Community Development Department
1321 S. MARKET BLVD.
CHEHALIS WA 98532
(360) 345-2229

APPLICANT FILL OUT AND SIGN UPPER SECTION:

JOB ADDRESS: 423 W. MAIN, 1 SW Chehalis

APPLICANT:

NAME: Brent Daniels
ADDRESS: 67 S.W. Chehalis Ave
CITY/ST/ZIP: Chehalis WA 98532
PHONE#: 360-740-8415
EMAIL: brentdaniels@darigold.com

PROPERTY OWNER (Same as Applicant? Yes No)

NAME: DARI GOLD
ADDRESS: _____
CITY/ST/ZIP: _____
PHONE#: _____
EMAIL: _____

CONTACT PERSON (Same as Applicant? Yes No)

COMPANY NAME: _____
NAME: _____
ADDRESS: _____
CITY/STATE/ZIP: _____
PHONE # _____
EMAIL: _____

CONTRACTOR (Same as Property Owner? Yes No)

COMPANY: _____
CONTRACTOR REGISTRATION # _____
ADDRESS: _____
CITY/STATE/ZIP: _____
PHONE # _____
EMAIL: _____

DETAILED PROJECT DESCRIPTION:

PROJECT VALUE:

Verbal comments made during discovery are not binding. Only the plan(s) submitted will be reviewed for compliance with applicable codes. By signing below, I grant permission for City of Chehalis employees to enter and remain on the property for the purpose of review and approval of this proposal and to conduct inspections related to this proposal.

Signature: <u>Brent E. Daniels</u>	Date: <u>9/19/19</u>
Name (print): <u>Brent Daniels</u>	Telephone #: <u>360 740-8415</u>

OFFICE USE ONLY:

Date Received: SEP 19 2019 By: [Signature] Date Reviewed: _____ By: _____
Parcel #: 003741002001 Zoning: CPD/UCF Flood Zone: YES
Permit #: VAC 19-002

CITY OF CHEHALIS

PETITION FOR RIGHT-OF-WAY VACATION

PETITION CONTACT Name: Brent Daniels
 Address: 67 S.W Chehalis Ave.
98532
 Phone: 360-740-8415

We the undersigned property owner(s) with land abutting the public right-of-way in Chehalis, identified in the legal description below, do hereby petition the city to vacate said right-of-way in accordance with the city's Standard Operating Procedure for Vacation and do agree to compensate the city for the vacated land, as provided in RCW 35.79.030.

Property Address	Property Owner(s)	
	Print	Sign
423 W. Main St.	Darigold Inc.	Mark Barth Mark Barth, CFO
1 S.W. Chehalis Ave	Darigold Inc.	Mark Barth Mark Barth, CFO
0 S.W Chehalis Ave	Darigold Inc.	Mark Barth Mark Barth, CFO

Legal description of right-of-way to be vacated, as prepared by licensed land surveyor or other qualified professional:

See Attached survey & Appraisal Report

PT Platted Alley Bk 10 Eliza Barrett's Addition to
the Town of Chehalis Sec 32-T14N-R2W WM
Lewis County

Total area of right-of-way to be vacated: 1206 square feet

Total properties petitioning for vacation: 3 Total properties abutting right-of-way to be vacated: 3

Ratio of properties petitioning vs. total properties: 100%

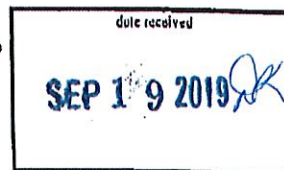
(Note: A minimum 2/3 ratio of abutting property owners must petition for vacation before it will be considered.)

Attach map of right-of-way being petitioned for vacation and surrounding area, including identification of all streets, alleys, and abutting property owners.

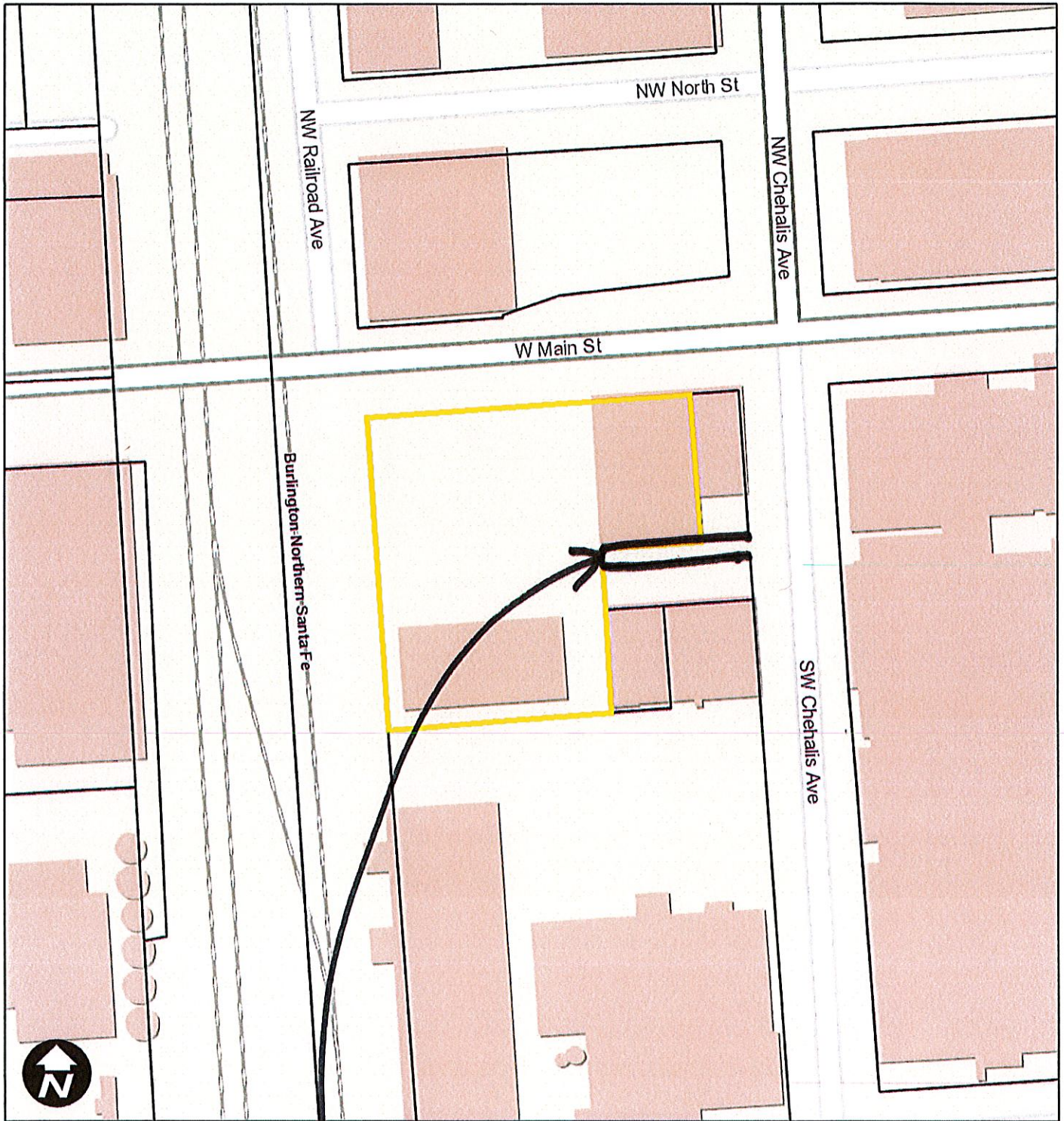
Please submit this completed petition with attachments to: Development Review Committee

(Attach additional sheets if necessary)

1321 S. Market Blvd.
 Chehalis, WA 98532
 phone 360.345.2229



Lewis County GIS Web Map



9/24/2019, 8:47:18 AM

Search Results: Parcels

Override 1

Parcels

REMAINING PLATTEL
ALLEY. REQUESTING
VACATION

1:1,128

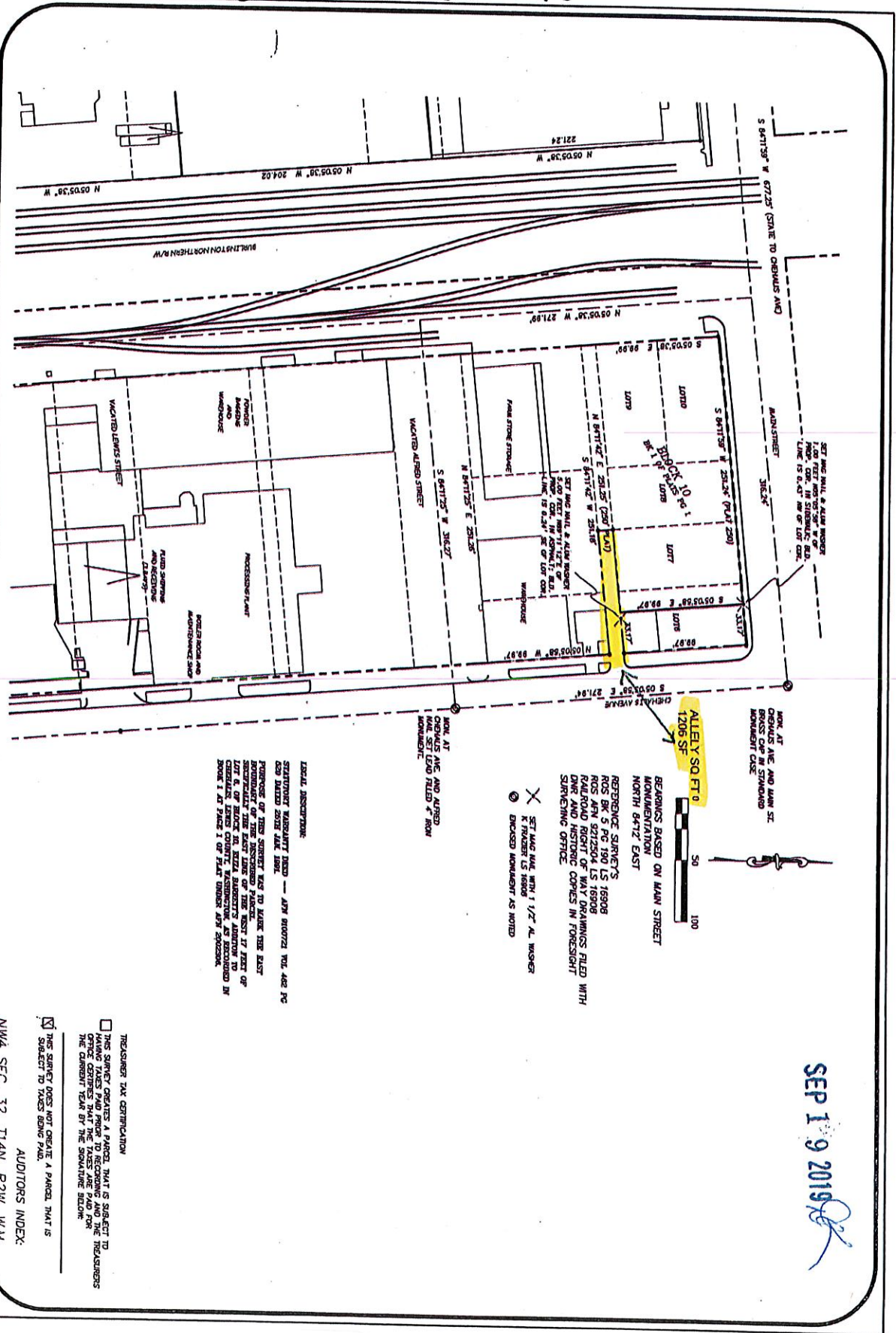
0 50 100 200 ft
NAD 1983 StatePlane Washington South FIPS 4602 Feet



Lewis County does not guarantee the accuracy of the information shown on this map and is not responsible for any use or misuse by others regarding this material. It is provided for general informational purposes only. This map does not meet legal, engineering, or survey standards. Please practice due diligence and consult with licensed professionals before making decisions.

AFN 3451537
BK 30 SURVEYS P6. 278

SEP 19 2019



AUDITOR'S CERTIFICATE
 FILED FOR RECORD THIS 20th DAY OF MAY 2016 AT THE OFFICE OF FORESIGHT SURVEYING, INC. 278
 LENS COUNTY DEPT. AUDITOR

SURVEYOR'S CERTIFICATE
 THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE REQUEST OF:
 DARGOLD INC.
 Signed: Kenneth L. Frazer, PLS
 6/14/16

FORESIGHT SURVEYING
 Professional Land Surveyors
 1583 N. National Ave
 Chehalis, WA 98532
 (360) 748-4000
 (360) 748-0873 fax

DARGOLD INC.
 RECORD OF SURVEY FOR
 DARGOLD INC.
 DRAWN BY: K. FRAZER
 DATE: JUNE 2016
 JOB NO. 4334
 FB. NO. 2442
 SCALE: 1" = 50'
 SHEET NO. 1 OF 1

LEGAL DESCRIPTION:
 STATUTORY WARRANTY MADE — APM BROTHER VOL. 482 PG. 603 DATED 2016 JAN. 18th.
 PORTION OF THIS SURVEY WAS TO MAKE THE EAST PORTION OF THE DESCRIBED PARCELS SEPARATELY FROM THE WEST PORTION OF THE SAID PARCELS. THE EAST PORTION OF THE SAID PARCELS IS 17 FEET OF LOT 6, 6 OF BLOCK 10, EXTRA SUBDIVISION ADDITION TO CHIEF OF POLICE JAMES WASHINGTON, AS RECORDED IN BOOK 1 OF PLATS 1 OF PLAT UNDER 879 250000.

THIS SURVEY CREATES A PARCEL THAT IS SUBJECT TO TREASURER TAX CERTIFICATION
 THIS SURVEY DOES NOT CREATE A PARCEL THAT IS SUBJECT TO TAXES BEING PAID.
 AUDITORS INDEX:
 NW/4 SEC. 32, T14N, R2W, W.M.

Exhibit B

Notice of Public Hearing

NOTICE IS HEREBY GIVEN that the Chehalis City Council will take testimony regarding a Petition to Vacate an alley Right-of-Way off of Chehalis Ave. The public hearing will be held at the Chehalis City Hall, Council Chambers (North Entrance), 350 N. Market Blvd., Chehalis, WA, at a regularly scheduled City Council meeting on November 25, 2019 at the hour of 5:00 PM.

File#: VAC-19-002

Applicant: Darigold Inc., represented by Brent Daniels

Proposal: To vacate the remaining portion of platted alleyway

Location: off of Chehalis Ave. between NW. Main St. and SW Lewis St.

Tax Parcel: none, currently City Right-of-Way

Anyone wishing to comment on this application may do so in writing to the Chehalis Community Development Office, 1321 S Market Blvd., Chehalis, WA 98532, at least one day prior to the above date, or submit written or oral statements at the public hearing. Copies of the application and any related documents may be reviewed during regular business hours at the Chehalis Community Development Office, 1321 S. Market Blvd., Chehalis WA. Phone: (360) 345-2229 A copy of the application can be e-mailed to anyone requesting it via e-mail to: comdev@ci.chehalis.wa.us . In all correspondence, please refer to file number: VA-19-002.

Any action taken on this application may be subject to appeal under the provisions of CMC 17.09.150.H Appeals shall be filed with Lewis County Superior Court as specified by the court.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director

MEETING OF: October 28, 2019

SUBJECT: Implementation of Online Bill Pay Program for Utility Customers and Council Policy Directions for Payment Transaction Fees

ISSUE

There are growing demands from the City's utility customers to have the option of making payments using debit/credit cards; electronic fund transfers (EFTs); and/or bank bill pay options through online and/or over-the-counter. In response to City Council direction, it is proposed that the City's utilities implement a program utilizing modern technology to improve service by providing more payment options to customers.

INTRODUCTION

Consistent with the City Council's Strategic Planning objectives for Optimizing Technology, several options have been explored to facilitate online bill pay services that include online service and a variety of options to make payments.

We have determined that CivicPay Program by Springbrook, the City's current utility billing software vendor, is best suited for the City's objectives.

There is no significant up-front cost for implementation of this program or services, however, there are fees associated with the service and each payment transaction. It is requested that the City Council review the fee options and approve a policy decision on who pays for the transaction fees (customer or City).

CURRENT PROCESS

Currently, the City's utility customers do not have the option to access their accounts online or to receive their bills electronically. All utility bills are printed and mailed to customers. Customers may make a payment by check or cash, by mail or at the counter or have the City to

draft directly (auto draft) from their bank account for each billing cycle by giving a written authorization. The City also provides a limited option to make a payment with debit/credit cards and/or eCheck through a third-party bill payment provider, Official Payments. Customer can either log into Official Payments website or call Official Payments to make a payment. However, customers currently do not have an option to make a payment with a debit/credit card at the counter.

Official Payments charges a convenience fee to the customers a flat fee of \$5.95 per payment transaction. Customer account information is NOT available through Official Payment website; therefore, customers must provide detailed information for the payment they are making, including utility account number, name, and the amount. Official Payments provides a detailed payment transaction report to the City the next business day following the actual payment transaction date. Official Payments retains the convenience fee and deposits the actual utility payments to the City's bank account via Automated Clearing House (ACH). The deposit is usually received within 72 hours after completion of the payment transaction.

The current process is not efficient. Official Payments is NOT integrated with the City's utility billing system, upon receipt of the daily report from the Official Payments, the City's utility billing staff must manually enter each of the payment transactions into the utility billing system. This dual entry costs the staff time and creates room for errors. In addition, the payment is not applied to customer account until the next business day. The lag time between the customer making a payment until the payment is applied to their account could take up to 4 days (if payment is made on a Friday and the following Monday is a holiday). This increases potential risk of costly shut offs.

OBJECTIVES

The objectives of an Online Bill Pay Program are two-fold:

1. Enhance customer services – citizen satisfaction
 - Convenience (no postage, no trips to the office, 24/7 access)
 - Modern approach to payments
 - Secure method of payment
2. Simplify staff workload and improve efficiency
 - Improved cash flow
 - Reduce staff time needed for manual handling and processing time
 - Reduce risk of manual entry errors.
 - Reduce late payments, lost checks, and avoid returned checks with electronic payment options.
 - Reduce customer management issues; expensive staff time to shut off/turn on late accounts and fewer phone calls

An ideal online bill pay program would need to provide the following essential functionalities:

- Fully integrated with the City's current utility billing software (Springbrook)
 - Real-time transaction – when payment is submitted the utility billing record in Springbrook is immediately updated
 - No payment file transfer (file transfer creates at least 24-hour lag time between payment submission and utility billing record update in Springbrook)
 - No daily uploading of customer data to a payment gateway provider
 - No City staff intervention
 - Easy-to-use website
 - Strong customer support
 - Easy and complete payment tracking and easy reconciliation
 - Simplify staff workload and improve efficiency
 - Fully PCI Compliant (no storage of credit card or bank data)
 - Viable costs for implementation and transaction fees
- ❖ ***This program would be limited to utility payments. The City still needs to explore other options for other departments that process non-utility payments.***

CIVICPAY PROGRAM FEATURES

CivicPay is built on the foundation of Springbrook Utility Billing module and is fully integrated with Springbrook software. This eliminates extra staff time for reviewing and receipting daily payment file transfers and daily uploading of utility billing customer data to a non-integrated payment gateway provider. The available services include:

Online: Access real time account data 24/7 – Citizen dashboard (account history, consumption history, balance due, current charge, notification, etc.)

- View & Pay eBills
- Automatic Payment Capability
- Elect paperless billing option
- Email notification options
- Multiple choice of payment methods

Pay Pad: Stand-alone counter terminal (making payment in person)

- Integrated to Springbrook Cash Receipts passing through to Utility Billing (eliminates double entry)
- Chip reader (alternative swipe)
- Compatible with the City's current Springbrook Cash Receipt version (no upgrade needed)
- PCI compliant - point-to-point Encryption (P2PE)

Voice (over the phone) - Interactive Voice Response (IVR)

- Does not involve a city staff
- Allows automated, two-way communication between the City and citizens

- Inbound - a citizen call in to make payments.
- Directly integrated to Springbrook Cash Receipts module passing through to Utility Billing (eliminates double entry)
- Outbound – City calls the citizens (i.e. shut-off notification, late notices, and other messages)

IMPLEMENTATION TIMELINE

Upon the signing of a service agreement, the implementation process will take about 8 weeks to 10 weeks from the start to finish, so the City could go live in January 2020 time frame.

FEE DISCUSSION

A policy decision needs to be made whether the City would absorb the transaction fees as cost of doing business or pass the fees, in part or in whole, to customers, prior to implementation of this program.

There are three (3) types of fees allowed today by the card companies:

- 1) Surcharge:** Allow % based fees in any payment channel including Auto Pays. However, they are only allowed on credit transactions NOT on debit transactions. For most organizations nearly 70% of all their card transactions are debit card. This option would be difficult to implement and not practical.
- 2) Service fees:** Allow % based fees on non-utility payments and can be charged in any payment channel (NOT allowed for utility payments).
- 3) Convenience fee:** Must be flat fee based and only allowed for non-over-the-counter payments. This is NOT allowed on any type of recurring auto pays. If convenience fee is charged on utility payment, it will not receive the cheaper utility interchange rate provided through the Utility Rate Merchant Account.

If charging convenience fee, it will not receive utility interchange rate and must pay the standard government interchange rates, which can be in the range of 1% to 1.9% of the payment, depending on the type of card used. If the City DOES NOT apply a surcharge or fee, it can utilize a Utility Rate Merchant Account which allows utility payments to be assessed a cheaper interchange rate than other government payments.

The Springbrook CivicPay Program would provide convenience to customer and to city staff. In addition, the City could reduce the cost of printing and mailing all paper bills and staff time for processing paper bills and payments, if more customers utilize the online services, paperless bills, and electronic payment options, which could offset a portion of the transaction fees.

Therefore, it is recommended that the City pay for transaction fees for all utility payments.

Using the Utility Merchant Total fee for a payment transaction varies based on the amount of payment and the type of debit/credit card being used. The transaction fee is made up of fixed amounts per item and % of payment. In the example below, for \$150 payment, the total transaction fee is about 1.62% of the payment, whereas, for \$300 payment, the total transaction fee is about 1.03% of the payment. It is said that about 85%-90% of those payments on average are from non-premium cards.

The following table shows estimated transaction fees (paid by non-premium debit/credit cards) at utility interchange rate.

Application of Utility Interchange Rate

	Scenario 1	Scenario 2
Utility Payment	\$150.00	\$300.00
Per transaction fee (per item)	\$0.70	\$0.70
Payment authorization fee (per item)	\$0.30	\$0.30
Processor fee (0.45%)	\$0.68	\$1.35
Interchange utility flat fee*	\$0.75	\$0.75
Total fees	\$2.43	\$3.10
% of payment	1.62%	1.03%

There are currently about 3,483 utility customer accounts (residential 2776 commercial 707). Residential billing is bi-monthly and commercial billing is monthly. Total estimated number of bills per year is about 25,140.

Total of 880 payments (about 4% of total bills) were processed by the Official Payments during last 12-month period. Total base payment transaction was \$324,400, with average payment of \$352. The convenience fees charged by Official Payments to customers was \$5,284.

Estimated Cost to the City's Utility Funds

Assume an average bill is \$300 and paid by standard priced debit/credit cards (non-premium cards). If 10% (2,514 bill payments) of the customers pay with debit/credit cards, the estimated total payment would be \$754,200, and the estimated annual transaction fee would be \$7,793 (2,514 x \$3.10).

If 20% (5,028 bill payments) of the customers pay with debit/credit cards (non-premium cards), the estimated total payment would be \$1,508,400, and the estimated annual transaction fee would be \$15,587 (5,028 x \$3.10).

If 30% (7,542 bill payments) of the customers pay with debit/credit cards (non-premium cards), total payment would be \$2,262,600, and the estimated transaction fee would be \$23,380 (7,542 x \$3.10)

The above fee calculations are based on standard priced debit/credit cards (non-premium cards), so the actual transaction fees would be slightly higher, since 15% - 10% of those card payments are paid from premium cards.

FISCAL IMPACT

If the City chooses to pay the transaction fees, the estimated annual cost (assume about 30% of total bills (7,542) will be paid through the CivicPay Program) is about \$27,380 as illustrated below:

Service	Price
CivicPay Online annual subscription (based on 3,700 utility account)	\$2,220
CivicPay Voice (IVR) subscription (based on 3,700 utility accounts)	\$1,480
Equipment charge for CivicPay Pad (terminal with printer) – 2 units at no cost	\$0.00
Subtotal for annual subscription service	\$3,700
Plus 8.2% sale tax	\$303
Estimated transaction fees (about 7,572 transactions @average payment of \$300)	\$23,380
Total estimated annual cost	\$27,380

As mentioned in the above, the actual transaction fees would be slightly higher, since 15% - 10% of those card payments are paid from premium cards.

The 2020 Proposed Budget includes a \$29,700 budget request for cost relating to this program. The associated costs would be allocated to the respective utility funds, not the general fund. If approved, the Springbrook CivicPay Program would improve staff efficiency, as well as customer service.

RECOMMENDATION

It is recommended that the City Council authorize the City Administration to enter into an agreement with Springbrook to subscribe to CivicPay service and implement the CivicPay program as soon as administratively feasible; and further authorize the City’s utilities to pay the convenience fee as a cost of doing business to increase efficiency and improve customer service.

SUGGESTED MOTION

I move that the City Council authorize the City Administration to enter into an agreement with Springbrook to subscribe to CivicPay service and implement the CivicPay program; and further authorize the City’s utilities to pay the convenience fee as a cost of doing business to increase efficiency and improve customer service.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

MEETING OF: October 28, 2019

SUBJECT: Agreement with Greg Lund and Century 21 Lund, Realtors for Professional Real Estate Services

ISSUE

After analyzing multiple sites, the City is in need of professional real estate services to assist in the purchase of property suitable for a new fire station. It is proposed that the City engage Greg Lund of Century 21 Lund, Realtors to be the City's representative in order to take steps to explore the purchase of property for a new fire station.

BACKGROUND

The City's fire station building has been deemed unsuitable for use as an active fire station due to structural deficiencies that make it vulnerable in extreme weather and seismic events. The property on which the almost 100 year old building is located is not large enough to meet current firefighting operational standards. As a result, the staff has done a preliminary analysis of at least 10 sites and delved into the details of six of those that met the initial requirements. The key factors influencing the selection of a site for the City's next fire station are:

- Impacts of flooding and ensuring the location does not become an island in a flooding situation.
- Location of Highest Call Volume and ability to respond effectively to highest call volume areas.
- A property that is large enough for the necessary building layout and for the associated operation and maintenance of fire vehicles and equipment, such as fire hoses.
- Location to provide service to the community now and in the future including the consideration of anticipated growth of the City; current mutual aid agreements; and potential for annexation to District 6, and possibly RFA during the lifespan of a new fire station.
- Availability – Is the site available for purchase?

Land in a location near Chamber of Commerce Way and State Avenue has been identified as an ideal site after evaluating multiple sites throughout the City to find a location that would meet the City's needs in the near and long-term. Informal discussions have occurred with the property owner, who is willing to consider selling the property to the City. In order to proceed, it is advisable that the City have a real estate professional represent it through the process.

TERMS OF THE PROPOSED AGREEMENT

Greg Lund and Century 21 Lund, Realtors is a recognized real estate professional representing buyers and sellers in Chehalis and throughout the region. Mr. Lund is well known in the community and fully understands the real estate market impacting a potential property acquisition. As a result, it is recommended that the City engage Mr. Lund and Centruy 21 Lund, Realtors to represent it in the activities related to the possible purchase of a property for a new fire station. An agreement to accomplish that purpose has been prepared by the City Attorney for consideration by the City Council and includes the following key provisions:

- Appoints Greg Lund as the City's exclusive representative in a property acquisition.
- Establishes a term of 120 days that will expire if not extended.
- Compensation of \$100 per hour with provisions for credits to the City associated with commissions that could be paid by the seller of property.

Mr. Lund has agreed to the terms presented in the attached agreement.

FISCAL IMPACT

The actual fiscal impact is unknown at this time and will depend on the complexity of potential transactions and the ability to negotiate a reasonable price, as well as other conditions. With that caveat, the cost of realtor services is not anticipated to exceed \$20,000. This amount does not include other services that may be needed to proceed with a purchase, including but not limited to appraisals, title reports, professional environmental consulting, etc.

Approximately \$240,000 remains in the Public Facilities Reserve Fund which was previously set aside for Fire Station repairs and possible land acquisition. This fund would be used for payment of the costs associated with professional real estate services related to land acquisition.

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to execute the agreement with Greg Lund and Century 21 Lund, Realtors for professional realtor services and authorize the associated expenditure of funds.

SUGGESTED MOTION

I move that the City Council authorize the City Manager to execute the agreement with Greg Lund and Century 21 Lund, Realtors for professional realtor services and the associated expenditure of funds.

BUYER'S AGENCY AGREEMENT

This Buyer's Agency Agreement is made between the **City of Chehalis**, a Washington municipal corporation, hereinafter referred to as "Buyer", and **Greg Lund and Century 21 Lund, Realtors**, hereinafter referred to as "Real Estate Firm".

1. **Agency.** Buyer hereby appoints Greg Lund to represent Buyer in a transaction between the seller of real estate and Buyer for the purchase of real property located in Lewis County, Washington. This Agreement creates an agency relationship between Buyer and Real Estate Firm. No other broker other than Greg Lund in the Real Estate Firm is authorized to act as a representative of the Buyer in this transaction.

2. **Area.** Real Estate Firm will search for real property for Buyer located in the greater Chehalis area.

3. **Terms of Agreement.** This Agreement shall expire one-hundred twenty (120) days from signing if not extended by either party. Buyer shall be under no obligation to Real Estate Firm except for those obligations existing at the time of termination of said Agreement.

4. **No Representations or Warranties.** Real Estate Firm makes no warranties or representations regarding the value or suitability of any property for Buyer's purposes. Buyer agrees to be responsible for making all inspections and investigations necessary to satisfy Buyer as to the property's suitability and value.

5. **Compensation.** Buyer shall pay Real Estate Firm compensation as follows:
Payment shall be made to Greg Lund at the rate of One Hundred and no/100ths Dollars (\$100.00) per hour for all time spent by Greg Lund in his efforts to secure property on behalf of Buyer.

Real Estate Firm will utilize a multiple listing service (“MLS”) to locate properties and MLS rules may require the seller to compensate Real Estate Firm by apportioning a commission between the Listing Firm and Real Estate Firm. Real Estate Firm will disclose any such commission or bonuses offered by the seller prior to preparing any offer. Buyer will be credited with any commission or bonus so payable to Real Estate Firm. In the event that said commission and any bonus is less than the compensation provided in this Agreement, Buyer will pay the difference to Real Estate Firm at the time of closing. In the event that said commission and any bonus is equal to or greater than the compensation provided by this Agreement, no compensation is due to Real Estate Firm herein. If any of Real Estate Firm’s brokers act as a dual agent, Real Estate Firm shall receive the listing and selling commission paid by the seller plus any additional compensation Real Estate Firm may have negotiated with the seller. All such compensation shall be credited toward the fee specified above.

6. **Attorney’s Fees.** In the event of a suit concerning this Agreement, including claims pursuant to the Washington Consumer Protection Act, the prevailing party is entitled to court costs and reasonable attorney’s fees. Any suit shall be in the county in which the property is located.

DATED this _____ day of _____, 2019.

CITY OF CHEHALIS, a Washington municipal corporation

By _____
Jill Anderson, City Manager
BUYER

Greg Lund
Century 21 Lund, Realtors

REAL ESTATE FIRM

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Jill Anderson, City Manager
BY: Chun Saul, Finance Director
MEETING OF: October 28, 2019
SUBJECT: 2019 Third Quarter Financial Status Report

DISCUSSION

This document provides a summary review of the City's financial activities and status as of third quarter ending September 30, 2019.

The reports have been formatted to be consistent with the approved budget for ease of comparison and review of information. Comparisons and variances shown are based on straight line projections. The percentage year-to-date (YTD) target for September is 75% (9 of 12 months).

First report provides a summary review of all City funds including beginning cash balances, total revenues and transfers in, total expenditures and transfers out, changes in fund balances during the year, and estimated ending cash balances.

Second set of reports provide two-year comparative financial data of actual revenues and expenditures compared to the budget for the General Fund and the major enterprise funds.

CITY-WIDE OVERVIEW

Overall, on a city-wide basis, the city has received \$20,908,578 or 67.5% of the 2019 revenue budget and has expensed \$17,047,111 or 50.6% of the 2019 appropriations through the third quarter. Total city-wide revenues exceeded total expenditures by \$3,861,467 during this period. The city-wide total fund balance as of September 30, 2019 is \$24,057,864.

Other than the General Fund, all other funds are restricted funds that are used to account for specific revenues or resources that are legally restricted or designated to finance particular activities of the city, such as Transportation Benefit District, utilities, and Airport funds.

City-Wide, All Funds	2019 Budget	2019 YTD 9/30/2019	YTD % of Budget	YTD Variance
				Positive (Negative)
Revs. & Transfers In	\$ 30,974,993	\$ 20,908,578	67.5%	\$ (2,322,667)
Exps. & Transfers Out	33,699,477	17,047,111	50.6%	8,227,497
Changes in Fund Balance	(2,724,484)	3,861,467	-141.7%	\$ 5,904,830
Beginning Fund Balance	20,196,397	20,196,397	100.0%	5,049,099
Ending Fund Balance	\$ 17,471,913	\$ 24,057,864	137.7%	\$ 10,953,929

Total YTD revenues is about 7.5% or \$2,322,667 below of the YTD target amount. Most of this variance is due to the grants for recreation park renovation and Airport Taxiway Realignment projects. A combined total of \$4,244,795 in grant revenue is budgeted between these two projects, and only \$659,375 or 15.5% of the 2019 budget has been received through the end of September. A second reimbursement request for the Airport Taxiway Realignment project in the amount of \$683,008 was submitted in mid-October, and we expect to receive the payment in late October or early November. Additional reimbursement requests will be submitted as the projects progress and as the city receives invoices from the contractors and pays them.

The YTD expenditure is below the target amount by \$8,227,497. A significant portion of this variance is from capital outlays activities. Total 2019 capital outlay budget is \$11,305,872 and only \$1,672,456 or 14.8% of the 2019 budget have been expensed. The 2019 capital budget and year-to-date spent by fund are summarized below:

- Transportation Benefit District Fund: Budget \$1,175,000; YTD spent \$129,450 (11.0%)
- Public Facilities Reserve Fund: Budget \$4,446,608 for Recreation Park renovation project and a pool liner replacement project; YTD spent \$548,821 (12.3% of the budget).
- Wastewater Fund: Budget \$890,294; YTD spent \$351,419 (39.5% of the budget).
- Water Fund: Budget \$1,464,300; YTD spent \$175,023 (12.0% of the budget).
- Storm Water Fund: Budget \$240,800; YTD spent \$12,568 (5.2% of the budget).
- Airport Fund: Budget \$2,973,678; YTD spent \$378,424 (12.7% of the budget).

Total YTD operating expenditures is \$12,984,913 or 69.5% of the 2019 budget. This is \$1,029,316 below the nine-month target.

For the most part, the city funds operated within the normal budget parameters and resulted in positive changes in fund balances, except for the Arterial Street Fund and the General Fund.

Arterial Street Fund has expensed 87.3% of the 2019 budget, which is about \$9,221 ahead of the 9-month target. This is due to purchasing most of the annual supplies during the summer months.

The revenue and expenditure variances for the General Fund and the major enterprise funds are explained in detail in the fund overview section below.

Bottom Line: The City operated within normal budget parameters.

GENERAL FUND OVERVIEW

The General Fund’s YTD total revenue is \$7,400,822 or 73.1% of the 2019 budget. This is \$191,925 below of the YTD target. Total YTD expenditures is 72.9% of the 2019 budget. This is \$238,492 below the YTD target amount. At the end of third quarter, the General Fund total expenditures exceeded total revenues by \$713,806, which reduced the ending fund balance by the same amount. The fund balance of the General Fund as of September 30, 2019 is \$1,090,456, which is about 9.8% of the General Fund expenditure budget.

General Fund	2019 Budget	2019 YTD 9/30/2019	YTD % of Budget	YTD Variance Positive (Negative)
Revs. & Transfers In	\$ 10,123,662	\$ 7,400,822	73.1%	\$ (191,925)
Exps. & Transfers Out	11,137,493	8,114,628	72.9%	238,492
Changes in Fund Balance	(1,013,831)	(713,806)	70.4%	\$ 46,567
Beginning Fund Balance	1,804,262	1,804,262	100.0%	451,066
Ending Fund Balance	\$ 790,431	\$ 1,090,456	138.0%	\$ 497,633
Ending Fund Balance % of Revenue Budget	7.8%	10.8%		
Ending Fund Balance % of Expenditure Budget	7.1%	9.8%		

General Fund Revenues:

About 84.6% of the General Funds’ YTD revenue is from various tax revenues. Total YTD tax revenue is \$6,519,014 or 72.1% of the 2019 tax revenue budget. This is \$255,982 below the YTD target amount.

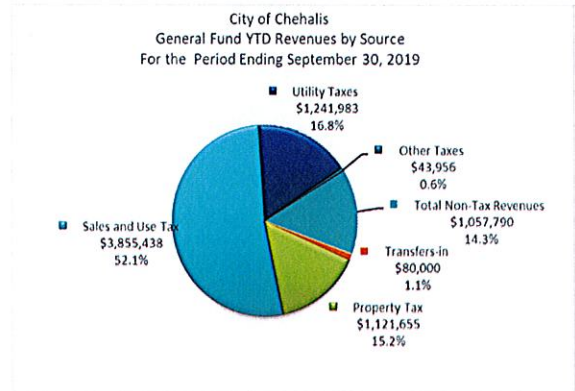
GENERAL FUND (#001)	2019	YTD	2019	2019	2019
	Amended	9/30/2019	YTD % of	YTD Target	YTD
Revenues:	Budget	Actual	Budget	9/30/2019	Variance^
Revenues:					
Property Taxes General	\$ 1,434,393	\$ 835,026	58.2%	1,075,795	(240,769)
Property Taxes General - Fire Pension%	165,126	96,043	58.2%	123,845	(27,802)
Property Taxes EMS	327,230	190,586	58.2%	245,423	(54,837)
Subtotal for Property Taxes	1,926,749	1,121,655	58.2%	1,445,062	(323,407)
Local Sales & Use Taxes	4,970,180	3,670,249	73.8%	3,727,635	(57,386)
Brokered Natural Gas Sales Tax	27,200	71,965	264.6%	20,400	51,565
Criminal Justice Tax	144,730	113,224	78.2%	108,548	4,677
Subtotal for Sales and Use Taxes	5,142,110	3,855,438	75.0%	3,856,583	(1,145)
Electricity Utility B & O Tax	546,320	500,879	91.7%	409,740	91,139
Gas Utility Tax	154,480	111,225	72.0%	115,860	(4,635)
Garbage Utility Tax	73,480	61,664	83.9%	55,110	6,554
Cable Utility Tax	87,430	74,181	84.8%	65,573	8,609
Telephone Utility Tax	250,180	143,776	57.5%	187,635	(43,859)
Water/Sewer Utility B & O Tax	464,600	350,258	75.4%	348,450	1,808
Subtotal for Utility Taxes	1,576,490	1,241,983	78.8%	1,182,368	59,616
Leasehold Excise Tax	46,630	43,956	94.3%	34,973	8,984
Timber Excise Tax	40	-	0.0%	30	(30)
Subtotal for Other Taxes	46,670	43,956	94.2%	35,003	8,954
Total Tax Revenues	\$ 8,692,019	\$ 6,263,032	72.1%	6,519,014	\$(255,982)

Property Tax revenue received through September is \$1,121,655 or 58.2% of the 2019 budget and is \$323,407 below the YTD target amount. This is a normal trend for this time of year. The 2nd half of 2019 tax is due in October, and the City will receive a distribution from the County in November.

Sales Tax revenue received through September is \$3,855,438 or 75.0% of the 2019 budget. This is about \$1,145 below the YTD target amount. Sales tax is the City's largest revenue source and make up 52.1% of the total General Fund revenues received through September 2019.

Local sales and use tax received is 73.8% of the 2019 budget and is \$57,386 below the YTD target amount. About \$379,335 (or 10.3%) of the YTD 2019 local sales and use tax is from construction activities (construction of buildings, heavy and civil engineering, and specialty trade contractors, etc.). As predicted, the sales tax from aggregated construction activities declined by \$156,118 (or 41.2%); whereas, sales taxes from aggregated non-construction activities increased by \$152,659 (4.6%) when compared to this time last year. Local sales and use tax revenues trend will be closely monitored throughout the year.

Utility Tax revenue received is \$1,241,983 or 78.8% of the 2019 budget. This is \$59,616 ahead of the YTD target. Electricity utility tax revenue is \$91,139 ahead of the YTD target amount. However, telephone utility tax revenue is \$43,859 below the YTD target amount. Utility tax revenue is the second largest revenue source of the General Fund and make up 16.8% of the General Fund total revenues received through September 2019.



License and Permit fee revenue received is \$192,546 or 102.5% of the 2019 budget. This exceeds the YTD target amount by \$51,602. This category includes business licenses and permit fees and non-business licenses and permit fees (i.e., building permit fees, animal licenses, and gun permits). The \$27,987 permit fees paid for the multi-family units on Jackson Highway is one of the contributing factors for the YTD revenue exceeding the 9-month target. YTD business license fees received is \$25,130 or 103% of the 2019 budgeted amount. This exceeds the YTD target amount by \$6,880.

Intergovernmental revenue is \$269,398 or 74.5% of the 2019 budget and \$1,743 below the YTD target amount. This category includes intergovernmental grants, state shared revenues, and the Main Street B&O Tax Credit.

2019 YTD state Shared revenue received is \$222,525 or 95.2% of the 2019 budget and \$47,210 ahead of the YTD target amount. This category includes Multimodal Transportation, Streamlined Sales Tax (SST) Mitigation, Criminal Justice Special Program, Marijuana Enforcement, Marijuana Excise Tax, DUI cities, Liquor Excise Tax and Liquor Board Profits, and PUD Privilege Tax.

The City received \$37,500 in Main Street B&O Tax Credit and has used it to reduce the B&O Tax payment liability.

Charges for goods and services revenue received is \$281,656 or 64.8% of the 2019 budget and \$56,653 below the YTD target amount. This category includes charges for fire and police services, plan check review fees, and recreation program fees. Recreation program fees make up about 45% of the 2019 budget in this category. The YTD parks and recreation program revenue is \$165,143 or 85.2% of the 2019 budget. Total revenue from pool activities is \$117,984 and from other activities (i.e. classes and tournaments) is \$47,160.

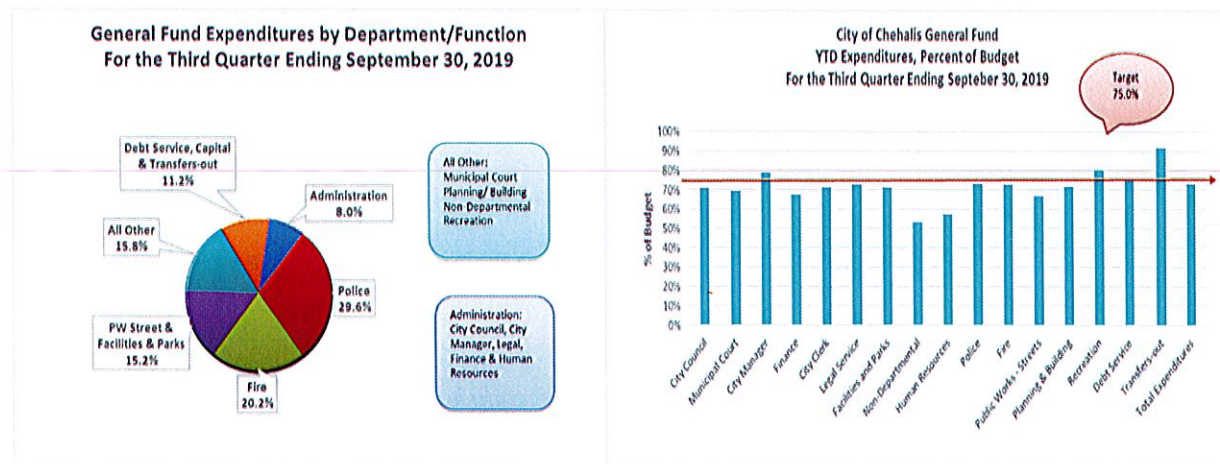
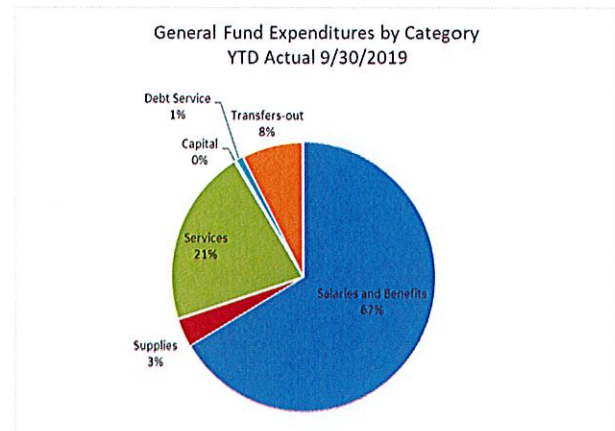
General Fund Expenditures and Transfers-out

Total YTD expenditures and transfers-out through September is \$8,114,628 or 72.9% of the 2019 budget. This is \$238,492 below the YTD target amount.

Total YTD expenditures for salaries and benefits is \$5,621,106 or 73.2% of the 2019 budget. Total salaries and benefits make up about 67% of the total general fund expenditures.

Total YTD expenditures for supplies is \$272,724 or 67.9% of the 2019 budget. Total YTD expended for services is \$1,640,779 or 66.5% of the 2019 budget. Services include but not limited to annual WCIA insurance, computer software & hardware maintenance, facilities maintenance, and other professional and intergovernmental services.

Police and Fire make up 49.8% of the total YTD General Fund expenditures.



Overall expenditures for most departments were within the expected target %, with the following exceptions:

- Non-departmental department has spent 53.2% of the 2019 budget. Appropriations for election cost, voter registration, and main street tax credit contribution are some of the annual payments that have not been paid. LEOFF 1 medical benefits for retired police and fire fighters are budgeted for \$156,000, and a \$77,260 or 49.5% of the 2019 budget has been spent.
- Human Resources department has expensed 57.2% of the 2019 budget. This is \$34,623 below the eight-month target. Most of the variance is for professional services relating to the labor negotiations which is currently still in progress.
- Recreation department has expensed 80.2% of the 2019 budget, which exceeds the nine-month target by \$25,344. This is mostly due to payroll expenditures for part-time

staff for the pool operations. 2019 budget for part-time payroll is \$103,000 and \$111,535 has been expensed by the end of September. This exceeded the 2019 budget by \$8,535. Recreation department budget will be closely monitored for the next couple of months.

The 2019 budget as amended In July 2019 includes transfers-out in the amount of \$870,479, which includes setting aside funds for building abatement, compensated absences, debt service, public facilities, automotive and equipment, and 4% of local sales and use taxes for dedicated street fund. A total of \$798,481 or 91.7% of the 2019 budget has been transferred as of September. Remaining transfer-out budget is for the 4% sales tax to the Dedicated Street Fund, which will be based on future monthly sales tax revenues.

Bottom Line: Overall, the general fund operated within the budget parameters.

ENTERPRISE FUNDS

Wastewater Fund

Total YTD operating revenues received through the third quarter is \$4,186,752 or 76.5% of the 2019 budget. This is \$83,051 ahead of the YTD target amount. Hookup & connection fee revenue exceeded the 2019 budget by \$56,721, investment interest earnings exceeded the YTD target by \$65,322, whereas capacity charge revenue is \$69,345 below the YTD target. The 2nd half of the annual payment from Lewis County Sewer District No. 4 and Napavine for their share of the Wastewater treatment plant capacity is paid in November each year.

Total operating expenditures through the third quarter is \$2,128,641 or 68.1% of the 2019 budget; whereas, total expenditures incurred for debt service and capital expenditures are 51.1% and 39.5% of the 2019 budget, respectively.

Total revenues exceeded total expenditures by \$746,999.

Water Fund

Total YTD operating revenues received through the third quarter is \$2,311,992 or 80.1% of the 2019 budget. This is \$147,176 ahead of the nine-month target amount. Charges for services exceeded the YTD target by \$13,097, Hookup/connection fees exceeded the YTD target by \$60,280, and investment interest earnings exceeded the YTD target by \$73,690.

Total operating expenditures through the third quarter is \$1,615,660 or 65.0% of the 2019 budget. However, only 12.0% of the 2019 capital budget has been spent.

Total revenues exceeded the total expenditures by \$201,482.

Storm and Surface Water Fund

Total YTD operating revenues received through third quarter is \$553,943 or 69.2% of the 2019 budget. This is \$46,612 below the nine-month target amount. The 2019 revenue projection in the 2019 budget for charges for services seems to be higher than actual.

Total operating expenditures through the third quarter is \$383,161 or 70.2% of the 2019 budget. However, only 5.2% of the 2019 capital outlay budget has been spent through September.

Total revenues exceeded total expenditures by \$158,214.

Airport Fund

Total operating revenues received through the third quarter is \$1,368,375 or 85.7% of the 2019 budget. This is \$171,424 ahead of the nine-month target amount. Fuel sales revenue and interest earnings are \$147,434 and \$17,903 ahead of the YTD target amount, respectively.

Intergovernmental revenues (grants) received is 659,375 or 24.9% of the 2019 budget. The grant revenue budget includes the FAA and WSDOT grants for the Taxiway Realignment project. The grant reimburses 95% of the eligible costs incurred. Taxiway realignment project is currently in progress. A grant reimbursement request in the amount of \$683,008 was submitted in mid-October and is expected to be received by the end of October.

YTD total operating expenditures is \$912,403 or 77.8% of the 2019 budget. This is \$32,595 exceeds the YTD target. This is mostly due to increase in fuel purchase. 2019 fuel purchase budget is \$400,000 and the expenditures through September is \$367,986, which exceeds the nine-month target by \$67,986. Airport budget will be closely monitored through next month if an additional budget request is needed through a budget amendment before the year-end.

About 12.7% of the 2019 capital budget has been spent through September 2019. The 2019 budget for the Taxiway Realignment project is \$2,803,678, and the construction is progressing as expected.

Total revenues exceeded total expenditures by \$703,638.

TREASURER'S REPORT – CASH AND INVESTMENTS

The city's total cash, deposits, and investments as of September 30, 2019 is \$24,057,864. About 89.1% or \$21,428,755 of the city's cash is invested and earns interests. The remaining 10.9% or \$2,629,109 is held at the city or deposited in non-interest-bearing checking accounts to cover on-going operational cash flow needs. A summary of cash funds and investment types are as follows:

City of Chehalis Cash, Deposits & Investment - Total Combined All Funds		
Account Type	Balance 9/30/2019	% of Total
Revolving Cash Funds (on-hand)	\$ 4,650	0.02%
Checking	2,624,459	10.91%
Money Market & Savings	187,377	0.78%
Local Government Investment Pool (LGIP)	18,866,025	78.42%
US Govt Agency Securities	2,375,353	9.87%
Total	\$ 24,057,864	100.00%

Other than the General Fund, all other funds are restricted funds which account for specific revenues or resources that are legally restricted or designated to finance particular activities of the city, such as Transportation Benefit District, utilities, and Airport funds.

Only about 4.5% or \$1,090,456 of the total balance belongs to the General Fund. The table below provides summary totals for each fund.

Total Cash, Deposits & Investments by Fund Types	Balance 9/30/2019	% of Total
General Fund	\$ 1,090,456	4.5%
TBD Fund	1,904,570	7.9%
Combined Utilities Funds	14,931,063	62.1%
Airport Fund	1,755,056	7.3%
Capital Project Funds	2,151,031	8.9%
All other funds	2,225,688	9.3%
Total	\$ 24,057,864	100.0%

The City's total investment interest earnings through September 30, 2019 totaled \$323,008. The LGIP average net earnings rate from January through September 2019 was 2.448%

FISCAL IMPACT

As shown.

RECOMMENDATION

It is recommended that the City Council review this information and let staff know if there are any questions.

SUGGESTED MOTION

N/A

City of Chehalis



Quarterly Council Financial Report Third Quarter 2019

For the Period Ending
September 30, 2019
(January through September)

The City of Chehalis, Washington

City of Chehalis
Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
2019 Third Quarter Financial Statements - All Funds
As of September 30, 2019

Fund Type/Name	Beginning Fund Balance		Revenues & Transfers			Expenditures & Transfers			Changes in Fund Balance		Ending Fund Balance	
	2019 Amended Budget	Actual 1/1/2019	2019 Amended Budget	YTD 9/30/2019 Actual	YTD % of Budget	2019 Amended Budget	YTD 9/30/2019 Actual	YTD % of Budget	2019 Amended Budget	YTD 9/30/2019 Actual	2019 Amended Budget	Actual 9/30/2019
General Funds:												
General Fund	\$ 1,804,262	\$ 1,804,262	\$ 10,123,662	\$ 7,400,822	73.1%	\$ 11,137,493	\$ 8,114,628	72.9%	\$ (1,013,831)	\$ (713,806)	790,431	\$ 1,090,456
Dedicated Street Fund	163,772	163,772	199,518	161,006	80.7%	172,520	126,815	73.5%	26,998	34,191	190,770	197,963
Building Abatement Fund	101,209	101,209	80,330	81,398	101.3%	80,000	80,000	100.0%	330	1,398	101,539	102,607
Compensated Absences Fund	93,841	93,841	101,850	102,254	100.4%	-	-	0.0%	101,850	102,254	195,691	196,095
Total General Funds	2,163,084	2,163,084	10,505,360	7,745,480	73.7%	11,390,013	8,321,443	73.1%	(884,653)	(575,963)	1,278,431	1,587,121
Special Revenue Funds:												
Arterial Street Fund	125,142	125,142	165,504	118,130	71.4%	175,650	140,607	80.0%	(10,146)	(22,477)	114,996	102,665
Transportation Benefit Dist. Fund	1,110,158	1,110,158	992,518	923,863	93.1%	1,175,000	129,451	11.0%	(182,482)	794,412	927,676	1,904,570
Tourism Fund	363,943	363,943	225,985	194,256	86.0%	405,435	107,269	26.5%	(179,450)	86,987	184,493	450,930
Community Block Grant Fund	24,190	24,190	1,000	163	16.3%	1,000	-	0.0%	-	163	24,190	24,353
HUD Block Grant Fund	86,259	86,259	1,420	1,305	91.9%	1,000	-	0.0%	420	1,305	86,679	87,564
Total Special Revenue Funds	1,709,692	1,709,692	1,386,427	1,237,717	89.3%	1,758,085	377,327	21.5%	(371,658)	860,390	1,338,034	2,570,082
Debt Service Funds:												
2011 G.O. Bond Fund	1	1	99,563	99,563	100.0%	99,563	12,282	12.3%	-	87,281	1	87,282
Total Debt Service Fund	1	1	99,563	99,563	100.0%	99,563	12,282	12.3%	-	87,281	1	87,282
Capital Project Funds:												
Public Facilities Reserve Fund	339,638	339,638	4,448,276	1,912,626	43.0%	4,465,608	561,855	12.6%	(17,332)	1,350,771	322,306	1,690,409
Automotive/Equip. Reserve Fund	94,311	94,311	182,010	184,597	101.4%	81,780	36,522	44.7%	100,230	148,075	194,541	242,386
First Quarter REET Fund	62,712	62,712	106,280	79,110	74.4%	40,821	40,821	100.0%	65,459	38,289	128,171	101,001
Second Quarter REET Fund	71,769	71,769	106,470	79,317	74.5%	33,851	33,851	100.0%	72,619	45,466	144,388	117,235
Total Capital Project Funds	568,430	568,430	4,843,036	2,255,650	46.6%	4,622,060	673,049	14.6%	220,976	1,582,601	789,406	2,151,031
Proprietary Funds:												
Garbage Fund	7,706	7,706	6,745	6,028	89.4%	7,252	3,999	55.1%	(507)	2,029	7,199	9,735
Wastewater Fund	5,112,880	5,112,880	5,472,262	4,187,265	76.5%	5,894,863	3,440,266	58.4%	(422,601)	746,999	4,690,279	5,859,879
Water Fund	7,437,091	7,437,091	2,886,421	2,311,992	80.1%	4,272,555	2,110,510	49.4%	(1,386,134)	201,482	6,050,957	7,638,573
Storm & Surface Water Fund	1,264,662	1,264,662	800,770	553,990	69.2%	786,526	395,776	50.3%	14,244	158,214	1,278,906	1,422,876
Airport Fund	1,051,418	1,051,418	4,423,173	2,177,490	49.2%	4,430,060	1,473,852	33.3%	(6,887)	703,638	1,044,531	1,755,056
Total Proprietary Funds	14,873,757	14,873,757	13,589,371	9,236,765	68.0%	15,391,256	7,424,403	48.2%	(1,801,885)	1,812,362	13,071,872	16,686,119
Fiduciary Funds:												
Firemen's' Pension Fund	877,319	877,319	191,236	123,789	64.7%	78,500	39,069	49.8%	112,736	84,720	990,055	962,039
City Agency Fund	4,114	4,114	360,000	209,614	58.2%	360,000	199,538	55.4%	-	10,076	4,114	14,190
Total Fiduciary Funds	881,433	881,433	551,236	333,403	60.5%	438,500	238,607	54.4%	112,736	94,796	994,169	976,229
TOTAL ALL CITY FUNDS	\$ 20,196,397	\$ 20,196,397	\$ 30,974,993	\$ 20,908,578	67.5%	\$ 33,699,477	\$ 17,047,111	50.6%	\$ (2,724,484)	\$ 3,861,467	\$ 17,471,913	\$ 24,057,864

Note: May contain rounding differences of +/-1

City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
September 2018 and 2019
General Fund

GENERAL FUND (#001)	2018	YTD	2018	YTD Target % of Budget*		75.0%	2019	2019-2018
	Amended Budget	9/30/2018 Actual	YTD % of Budget	2019 Amended Budget	YTD 9/30/2019 Actual	YTD % of Budget	YTD Variance [^]	YTD Variance
Revenues:								
Taxes:								
Property Taxes	\$ 1,639,220	\$ 924,608	56.4%	\$ 1,926,749	\$ 1,121,655	58.2%	\$ (323,407)	\$ 197,047
Sales and Use Taxes	4,909,128	3,792,182	77.2%	5,142,110	3,855,438	75.0%	(1,145)	63,256
Utility Taxes	1,588,620	1,158,332	72.9%	1,576,490	1,241,983	78.8%	59,616	83,651
Other Taxes	50,222	41,087	81.8%	46,670	43,956	94.2%	8,954	2,869
Total Taxes	8,187,190	5,916,209	72.3%	8,692,019	6,263,032	72.1%	(255,982)	346,823
Non-Tax Revenues:								
Licenses and Permits	188,435	126,204	67.0%	187,925	192,546	102.5%	51,602	66,342
Intergovernmental Revenues ⁽¹⁾	316,519	274,380	86.7%	361,521	269,398	74.5%	(1,743)	(4,982)
Charges for Goods & Services	321,205	275,721	85.8%	434,687	281,656	64.8%	(44,359)	5,935
Fines and Forfeitures	114,085	87,358	76.6%	120,110	90,323	75.2%	241	2,965
Miscellaneous Other	310,738	245,983	79.2%	247,400	223,867	90.5%	38,317	(22,116)
Total Non-Tax Revenues	1,250,982	1,009,646	80.7%	1,351,643	1,057,790	78.3%	44,058	48,144
Other Fund Sources:								
Transfers-in	-	-	0.0%	80,000	80,000	100.0%	20,000	80,000
Total Other Fund Sources	-	-	0.0%	80,000	80,000	100.0%	20,000	80,000
Total Revenues & Fund Sources	\$ 9,438,172	\$ 6,925,855	73.4%	\$ 10,123,662	\$ 7,400,822	73.1%	\$ (191,925)	\$ 474,967
Expenditures								
Operating Expenditures by Department:								
City Council	\$ 77,498	\$ 55,325	71.4%	\$ 97,825	\$ 69,120	70.7%	\$ 4,249	\$ 13,795
Municipal Court	489,082	327,928	67.0%	497,978	345,338	69.3%	28,146	17,410
City Manager	262,340	186,291	71.0%	190,628	149,541	78.4%	(6,570)	(36,750)
Finance	273,990	178,611	65.2%	296,333	200,059	67.5%	22,191	21,448
City Clerk	81,252	50,534	62.2%	86,347	61,254	70.9%	3,506	10,720
Legal Service	-	-	0.0%	74,633	54,156	72.6%	1,819	54,156
Facilities and Parks	1,073,729	788,981	73.5%	1,173,217	836,152	71.3%	43,761	47,171
Non-Departmental	421,189	186,708	44.3%	509,243	270,760	53.2%	111,172	84,052
Human Resources	122,749	65,443	53.3%	194,278	111,086	57.2%	34,623	45,643
Police	3,200,771	2,395,950	74.9%	3,287,409	2,404,853	73.2%	60,704	8,903
Fire	2,296,930	1,541,526	67.1%	2,250,607	1,636,421	72.7%	51,534	94,895
Public Works - Streets	568,451	379,560	66.8%	601,350	400,381	66.6%	50,632	20,821
Planning & Building	325,880	220,318	67.6%	391,443	279,801	71.5%	13,781	59,483
Recreation	481,740	381,592	79.2%	482,879	387,503	80.2%	(25,344)	5,911
Total Operating Expenditures	9,675,601	6,758,767	69.9%	10,134,170	7,206,425	71.1%	394,203	447,658
Other Expenditures:								
Debt Service	114,385	85,824	75.0%	114,432	85,824	75.0%	-	-
Capital Expenditures	143,760	141,723	98.6%	18,412	23,898	129.8%	(10,089)	(117,825)
Transfers-out	562,527	487,869	86.7%	870,479	798,481	91.7%	(145,622)	310,612
Total Other Expenditures	820,672	715,416	87.2%	1,003,323	908,203	90.5%	(155,711)	192,787
Total Expenditures	\$ 10,496,273	\$ 7,474,183	71.2%	\$ 11,137,493	\$ 8,114,628	72.9%	238,492	\$ 640,445
Changes in Fund Balance	\$ (1,058,101)	\$ (548,328)	51.8%	\$ (1,013,831)	\$ (713,806)	70.4%	46,567	\$ (165,478)

Foot Note:

* The target percentage of budget is calculated as the month of reporting (9 for September) divided by the number of months (12) in the year.

[^] Variance from YTD target amount to YTD actual amount. Positive variance, if YTD revenue > target amount and YTD expenditure < target amount.

(1) Main Street Tax Credit is moved from Utility B&O Tax line to Intergovernmental Revenue line.

City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
September 2018 and 2019
Wastewater Fund

Wastewater Fund (#404)	2018	YTD	2018	YTD Target % of Budget*		2019	2019	2019	2019-2018
	Amended Budget	9/30/2018 Actual	YTD % of Budget	2019 Amended Budget	YTD 9/30/2019 Actual	YTD % of Budget	YTD Variance [^]	YTD Variance	
Revenues:									
Operating Revenues:									
Charges for Services	\$ 5,070,414	\$ 3,773,505	74.4%	\$ 5,068,094	\$ 3,824,745	75.5%	\$ 23,675	\$ 51,240	
Hookup/Connection Fee	100,000	27,270	27.3%	48,400	93,021	192.2%	\$ 56,721	\$ 65,751	
Capacity Charge	277,378	138,689	50.0%	277,378	138,689	50.0%	\$ (69,345)	\$ (0)	
Intergovernmental Revenues	10,905	25,918	237.7%	-	-	0.0%	-	(25,918)	
Late Payment Fees	51,000	36,496	71.6%	42,910	38,878	90.6%	6,696	2,382	
Interest Earnings	60,000	46,162	76.9%	29,130	87,169	299.2%	65,322	41,007	
Rental Income	3,545	3,545	100.0%	4,140	3,545	85.6%	440	-	
Miscellaneous Other	1,100	1,356	123.3%	1,550	705	45.5%	(458)	(651)	
Total Operating Revenues	5,574,342	4,052,941	72.7%	5,471,602	4,186,752	76.5%	83,051	133,811	
Other Fund Sources:									
Capital Grants	-	-	0.0%	-	-	0.0%	-	-	
Custodial Activities	555	566	102.0%	660	513	77.7%	18	(53)	
Debt Proceeds	-	-	0.0%	-	-	0.0%	-	-	
Total Other Fund Source	555	566	102.0%	660	513	77.7%	18	(53)	
Total Revenues & Fund Sources	\$ 5,574,897	\$ 4,053,507	72.7%	\$ 5,472,262	\$ 4,187,265	76.5%	\$ 83,069	\$ 133,758	
Expenditures:									
Operating Expenditures:									
Operating Expenditures	\$ 3,349,574	\$ 2,212,986	66.1%	\$ 3,124,064	\$ 2,128,641	68.1%	\$ 214,407	\$ (84,345)	
Total Operating Expenditures:	3,349,574	2,212,986	66.1%	3,124,064	2,128,641	68.1%	214,407	(84,345)	
Other Expenditures:									
Custodial Activities	600	566	94.3%	600	481	80.2%	(31)	(85)	
Debt Service	1,909,145	975,449	51.1%	1,879,905	959,725	51.1%	450,204	(15,724)	
Capital Expenditures	294,873	141,035	47.8%	890,294	351,419	39.5%	316,302	210,384	
Transfers-out	-	-	0.0%	-	-	0.0%	-	-	
Total Other Expenditures	2,204,618	1,117,050	50.7%	2,770,799	1,311,625	47.3%	766,475	194,575	
Total Expenditures	\$ 5,554,192	\$ 3,330,036	60.0%	\$ 5,894,863	\$ 3,440,266	58.4%	\$ 980,882	\$ 110,230	
Changes in Fund Balance	\$ 20,705	\$ 723,471	3494.2%	\$ (422,601)	\$ 746,999	-176.8%	\$ 1,063,950	\$ 23,528	
<i>Operating Income (deficit)</i>	<i>\$ 2,224,768</i>	<i>\$ 1,839,955</i>	<i>82.7%</i>	<i>\$ 2,347,538</i>	<i>\$ 2,058,111</i>	<i>87.7%</i>	<i>\$ 297,458</i>	<i>\$ 218,156</i>	

Foot Note:

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[^] Variance from YTD target amount to YTD actual amount. Positive variance, if YTD revenue>target amount and YTD expenditure<target amount.

City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
September 2018 and 2019
Water Fund

WATER FUND (#405)	2018	YTD	2018	YTD Target % of Budget*		75.0%	2019	2019-2018
	Amended Budget	9/30/2018 Actual	YTD % of Budget	2019 Amended Budget	YTD 9/30/2019 Actual	2019 YTD % of Budget	YTD Variance^	YTD Variance
Revenues:								
Operating Revenues:								
Charges for Services	\$ 2,654,784	\$ 2,143,301	80.7%	\$ 2,648,500	\$ 1,999,472	75.5%	\$ 13,097	\$ (143,829)
Hookup/Connectin Fee	160,000	62,963	39.4%	94,440	131,110	138.8%	\$ 60,280	\$ 68,147
Intergovernmental Revenues	-	-	0.0%	-	-	0.0%	-	-
Late Payment Fees	31,000	23,041	74.3%	27,720	21,484	77.5%	694	(1,557)
Interest Earnings	94,400	62,872	66.6%	46,176	108,322	234.6%	73,690	45,450
Other Misc. Revenues	1,000	7,423	742.3%	1,220	407	33.4%	(508)	(7,016)
Total Operating Revenues	2,941,184	2,299,600	78.2%	2,818,056	2,260,795	80.2%	147,253	(38,805)
Other Funding Source								
Inerfund Loan Repayment	16,800	-	0.0%	68,095	51,164	75.1%	93	51,164
Capital Grants	-	-	0.0%	-	-	0.0%	-	-
Custodial Activities	100	658	658.0%	270	33	12.2%	(170)	(625)
Debt Proceeds	-	-	0.0%	-	-	0.0%	-	-
Other Resources	-	2,733	0.0%	-	-	0.0%	-	(2,733)
Total Other Fund Source	16,900	3,391	20.1%	68,365	51,197	74.9%	(77)	47,806
Total Revenues & Fund Sources	\$ 2,958,084	\$ 2,302,991	77.9%	\$ 2,886,421	\$ 2,311,992	80.1%	\$ 147,176	\$ 9,001
Expenditures								
Operating Expenditures								
Operating Expenditures	2,318,091	1,533,954	66.2%	2,486,493	1,615,660	65.0%	249,210	81,706
Total Operating Expenditures	2,318,091	1,533,954	66.2%	2,486,493	1,615,660	65.0%	249,210	81,706
Other Expenditures								
Custodial Activities	100	378	378.0%	100	33	33.0%	42	(345)
Debt Service	343,576	25,383	7.4%	321,662	319,794	99.4%	(78,548)	294,411
Capital Expenditures	290,570	57,843	19.9%	1,464,300	175,023	12.0%	923,202	117,180
Interfund Loan Disbursements	279,430	-	0.0%	-	-	0.0%	-	-
Total Other Expenditures	913,676	83,604	9.2%	1,786,062	494,850	27.7%	844,697	411,246
Total Expenditures	\$ 3,231,767	\$ 1,617,558	50.1%	\$ 4,272,555	\$ 2,110,510	49.4%	\$ 1,093,906	\$ 492,952
Change in Fund Balance	\$ (273,683)	\$ 685,433	-250.4%	\$ (1,386,134)	\$ 201,482	-14.5%	\$ 1,241,083	\$ (483,951)
Operating Income (deficit)	\$ 623,093	\$ 765,646	122.9%	\$ 331,563	\$ 645,135	194.6%	\$ (101,957)	\$ (120,511)

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City of Chehalis
 Comparative Revenues and Expenditures - Budget to Actual
 September 2018 and 2019
 Storm and Surface Water Fund

	2018 Amended Budget	YTD 9/30/2018 Actual	2018 YTD % of Budget	YTD Target % of Budget*		2019 YTD % of Budget	2019 YTD Variance [^]	2019-2018 YTD Variance
				2019 Amended Budget	YTD 9/30/2019 Actual			
Storm Water Fund (#406)								
Revenues:								
Operating Revenues:								
Charges for Goods & Services	\$ 609,000	\$ 488,838	80.3%	\$ 784,070	\$ 521,498	66.5%	\$ (66,555)	\$ 32,660
Hookup/Connection Fee	2,100	489	23.3%	2,100	7,042	335.3%	\$ 5,467	\$ 6,553
Intergovernmental Revenue	-	-	0.0%	-	-	0.0%	-	-
Fines and Forfeitures	5,000	6,269	125.4%	5,000	4,379	87.6%	629	(1,890)
Interest Earnings	13,250	11,297	85.3%	9,570	20,455	213.7%	13,278	9,158
Other Misc. Revenues	-	197	0.0%	-	569	0.0%	569	372
Total Operating Revenues	629,350	507,090	80.6%	800,740	553,943	69.2%	(46,612)	46,853
Other Fund Sources:								
Capital Grants	-	-	0.0%	-	-	0.0%	-	-
Custodial Activities	30	37	123.3%	30	47	156.7%	25	10
Debt Proceeds	-	-	0.0%	-	-	0.0%	-	-
Total Other Fund Sources	30	37	123.3%	30	47	156.7%	25	10
Total Revenues & Fund Sources	\$ 629,380	\$ 507,127	80.6%	\$ 800,770	\$ 553,990	69.2%	\$ (46,588)	\$ 46,863
Expenditures:								
Operating Expenditures:								
Operating Expenditures	491,175	329,509	67.1%	545,676	383,161	70.2%	26,096	53,652
Total Operating Expenditures	491,175	329,509	67.1%	545,676	383,161	70.2%	26,096	53,652
Other Expenditures:								
Custodial Activities	50	37	74.0%	50	47	94.0%	(10)	10
Capital Expenditures	230,000	30,190	13.1%	240,800	12,568	5.2%	168,032	(17,622)
Transfers-out	-	-	0.0%	-	-	0.0%	-	-
Total Other Expenditures	230,050	30,227	13.1%	240,850	12,615	5.2%	168,023	(17,612)
Total Expenditures	721,225	359,736	49.9%	786,526	395,776	50.3%	194,119	36,040
Changes in Fund Balance	\$ (91,845)	\$ 147,391	-160.5%	\$ 14,244	\$ 158,214	1110.7%	\$ 147,531	\$ 10,823
<i>Operating Income (deficit)</i>	<i>\$ 138,175</i>	<i>\$ 177,581</i>	<i>128.5%</i>	<i>\$ 255,064</i>	<i>\$ 170,782</i>	<i>67.0%</i>	<i>\$ (20,516)</i>	<i>\$ (6,799)</i>

Foot Note:

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City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
September 2018 and 2019
Airport Fund

Airport Fund (#407)	2018	YTD	2018	YTD Target % of Budget*	75.0%	2019	2019	2019-2018
	Amended Budget	9/30/2018 Actual	YTD % of Budget	2019 Amended Budget	YTD 9/30/2019 Actual	2019 YTD % of Budget	2019 YTD Variance^	2019-2018 YTD Variance
Revenues:								
Operating Revenues:								
Fuel sales	\$ 486,000	\$ 396,747	81.6%	\$ 470,073	\$ 499,989	106.4%	\$ 147,434	\$ 103,242
Other Misc. Revenues	1,700	42,678	2510.5%	1,375	2,345	170.5%	1,314	(40,333)
Late Payment Fees	-	60	0.0%	-	103	0.0%	103	43
Interest Earnings	-	7,044	0.0%	3,140	20,258	645.2%	17,903	13,214
Rents & Leases	1,112,500	831,318	74.7%	1,121,347	845,680	75.4%	4,670	14,362
Total Operating Revenues	1,600,200	1,277,847	79.9%	1,595,935	1,368,375	85.7%	171,424	90,528
Other Fund Sources:								
Intergovernmental - Capital Grants	308,000	173,484	56.3%	2,644,795	659,375	24.9%	(1,324,221)	485,891
Custodial Activities	182,059	138,857	76.3%	182,443	148,795	81.6%	11,963	9,938
Interfund Loan Receipts	279,430	-	0.0%	-	-	0.0%	-	-
Proceeds from Sale of Capital Asset	-	1,620	0.0%	-	945	0.0%	945	(675)
Debt Proceeds (Bonds/Loans)	-	-	0.0%	-	-	0.0%	-	-
Operating Transfers In	-	-	0.0%	-	-	0.0%	-	-
Total Other Fund Sources	769,489	313,961	40.8%	2,827,238	809,115	28.6%	(1,311,314)	495,154
Total Revenues & Fund Sources	\$ 2,369,689	\$ 1,591,808	67.2%	\$ 4,423,173	\$ 2,177,490	49.2%	\$(1,139,890)	\$ 585,682
Expenditures:								
Operating Expenditures	1,070,331	795,172	74.3%	1,173,077	912,403	77.8%	(32,595)	117,231
Total Operating Expenditures	1,070,331	795,172	74.3%	1,173,077	912,403	77.8%	(32,595)	117,231
Other Expenditures:								
Custodial Activities	182,014	99,309	54.6%	183,059	107,379	58.7%	29,915	8,070
Debt Service	336,014	328,072	97.6%	32,151	24,482	76.1%	(369)	(303,590)
Capital Expenditures	613,073	89,662	14.6%	2,973,678	378,424	12.7%	1,851,835	288,762
Interfund Loan Payment	16,800	-	0.0%	68,095	51,164	75.1%	(93)	51,164
Total Other Expenditures	1,147,901	517,043	45.0%	3,256,983	561,449	17.2%	1,881,288	44,406
Total Expenditures	\$ 2,218,232	\$ 1,312,215	59.2%	\$ 4,430,060	\$ 1,473,852	33.3%	\$ 1,848,693	\$ 161,637
Changes in Fund Balance	\$ 151,457	\$ 279,593	184.6%	\$ (6,887)	\$ 703,638	-10216.9%	\$ 708,803	\$ 424,045
<i>Operating Income (deficit)</i>	\$ 529,869	\$ 482,675	91.1%	\$ 422,858	\$ 455,972	107.8%	\$ 138,829	\$ (26,703)

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