

# CHEHALIS CITY COUNCIL AGENDA

CITY HALL  
350 N MARKET BLVD | CHEHALIS, WA 98532

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

## Regular Meeting of Monday, November 25, 2019 5:00 p.m.

- |   |
|---|
| 1. <u>Call to Order.</u> (Mayor)        |
| 2. <u>Pledge of Allegiance.</u> (Mayor) |

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>PUBLIC HEARING</b>		
3. <u>VAC-19-200 – Petition to Vacate Alleyway at the Corner of SW Chehalis Avenue and W Main Street.</u> (City Manager, Public Works Director, Planning & Building Manager)	CONDUCT PUBLIC HEARING	1

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

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>CONSENT CALENDAR</b>		
4. <u>Minutes of the Regular City Council Meeting of November 12, 2019.</u> (City Clerk)	APPROVE	34
5. <u>Vouchers and Transfers – Accounts Payable in the Amount of \$1,374,119.06.</u> (City Manager, Finance Director)	APPROVE	37

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>PUBLIC HEARING</b>		
6. <u>Proposed 2020 Budget, Revenue Sources, Taxes, and Levies.</u> (City Manager, Finance Director)	CONDUCT PUBLIC HEARING	39

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>UNFINISHED BUSINESS</b>		
7. <u>Ordinance No. 1001-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2020.</u> (City Manager, Finance Director)	PASS	42
8. <u>Ordinance No. 1002-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2020.</u> (City Manager, Finance Director)	PASS	42
9. <u>Ordinance No. 1003-B, Second and Final Reading – Adopting the 2020 Proposed Budget.</u> (City Manager, Finance Director)	PASS	47

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>NEW BUSINESS</b>		
10. <u>Ordinance No. 1004-B, First Reading – Amending the 2019 Annual Budget.</u> (City Manager, Finance Director)	PASS	63
11. <u>Resolution No. 17-2019, First and Final Reading – Contracting with Municipal Research and Services Center to Participate in MRSC Rosters Program.</u> (City Manager, Public Works Director)	ADOPT	75
12. <u>Resolution No. 18-2019, First and Final Reading – Adjusting Fire Safety Permit Fees.</u> (City Manager, Public Works Director, Planning & Building Manager)	ADOPT	79

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
<b>ADMINISTRATION AND CITY COUNCIL REPORTS</b>		
13. <u>Administration Reports.</u> a. City Manager Update. (City Manager)	INFORMATION ONLY	- - -
14. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	- - -

<b>EXECUTIVE SESSION</b>
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 MONDAY, DECEMBER 9, 2019.**

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**BY:** Trent J. Lougheed, P.E., Public Works Director  
Tammy Baraconi, Planning and Building Manager

**MEETING OF:** November 25, 2019

**SUBJECT:** Public Hearing for VAC-19-002 – Petition to Vacate Alleyway at the  
Corner of SW Chehalis Avenue and W Main Street

---

**ISSUE**

The City is conducting a public hearing to consider VAC-19-002, a petition to vacate an alleyway at the corner of SW Chehalis Avenue and W Main Street next to the Darigold property.

**BACKGROUND**

On September 19, 2019, Brent Daniels, on behalf of Darigold, Inc., submitted a complete application for the vacation of the alley located adjacent to their property at 423 W Main Street and 1 SW Chehalis Avenue.

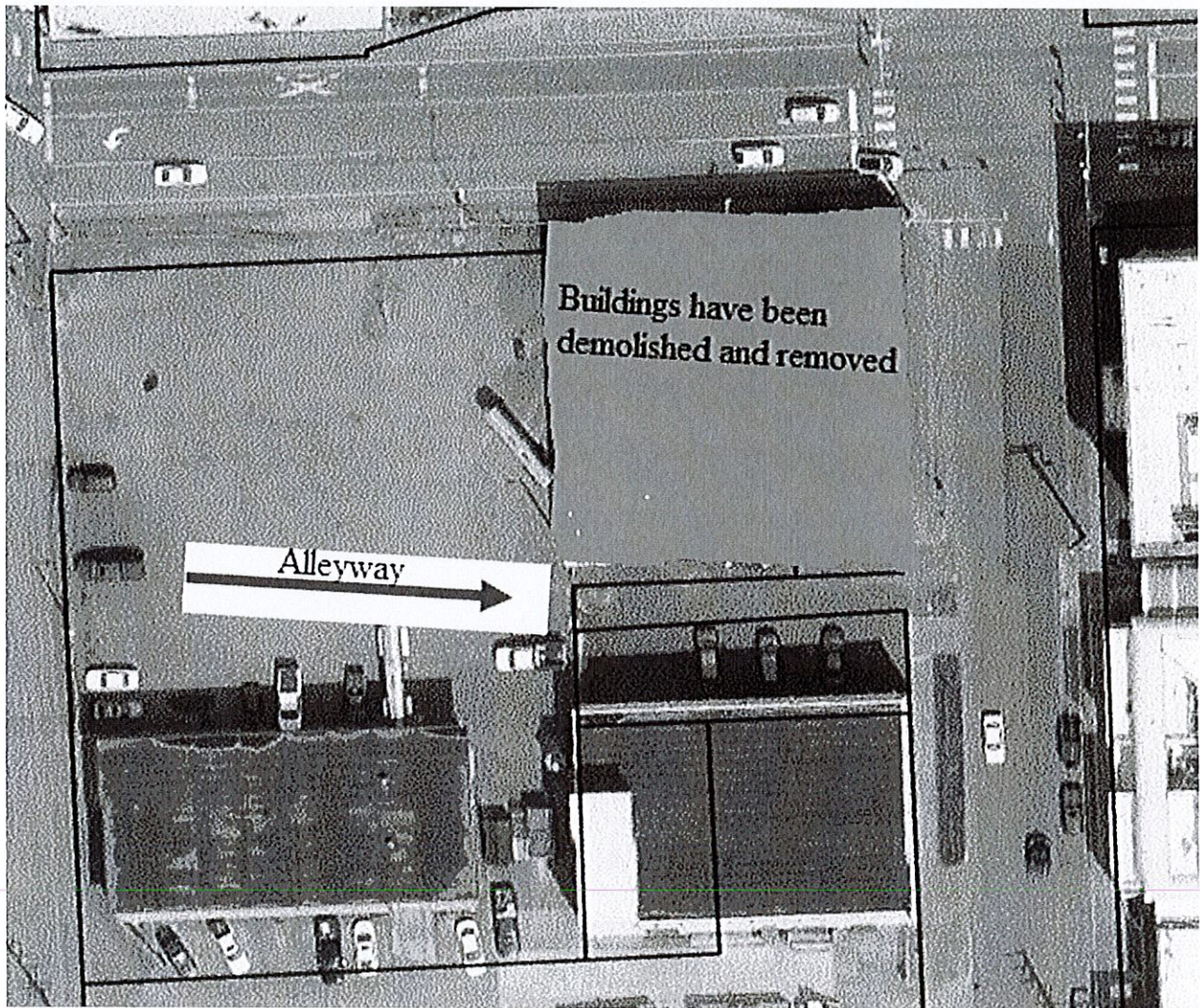
The Chehalis Development Review Committee reviewed the proposal on September 26, 2019, and recommended approval of the application to the City Council.

Resolution No. 15-2019 established the public hearing date of November 25, 2019, before the City Council and notice was published in the Chronicle, mailed to adjacent property owners and distributed to other interested parties a minimum of ten (10) days prior to the public hearing.

**DISCUSSION**

The 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 is part of Darigold's onsite stormwater management system.

Darigold owns all 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.



### **FISCAL IMPACT**

If approved, the vacationing party shall be responsible to compensate the City based on the appraised value of \$8,200. Payments received by the City will be deposited in General Fund 001.395.010.00.

If denied, no fiscal impact.

### **RECOMMENDATION**

It is recommended that the City Council conduct the public hearing to receive public comment on the proposed vacation, and direct staff to prepare an ordinance for City Council's consideration to vacate said alley as described in the petition.

### **SUGGESTED MOTION**

I move that the City Council direct staff to prepare an ordinance for City Council's consideration to vacate said alley as described in the petition.

# SUMMARY

---

Application(s): #VAC-19-002 Alleyway Vacation Request

Applicant: Darigold Inc.  
Local address:  
67 SW Chehalis Ave  
Chehalis, WA 98532

Report Date: September 27, 2019  
Prepared by: City of Chehalis, Community Development Department.

---

**Request:**

Applicant has applied to vacate the remaining portion of platted alleyway.

**Applicable Regulation :**

Chehalis Municipal Code (CMC):  
§ 12.32 Street and Alley Vacations

**Documents:**

Vacation Application, survey of property, appraisal from Nadyne Tauscher. Original plat with alleyway highlighted. Copy of Ordinance vacating western portion of alleyway in 1983.

**Application**

VAC-19-002

**Date Application Submitted**

September 19, 2019

**Date Application Reviewed by DRC**

September 26, 2019

**Status**

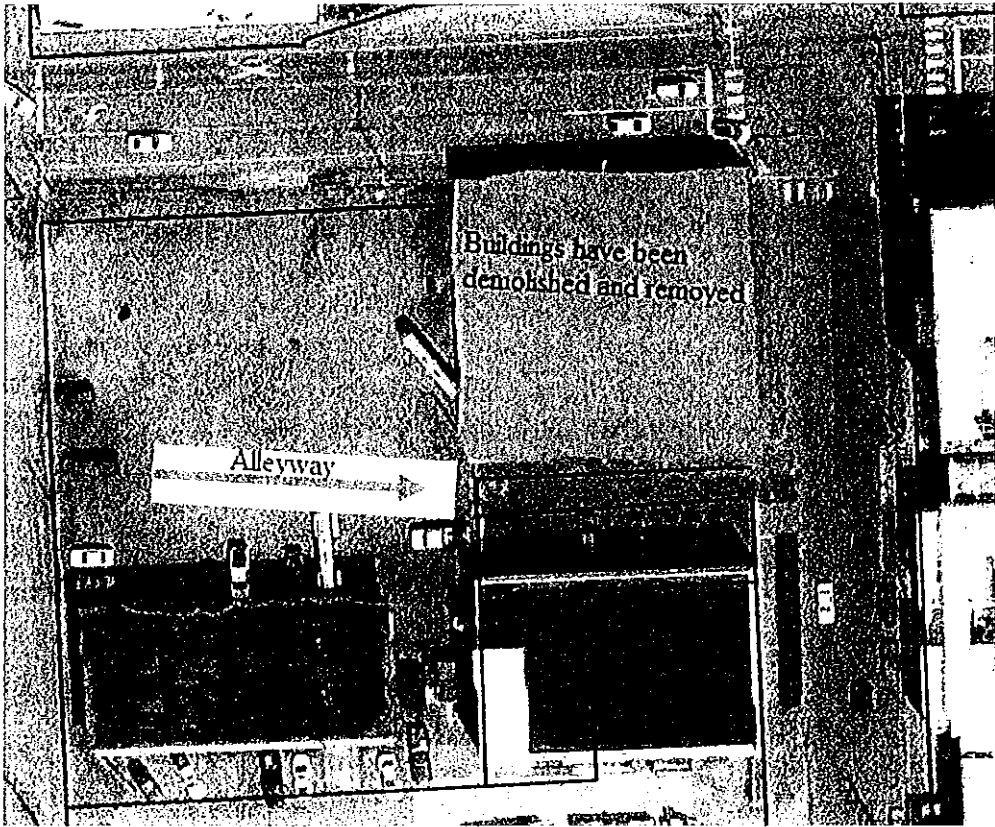
Send to City Council

**Analysis:**

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 Ave and W. Main St. 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 (copy attached).

**Chehalis Development Review Committee (DRC) Review/Recommendation:**

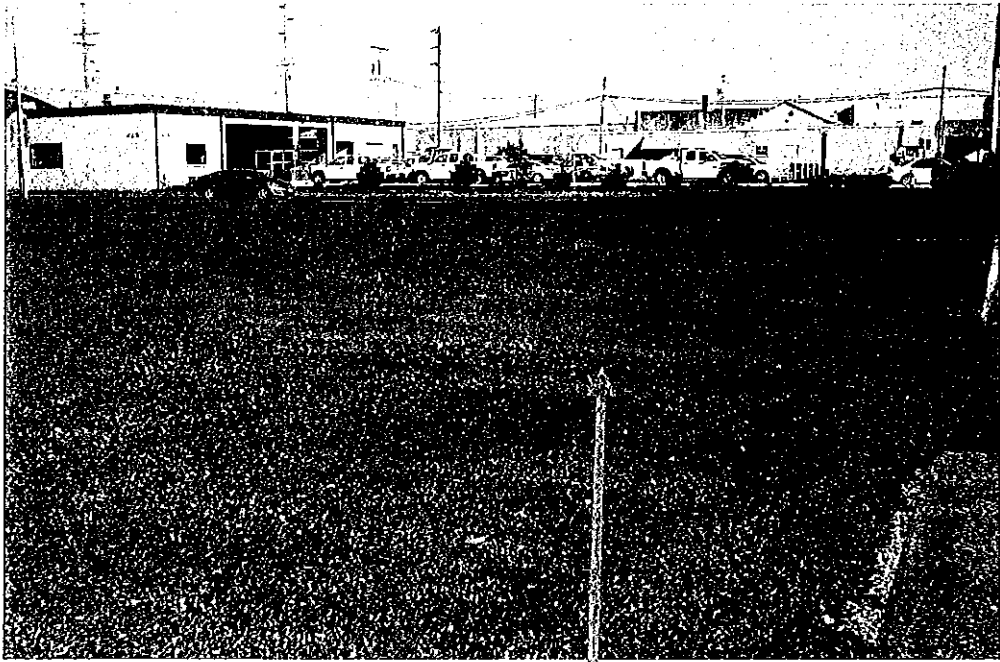
The DRC recommends granting this vacation.



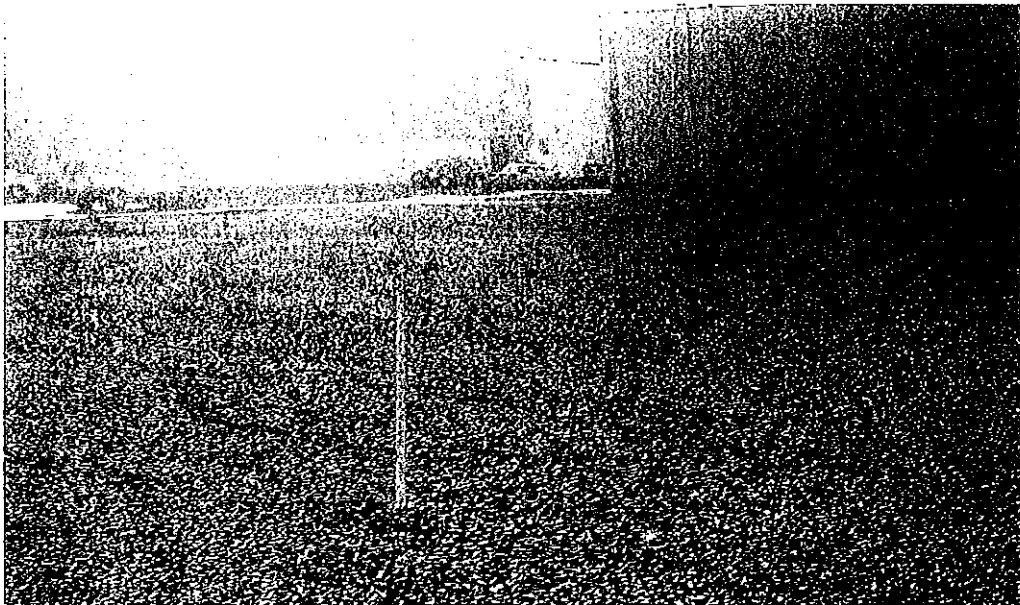
**Aerial Photo of site**



**Alleyway from SW Chehalis Ave. looking northward**



**Existing Alleyway. Looking northwesterly towards W. Main Ave.**



**Alleyway looking southeasterly towards SW Chehalis Ave.**

**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

<b>APPLICANT:</b>	<b>PROPERTY OWNER</b> (Same as Applicant? Yes <input type="checkbox"/> No <input type="checkbox"/> )
NAME: <u>Brent Daniels</u>	NAME: <u>DARIGOLD</u>
ADDRESS: <u>67 S.W. Chehalis Ave</u>	ADDRESS: _____
CITY/ST/ZIP: <u>Chehalis WA 98532</u>	CITY/ST/ZIP: _____
PHONE#: <u>360-740-8415</u>	PHONE#: _____
EMAIL: <u>brent.daniels@darigold.com</u>	EMAIL: _____

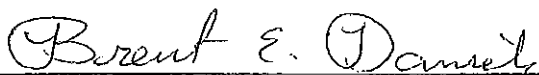
<b>CONTACT PERSON</b> (Same as Applicant? Yes <input type="checkbox"/> No <input type="checkbox"/> )	<b>CONTRACTOR</b> (Same as Property Owner? Yes <input type="checkbox"/> No <input type="checkbox"/> )
COMPANY NAME: _____	COMPANY: _____
NAME: _____	CONTRACTOR REGISTRATION # _____
ADDRESS: _____	ADDRESS: _____
CITY/STATE/ZIP _____	CITY/STATE/ZIP _____
PHONE # _____	PHONE # _____
EMAIL: _____	EMAIL: _____

**DETAILED PROJECT DESCRIPTION:**

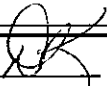
\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**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.

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

**OFFICE USE ONLY:**

Date Received: SEP 19 2019 By:  Date Reviewed: \_\_\_\_\_ By: \_\_\_\_\_  
 Parcel #: 003741002001 Zoning: CPD/PL/CE Food 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.	Darrigold Inc.	Mark Barth
1 S.W. Chehalis Ave	Darrigold Inc.	Mark Barth, CFO
0 S.W Chehalis Ave	Darrigold Inc.	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.

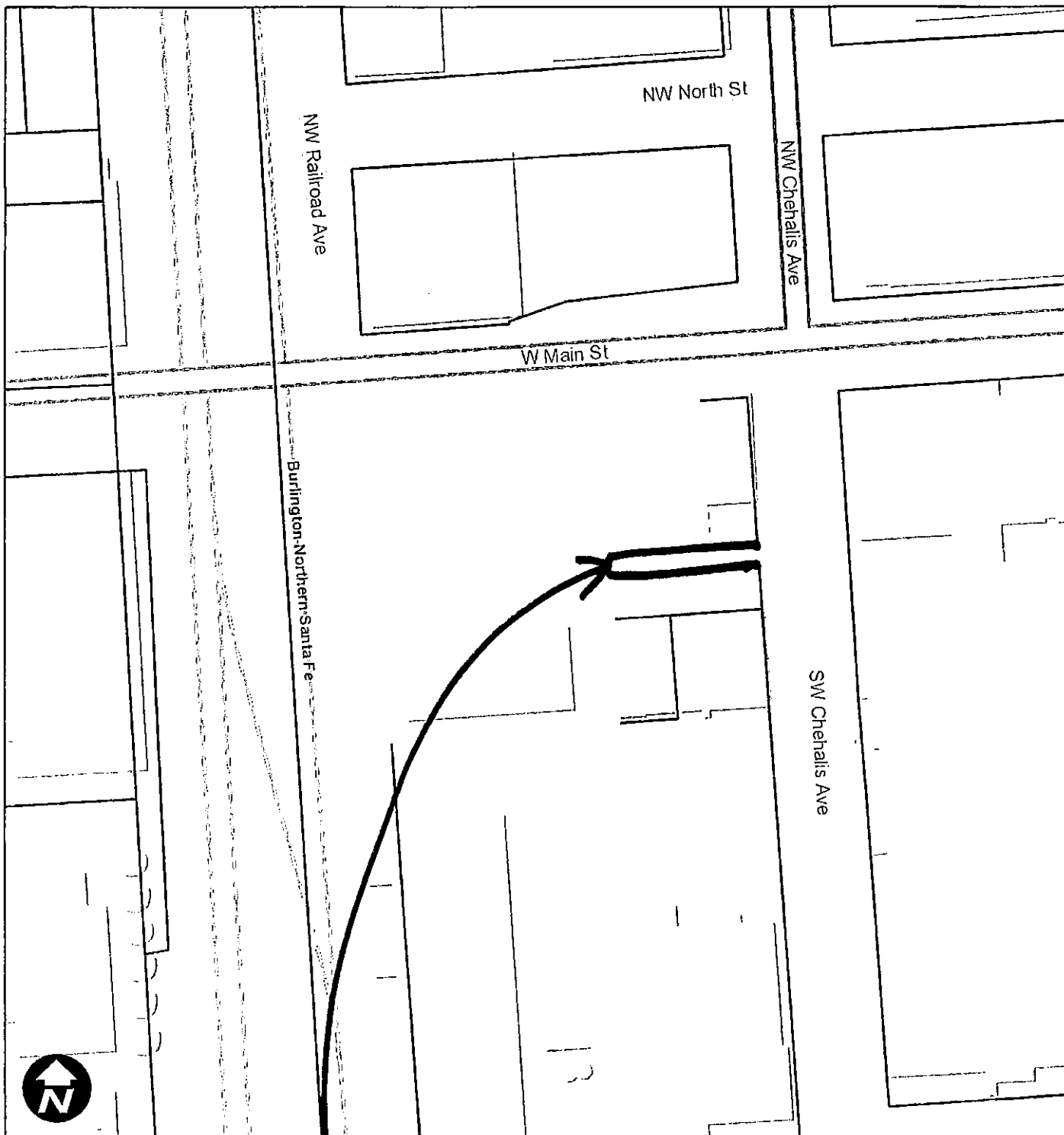
Please submit this completed petition with attachments to: Development Review Committee

(Attach additional sheets if necessary)

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

date received  
**SEP 19 2019** *JK*

# Lewis County GIS Web Map



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

Search Results: Parcels

Override 1

Parcels

REMAINING PLOT  
ALLEY. REQUESTING  
VACATION

1:1,128

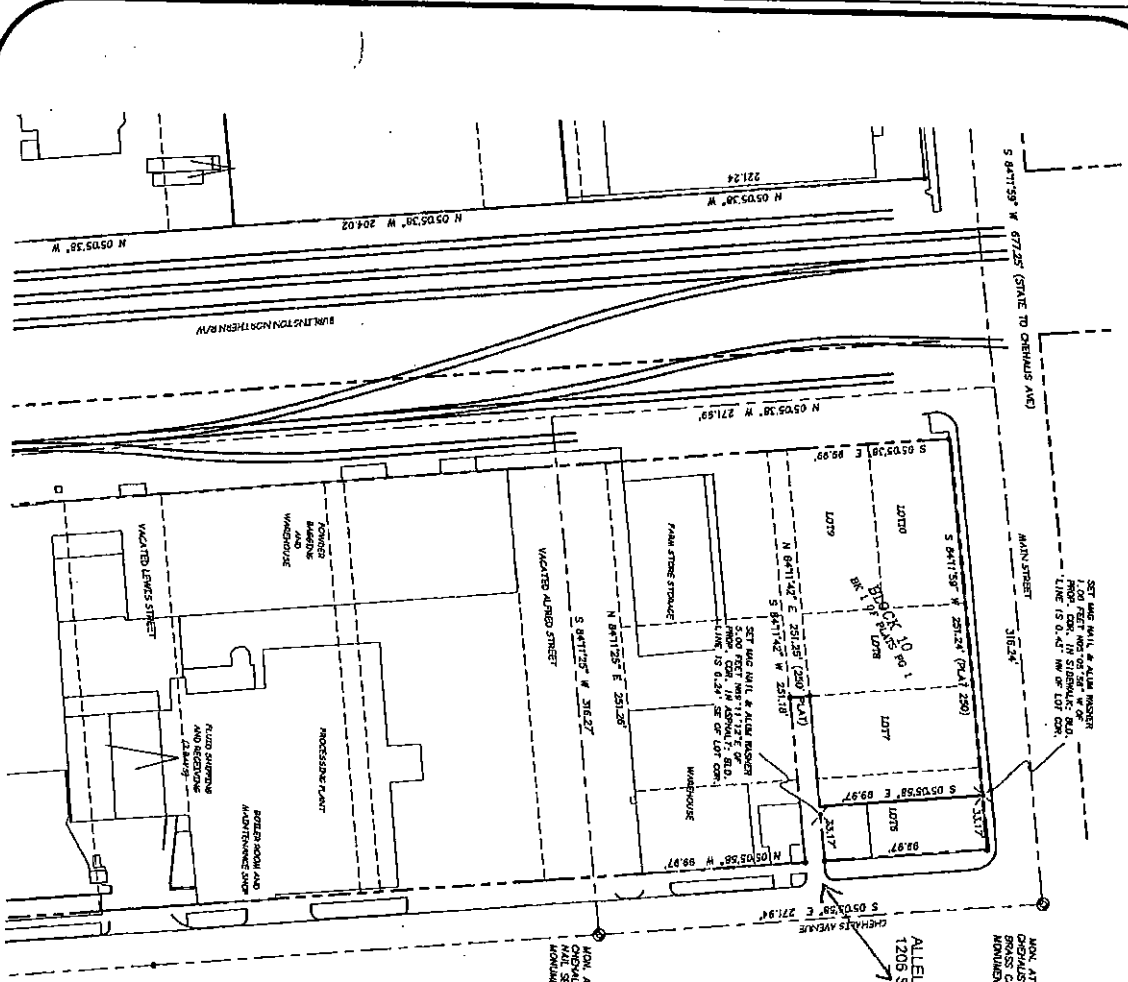
0 50 100 200 ft  
NAD 1983 StatePlane Washington South FIPS 4602 Feet



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 experts before making decisions.

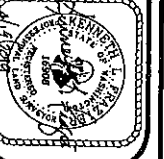
AFN 3451537  
BK 30 SURVEYS PG. 278

SEP 19 2019



**ADDITOR'S CERTIFICATE**  
FIELD FOR RECORD THIS DAY OF 2019 AT \_\_\_\_\_ M. IN \_\_\_\_\_ COUNTY, WA. REQUEST OF FORESIGHT SURVEYING, INC. 218 LEWIS COUNTY AUDITOR LEWIS COUNTY DEPT. AUDITORS

**SUBVERTOR'S CERTIFICATE**  
THIS MAP OR PORTION THEREOF WAS MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE ACT OF THE SURVEY RECORDING ACT AT THE REQUEST OF DARGOLD INC. Signed: Kenneth L. Fisher PLS. DARGOLD INC.



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

DRWN BY K. FROEDER	DATE JUNE 2016	JOB NO. 4234
SCALE BY	SCALE 1" = 50'	REV. NO. 2442
		SHT. NO. 1 OF 1

RECORD OF SURVEY FOR DARGOLD INC.

**GENERAL DESCRIPTION:**  
STATUTORY WARRANTY NEEDED - ANY BINDER VOL. 482 PG. 650 DATED 26TH JAN 1981.  
PURPOSE OF THIS SURVEY WAS TO MARK THE EAST BOUNDARY OF THE DISCUSSED PARCEL.  
REMARKS: THE EAST LINE OF THE WEST 1/2 FEET OF CHEVALS AVENUE, WASHINGTON, AS SHOWN ON BOOK 1 AT PAGE 1 OF PLAT UNDER JAN 2008/8K.

**REMARKS:**  
THIS SURVEY CREATES A PARCEL THAT IS SUBJECT TO TAXING TAXES AND PRIOR TO RECORDING AND THE RECORDERS THE CURRENT YEAR BY THE SPONSOR BELOW.  
 THIS SURVEY DOES NOT CREATE A PARCEL THAT IS SUBJECT TO TAXES BEING PAID.

**AUDITORS INDEX:**  
NW/4 SEC. 32, T14N, R21W, W.M.

**LEGAL DESCRIPTION:**  
SET MAG NAIL AND ALBERG MONUMENT  
ENCLOSED MONUMENT AS NOTED

**REFERENCE SURVEY'S:**  
ROS BK 5 PG 190 LS 16908  
ROS BK 5 PG 190 LS 16908  
DNR AND HISTORIC COPIES IN FORESIGHT SURVEYING OFFICE

**BEARINGS BASED ON MAIN STREET MONUMENTATION NORTH 64°12' EAST**

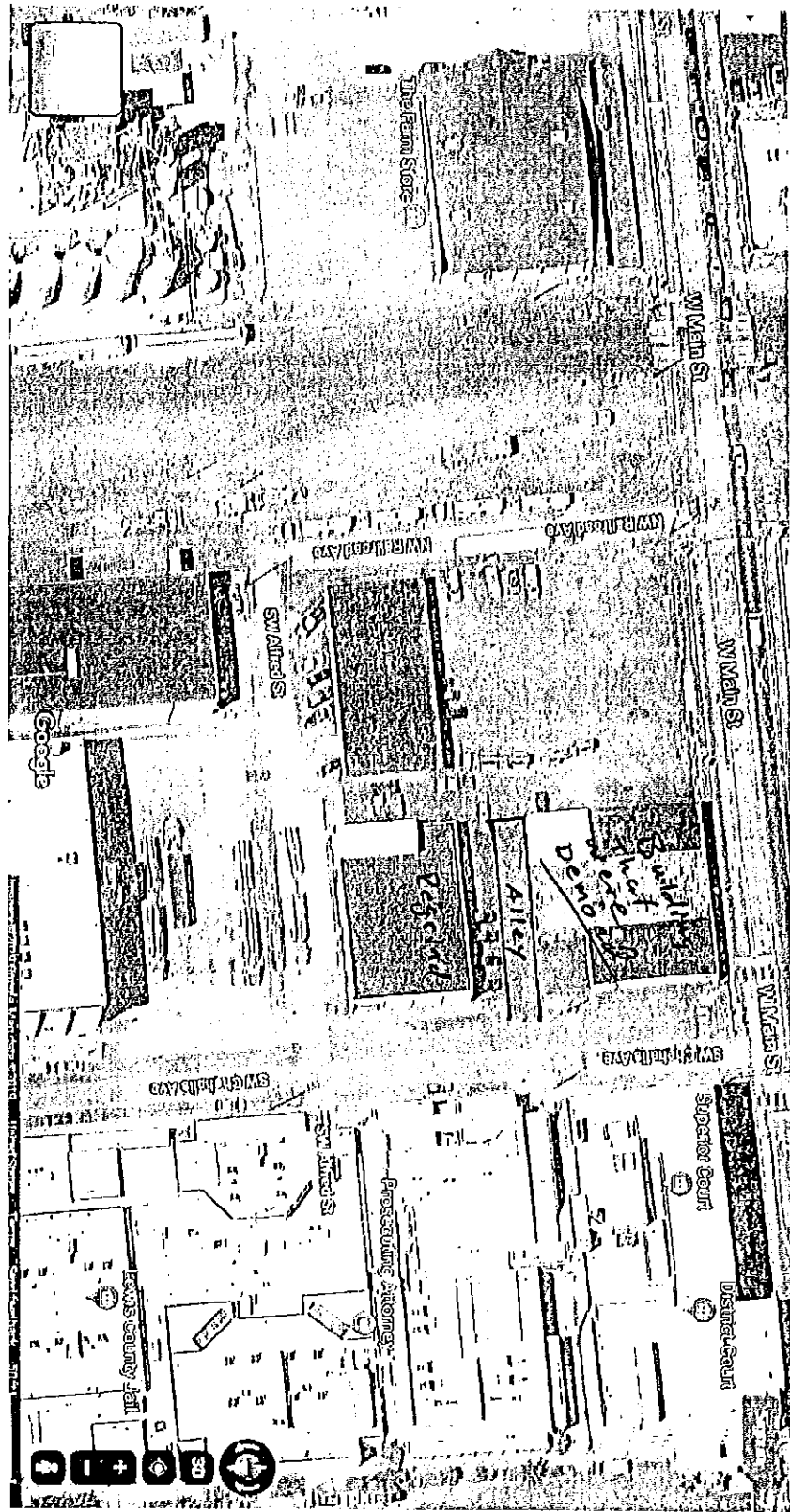
**ALLEY SQ FT 0 1206 SF**

**MON. AT CHEVALS AVE AND MAIN ST. CROSS CAP IN STANDING MONUMENT SIZE**

**SET MAG NAIL & ALBERG MONUMENT 1.00 FEET AND 0.50' W OF MAIN STREET, IN SUBSIDIARY BLDG. LINE IS 0.43' IN OF LOT COR.**

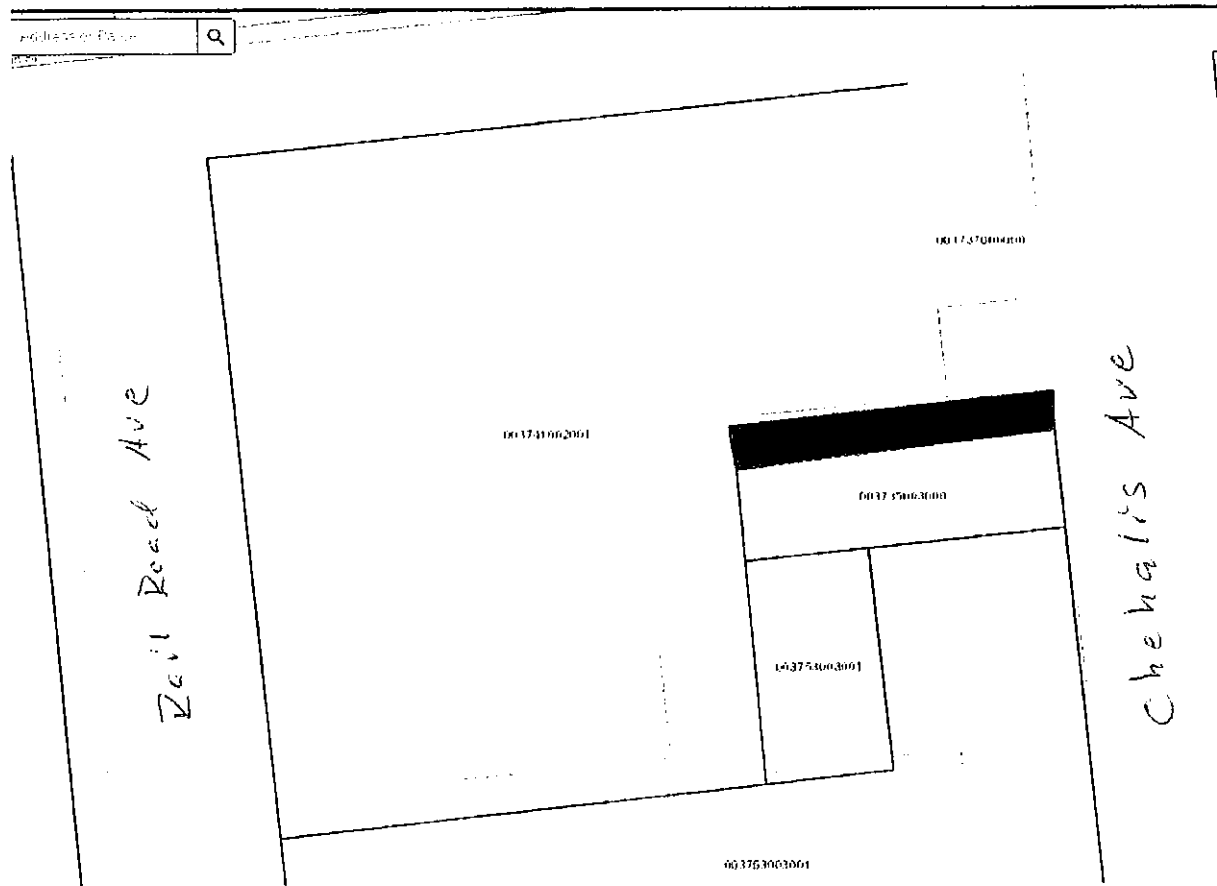
**SET MAG NAIL & ALBERG MONUMENT FROM COR. IN ADJACENT BLDG. LINE IS 0.24' SE OF LOT COR.**

**SET MAG NAIL & ALBERG MONUMENT FROM COR. IN ADJACENT BLDG. LINE IS 0.24' SE OF LOT COR.**

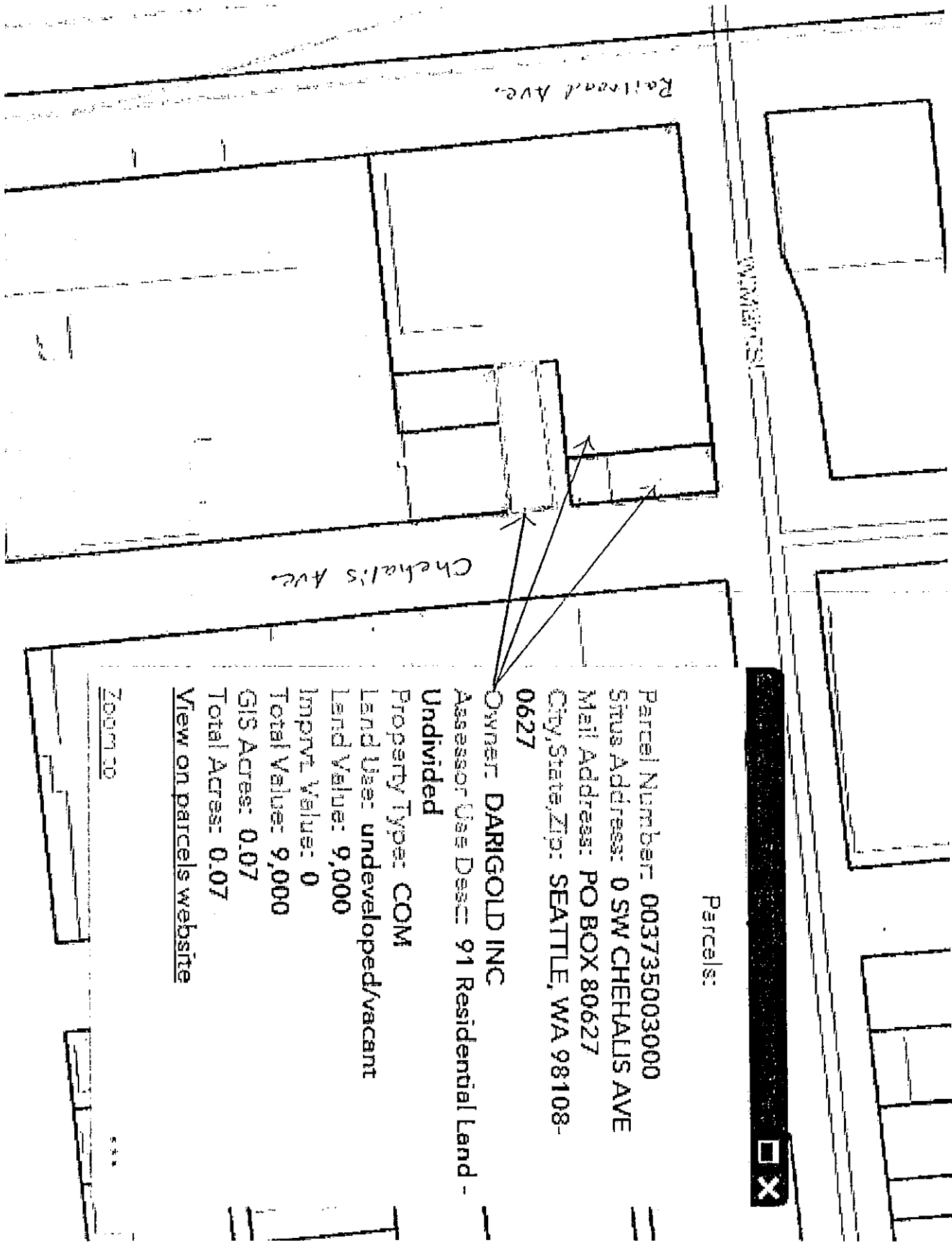


Parcel map of 1 SW. Chehalis Ave.

Area to vacate in dark highlight







Parcels:

Parcel Number: 003735003000

Situs Address: 0 SW CHEHALIS AVE

Mail Address: PO BOX 80627

City/State/Zip: SEATTLE, WA 98108-0627

Owner: DARIGOLD INC

Assessor Use Desc: 91 Residential Land -

Undivided

Property Type: COM

Land Use: undeveloped/vacant

Land Value: 9,000

Imprvt Value: 0

Total Value: 9,000

GIS Acres: 0.07

Total Acres: 0.07

[View on parcels website](#)

Zoom 100

SEP 19 2019

Client	DARIGOLD	File No.	1906DARIGOLD
Property Address	ALLEY VACATION (MAIN X CHEHALIS AVE)		
City	CHEHALIS	County	LEWIS COUNTY
Owner	CITY OF CHEHALIS	State	WA
		Zip Code	98532

**APPRAISAL AND REPORT IDENTIFICATION**

This Report is one of the following types:

- Appraisal Report (A written report prepared under Standards Rule 2-2(a), pursuant to the Scope of Work, as disclosed elsewhere in this report.)
- Restricted Appraisal Report (A written report prepared under Standards Rule 2-2(b), pursuant to the Scope of Work, as disclosed elsewhere in this report, restricted to the stated intended use by the specified client or intended user.)

**Comments on Standards Rule 2-3**

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- Unless otherwise indicated, I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification (if there are exceptions, the name of each individual providing significant real property appraisal assistance is stated elsewhere in this report).

**Comments on Appraisal and Report Identification**

Note any USPAP related issues requiring disclosure and any State mandated requirements:

---



---



---

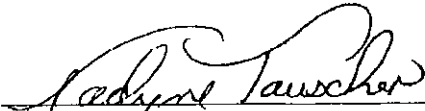


---



---

**APPRAISER:**

Signature: 

Name: NADYNE TAUSCHER

CGREA

State Certification #: 1100261

or State License #: \_\_\_\_\_

State: WA Expiration Date of Certification or License: 03/11/2021

Date of Signature and Report: 06/24/2019

Effective Date of Appraisal: JUNE 18, 2019

Inspection of Subject:  None  Interior and Exterior  Exterior-Only

Date of Inspection (if applicable): JUNE 18, 2019

**SUPERVISORY or CO-APPRAISER (if applicable):**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

State Certification #: \_\_\_\_\_

or State License #: \_\_\_\_\_

State: \_\_\_\_\_ Expiration Date of Certification or License: \_\_\_\_\_

Date of Signature: \_\_\_\_\_

Inspection of Subject:  None  Interior and Exterior  Exterior-Only

Date of Inspection (if applicable): \_\_\_\_\_



# LAND APPRAISAL REPORT

File No.: 1906DARIGOLD

Property Address: ALLEY VACATION (MAIN X CHEHALIS AVE) City: CHEHALIS State: WA Zip Code: 98532  
 County: LEWIS COUNTY Legal Description: PT PLATTED ALLEY BLK 10 ELIZA BARRETT'S ADDITION TO THE TOWN OF CHEHALIS Sec32-T14N-R2W WM LEWIS COUNTY

Assessor's Parcel #: N/A Tax Year: 2019 R.E. Taxes: \$ -0- Special Assessments: \$ 0  
 Market Area Name: CHEHALIS Map Reference: 16500 Census Tract: 9708.00  
 Current Owner of Record: CITY OF CHEHALIS Borrower (if applicable):  
 Project Type (if applicable):  PUD  De Minimis PUD  Other (describe) HOA: \$ 0  per year  per month  
 Are there any existing improvements to the property?  No  Yes If Yes, indicate current occupancy:  Owner  Tenant  Vacant  Not habitable  
 If Yes, give a brief description:

The purpose of this appraisal is to develop an opinion of:  Market Value (as defined), or  other type of value (describe)  
 This report reflects the following value (if not Current, see comments):  Current (the Inspection Date is the Effective Date)  Retrospective  Prospective  
 Property Rights Appraised:  Fee Simple  Leasehold  Leased Fee  Other (describe)  
 Intended Use: THE PURPOSE OF THIS REPORT IS TO ESTABLISH THE "FAIR MARKET VALUE" OF THE SUBJECT PROPERTY FOR A POSSIBLE PURCHASE TRANSACTION.  
 Intended User(s) (by name or type): THE INTENDED USER OF THIS REPORT IS THE CLIENT NAMED IN THIS REPORT.

Client: DARIGOLD Address: 67 SW CHEHALIS AVE, CHEHALIS, WA 98532  
 Appraiser: NADYNE TAUSCHER Address: PO BOX 928, CENTRALIA, WA 98531

Characteristics			Predominant Occupancy	One-Unit Housing		Present Land Use		Change In Land Use	
Location:	Built up:	Growth rate:		PRICE (\$'000)	AGE (yrs)	One-Unit	60 %	<input type="checkbox"/> Not Likely	<input type="checkbox"/> In Process *
<input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	<input checked="" type="checkbox"/> Owner	45	Low 1	2-4 Unit	3 %	<input checked="" type="checkbox"/> Likely *	<input type="checkbox"/> In Process *
<input type="checkbox"/> Property values: <input checked="" type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	<input type="checkbox"/> Demand/supply: <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	<input type="checkbox"/> Marketing time: <input type="checkbox"/> Under 3 Mos. <input type="checkbox"/> 3-6 Mos. <input checked="" type="checkbox"/> Over 6 Mos.	<input type="checkbox"/> Tenant	600	High 130	Multi-Unit	2 %	* To: COMMERCIAL	
			<input type="checkbox"/> Vacant (0-5%)	220	Pred 80	Comm'l	20 %		
			<input type="checkbox"/> Vacant (>5%)			Industrial	5 %		
						OTHER	10 %		

Factors Affecting Marketability											
Item	Good	Average	Fair	Poor	N/A	Item	Good	Average	Fair	Poor	N/A
Employment Stability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Protection from Detrimental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Market Area Comments: NEIGHBORHOOD BOUNDARIES ARE THE CHEHALIS CITY LIMITS.

PROPERTIES LOCATED IN THE IMMEDIATE NEIGHBORHOOD INCLUDE THE LEWIS COUNTY COURT HOUSE & JAIL, THE DARIGOLD PROCESSING PLANT, THE FARM STORE (GRANGE-TYPE), SERVICE STATIONS, LUMBER YARD/HARDWARE STORE, CANNERY, GRANTS TOWING, RESTAURANTS, THORBECKS GYM, CHURCHES & TAVERNS AS WELL AS SINGLE-FAMILY & MULTI-FAMILY RESIDENCES.

TO DETERMINE MARKET TRENDS IN THE SUBJECT AREA, A SALES SURVEY WAS CONDUCTED THROUGH THE NWMLS FOR ALL SALES OF RESIDENTIAL HOMES ON .01 TO 5 ACRES - ALL OF LEWIS COUNTY WAS INCLUDED IN THIS SURVEY - RESULTS ARE:

1/1/2019 TO 05/31/2019	363 SALES	AVERAGE \$249,518
1/1/2018 TO 12/31/2018	1027 SALES	AVERAGE \$222,223
1/1/2017 TO 12/31/2017	1047 SALES	AVERAGE \$198,030 (+26%) (26%/17 MONTHS = 1.5% PER MO.)
1/1/2016 TO 12/31/2016	894 SALES	AVERAGE \$174,926 (+43%) (43%/29 MONTHS = 1.5% PER MO.)
1/1/2015 TO 12/31/2015	839 SALES	AVERAGE \$154,474 (+62%) (62%/41 MONTHS = 1.5% PER MO.)
1/1/2014 TO 12/31/2014	673 SALES	AVERAGE \$148,707 (+69%) (69%/53 MONTHS = 1.3% PER MO.)
THE MARKET IN THE LEWIS COUNTY AREA HAS INCREASED STEADILY OVER THE PAST 4 YEARS.		



# LAND APPRAISAL REPORT

File No.: 1906DARIGOLD

Dimensions: NONE SHOWN ON PLAT MAP Site Area: 1,206 Sq.Ft.  
 Zoning Classification: CBD/L/CG Description: COMMERCIAL - FOR FURTHER INFORMATION,  
 SEE CHEHALIS MUNICIPAL CODE CHPT 17.69 & 17.72  
 Do present improvements comply with existing zoning requirements?  Yes  No  No Improvements  
 Uses allowed under current zoning: HIGH DENSITY COMMERCIAL BUSINESSES, RETAIL STORES, INSTITUTIONS, OTHER COMMERCIAL  
 USES & LIGHT INDUSTRIAL  
 Are CC&Rs applicable?  Yes  No  Unknown Have the documents been reviewed?  Yes  No Ground Rent (if applicable) \$ /  
 Comments:  
 Highest & Best Use as improved:  Present use, or  Other use (explain) COMMERCIAL  
 Actual Use as of Effective Date: VACANT LAND Use as appraised in this report: VACANT LAND  
 Summary of Highest & Best Use: THE HIGHEST AND BEST USE AS IF VACANT IS COMMERCIAL/INDUSTRIAL

Utilities	Public	Other	Provider/Description	Off-site Improvements		Type	Public	Private	Frontage	12' ON CHEHALIS AVE.
				Street	Width					
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>		PAVED - CITY	60'		<input checked="" type="checkbox"/>	<input type="checkbox"/>	Topography	LEVEL
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Surface	ASPHALT				Size	SMALL
Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Curb/Gutter	YES		<input checked="" type="checkbox"/>	<input type="checkbox"/>	Shape	RECTANGULAR
Sanitary Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Sidewalk	YES		<input checked="" type="checkbox"/>	<input type="checkbox"/>	Drainage	APPEARS ADEQUATE
Storm Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Street Lights	YES		<input checked="" type="checkbox"/>	<input type="checkbox"/>	View	CITY/NEIGHBORHOOD
Telephone	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Alley	YES		<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Multimedia	<input checked="" type="checkbox"/>	<input type="checkbox"/>								

Other site elements:  Inside Lot  Corner Lot  Cul de Sac  Underground Utilities  Other (describe)  
 FEMA Spec'l Flood Hazard Area  Yes  No FEMA Flood Zone X FEMA Map # 5301041362C FEMA Map Date 07/17/2006  
 Site Comments: THE SUBJECT SITE IS A 100+/-' PORTION OF AN ALLEY PLATTED IN BLK 10 OF ELIZA BARRETT'S ADDITION TO THE TOWN OF CHEHALIS. THE ENTRANCE TO THE ALLEY IS FROM CHEHALIS AVE JUST SOUTH OF MAIN STREET IN CHEHALIS.

PER DEB KING AT THE CITY OF CHEHALIS THE POWER HAS BEEN DISCONNECTED, STORM SEWER IS NOT NEEDED, AND THE CITY WILL NOT BE RETAINING A UTILITY EASEMENT OVER THIS PARCEL.

FEATURE	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	ALLEY VACATION (MAIN X CHE) CHEHALIS, WA 98532	144 S MARKET BLVD CHEHALIS, WA 98532	628 NW WEST ST CHEHALIS, WA 98532	810 NW LIBERTY PLACE CHEHALIS, WA 98532
Proximity to Subject		0.16 MILES NE	0.52 MILES NW	0.42 MILES W
Sale Price	\$	\$ 32,000	\$ 43,900	\$ 270,000
Price/ Sq.Ft.	\$	\$ 4.76	\$ 6.30	\$ 6.67
Data Source(s)		NWMLS#1057848; DOM 1621	NWMLS#1429014; DOM 14	NWMLS#357345; DOM 835
Verification Source(s)		COURT HSE REC/EXT INSP	COURT HSE REC/EXT INSP	COURT HSE REC/EXT INSP
VALUE ADJUSTMENT	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sales or Financing		CASH	CASH	CASH
Concessions		0	0	0
Date of Sale/Time		12/23/2016 +43% +2.05	5/8/2019	1/20/2015 +69% +4.60
Rights Appraised	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE
Location	URBAN/INSIDE	URBAN/INSIDE	URBAN/CORNER -4.50	URBAN/CORNER -4.50
Site Area (in Sq.Ft.)	1,206	6,720	6,970	40,471
Zoning	INDUSTRIAL/CG	CG (Gen.Comm)	R-1 (Residential) +6.00	C-F (Frwy Comm.)
Utilities Hookup	NONE	NONE	WTR/SWR/ELEC -1.00	NONE
Freeway Visibility	NO	NO	NO	NO
TOPOGRAPHY	LEVEL	SLIGHT SLOPE	LEVEL	LEVEL

SALES COMPARISON APPROACH	NET ADJUSTMENT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Net Adjustment (Total, in \$)	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 13,776	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 3,485	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 4,047	
Net Adjustment (Total, in \$ / Sq.Ft.)	Net 43.0 % (\$ 2.05/Sq.Ft.)	Net 7.9 % (\$ 0.5/Sq.Ft.)	Net 1.5 % (\$ 0.1/Sq.Ft.)	
Adjusted Sale Price (in \$ / Sq.Ft.)	Gross 43.0 % \$ 6.81	Gross 182.6 % \$ 6.80	Gross 136.4 % \$ 6.77	



# LAND APPRAISAL REPORT

File No.: 1906DARIGOLD

**SUMMARY OF SALES COMPARISON APPROACH** DUE TO A LACK OF SALES OF COMMERCIAL ZONED BARE LAND IN THE CHEHALIS AREA IT IS NECESSARY TO USE OLDER SALES AND SALES THAT REQUIRE LARGE AND MULTIPLE ADJUSTMENTS. SALES #1 & #3 ARE ADJUSTED FOR TIME BASED ON MARKET DATA OUTLINED ON PG 1 OF THIS FORM (1.5% PER MONTH). SALE #2 HAD CITY WATER, CITY SEWER AND POWER HOOKUPS INSTALLED AT TIME OF SALE - THESE AMENITIES HAVE AN AVERAGE COST OF APPROXIMATELY \$7,000 PER THE CITY OF CHEHALIS & LEWIS CO PUD. AFTER ADJUSTMENTS FOR TIME & UTILITIES ARE APPLIED SALES #2 & #3 CAN BE COMPARED TO DETERMINE THE ADJUSTMENT NEEDED FOR RESIDENTIAL VS COMMERCIAL ZONING. AFTER ADJUSTMENTS FOR TIME, UTILITIES AND ZONING ARE APPLIED SALES #2 & #3 CAN BE COMPARED TO SALE #1 TO DETERMINE INSIDE LOT VS CORNER LOT ADJUSTMENT. THE SUBJECT AND ALL SALES ARE LEVEL OR SLIGHTLY SLOPED AND NO TOPOGRAPHY ADJUSTMENTS ARE NEEDED.

THE THREE SALES USED IN THIS REPORT INDICATE A NARROW RANGE OF VALUE FOR THE SUBJECT SITE - THE VALUE FOR THE SITE IS PLACED APPROXIMATELY MIDWAY IN THE RANGE OF VALUE AT \$6.80 PSF

\$1,206 SF @ \$6.80 = \$8,200.80 ROUNDED TO \$8,200.00

My research  did  did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data Source(s): COURT HOUSE RECORDS	
1st Prior Subject Sale/Transfer	Analysis of sale/transfer history and/or any current agreement of sale/listing: NO PRIOR SALES/TRANSFERS OF THE SUBJECT WERE FOUND DURING THE THREE YEARS PRIOR TO THE EFFECTIVE DATE OF THIS APPRAISAL.
Date:	
Price:	
Source(s):	
2nd Prior Subject Sale/Transfer	
Date:	
Price:	
Source(s):	

**PROJECT INFORMATION FOR PUDs (if applicable)**  The Subject is part of a Planned Unit Development.  
 Legal Name of Project:  
 Describe common elements and recreational facilities:

Indicated Value by: Sales Comparison Approach \$ 8,200.00

**FINAL RECONCILIATION** THE INCOME APPROACH IS NOT USED IN THIS APPRAISAL AS THIS IS NOT AN INCOME PRODUCING PROPERTY. THE COST APPROACH IS NOT USED IN THIS REPORT AS THERE ARE NO IMPROVEMENTS ON THIS SITE. THE MARKET DATA APPROACH IS GIVEN THE MOST WEIGHT AS IT SUPPORTS BUYER/SELLER ATTITUDES IN THE SUBJECT AREA.

This appraisal is made  "as is", or  subject to the following conditions:

This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.


Based upon an inspection of the subject property, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is:  
 \$ 8,200, as of: JUNE 18, 2019, which is the effective date of this appraisal.

If Indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.

A true and complete copy of this report contains 18 pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report, which contains the following attached exhibits:

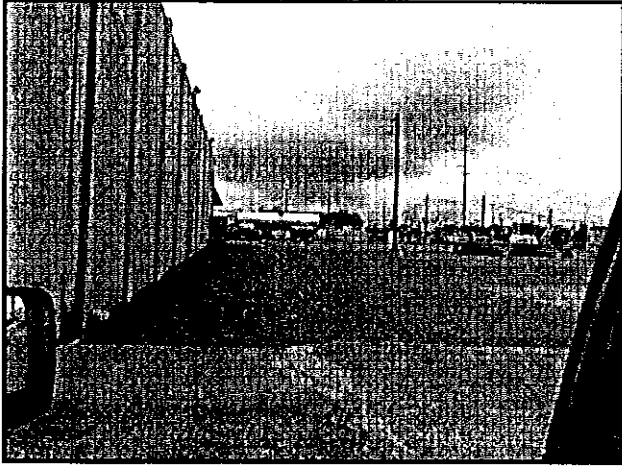
- Scope of Work
- Limiting cond./Certifications
- Narrative Addendum
- Location Map(s)
- Flood Addendum
- Additional Sales
- Photo Addenda
- Parcel Map
- Hypothetical Conditions
- Extraordinary Assumptions
- 

Client Contact: BRENT DANIELS Client Name: DARIGOLD  
 E-Mail: BRENT.DANIELS@DARIGOLD.COM Address: 57 SW CHEHALIS AVE, CHEHALIS, WA 98532

<p><b>APPRAISER</b></p>  <p>Appraiser Name: MADYNE TAUSCHER                  Company: TAUSCHER APPRAISAL SERVICES                  Phone: (360) 330-2625 Fax: (360) 330-2620                  E-Mail: tauscher@compprime.com                  Date of Report (Signature): 06/24/2019                  License or Certification #: 1100261 State: WA                  Designation: CGREA                  Expiration Date of License or Certification: 03/11/2021                  Inspection of Subject: <input checked="" type="checkbox"/> Did Inspect <input type="checkbox"/> Did Not Inspect (Desktop)                  Date of Inspection: JUNE 18, 2019</p>	<p><b>SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)</b></p> <p>Supervisory or Co-Appraiser Name: _____                  Company: _____                  Phone: _____ Fax: _____                  E-Mail: _____                  Date of Report (Signature): _____                  License or Certification #: _____ State: _____                  Designation: _____                  Expiration Date of License or Certification: _____                  Inspection of Subject: <input type="checkbox"/> Did Inspect <input type="checkbox"/> Did Not Inspect                  Date of Inspection: _____</p>
---	--

### Photograph Addendum

Client	DARIGOLD						
Property Address	ALLEY VACATION (MAIN X CHEHALIS AVE)						
City	CHEHALIS	County	LEWIS COUNTY	State	WA	Zip Code	98532
Owner	CITY OF CHEHALIS						



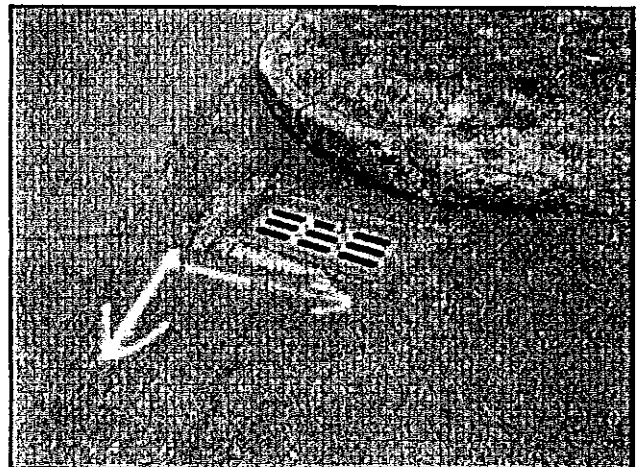
ALLEY SITE



ALLEY SITE



ALLEY SITE



STORM SEWER IN STREET



STREET TO NORTH



STREET TO SOUTH

### SUBJECT AERIAL PLAT MAP

Client	DARIGOLD			
Property Address	ALLEY VACATION (MAIN X CHEHALIS AVE)			
City	CHEHALIS	County	LEWIS COUNTY	State WA Zip Code 98532
Owner	CITY OF CHEHALIS			

#### ALLEY VACATION (MAIN X CHEHALIS AVE)



6/20/2019, 1:14:48 PM

1:1,128

**Search Results: Parcels**

- Override 1
- Parcels

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

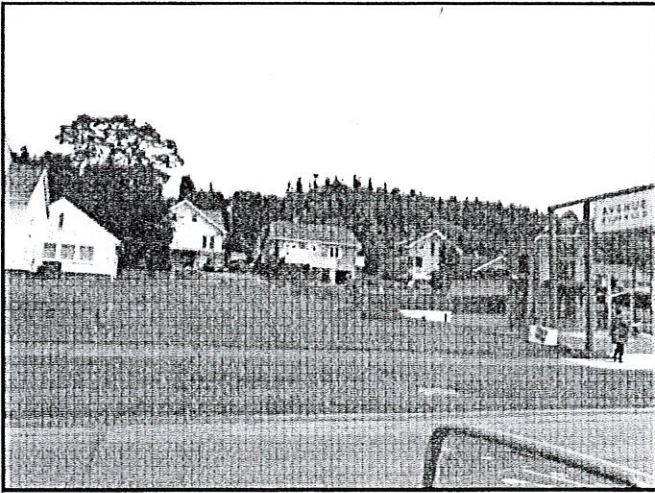


Lewis County does not guarantee the accuracy of the information shown on this map and is not responsible for any use or misuse by others regarding this material. It is provided for general informational purposes only. This map does not meet legal, engineering, or survey standards. Please practice due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

2018 Imagery © Picometry & Lewis County | © Lewis County GIS

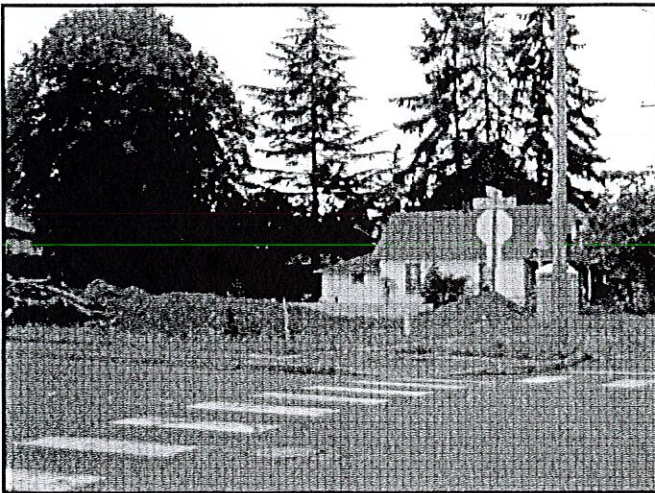
### Comparable Land Photo Page

Client	DARIGOLD			
Property Address	ALLEY VACATION (MAIN X CHEHALIS AVE)			
City	CHEHALIS	County	LEWIS COUNTY	State WA Zip Code 98532
Owner	CITY OF CHEHALIS			



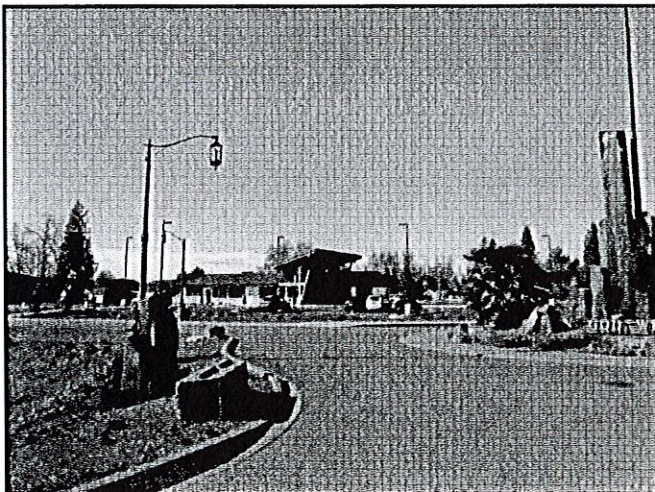
#### Comparable 1

144 S MARKET BLVD  
 Prox. to Subj. 0.16 MILES NE  
 Sales Price 32,000  
 Date of Sale 12/23/2016 +43%  
 Site Area 6,720  
 Location URBAN/INSIDE  
 Zoning CG (Gen.Comm)  
 Utilities Hookup NONE  
 Freeway Visibility NO  
 TOPOGRAPHY SLIGHT SLOPE



#### Comparable 2

628 NW WEST ST  
 Prox. to Subj. 0.52 MILES NW  
 Sales Price 43,900  
 Date of Sale 5/8/2019  
 Site Area 6,970  
 Location URBAN/CORNER  
 Zoning R-1 (Residential)  
 Utilities Hookup WTR/SWR/ELEC  
 Freeway Visibility NO  
 TOPOGRAPHY LEVEL

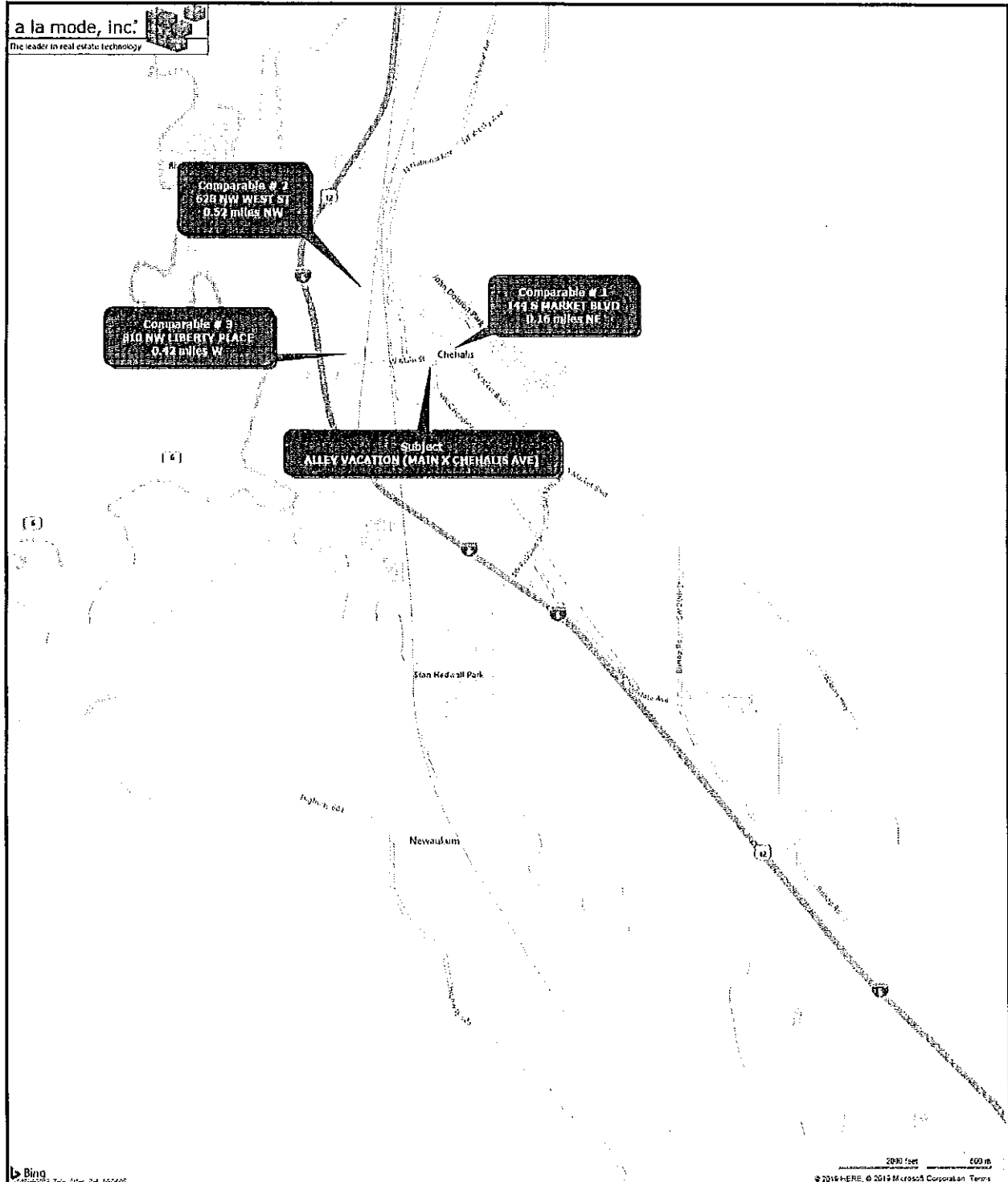


#### Comparable 3

810 NW LIBERTY PLACE  
 Prox. to Subj. 0.42 MILES W  
 Sales Price 270,000  
 Date of Sale 1/20/2015 +69%  
 Site Area 40,471  
 Location URBAN/CORNER  
 Zoning C-F (Frwy Comm.)  
 Utilities Hookup NONE  
 Freeway Visibility NO  
 TOPOGRAPHY LEVEL

### Comparable Sales Map

Client	DARIGOLD			
Property Address	ALLEY VACATION (MAIN X CHEHALIS AVE)			
City	CHEHALIS	County	LEWIS COUNTY	State WA Zip Code 98532
Owner	CITY OF CHEHALIS			

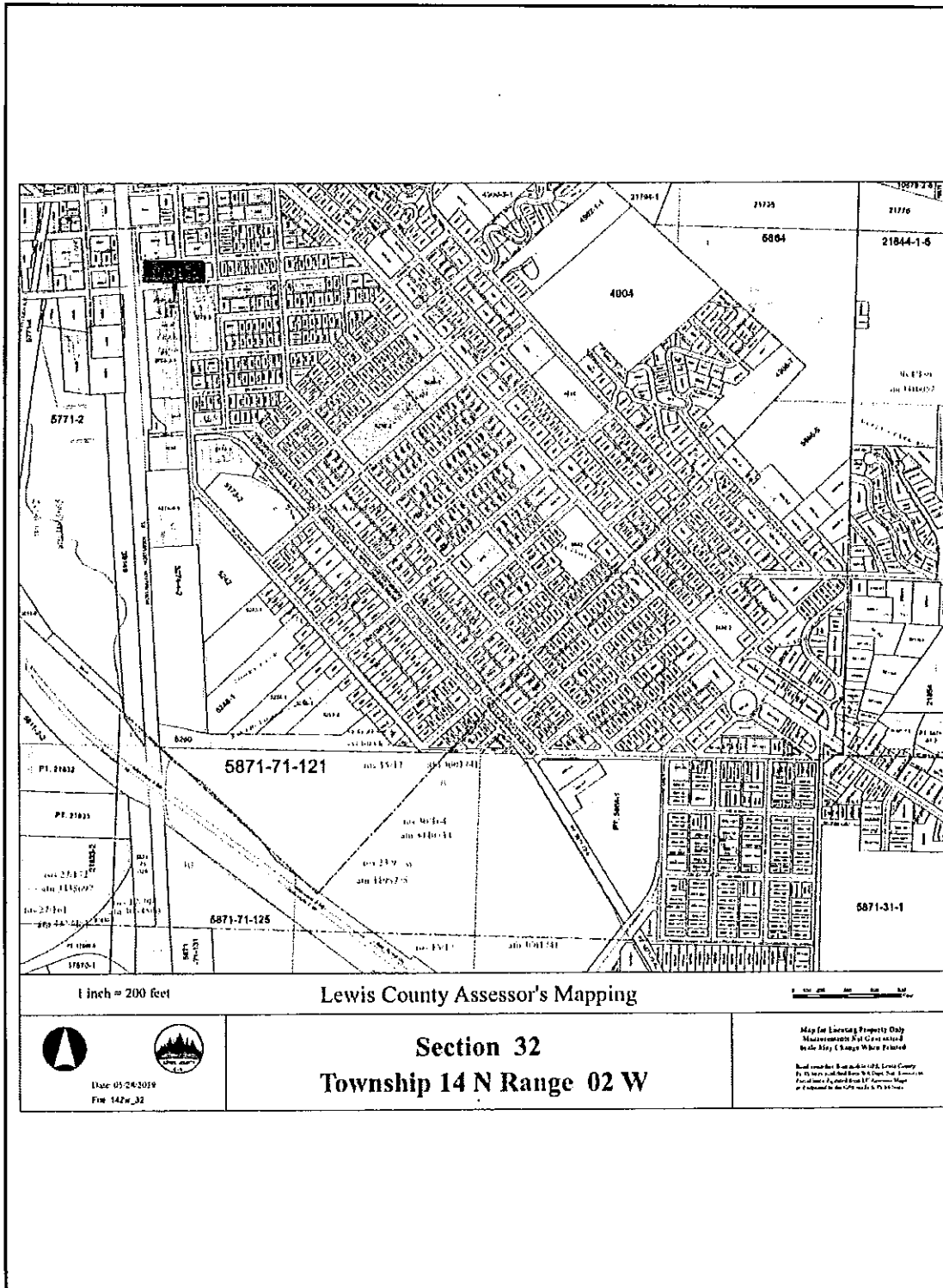






### SUBJECT SECTION MAP

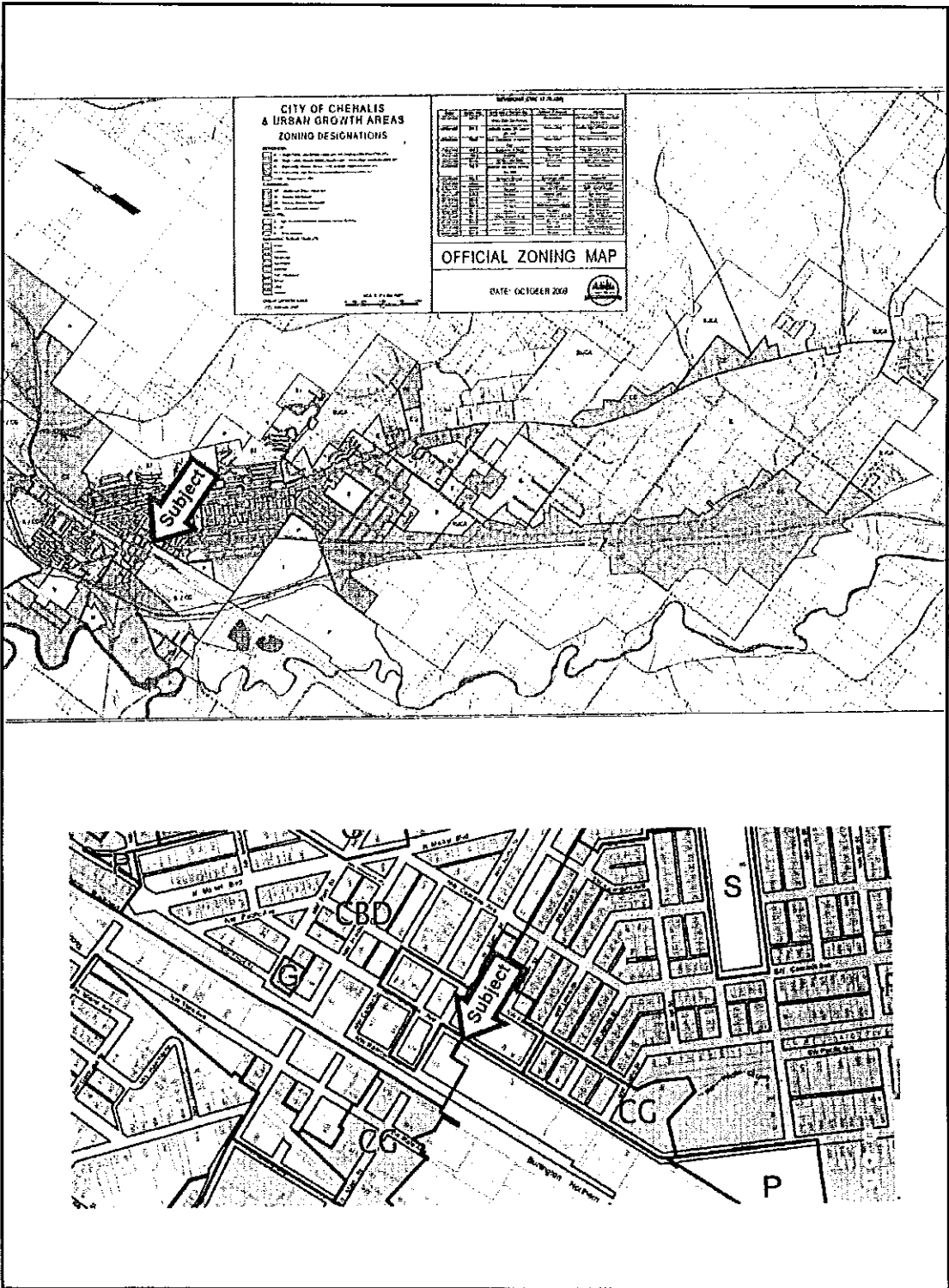
Client	DARIGOLD			
Property Address	ALLEY VACATION (MAIN X CHEHALIS AVE)			
City	CHEHALIS	County	LEWIS COUNTY	State WVA Zip Code 98532
Owner	CITY OF CHEHALIS			



### SUBJECT ZONING MAP

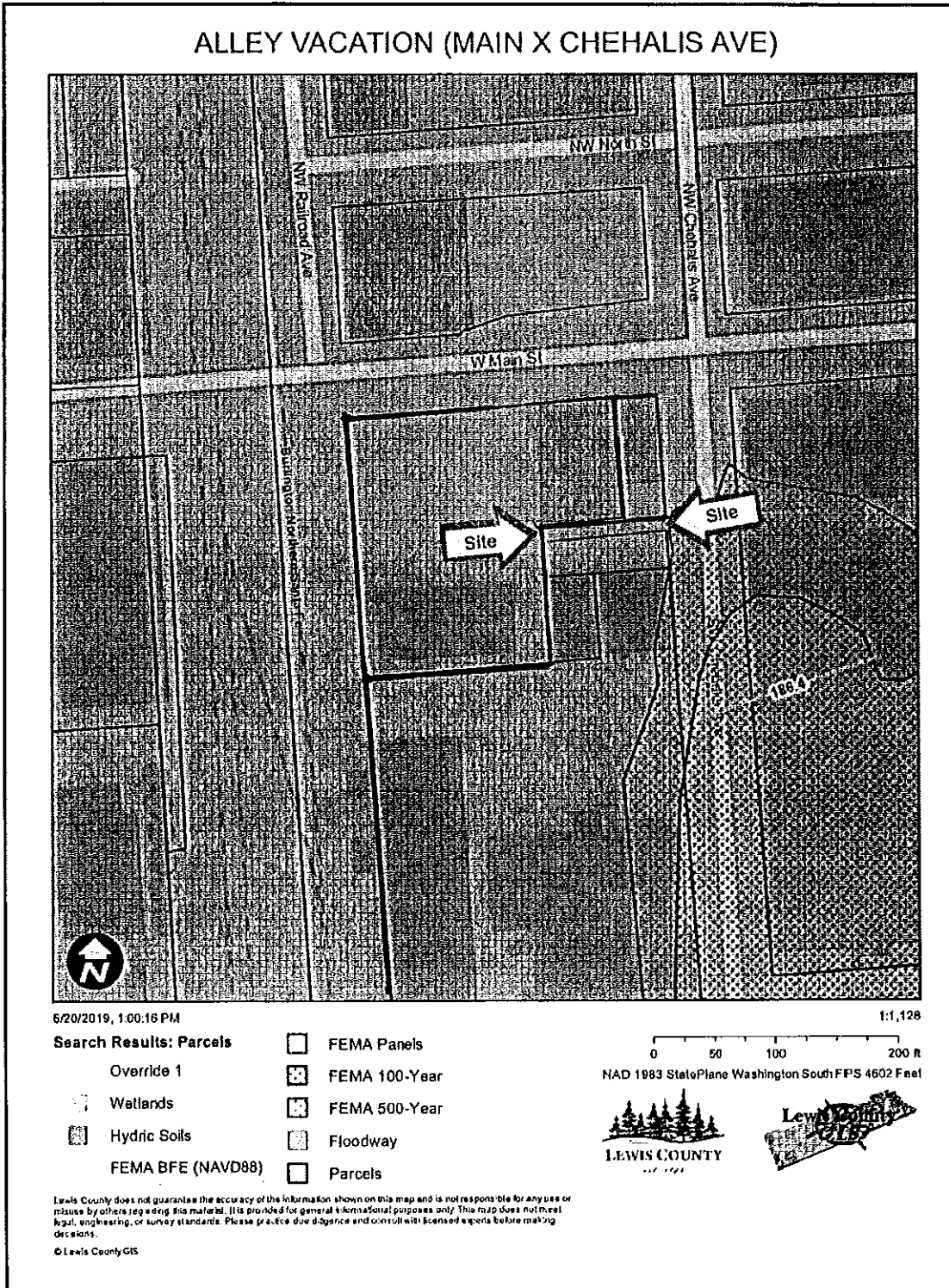
Client	DARIGOLD			
Property Address	ALLEY VACATION (MAIN X CHEHALIS AVE)			
City	CHEHALIS	County	LEWIS COUNTY	State WA Zip Code 98532
Owner	CITY OF CHEHALIS			

LOWER PICTURE IS ZOOMED TO SUBJECT SITE AREA ON CHEHALIS ZONING MAP - SUBJECT SITE IS LOCATED IN BETWEEN CBD - CENTRAL BUSINESS DISTRICT AND IL/CG - INDUSTRIAL/GENERAL COMMERCIAL



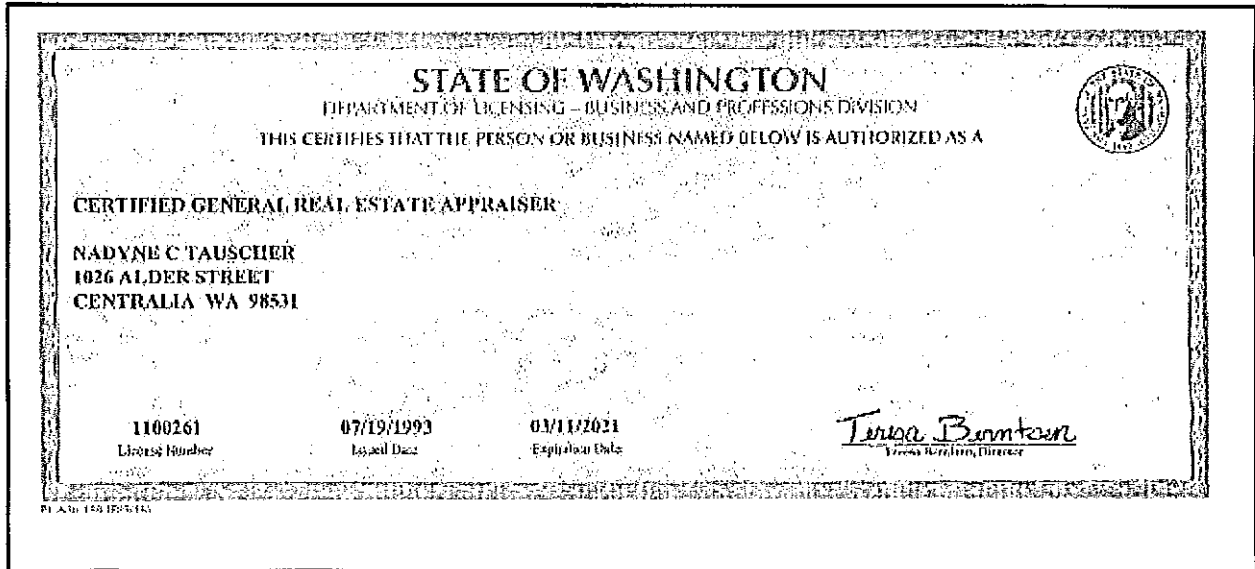
### SUBJECT CRITICAL AREAS MAP

Client	DARIGOLD			
Property Address	ALLEY VACATION (MAIN X CHEHALIS AVE)			
City	CHEHALIS	County	LEWIS COUNTY	State WA Zip Code 98532
Owner	CITY OF CHEHALIS			



### APPRAISER LICENSE

Client	DARIGOLD			
Property Address	ALLEY VACATION (MAIN X CHEHALIS AVE)			
City	CHEHALIS	County	LEWIS COUNTY	State WA Zip Code 98532
Owner	CITY OF CHEHALIS			



**FIRREA / USPAP ADDENDUM**

Client DARIGOLD File No. 1906DARIGOLD  
 Property Address ALLEY VACATION (MAIN X CHEHALIS AVE)  
 City CHEHALIS County LEWIS COUNTY State WA Zip Code 98532  
 Owner CITY OF CHEHALIS

**Purpose**

THE INTENDED USE OF THIS REPORT IS TO ESTABLISH FAIR MARKET VALUE FOR A POSSIBLE PURCHASE TRANSACTION.

**Scope of Work**

THE APPRAISER WRITING THIS REPORT HAS INSPECTED THE EXTERIOR OF THE SUBJECT PROPERTY, SURVEYED THE SUBJECT MARKET AREA FOR THE MOST CURRENT/PROXIMATE AND SIMILAR SALES AND INSPECTED THE EXTERIOR OF THE COMPARABLE SALES USED IN THIS REPORT. APPRAISER HAS CONSULTED WITH COUNTY RECORDS, BROKERS, BUYERS, SELLERS AND OR PURCHASERS WHEN AVAILABLE TO VERIFY INFORMATION.

**Intended Use / Intended User**

Intended Use: THE INTENDED USE OF THIS REPORT IS TO ESTABLISH FAIR MARKET VALUE FOR A PURCHASE TRANSACTION.

Intended User(s): THE INTENDED USER OF THIS REPORT IS THE CLIENT NAMED IN THIS REPORT.

**History of Property**

Current listing information: PER THE NWMLS THE SUBJECT PROPERTY HAS NOT BEEN LISTED DURING THE YEAR PRIOR TO THE EFFECTIVE DATE OF THIS APPRAISAL.

Prior sale: NO PRIOR SALES OF THE SUBJECT PROPERTY WERE FOUND WITHIN THE THREE YEARS PRIOR TO THE EFFECTIVE DATE OF THIS REPORT.

**Exposure Time / Marketing Time**

EXPOSURE/MARKETING TIME IS ESTIMATED TO BE OVER 6 MONTHS.

**Personal (non-realty) Transfers**

NO PERSONAL PROPERTY IS INCLUDED IN THIS REPORT.


**Additional Comments**

IN THE EVENT THAT THE APPRAISER IS REQUIRED BY SUBPOENA OR OTHER LEGAL PROCESS TO PROVIDE TESTIMONY OR PRODUCE DOCUMENTS RELATING TO APPRAISER'S SERVICES UNDER THIS AGREEMENT, WHETHER IN COURT, DEPOSITION, ARBITRATION OR IN ANY OTHER PROCEEDING, AND REGARDLESS OF THE IDENTITY OF THE PARTY REQUIRING SUCH TESTIMONY OR PRODUCTION OF DOCUMENTS, CLIENT AGREES TO COMPENSATE APPRAISER FOR THE TIME INCURRED BY APPRAISER IN CONNECTION WITH THE PREPARATION FOR AND PROVISION OF SUCH TESTIMONY AND/OR DOCUMENTS AT APPRAISER'S HOURLY RATE OF \$300.00 AND TO REIMBERSE APPRAISER'S REASONABLE ACTUAL EXPENSES.

LESLIE LINDOW ASSISTED THE APPRAISER WRITING THIS REPORT. LESLIE LINDOW ASSISTED THE APPRAISER IN RESEARCHING DOCUMENTATION FOR THE SUBJECT AS WELL AS THE COMPARABLE SALES USED IN THIS REPORT AND ASSISTED IN THE WRITING OF THIS REPORT.

**Certification Supplement**

1. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or an approval of a loan.
2. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.

Appraiser:   
 Signed Date: 06/14/2019  
 Certification or License #: 1100261  
 Certification or License State: WA Expires: 03/11/2021  
 Effective Date of Appraisal: JUNE 18, 2019

Supervisory Appraiser: \_\_\_\_\_  
 Signed Date: \_\_\_\_\_  
 Certification or License #: \_\_\_\_\_  
 Certification or License State: \_\_\_\_\_ Expires: \_\_\_\_\_  
 Inspection of Subject:  Did Not  Exterior Only  Interior and Exterior

## Assumptions & Limiting Conditions

File No.: 1906DARIGOLD

Property Address: ALLEY VACATION (MAIN X CHEHALIS AVE)	City: CHEHALIS	State: WA	Zip Code: 98532
Client: DARIGOLD	Address: 67 SW CHEHALIS AVE, CHEHALIS, WA 98532		
Appraiser: NADYNE TAUSCHER	Address: PO BOX 928, CENTRALIA, WA 98531		

### STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- The appraiser may have provided a plat and/or parcel map in the appraisal report to assist the reader in visualizing the lot size, shape, and/or orientation. The appraiser has not made a survey of the subject property.
- If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
- The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
- The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
- An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.
- The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database. Possession of this report or any copy thereof does not carry with it the right of publication.
- Forecasts of effective demand for the highest and best use or the best fitting and most appropriate use were based on the best available data concerning the market and are subject to conditions of economic uncertainty about the future.

**Definitions & Scope of Work**

File No.: 1906DARIGOLD

Property Address: ALLEY VACATION (MAIN X CHEHALIS AVE)	City: CHEHALIS	State: WA	Zip Code: 98532
Client: DARIGOLD	Address: 67 SW CHEHALIS AVE, CHEHALIS, WA 98532		
Appraiser: NADYNE TAUSCHER	Address: PO BOX 928, CENTRALIA, WA 98531		

**DEFINITION OF MARKET VALUE \*:**

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

\* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

# Certifications

File No.:

Property Address: ALLEY VACATION (MAIN X CHEHALIS AVE)	City: CHEHALIS	State: WA	Zip Code: 98532
Client: DARIGOLD	Address: 67 SW CHEHALIS AVE, CHEHALIS, WA 98532		
Appraiser: NADYNE TAUSCHER	Address: PO BOX 928, CENTRALIA, WA 98531		

**APPRAISER'S CERTIFICATION**

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.

**Additional Certifications:**

Client Contact: BRENT DANIELS	Client Name: DARIGOLD
E-Mail: BRENT.DANIELS@DARIGOLD.COM	Address: 67 SW CHEHALIS AVE, CHEHALIS, WA 98532

<p><b>APPRAISER</b></p> <p><i>Nadyne Tauscher</i> Appraiser Name: NADYNE TAUSCHER Company: TAUSCHER APPRAISAL SERVICES Phone: (360) 330-2625 Fax: (360) 330-2620 E-Mail: tauscher@compprime.com Date Report Signed: 06/24/2019 License or Certification #: 1100261 State: WA Designation: CGREA Expiration Date of License or Certification: 03/11/2021 Inspection of Subject: <input checked="" type="checkbox"/> Did Inspect <input type="checkbox"/> Did Not Inspect (Desktop) Date of Inspection: JUNE 18, 2019</p>	<p><b>SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)</b></p> <p>Supervisory or Co-Appraiser Name: _____ Company: _____ Phone: _____ Fax: _____ E-Mail: _____ Date Report Signed: _____ License or Certification #: _____ State: _____ Designation: _____ Expiration Date of License or Certification: _____ Inspection of Subject: <input type="checkbox"/> Did Inspect <input type="checkbox"/> Did Not Inspect Date of Inspection: _____</p>
---	---

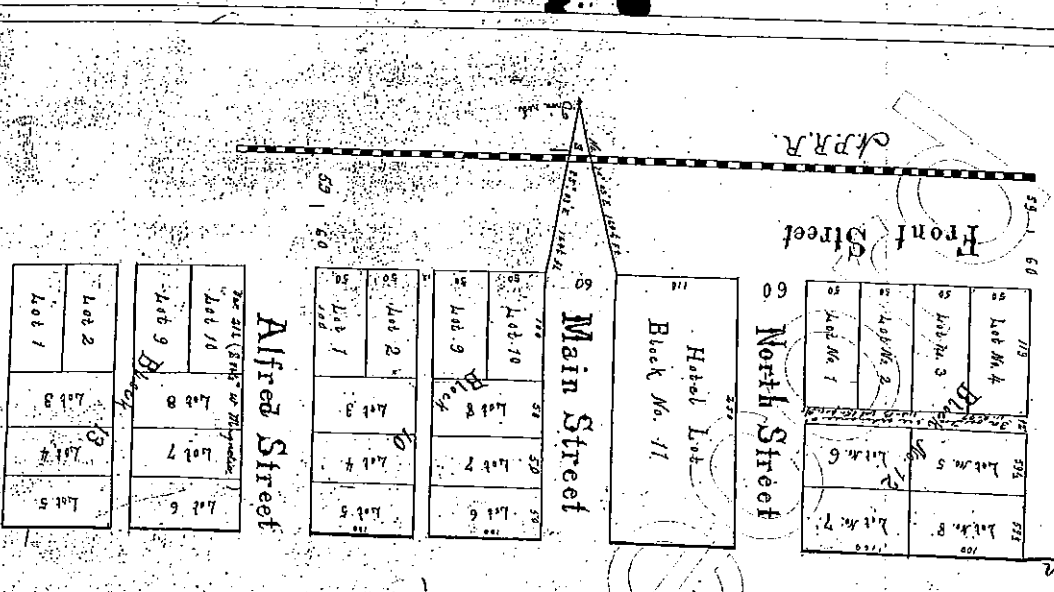




# Copy of Original Plat

## ADDITION to the Town of Uthalia

Situated in Sections 31 + 32, T. 14 N. R. 22 West.



### Description.

The lots in Block No. 10 are 50 x 100 feet. The alley through Block Nos. 10 and 12 are 12 feet wide. Alfred, Main and Uthalia streets are 60 feet wide each. Block No. 11 is 110 x 250 feet. The lots in the 1/2 of Block No. 12 are 59 1/2 x 100 feet. The lots in 1/2 of Block No. 12 are 50 x 119 feet. The boundaries of the streets above & below are N 53° W and S 87 1/2° W. Uth. 2 1/2° E. The NW corner of Block No. 10 bears S 45° E (var 2 1/2°) and 925 chains distant from the Section corner to section 29, 30, 31 & 32.

There will now be four quarters, that I Elyas Conant, wife of John C. Conant, of Row County, Washington Territory, hereby publish and declare the plat on that before made to be a true and correct plat, and each of the lots shown represented, situate in Row County, Washington Territory, and being a part of the white half of the eastern land known as the "S. S. Conant & Son's land claim" being a part of Section 31 + 32 of Township 14 North of Range No. (2) West of the Williamson Meridian.

The Block, lots, streets and alleys are of the dimensions mentioned in the plat, and in the description within shown. The alleys through Blocks 10 and 12 are twelve (12) feet wide. The street above and each (60) feet wide. The streets are marked and named in the plat, and the alleys are hereby established as highways for public use. The portions of land left to Elyas and Abner Conant in the plat, and the Block and lot marked and numbered on said plat as dedicated for any purpose.

Elyas Conant hereby affirms and warrants that my hand and seal this 26th day of September 1882.

Witness:  
 J. P. Barber  
 Official Signature  
 J. W. Davis

Scale of feet to the inch.  
 Variation used 21' 25" E.

Survey executed September 22nd 1882

Note: See Rickard's Plat also in 1882

PLAT 2002306 Bears County Auditor

PLAT - 50.00

1983: COPY OF ALLEY VACATION: WESTERN PORTION  
9507539

ORDINANCE NO. 273-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,  
PROVIDING FOR THE VACATION OF THE FOLLOWING DESCRIBED  
STREET SITUATE IN THE CITY OF CHEHALIS, TO-WIT:

THAT PORTION OF ALFRED STREET EXTENDING  
FROM CHEHALIS AVENUE TO RAILROAD AVENUE  
IN ELIZA BARRETT'S ALFRED STREET ADDITION  
TO THE CITY OF CHEHALIS;

PROVIDING THAT THE CITY OF CHEHALIS SHALL RETAIN AN  
EASEMENT OR THE RIGHT TO EXERCISE AND GRANT EASEMENTS  
IN RESPECT TO SAID VACATED STREET FOR THE CONSTRUCTION,  
REPAIR AND MAINTENANCE OF PUBLIC UTILITIES AND SERVICES;  
AND PROVIDING THAT THIS ORDINANCE SHALL BECOME  
EFFECTIVE UPON SUCH DATE AS THE OWNERS OF THE REAL  
PROPERTY ABUTTING SAID VACATED STREET SHALL COMPENSATE  
THE CITY OF CHEHALIS IN AN AMOUNT WHICH DOES NOT  
EXCEED THE ASSESSED VALUE OF THE PROPERTY SO VACATED.

WHEREAS, The City of Chehalis has received a petition for  
the vacation of a portion of the street situate in the City of  
Chehalis, Lewis County, Washington, hereinafter described, and

WHEREAS, Pursuant to R.C.W. 35.79.010, the City Council of  
the City of Chehalis did, at a regularly scheduled meeting on the  
13th day of December, 1982, adopt Resolution No. 12-82 setting  
the date of January 10, 1983, at the hour of 3:30 p.m. as the  
time for public hearing on the petition for the vacation of said  
street, which date was not less than twenty (20) days nor more  
than sixty (60) days after the date of passage of said  
Resolution, and

WHEREAS, The City Council of the City of Chehalis,  
Washington, held a public hearing to consider said petition on  
the 10th day of January, 1983, after due notice to all property  
owners owning real property abutting and adjacent to said street  
as required by law, and after posting notice of said hearing as  
required by law, Now, Therefore,

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

CITY OF CHEHALIS  
PO BOX 871  
CHEHALIS WA 98532  
25 JUN -2 AM 11:53

MARK E. FANDELL, AUDITOR  
LEWIS COUNTY, WA.

BY: Melissa

VOL. 653 PAGE 688

Section 1.

The following described street situate in the City of Chehalis, Lewis County, Washington, to-wit:

That portion of Alfred Street extending from Chehalis Avenue to Railroad Avenue in Eliza Barrett's Alfred Street Addition to the City of Chehalis;

shall be, and the same hereby is, vacated, reserving, however, unto the City of Chehalis, Washington, a municipal corporation, a nonexclusive perpetual right, privilege and easement, and/or the right to exercise and grant easements, over, under and across said vacated street for the purpose of construction, repair and maintenance of public utilities and services.

Section 2.

This Ordinance shall become effective upon the date the owners of the real property abutting the street herein vacated shall compensate the City of Chehalis in an amount equal to the assessed valuation of the street herein vacated.

PASSED by the City Council of the City of Chehalis, Washington, and APPROVED by its Mayor, at a regularly scheduled open public meeting thereof this 24th day of January, 1983.

Joyce E. Veneman  
Mayor

Attest:

John Hakola  
City Clerk-Treasurer

Approved as to form:

[Signature]  
City Attorney



November 12, 2019

The Chehalis city council met in regular session on Tuesday, November 12, 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, Dr. Isaac Pope, and Bob Spahr. Councilor Chad Taylor arrived at 5:15 pm. Councilor Daryl Lund was absent (excused). Staff present included: Jill Anderson, City Manager; Tammy Baraconi, Planning & Building Manager; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Erin Hillier, City Attorney; Andrew Hunziker, Parks & Facilities Manager; Trent Lougheed, Public Works Director; Dale McBeth, Municipal Court Judge; Devlan Pool, Wastewater Superintendent; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; Don Schmitt, Street/Storm Superintendent; Dave Vasilauskas, Water Superintendent; Lilly Wall, Recreation Manager; and Patrick Wiltzius, Wastewater Superintendent. Members of the news media included Steve George of KMNT Radio and Celine Fitzgerald of *The Chronicle*.

1. **Proclamation – Recognition of Retiring Wastewater Superintendent Patrick Wiltzius.** Patrick Wiltzius was recognized with a proclamation read by Mayor Dawes and presented by Mayor Pro Tem Harris. Patrick's wife, Lynn, and his son, Phillip were also in attendance. Patrick thanked past and present councils, city managers, and city staff. He stated his appreciation for the opportunities given to him during his career. He stated the city was a great place to work.

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

- a. Minutes of the regular City Council meeting of October 28, 2019;
- b. October 31, 2019 Claim Vouchers No. 127247-127379 in the amount of \$776,842.82;
- c. October 31, 2019 Payroll Vouchers No. 41079-41111, Direct Deposit Payroll Vouchers No. 11385-11492, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 265-269 in the amount of \$810,400.54.
- d. Adoption of federal grant management policy;
- e. Resolution No. 16-2019, first and final reading – approval for application of Community Aviation Revitalization Loan Program for airport improvements – hangars; and
- f. Additional Lodging Tax Advisory Committee recommendations for 2020 tourism funds – Chehalis-Centralia Railroad and Museum for steam locomotive repairs.

The motion was seconded by Councilor Pope.

Mayor Dawes asked for clarification that the money being allocated to the steam train would be used to get the steam locomotive back up and running. Councilor Harris stated it would be used strictly for repairs to the locomotive.

The motion carried unanimously.

3. **Citizens Business – Request to Adopt a Resolution in Support of Refugees.** Sarah Brown, Washington State Area Coordinator for Amnesty International, requested that the city adopt a resolution in support of refugees. She stated they had a program called IDEA (Inclusion, Diversity, Equity, and Accessibility). The resolution would be non-binding and would show support for refugee resettlements. Refugees leave their countries because of conflict or fear of their government. The resolution would basically say that Chehalis was welcoming of refugees. She explained that refugees go through a rigorous process before being admitted into the United States. Once here, resettlement agencies sponsor them and they have 90 days to find a job and place their children in school.

4. **Public Hearing – Proposed 2020 Budget, Revenue Sources, Taxes, and Levies.** City Manager Anderson thanked the council, the council budget committee, staff, and specifically Finance Director Chun Saul for their work on preparing the proposed budget. She noted ongoing trends, which were concerning for the future, and the cost of providing services was going up higher and faster than the revenues that support it. People are required to provide those services and about 50% of the city's budget goes to police and fire services, and 70% for salaries and wages. When you talk about all city funds, the vast majority (20 out of 21) are restricted by policy or law. City Manager Anderson stated the two public hearings related to proposed 2020 revenues and the proposed 2020 budget.

November 12, 2019

Mayor Dawes closed the regular meeting and opened the public hearing at 5:17 pm on proposed 2020 revenues.

All Funds – Chun Saul provided an overview on revenue projections for the 2020 budget, overall property tax assessments, and explained the process in preparing and adopting the budget. With estimated revenues of \$23,961,352 and estimated expenditures of \$26,527,123, \$2,565,771 would be used from the beginning fund balance. Other than general funds, use of reserves related to one-time capital expenditures.

General Fund – Ms. Saul stated estimated expenditures were \$10,324,818, while revenues were \$9,977,976. The budget was balanced using \$346,842 from General Fund reserves (beginning cash), which was about 7.5% of the General Fund's revenue budget. She noted the council's policy goal was to maintain 10% reserves in the General Fund. Ms. Saul summarized General Fund revenues and noted that about 87.5% came from taxes.

Tax Levies – Ms. Saul noted most revenues were external to the city, but property taxes could be increased on a limited basis with council approval. Cities with less than 10,000 population could increase their levy amount by 1% without a vote, plus the value of new construction, annexation, and other adjustments added to the tax roll. Voter approval was needed beyond the 1% maximum allowed. The maximum statutory levy rate was \$3.60 per \$1,000 assessed value, minus the Library District at approximately \$0.40, plus Firemen's Pension Fund levy at \$0.225, leaving a maximum statutory levy rate at approximately \$3.425. She stated the city had not taken the 1% allowed increase for many years, and the proposed budget would use no banked capacity. Ms. Saul reviewed property tax distributions, noting that several taxing districts/agencies may tax the same property. The 2020 budget included a total levy amount of \$1,946,389 (\$1,616,190 for the regular levy and \$330,199 for the EMS levy). The overall percentage of change in property taxes from 2019 was 1.129408% (1.152110% for the regular levy and 1.018375% for the EMS levy). The estimated tax increase amount for every \$100,000 of assessed value was \$2.86 to the city's portion of the property tax.

Mayor Dawes asked if any members of the public wished to comment on 2020 proposed revenues. There being no public comment, the public hearing was closed and the regular meeting was reopened at 5:39 pm.

Mayor Dawes closed the regular meeting and opened the public hearing at 5:39 pm on the proposed 2020 budget.

Mayor Dawes noted that during the previous public hearing, Ms. Saul talked about using \$2.5 million in reserves. He wanted to make sure it was understood that was for large projects in the Enterprise Funds. He explained that reserves are built to use for large projects (e.g., a water line).

All Funds – Chun Saul stated the 2020 proposed budget was balanced using \$2.6 million from the beginning fund balance. With the exception of general governmental funds, use of the beginning fund balance was related to one-time capital expenditures. Total estimated expenditures were \$26.5 million.

General Fund – Ms. Saul provided a General Fund budget overview, noting the 2020 proposed budget was balanced using \$346,842 of General Fund reserve (beginning cash). The 2020 estimated General Fund ending fund balance was \$752,528 or 7.5% of total revenues. She noted the council goal of maintaining 10% in reserves and noted the GFOA (Government Finance Officers' Association) best practice was to maintain two months of operating expenditures in the General Fund, which is 16.7%. Ms. Saul noted the average one-month payroll was \$627,000. The proposed revenue budget was estimated at \$9,977,976. Ms. Saul provided a two-year General Fund budget trend showing revenues to be less than expenditures, making the budget not structurally balanced. One-time reductions or revenue will fill the gap in 2020; however, a significant infusion of new revenues or a reduction in expenses would be needed in 2021 and beyond. She noted sales tax was the largest revenue source for the General Fund and the projected increase in sales tax was about 0.1% from the amended 2019 budget. She noted sales tax was bolstered in 2017 and 2018 by significant construction spending, but as of October 2019, sales tax from construction spending decreased by \$169,845 or 41% from 2018. She stated sales tax growth was projected to level off in the coming year. The combined sales tax rate was 8.2%, with only 0.85% coming to the city's general services. The Chehalis Transportation District receives 0.2%. Ms. Saul stated 2020 expenditures totaled \$10,324,818, noting some of the planned expenditures that were included and some that were not included in the budget.

City Manager Anderson stated there were budget trends that were of concern, including projected retirements and their associated cash-outs in 2021, which is estimated at over \$300,000. She stated we should start planning for 2021 and beyond. In 2020, the council budget committee plans to meet quarterly and hold a city council workshop in the first half of 2020 to develop long-term planning to improve fiscal stability; develop a plan for structurally balanced budgets in 2021 and 2022; and identify

November 12, 2019

potential new revenues. She stated the city's fee schedule needs to be reviewed; positions need to be revisited as people retire; watch economic and revenue trends; and continue to monitor revenues and expenditures carefully.

Discussion was held about the city having to pay for utilities (water/sewer) used by various city buildings from the General Fund to Enterprise Funds. City Attorney Erin Hillier stated that in general, under the law and according to the State Auditor, it was required. City Manager Anderson stated staff was looking at ways to reduce those costs.

Mayor Dawes asked if any members of the public wished to comment on the 2020 proposed budget. There being no public comment, the public hearing was closed and the regular meeting was reopened at 6:14 pm.

**5. Ordinance No. 1001-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2020; Ordinance No. 1002-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2020; and Ordinance No. 1003-B, First Reading – Adopting the Proposed 2020 Budget.** Councilor Ketchum moved to pass Ordinance Nos. 1001-B, 1002-B, and 1003-B on first readings. The motion was seconded by Councilor Harris. The motion carried 5 to 1. Councilor Ketchum voted against the motion, stating he thought the city should be using some of its banked capacity.

**6. Administration Reports.**

a. **City Manager Update.** City Manager Anderson again recognized Patrick Wiltzius for all his contributions to the city. She stated the Chehalis Foundation's annual gala was November 23.

**7. Councilor Reports/Committee Updates.**

a. Councilor Harris stated he and the city manager attended a meeting with Governor Inslee to talk about affordable housing. He was able to attend the Sounders championship win!

b. Councilor Spahr stated the EDC was holding a planning session on Thursday.

c. Councilor Taylor stated he was in attendance at the Seahawks game in California against the 49ers. He stated it was an amazing game!

d. Mayor Dawes attended the November mayors meeting, which was a legislative roundtable. Items discussed related to a regional 911 center, flooding, water treatment plant and water rights, Chamber railroad bridge, and downtown revitalization. He thought the next legislative session would have much focus on the recent car tab initiative.

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)(g) – Review Performance of a Public Employee, not to exceed 6:45 pm and there would be no decision following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:26 pm. The executive session began at 6:31 pm. Following conclusion of the executive session, the regular meeting was reopened and immediately adjourned at 6:44 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:** November 25, 2019

**SUBJECT:** Vouchers and Transfers – Accounts Payable in the Amount of \$1,374,119.06

---

**ISSUE**

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

**DISCUSSION**

The November 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. 127380-127523 and Electronic Funds Transfer Nos. 1020191 and 112019 in the amount of \$1,374,119.06 dated November 15, 2019 which includes the transfer of:

- \$ 138,807.18 from the General Fund
- \$ 2,601.01 from the Dedicated Street Fund – 4% Sales Tax Fund
- \$ 896.50 from the Transportation Benefit District Fund
- \$ 87,281.25 from the 2011 G.O. Bond Fund
- \$1,564.46 from the Automotive Equipment Reserve Fund
- \$ 699.66 from the Garbage Fund
- \$ 927,293.52 from the Wastewater Fund
- \$ 89,209.86 from the Water Fund
- \$ 3,988.85 from the Storm & Surface Water Utility Fund
- \$ 113,276.77 from the Airport Fund
- \$ 8,500.00 from the Firemen’s Pension Fund

**RECOMMENDATION**

It is recommended that the City Council approve the November 15, 2019 Claim Vouchers No. 127380-127523 and Electronic Funds Transfer Nos. 1020191 and 112019 in the amount of \$1,374,119.06.

**SUGGESTED MOTION**

I move that the City Council approve the October 31, 2019 Claim Vouchers No. 127380-127523 and Electronic Funds Transfer Nos. 1020191 and 112019 in the amount of \$1,374,119.06.



**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:** November 25, 2019

**SUBJECT:** Second Public Hearing on Proposed 2020 Budget, Revenue Sources, Taxes, and Levies

---

**ISSUE**

The 2020 Proposed Budget has been prepared for consideration by the City Council. Ordinances 1001-B and 1002-B have been prepared in connection with levying property taxes for collection in 2020. A public hearing was held on November 12 and a second hearing has been scheduled to provide members of the community additional opportunity to comment on the 2020 Budget.

Since the public hearing on November 12 the fund number for the LEOFF 1 OPEB Reserve Fund has been changed from "005" to "115", classifying the fund as a special revenue fund. Some minor corrections of typos have also been made; however, these adjustments have had no impact on the budget numbers presented.

**DISCUSSION**

The Proposed 2020 Operating Budget, which includes a summary of anticipated revenues and expenditures, is available for public review at City Hall, the Finance Department, and on the City's website at [www.ci.chehalis.wa.us](http://www.ci.chehalis.wa.us).

**Ordinance No. 1001-B**

Ordinance No. 1001-B establishes the city's levies of ad valorem taxes (i.e., property taxes) for general operations, the Firemen's Pension Fund, and Emergency Medical Services (EMS). The following table shows the amounts of proposed property tax levies to be collected in 2020:

<b>Ordinance No. 1001-B</b>			
<b>2020 Property Tax Levy Amount - City of Chehalis</b>			
	<b>Regular Levy</b>	<b>EMS Levy</b>	<b>Total Levy</b>
<b>2019 Tax Year Actual Levy</b>	<b>\$ 1,580,030</b>	<b>\$ 323,048</b>	<b>\$ 1,903,078</b>
Plus Ordinance Increase:			
1% Maximum Allowed Increase (1% over 2019 Highest Lawful Levy)	18,204	3,290	21,494
<b>Total Increase Over 2019 Levy</b>	<b>\$ 18,204</b>	<b>\$ 3,290</b>	<b>\$ 21,494</b>
Plus Increase from New Construction	9,970	2,039	12,009
Plus Certification of Administrative Refunds for 2020 tax year	7,986	1,823	9,809
<b>Total Increase from New Construction &amp; Other Adjustments</b>	<b>\$ 17,956</b>	<b>\$ 3,861</b>	<b>\$ 21,817</b>
<b>2020 Total Proposed Property Tax Levy Amount</b>	<b>\$ 1,616,190</b>	<b>\$ 330,199</b>	<b>\$ 1,946,389</b>

**Ordinance No. 1002-B**

Ordinance 1002-B identifies the changes, in both the dollar amounts and percentage terms, in the City's regular property tax levy and the EMS levy for next year (2020) compared to this year (2019).

The 2020 Proposed Budget includes an increase in property revenues of \$21,494, which includes the 1% maximum allowed tax levy increase. This increase is exclusive of additional revenue resulting from new construction, property improvements, any increase in the value of state assessed property, any annexations that have occurred, and any property tax administrative refunds.

The following table shows the tax amount and percentage increase from 2019 actual property tax levies from 1% allowed increase, as well as an estimated tax increase amount for property owners, which would be \$2.86 a year *for every hundred thousand of assessed property value*.

<b>Ordinance No. 1002-B</b>					
<b>Dollar Amounts and Percentage of Changes in Property Tax Levies for 2020 from 2019</b>					
<b>Tax Levy</b>	<b>2019 Actual Levy</b>	<b>1% Maximum Allowed Increase over 2019 Highest Lawful Levy (HLL)</b>	<b>Total Amount Increase in 2020 from 2019 Levy*</b>	<b>Percent Increase from 2019</b>	<b>Estimated Tax increase for Property with \$100,000 Assessed Value</b>
Regular Levy^	\$ 1,580,030	\$ 18,204	\$ 18,204	1.152110%	\$ 2.42
EMS Levy	\$ 323,048	\$ 3,290	\$ 3,290	1.018375%	\$ 0.44
<b>Total</b>	<b>\$ 1,903,078</b>	<b>\$ 21,494</b>	<b>\$ 21,494</b>	<b>1.129408%</b>	<b>\$ 2.86</b>

\* Does not include current year add-ons such as tax levy for new construction and changes for state-assessed properties.

^ Includes \$0.225 levy per \$1,000 assessed valuation dedicated for LEOFF 1 OPEB Reserve Fund for LEOFF 1 medical benefits.

The cost of providing services to Chehalis residents and businesses continues to increase and it has become necessary to consider an increase in the property tax so that the current level of municipal services, including police and fire, can be maintained.

**RECOMMENDATION**

It is recommended that the City Council open the public hearing, accept public comment, close the public hearing and consider this information when taking action on these items, which are scheduled on this meeting agenda under "Unfinished Business" with agenda reports that provide additional information on the Budget and the related ordinances.

**SUGGESTED MOTION**

There is no motion needed after the public hearing.

**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:** November 25, 2019

**SUBJECT:** Ordinance Nos. 1001-B and 1002-B, Second and Final Readings - Adoption of Tax Levies

**ISSUE**

Ordinances 1001-B and 1002-B have been prepared in connection with levying property taxes for collection in 2020. The Ordinances are required in order to have Lewis County collect property taxes on behalf of the City and were considered on first reading at the November 12, 2019 City Council Meeting. This item has been scheduled to conduct the second reading and recommend adoption of the Ordinances. There have been no changes to the Ordinances since the first reading.

**DISCUSSION**

The 2020 Proposed Budget, which includes a summary of anticipated revenues and expenditures, is available for public review at City Hall, the Finance Department, and on the City's website: [www.ci.chehalis.wa.us](http://www.ci.chehalis.wa.us).

**Ordinance No. 1001-B** establishes the amount of the City's levies of ad valorem taxes (i.e., property taxes) to be collected in 2020 for general operations and Emergency Medical Services (EMS). The amount of revenue to be raised by ad valorem taxes for 2020 tax year for general operations is \$1,616,190 and for emergency medical services is \$330,199.

The following table shows the amounts of proposed property tax levies to be collected in 2020:

<b>Ordinance No. 1001-B</b>			
<b>2020 Property Tax Levy Amount - City of Chehalis</b>			
	Regular Levy	EMS Levy	Total Levy
<b>2019 Tax Year Actual Levy</b>	\$ 1,580,030	\$ 323,048	\$ 1,903,078
Plus Ordinance Increase:			
1% Maximum Allowed Increase (1% over 2019 Highest Lawful Levy)	18,204	3,290	21,494
<b>Total Increase Over 2019 Levy</b>	<b>\$ 18,204</b>	<b>\$ 3,290</b>	<b>\$ 21,494</b>
Plus Increase from New Construction	9,970	2,039	12,009
Plus Certification of Administrative Refunds for 2020 tax year	7,986	1,823	9,809
<b>Total Increase from New Construction &amp; Other Adjustments</b>	<b>\$ 17,956</b>	<b>\$ 3,861</b>	<b>\$ 21,817</b>
<b>2020 Total Proposed Property Tax Levy Amount</b>	<b>\$ 1,616,190</b>	<b>\$ 330,199</b>	<b>\$ 1,946,389</b>

**Ordinance 1002-B** identifies the changes, in both the dollar amounts and percentage of changes, in the City’s regular property tax levy and the EMS levy for next year (2020) compared to this year (2019).

The 2020 Proposed Budget includes an increase in property revenues of \$21,494, which includes the 1% maximum allowed tax levy increase. This increase is exclusive of additional revenue resulting from new construction, property improvements, any increase in the value of state assessed property, any annexations that have occurred, and any property tax administrative refunds.

The following table shows the tax amount and percentage increase from 2019 actual property tax levies from 1% allowed increase, as well as an estimated tax increase amount for property owners, which would be \$2.86 a year *for every hundred thousand of assessed property value*.

<b>Ordinance No. 1002-B</b>					
<b>Dollar Amounts and Percentage of Changes in Property Tax Levies for 2020 from 2019</b>					
Tax Levy	2019 Actual Levy	1% Maximum Allowed Increase over 2019 Highest Lawful Levy (HLL)	Total Amount Increase in 2020 from 2019 Levy*	Percent Increase from 2019	Estimated Tax increase for Property with \$100,000 Assessed Value
Regular Levy^	\$ 1,580,030	\$ 18,204	\$ 18,204	1.152110%	\$ 2.42
EMS Levy	\$ 323,048	\$ 3,290	\$ 3,290	1.018375%	\$ 0.44
<b>Total</b>	<b>\$ 1,903,078</b>	<b>\$ 21,494</b>	<b>\$ 21,494</b>	<b>1.129408%</b>	<b>\$ 2.86</b>

\* Does not include current year add-ons such as tax levy for new construction and changes for state-assessed properties.

^ Includes \$0.225 levy per \$1,000 assessed valuation dedicated for LEOFF 1 OPEB Reserve Fund for LEOFF 1 medical benefits.

The cost of providing services to Chehalis residents and businesses continues to increase and it has become necessary to consider an increase in the property tax so that the current level of municipal services, including police and fire, can be maintained.

**RECOMMENDATION**

It is recommended that the City Council pass Ordinance Nos. 1001-B and 1002-B on second and final readings.

**SUGGESTED MOTION**

I move that the City Council pass Ordinance Nos. 1001-B and 1002-B on second and final readings.

**ORDINANCE NO. 1001-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, DETERMINING AND FIXING THE AMOUNT OF REVENUE TO BE RAISED BY AD VALOREM TAXES DURING THE CALENDAR YEAR 2020; AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.**

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

**Section 1.** The amount of revenue to be raised by ad valorem taxes during 2020 for general city operations shall be, and the same hereby is, determined and fixed in the sum of One Million Six Hundred Sixteen Thousand One Hundred Ninety Dollars (\$1,616,190).

**Section 2.** The amount of revenue to be raised by ad valorem taxes during 2020 for emergency medical services (EMS) shall be, and the same hereby is, determined and fixed in the sum of Three Hundred Thirty Thousand One Hundred Ninety-Nine Dollars (\$330,199).

**Section 3.** The effective date of the ordinance shall be the \_\_\_\_ day of \_\_\_\_\_, 2019.

**PASSED** by the City Council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form and content:

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

**ORDINANCE NO. 1002-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,  
STATING THE AMOUNT AND PERCENTAGE OF CHANGE IN  
PROPERTY TAX LEVY IN CALEDAR YEAR 2020.**

**WHEREAS**, the City of Chehalis, Washington, properly gave notice of a public hearing held the 12<sup>th</sup> day of November 2019, to consider the city budget for 2020, including possible property tax increases and other revenues, pursuant to RCW 84.55.120; and,

**WHEREAS**, the City Council of the City of Chehalis has met and considered its budget for the calendar year 2020; and,

**WHEREAS**, the City's actual levy amounts in 2019 for general operations and Emergency Medical Services (EMS) levies were \$1,580,030.00 and \$323,048.10, respectively; and,

**WHEREAS**, the population of the City is less than 10,000; and now, therefore,

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

**Section 1.** An increase in the regular property tax levy and the emergency medical services (EMS) tax levy are hereby authorized for the levies to be collected in the 2020 tax year.

**Section 2.** The dollar amount of the increase for regular property tax levy over the actual levy amount from 2019 tax year shall be \$18,204 which is a percentage increase of 1.152110% from 2019 tax year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

**Section 3.** The dollar amount of the increase for emergency medical services (EMS) tax levy over the actual levy amount from 2019 tax year shall be \$3,290 which is a percentage increase of 1.018375% from 2019 tax year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

**PASSED** by the City Council of the City of Chehalis, Washington during 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:** Chun Saul, Finance Director  
**DATE:** November 25, 2019  
**SUBJECT:** Ordinance 1003-B, Second and Final Reading – Adopting the 2020 Proposed Budget

---

**ISSUE**

Ordinance 1003-B has been prepared for the purpose of adopting the 2020 Proposed Budget. The two property levy ordinances reflected in this budget are being presented to the City Council concurrently as the subject of a separate agenda item.

**CHANGES SINCE THE FIRST READING**

Since the first reading, the fund number for the LEOFF 1 OPEB Reserve Fund have been changed from “005” to “115”, classifying the fund as a special revenue fund and some minor corrections of typos that have had no impact on the budget numbers presented.

**SUMMARY OF PROPOSED BUDGET**

The 2020 Proposed Budget, including all funds (General Fund and Restricted Funds), presented in Ordinance 1003-B is summarized as:

Budget Summary - All Funds	2020 Proposed Budget
Total Estimated Beginning Fund Balance	\$ 21,637,126
Total Revenues and Transfers In	\$ 23,961,352
Total Expenditures and Transfers Out	\$ 26,527,123
Total Estimated Ending Fund Balance	\$ 19,071,355

The total expenditure budget, including all funds, as presented in the 2020 Proposed Budget is \$26,527,123 and is summarized by purposes as follows:

Expenditure Budget Summary - All Funds	2020 Proposed Budget
Operating purposes	\$ 18,417,540
Debt Service purposes	\$ 2,570,685
Capital purposes	\$ 5,049,905
Transfers Out	\$ 488,993
Total Expenditures & Transfers Out	<u>\$ 26,527,123</u>

For the General Fund, the 2020 Proposed Budget as presented is balanced using \$346,842 of General Fund Reserve (beginning cash).

### **BACKGROUND ON DEVELOPMENT OF THE 2020 PROPOSED BUDGET**

For the General Fund, the 2020 Draft Budget that was presented to the City Council Budget Committee for review in October was balanced using \$721,500 beginning fund balance, which means that the proposed expenditures exceed estimated revenues by \$721,500. The projected ending General Fund Reserve was only \$377,870 or 3.57% of the General Fund's operating expenditures. This was a significant concern and options for increasing the ending reserve were presented to the City Council Budget Committee, which then provided direction that is discussed below.

***Estimated Beginning Cash:*** In an effort to estimate the 2020 beginning cash more accurately based on estimated actuals, we reviewed the 2019 revenues and expenditures status as of August 2019. The prior year history for September through December was also evaluated to identify the end-of-year actual estimates for 2019 revenues, expenditures, and ending fund balance. ***This exercise led to the following assumptions:***

- The 2019 end-of-year revenue is estimated to be \$97,518 **below** the 2019 Budget projection; and
- 2019 expenditures are estimated to be \$406,457 **below** the 2019 Budget, so
- 2019 estimated ending cash has been **increased** by \$308,939.

Therefore, the beginning cash for the 2020 Draft Budget was changed from 2019 Amended Budget ending cash to 2019 estimated end-of-year cash balance to reflect a realistic ending fund balance for 2019.

*After careful review of each budget and considering options to close the gap between proposed revenues and expenditures, the Budget Committee concluded that it would be premature to make additional cuts to the budget, recognizing that it would require a corresponding reduction in services by leaving recently vacated positions in Police, Fire, and Streets unfilled. The Committee also concluded that use of a banked capacity in 2020 is not advisable, as the City may have a greater need for it in 2021.*

**Closing the Gap:** The Committee recommended closing the funding gap in the General Fund by:

- *Moving* some of the budget expenditure requests to other reserve funds, when appropriate, for a total of \$408,571 (For example, vehicle purchases were moved to the Vehicle Replacement Reserve.)
- *Reducing* the 4% sales tax transfer to the Dedicated Street Fund to 1% or by \$148,590
- *Transferring* \$45,000 from the Building Abatement Fund to the General Fund reserve.

This helped close the gap between the revenues and expenditures by \$602,161 and establish the projected ending reserve at \$752,528.

### **PROPOSED ADOPTION OF BUDGET**

The 2020 Proposed Budget presented before you is balanced using \$346,842 of the General Fund beginning reserve, with the projected ending reserve of \$752,528. However, the 2020 Proposed Budget remains structurally imbalanced, i.e. ongoing expenses are exceeding ongoing revenues. This is of significant concern because the City is currently relying on one-time revenues to fund ongoing operations, which includes salaries and benefits. This also creates tremendous financial pressure on the City moving forward.

**General Fund Operating Reserve:** If revenues and expenditures are in line with projections, the General Fund Operating Reserve will be 7.5% of General Fund revenues at the end of 2020. This is less than the 10% Reserve that the City Council has determined to be the policy goal and the Government Finance Officers Association recommends 2 months of operating expenses, which is 16.7%. So, 7.5% is not a healthy annual reserve over the long-term. Therefore, it is recommended that City Council use 2020 to assess the City' long-term financial condition and consider options for increasing revenues and reducing costs in the years to come. It is important to do this in 2020 so there is time to develop a reasonable plan to move toward a structurally balanced budget in 2021 and 2022.

The 2020 Proposed Budget document can be found on the City's website. For the convenience of the reader, the Budget Memo that accompanies the 2020 Proposed Budget, dated November 1, 2019, is attached to this agenda report. The Budget Memo provides introductory comments regarding the City's current fiscal condition and a brief summary of each fund. Staff will also be available at the City Council meeting to address any questions from the Council and the public hearing regarding the 2020 Proposed Budget. Additional changes may be made to the ordinance prior to its second reading to reflect new information and/or direction from the City Council.

### **RECOMMENDATION**

It is recommended that the City Council pass Ordinance 1003-B on second and final reading.

### **SUGGESTED MOTION**

I move that the City Council pass Ordinance 1003-B on second and final reading.

**CITY OF CHEHALIS  
2020  
PROPOSED BUDGET MEMO**



November 1, 2019

**Dear Honorable Mayor Dawes and Members of the City Council,**

The 2020 Proposed Budget was prepared to reflect a realistic assessment of the cost to maintain the current level of municipal services for the residents, businesses and visitors in the City of Chehalis. While the majority of the City's 22 separate funds are stable, the condition of the City's General Fund is less than healthy, and the 2020 Proposed General Fund Budget is balanced with one-time revenues. The proposed use of one-time revenues, such as the City's General Fund reserves, is needed because the cost of providing general municipal services has gone up faster than the revenues that can be used to pay for them. This made the review and analysis of the 2020 Draft Budget more challenging for all those involved, particularly the City Council Budget Committee. As in years past, Mayor Dennis Dawes, Mayor Pro Tem Terry Harris, and Councilor Bob Spahr invested significant time and effort to provide guidance and insights through the preliminary draft budget review process.

The 2020 Proposed Budget is the result of the work done by many members of the staff throughout the organization over the course of several months, as well as the careful review done by the City Council Budget Committee. The City's Finance Director, Chun Saul, also needs to be recognized for the large amounts of time and energy that she devoted to the preparation of a complete budget document and the accompanying financial analysis. She worked well with the department directors, managers, and program administrators and their staffs, who did a commendable job of preparing their budgets. Special thanks to Betty Brooks, Accountant; Tim McGuire, Financial Analyst (part-time); Nichole Paulis, Public Works Office Manager; and Kiley Franz, Administrative Assistant to the City Manager for the extra work that went into the preparation of the 2020 Proposed Budget.

**GENERAL FUND**

**Background**

The City's General Fund, which funds basic municipal services, including Police and Fire, had been experiencing significant increases in revenues since the depths of the recession; however, it took until 2016 to meet and just barely exceed 2008 sales tax revenues. Sales tax continued to increase in 2017 and 2018, buoyed by significant construction spending on two new schools. In 2019, the City's revenues began to level off and the City experienced a notable reduction in sales tax related to construction activity.

Unfortunately, costs continue to rise faster than revenues in all areas, particularly in the cost of providing salaries and maintaining benefits at a level near the average for similar size municipal agencies in WA to attract and retain high-quality employees. The State's Revised Code of Washington (RCW) provides legal direction on what agencies are comparable to Chehalis and provides binding arbitration for the settlement of Police and Fire collective bargaining contracts. The cost of services the City uses to conduct business have also increased, such as the cost of the 911 Communications Services which will increase 7% in 2020.

### **Budget Process**

The process of preparing the budget document begins in late July. At that time, the City departments were directed to prepare their respective draft budgets consistent with the level of service provided in 2019. After the compilation of the requests by the Finance Department, the Finance Director and I met with each department to review their 2020 proposed budget. Modifications to the initial draft budget requests were made and information was updated as more details became available.

The Preliminary Draft Budget was then prepared and distributed to the City Council Budget Committee, which met multiple times to carefully review the budgets for each Department, including those that are fully funded by enterprise funds, which can only be used consistent with legal restrictions.

### **Financial Assumptions**

For the General Fund, the 2020 Draft Budget that was presented to the City Council Budget Committee for review in October was balanced using \$721,500 beginning fund balance, which means that the proposed expenditures exceed estimated revenues by \$721,500. The projected ending General Fund Reserve was only \$377,870 or 3.57% of the General Fund's operating expenditures. This was a significant concern and options for increasing the ending reserve were presented to the City Council Budget Committee, which then provided direction that is discussed below.

***Estimated Beginning Cash:*** In an effort to estimate the 2020 beginning cash more accurately based on estimated actuals, we reviewed the 2019 revenues and expenditures status as of August 2019. The prior year history for September through December was also evaluated to identify the end-of-year actual estimates for 2019 revenues, expenditures, and ending fund balance. ***This exercise led to the following assumptions:***

- The 2019 end-of year revenue is estimated to be \$97,518 **below** the 2019 Budget projection; and
- 2019 expenditures are estimated to be \$406,457 **below** the 2019 Budget, so
- 2019 estimated ending cash has been **increased** by \$308,939.

Therefore, the beginning cash for the 2020 Draft Budget was changed from 2019 Amended Budget ending cash to 2019 estimated end-of-year cash balance to reflect a realistic ending fund balance for 2019.

*After careful review of each budget and considering options to close the gap between proposed revenues and expenditures, the Budget Committee concluded that it would be premature to make additional cuts to the budget, recognizing that it would require a corresponding reduction in services by leaving recently vacated positions in Police, Fire, and Streets unfilled. The*

*Committee also concluded that use of a banked capacity in 2020 is not advisable, as the City may have a greater need for it in 2021.*

**Closing the Gap:** The Committee recommended closing the funding gap in the General Fund by:

- *Moving some of the budget expenditure requests to other reserve funds, when appropriate, for a total of \$408,571 (For example, vehicle purchases were moved to the Vehicle Replacement Reserve.)*
- *Reducing the 4% sales tax transfer to the Dedicated Street Fund to 1% or by \$148,590*
- *Transferring in \$45,000 from the Building Abatement Fund to the General Fund reserve*

This helped close the gap between the revenues and expenditures by \$602,161 and to establish the projected ending reserve at \$752,528. The 2020 Proposed Budget presented before you is balanced using \$346,842 of the General Fund beginning reserve, with the projected ending reserve of \$752,528. However, the 2020 Proposed Budget remains structurally imbalanced, i.e. ongoing expenses are exceeding ongoing revenues. This is of significant concern because the City is currently relying on one-time revenues to fund ongoing operations, which includes salaries and benefits. This also creates tremendous financial pressure on the City moving forward.

**General Fund Operating Reserve:** If revenues and expenditures are in line with projections, the General Fund Operating Reserve will be 7.1% at the end of 2020. This is less than the 10% Reserve that the City Council has determined to be the policy goal and the Government Finance Officers Association recommends 2 months of operating expenses, which is 16.2%. So, 7.1% is not a healthy annual reserve over the long-term. Therefore, it is recommended that that City Council use 2020 to assess the City' long-term financial condition and consider options for increasing revenues and reducing costs in the years to come. It is important to do this in 2020 so there is time to develop a reasonable plan to move toward a structurally balanced budget in 2021 and in 2022.

### **Looking Ahead**

When planning for the future, there are some uncertainties in the economy that are of concern. Financial analysts report that the economy, which is in the longest recovery on record, is potentially vulnerable to a recession in 2020 or 2021. Sales Tax represents 52.4% of the City's estimated revenues, making the City particularly vulnerable to economic fluctuations. In 2020, there will be very close monitoring of revenues and expenses, along with economic trends to assess any reductions in sales tax revenue associated with consumer spending.

In the unfortunate event that there is a significant increase in unexpected expenditures and/or drop in revenues, the City will have to carefully assess its financial condition and make adjustments as early as March 2020 as we close the 2019 fiscal year. This is particularly difficult because most City services are delivered through people and about 73% of the General Fund Budget is attributed to salaries and benefits. Furthermore, 56% of expenditures are related to Police and Fire services. Therefore, if significant reductions are needed to restore structural balance to the budget, it will likely require very difficult decisions related to what level of service can be maintained over the long-term.

While the possibility of revenue reductions is sobering, the City does have some very positive revenue enhancement possibilities projected for 2021, namely the lease of 16+ acres adjacent

to I-5 for a shopping center development. The one major caveat is that development is very sensitive to the economy and could be delayed if economic indicators start to suggest that the economy is contracting. In addition, the City has a strategic goal to proceed with an annexation plan along its borders in 2020, which when completed would add residential and commercial property to the City leading to some increases in sales and property tax revenue in 2021 or 2022.

### **RESTRICTED FUNDS**

The City's restricted funds, including the City's utility enterprise funds, are generally stable. The Enterprise funds, which are legally restricted funds for the operation of the City's utilities and the airport, include budgets for needed capital projects in the City's water, sewer, and airport divisions, primarily paid for by grants and state low interest loans. The Dedicated Street Fund, which is supported through a transfer from General Fund Sales tax revenues consistent with Council policy, continues to be used to fund the program for chip sealing and crack sealing of street and road miles within city limits. However, due to financial constraints, the funding level was reduced from 4% to 1% for year 2020. The Proposed Budget includes a new reserve fund for LEOFF 1 retiree medical benefits (LEOFF 1 OPEB) with dedicating the pension levy authorized at 22.5 cents per \$1,000 assessed valuation. In addition, the City will continue to make street improvements made possible by the Transportation Benefit District, which is funded by a 0.2% increase in the sales tax approved by voters and went into effect in July 2017. Each fund is summarized in the pages that follow this budget memo and presented in detail in the body of the budget document.

### **ONGOING BUDGET CONSIDERATIONS**

Fortunately, the City is addressing its current fiscal issues while the economy is still relatively stable. However, there are some issues that will have significant budget impacts in the coming years, including the following concerns, which are also addressed in the City's Strategic Plan:

- **Facility Maintenance:** Ongoing maintenance and repair or replacement of the City's aging buildings and facilities, particularly the building of a new fire station, will continue to require investment of very limited General fund resources. The City is in the process of purchasing property that would be suitable for a new fire station and is planning to initiate preliminary architectural design in 2020. Financing of the property purchase will further strain the General Fund and it is anticipated that a voter approved levy will be needed to construct the new station. This issue can no longer be delayed because the old building can no longer be used as a fire station due to seismic and extreme weather vulnerability.
- **Vehicle Replacement:** Many of the vehicles used by General Fund activities, particularly Parks and Facilities are more than a decade old, some are nearly 30 years old, and in need of replacement. While Police patrol cars are on a regular replacement schedule, an annual appropriation is still needed and could be compromised if expenses continue to increase faster than revenues.
- **Retirements:** Planning for the tangible and intangible costs associated with the anticipated retirement of 15% of City's workforce in the next two years. This includes payments for vacation and sick leave accruals that are due to long-time employees at the time of retirement; as well as the costs to attract, train, and retain a new generation

of workers, particularly those in the fields requiring special licenses, such as public works. The Administration is aware of nine planned retirements in 2021 alone, with an estimated cost of \$310,000 to the General Fund for the associated payments due when they leave the City.

- **911 Dispatch:** The City is continuing to explore options for improving the delivery of 911 Dispatch services in cooperation with the City of Centralia and the Riverside Fire Authority (RFA), as well as Lewis County which is the current provider. Lewis County, with support from the Cities and RFA, is now working on developing a scope of work for a feasibility study of joining Thurston County Communications (TCOMM) which is a highly effective 911 service provider. Regardless of the path chosen, the costs associated with 911 will increase in the years to come, regardless of the options chosen due to the technology and infrastructure demands associated with making any changes.

### **CLOSING COMMENTS**

The budget challenges identified in the 2020 Proposed Budget being presented with this memo are very concerning and I will remain vigilant, along with the Finance Director in monitoring expenditures and revenue trends. The City Council Budget Committee plans to meet quarterly in 2020 to provide careful oversight of the situation and preliminary policy guidance as necessary. As always, financial reports will be provided throughout the year to keep the City Council informed and request policy direction as needed.

Due to the concerns about the status of the City's General Fund, I expect that there will be a City Council workshop in the first half of 2020 to consider the implications of the structural deficit and develop a plan to move toward a structurally balanced budget in 2021 and 2022. I appreciate the City Council's commitment to maintaining the current level of service in response to community expectations, while considering opportunities to reduce costs and increase revenues to achieve revenue stability with a fiscally responsible approach.

I am honored to serve you, the staff, and the community as your City Manager. Your continued support as we move through the 2020 Budget preparation process and beyond is truly appreciated. While the challenges before us are significant, I look forward to working with you to identify solutions that will serve our community now and in the years to come.

Sincerely,

*Jill Anderson*

Jill Anderson  
City Manager



## **SUMMARIES OF THE GENERAL FUND AND RESTRICTED FUNDS**

### **General Fund (Fund 001)**

The General Fund budget is \$10,324,818. The budget is balanced with a total revenue projection of \$9,977,976 and use of \$346,842 General Fund reserves (beginning cash).

**Revenues:** It is projected that overall General Fund revenues will be up by \$36,126 or 0.4% from 2019. Total tax revenues make up 87.0% of the General Fund revenues.

**Sales tax** is the largest revenue source for the City and makes up 51.6% of the 2020 General Fund revenues. The sales tax is projected to increase 0.1% over the amount estimated in the amended 2019 budget and 0.8% over the 2019 estimated year-end totals. The 0.1% estimate is based on the last three-year average revenue plus 1.5% inflation rate, which is based on the June Consumer Price Index for last ten years (average 2.08%) with an adjustment for potential reduction in consumer spending in 2020.

In 2017 and 2018, sales tax was bolstered by significant construction spending, primarily related to the building of two new elementary schools has been in April 2019. Typically, sales tax revenues from construction activities are considered one-time in nature and are recommended to be excluded from future revenue projections unless other economic or financial data can support the continued growth. During the 2019 budget preparation, it was projected that no large-scale construction will take place in 2019 and that sales tax growth was projected to level off in the coming year. However, the sales tax revenue projection in the 2019 proposed budget was not adjusted for possible sales tax revenue reduction from construction activities.

As predicted, at the end of September 2019, sales tax from aggregated construction sector has declined by \$156,100 or 41.2% from 2018. On the positive note, sales tax from non-construction sales increase by \$152,600 or 4.6% during the same period. At the close of September, the year-to-date sale tax revenue is about 1.2% or \$57,000 below the nine-month target. With the construction activities currently taking place at the Airport and Recreation Park, we are hopeful that the gap between the budget projection and actual revenue would be lessened by the end of 2019.

At this time, there is uncertainty surrounding the unknowns related to construction spending, or lack thereof in the coming year. Sales tax is closely tied to the economy which is cyclical in nature, with a downturn in the economy approximately every 10 years. The great recession occurred in 2007 to 2009, which suggests that there may be another downturn in the next 18 months (in 2020). Therefore, sales tax trends will be monitored closely.

**Property tax** is the second largest revenue source for the City and makes up about 19.4% of the 2020 General Fund revenues. Property tax revenue is projected at \$1,937,842, up by \$11,093 or 0.6% from the 2019 amended budget. The proposed budget includes the estimated 1% maximum allowed increase of \$19,031, estimated the tax levy for new construction \$15,733, and removing delinquent tax from projection. 100% of tax levy is budgeted, but typically only about 98.5% of the levy is collected in the levy year. In previous years, estimated delinquent tax collection was added to the budget projection and causing the budget being inflated by that amount.

**Utility tax** is the third largest revenue source used to fund municipal services. Utility tax revenue is projected at \$1,592,635, which is a \$16,145 or 1.0% decrease from the 2019 amended budget. 2020 utility tax revenues are projected using last three-year average collection. Telephone utility tax revenue projection shows a \$42,112 decrease from the 2019 budget.

Other revenues are expected to remain relatively stable.

**Expenditures:** The proposed budget projects expenditures of \$13,324,818, which is \$812,675 or 7.3% less than in 2019. \$630,520 of the \$812,575 is for transfers to reserve funds. The combined budgets of the Police and Fire Departments represent 56.4% of General Fund expenditures in 2020, which reflects the high priority of keeping residents and visitors in Chehalis safe.

Municipal services are delivered primarily through people, which is the largest ongoing cost to the General Fund. Salaries and benefits make up almost 73% of General Fund expenditures. The proposed expenditures reflect increases for health insurance premiums and salary and wage increases for all employees, including non-represented employees, consistent with contracts, collective bargaining agreements, and policy direction consistent with applicable State law.

**Ending Fund Balance:** The projected General Fund ending balance, also referred to as fund reserve, is estimated to be 7.5% of General Fund revenues at the end of 2020. This does not meet the City Council policy of maintaining a 10% fund reserve. Reserve funds are necessary to address unforeseen expenses, including equipment and facility repairs, as well as emergencies.

## **SUMMARIES OF RESTRICTED FUNDS**

### **Dedicated Street Fund (Fund 003)**

In 2014, the City Council adopted a policy to allocate 4% of the City's sales tax revenue is transferred to this fund to be used and accumulated for needed City street repairs and improvements. Unfortunately, the City is facing financial constraints as it enters 2020. The Budget Committee has recommended that the local sale tax contribution to this fund reduced from 4% to 1% for 2020 Proposed Budget. In 2020, it is anticipated that there will be a transfer in of \$49,530 from the General Fund, with expenditures of \$208,520. The estimated fund balance at the end of 2020 is \$54,510.

### **Building Abatement Fund (Fund 004)**

The Building Abatement Fund was established by the City Council in 2017 for the purpose of removing hazards to public health and safety and potentially address aesthetic concerns related to abandoned buildings in our community. The 2020 budget includes a \$45,000 transfer back to the General Fund as a one-time fix to help reduce the gap between revenue projections and increasing costs estimated for 2020. The estimated fund balance at the end of 2019 is \$59,665.

### **LEOFF1 OPEB Reserve Fund (Fund 005)**

The LEOFF1 OPEB Reserve Fund is created with the 2020 Budget adoption to provide funding for the LEOFF 1 retiree medical benefits. The pension levy at 22.5 cents per \$1,000 assessed

value is the main source of the funding, which is restricted by law and must be used to pay LEOFF 1 medical benefits. The 2020 Budget includes transfer in of \$166,049 from the General Fund for pension levy and \$67,500 from the Firemen's Pension Fund, with expenditures of \$223,500.

### **Arterial Street Fund (Fund 102)**

The Arterial Street Fund is a special revenue fund that accounts for the state distributed motor vehicle fuel tax (MVFT) that is restricted to be used for city street purposes. The MVTF distribution is based on population. The MVFT is the only revenue source for this fund. The City uses this fund primarily for the "oiling and chip sealing" program for our city streets. The 2020 revenue is projected at \$162,399, which is a \$3,105 or 1.9% decrease from the 2019 budget.

### **Transportation Benefit District Fund (Fund 103)**

On February 14, 2017, the voters of Chehalis approved a 0.2% increase to the sales tax to fund the Transportation Benefit District. The increase went into effect in July 2017. The use of these funds is restricted by law and must be used for specific transportation projects contained in the City's transportation improvement plan. Improvements can range from roads and transit service to sidewalks and transportation demand management. Projects may also include the operation, preservation, and maintenance of these facilities or programs.

2020 revenue is estimated at \$1,174,960 which is a \$182,442 or 18.4% increase from the 2019 budget. Total project costs budgeted in 2020 is \$1,500,000, and the estimated fund balance at the end of 2020 is \$1,695,340.

### **Tourism Fund (Fund 107)**

The Lodging Tax Advisory Committee (LTAC) requested funding for organizations that advertise and promote tourism in the City and "put heads in beds". The sole revenue source (except for interest earnings on the fund balance) for this fund is the local Hotel/Motel sales tax and special local Hotel/Motel tax. 2020 revenue is projected at \$243,6305, which is a \$17,645 or 7.8% increase from the 2019 budget. The Council approved the 2020 recommendations of the LTAC on October 14, 2019. The 2020 approved expenditures are \$342,831, including \$63,396 for the debt service payment of the 2019 L.T.G.O. for the Recreation Park renovation project. LTAC reserves will be used to fund the difference between the proposed revenues and expenditures, per the recommendation of the LTAC. The estimated fund balance at the end of 2020 is \$114,417.

### **Compensated Absences Reserve Fund (Fund 110)**

The Compensated Absences Reserve Fund was established in 1985 for the purpose of setting aside funds to be used for compensation of employees for cash outs for unused accrued leaves, approved disability leaves, approved unemployment benefits, and authorized severance pay. During the great recession of 2007-2009 and the subsequent long recovery, all funds had been expended. During 2019, the Council approved a transfer of \$100,000 to this fund from the General Fund. Ideally, an amount of money would be set aside every year to more effectively manage the one-time payments for retiring General Fund employees and potential unemployment benefit liabilities. Unfortunately, no additional funding is planned for 2020 due to financial constraints. Additionally, the 2020 Budget includes \$71,488 expenditures and \$3,640 interest revenue. The estimated fund balance at the end of 2020 is \$128,914. Additional funding

will be needed as the City anticipate several general fund employees retiring in 2021 with significant amount of cash out values.

**Community and Housing Development Block Grant Funds (Funds 195 and 197)**

The CDBG and HUD Block Grant Funds are used to provide home rehabilitation loans which were funded by the Community Development Block Grant and the Department of Housing & Urban Development Grant. The balance of the loans will be received by the City as ownership of these properties are transferred to anyone other than the loan holder. As of September 1, 2019, the outstanding loan principal on CDBG loan and HUD loan were \$81,963.91 and \$38,148.94, respectively.

No revenues are projected for 2020. The estimated fund balance for the CDBG and HUD Grant funds at the end of 2020 are \$23,958 and \$87,559, respectively. There are no plans to spend the remaining balances in 2020; however, the Council Budget Committee would like to explore how the City might best use these funds in the future consistent with any legal restriction on their use.

**G.O. Bond - Debt Service Fund (Fund 200)**

The Debt Service Fund was created to record the payments on the 2011 General Obligation Bonds. Additionally, in 2019, the City issued Limited Tax General Obligation (LTGO) Bond, 2019 for the Recreation Park renovation project. The General Fund and the two REET funds provide funds to cover the 2011 LTGO debt service and the Tourism fund provides the funds for the 2019 LTGO debt service. For 2020 total debt service expenditures are \$160,915.

**Public Facilities Reserve Fund (Fund 301)**

The Public Facilities Reserve Fund was established many years ago to set aside money over time to prepare for significant maintenance, repairs and renovation of the City's buildings, which are used to provide public services to our community. However, during the great recession of 2007-2009, and the subsequent long recovery, money was not set aside in this fund for future public facilities improvements due to a lack of funds.

During 2019, the Council approved a transfer of \$284,000 to this fund from the General Fund to set aside for future fire station land acquisition and other major facilitate maintenance or repairs. Ideally, an amount of money would be set aside every year to more effectively manage the one-time payments for vehicles and large equipment. Unfortunately, the City is facing financial constrains again as it enters 2020, there is no additional funding is provided in the 2020 Proposed Budget.

The 2020 Proposed Budget includes \$911,393 expenditures to complete the Recreation Park renovation project. The estimated fund balance at the end of 2020 is \$343,702, which is assigned for the repairs at the Library, Fire Station land acquisition, and other major general city facility maintenance.

**Automotive/Equipment Reserve Fund (Fund 302)**

This fund was established for the purpose of setting aside money on a regular basis to be able to replace the City's vehicles and equipment as needed. However, after the recession of 2007-

2009, and the subsequent long recovery, all funds had been expended. During 2019, the City Council approved the transfer of \$181,780 from the General Fund into this fund to replenish \$81,780 that was used in 2019 plus \$100,000 set aside for future needs.

Unfortunately, the City is facing financial constraints again as it enters 2020. Not only there is no additional funding provided but also a \$181,083 budget request from police and fire for vehicles and equipment were moved to this fund, with the Council Budget Committee recommendation to close the funding gap in the General Fund.

The 2020 Proposed Budget includes \$181,083 expenditures to purchase three vehicles: one police patrol car (\$40,000); one police admin car (\$25,000), and a one-ton brush fire truck (\$40,000) to reduce potential damage to the other fire engines which are not designed for off-street terrain; and an electric gurney (\$45,306) and Hurst tool (\$30,777) for the fire department

The estimated fund balance at the end of 2020 is \$50,525.

#### **First and Second Quarter Percent REET Funds (Funds 305 and 306)**

The First and Second Quarter Percent Real Estate Excise Tax (REET) Funds were established in accordance with state requirements to account for real estate excise taxes which have specific criteria for usage.

The 2020 Proposed Budget includes transfers out to fund the debt service for the 2011 General Obligation Bonds, which was issued to fund the city hall acquisition cost.

The 2019 projected revenues and expenditures for the First Quarter Percent REET fund are \$112,980 and \$39,982, respectively, with an estimated fund balance of \$200,975 at the end of 2020.

The 2020 projected revenues and expenditures for the Second Quarter Percent REET fund are \$113,300 and \$33,156, respectively, with an estimated fund balance of \$224,228 at the end of 2020.

#### **Garbage Fund (Fund 402)**

This fund is used to account for the revenues and expenditures associated with the City's organic waste disposal site at Stan Hedwall park. For 2020, the projected revenue is \$6,730 and expenditures is \$6,610, with an ending fund balance of \$8,336.

#### **Wastewater Fund (Fund 404)**

The 2020 revenues for the Wastewater Fund are projected to be \$5,580,395, and expenditures are projected to be \$5,124,563. The projected fund balance at the end of 2020 is \$5,245,881.

#### **Water Fund (Fund 405)**

The 2020 revenues for the Water Fund are projected to be \$3,208,280, and expenditures are projected to be \$4,672,394 which includes one-time expenditures of \$2,043,965 for capital projects. The projected fund balance at the end of 2020 is \$5,731,957.

#### **Storm & Surface Water Utility Fund (Fund 406)**

The Storm & Surface Water Utility Fund provides planning, construction, operation and maintenance of the City's storm drainage system. In 2020, the projected revenues are \$735,695 with planned expenditures of \$682,833, including one-time expenditures of \$175,200 for capital outlays. The projected fund balance at the end of 2020 is \$1,444,407.

**Airport Fund (Fund 407)**

This fund is dedicated and restricted to the operation of the Chehalis-Centralia Airport. In 2020, the projected revenues are \$4,423,173, including one-time FAA grant funding for the Taxiway Realignment project in the amount of \$2,644,795. Total expenditures are estimated at \$4,429,286, including one-time expenditures of \$2,939,678 for the Taxiway Realignment grant funded project as well as capital equipment acquisition. The estimated fund balance at the end of 2019 is \$516,969.

**Firemen's Pension Fund (Fund 611)**

This fund is restricted to payments for supplemental or "excess pension benefits" to retirees who had pre-LEOFF service credits. LEOFF is the acronym for Law Enforcement Officers' and Fire Fighters' Retirement System.

In October 2019, an actuarial valuation of the City of Chehalis Firefighter's Pension Fund was performed by Milliman, Inc. The actuarial valuation report provided that the current assets as of January 1, 2019 is sufficient to pay all future FPF pension benefits and that the Fund is larger than the value of the expected FPF pension benefits, and a portion of the excess could be used to pay these benefits. The report further recommended that use of the excess fund limited to \$78,000 per year over the next 10 years.

The 2020 Proposed Budget includes \$12,770 for pension benefits and \$67,500 transfer out to the LEOFF1 OPEB reserve fund for medical benefits. The pension levy is no longer received in this fund as the actuarial valuation provided that the Fund has sufficient fund to pay all future pension benefits, thus, with the Council Budget Committee recommendation, the 2020 projected pension levy is budgeted in the LEOFF1 OPEB reserve fund. The fire insurance premium tax is budgeted for \$13,550.

The projected fund balance at the end of 2020 is \$970,716.

**City Agency Fund (Fund 633)**

This fund was established to account for the funds received by the Municipal Court that are owed to a person or an agency. They are held in this fund until it can be determined what disbursements need to be made and to whom. The fund was first established when the City converted to the cash basis of accounting. For 2020, projected revenues and expenditures are \$275,340 and \$272,510, respectively, with the estimated balance of \$12,734 at the end of 2020.

#####

**ORDINANCE NO. 1003-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS,  
WASHINGTON, ADOPTING THE BUDGET OF THE CITY  
OF CHEHALIS FOR THE YEAR 2020 AND PROVIDING  
FOR THE EFFECTIVE DATE HEREOF.**

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

**Section 1.** Attached hereto and identified as Exhibit "A," in summary form, are the total of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined for the budget of the City for 2020, and by this reference said Exhibit "A," showing a total estimated ending fund balance of \$19,071,355 is incorporated herein as if set forth in full and the same is hereby adopted in full.

**Section 2.** This ordinance is a legislative act delegated by statute to the City Council of the City of Chehalis, is not subject to referendum and shall take effect the \_\_\_\_ day of \_\_\_\_\_, 2019.

**PASSED** by the City Council of the City of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form and content:

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

**Ordinance 1003-B  
Exhibit "A"**

**2020 BUDGET SUMMARY - ALL FUNDS**

FUND NO.	FUND NAME	ESTIMATED BEGINNING FUND BALANCE 01/01/2020	REVENUES	TRANSFER IN	TOTAL RESOURCES	EXPENDITURES	TRANSFER OUT	ESTIMATED ENDING FUND BALANCE 12/31/2020	INCREASE (DECREASE) IN FUND BALANCE	% CHANGE
001	General Fund	\$ 1,099,370	\$ 9,932,976	\$ 45,000	\$ 11,077,346	\$ 10,084,859	\$ 239,959	\$ 752,528	\$ (846,842)	-31.5%
003	Dedicated Street Fund	203,450	3,050	49,530	256,030	201,520	-	54,510	(148,940)	-73.2%
004	Building Abatement Fund	103,065	1,600	-	104,665	-	45,000	59,665	(43,400)	-42.1%
102	Arterial Street Fund	122,264	162,399	-	284,663	166,019	-	118,644	(3,620)	-3.0%
103	Transportation Benefit District Fund	2,020,380	1,174,960	-	3,195,340	1,500,000	-	1,695,340	(325,040)	-16.1%
107	Tourism Fund	213,618	243,630	-	457,248	279,435	63,396	114,417	(99,201)	-46.4%
110	Compensated Absences Reserve Fund	196,762	3,640	-	200,402	71,488	-	128,914	(67,848)	-34.5%
115	LEOFF 1 OPEB Reserve Fund	-	-	233,549	233,549	223,500	-	10,049	10,049	0.0%
195	Community Development Block Grant Fund	24,478	480	-	24,958	1,000	-	23,958	(520)	-2.1%
197	HUD Block Grant Fund	87,839	1,720	-	89,559	2,000	-	87,559	(280)	-0.3%
200	General Obligation Bond Fund	1	-	160,914	160,915	160,915	-	-	(1)	-100.0%
301	Public Facilities Reserve Fund	1,246,695	8,400	-	1,255,095	911,393	-	343,702	(902,993)	-72.4%
302	Automotive/Equipment Reserve Fund	227,968	3,640	-	231,608	181,083	-	50,525	(177,443)	-77.8%
305	First Quarter REET Fund	127,977	112,980	-	240,957	-	39,982	200,975	72,998	57.0%
306	Second Quarter REET Fund	144,084	113,300	-	257,384	-	33,156	224,228	80,144	55.6%
402	Garbage Fund	8,216	6,730	-	14,946	6,610	-	8,336	120	1.5%
404	Wastewater Fund	4,790,049	5,580,395	-	10,370,444	5,124,563	-	5,245,881	455,832	9.5%
405	Water Fund	7,196,071	3,208,280	-	10,404,351	4,672,394	-	5,731,957	(1,464,114)	-20.3%
406	Storm and Surface Water Fund	1,391,545	735,695	-	2,127,240	682,833	-	1,444,407	52,862	3.8%
407	Airport Fund	1,403,454	1,872,094	-	3,275,548	1,483,238	-	1,792,310	388,856	27.7%
611	Firemen's Pension Fund	1,019,936	31,050	-	1,050,986	12,770	67,500	970,716	(49,220)	-4.8%
633*	Agency Fund	9,904	275,340	-	285,244	272,510	-	12,734	2,830	28.6%
<b>TOTALS</b>		<b>\$ 21,637,126</b>	<b>\$ 23,472,359</b>	<b>\$ 488,993</b>	<b>\$ 45,596,478</b>	<b>\$ 26,038,130</b>	<b>\$ 488,993</b>	<b>\$ 19,071,355</b>	<b>\$ (2,565,771)</b>	<b>-11.9%</b>

\*Fund 633 is an Agency Fund which the city holds funds as a custodian for a period of time. This money does not belong to the City.



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**BY:** Chun Saul, Finance Director

**MEETING DATE:** November 25, 2019

**SUBJECT:** Ordinance No. 1004-B, First Reading – Amending the 2019 Annual Budget

---

**ISSUE**

Ordinance No. 1004-B, amending the 2019 budget, is hereby submitted to reflect the changes in estimates and actual activity of the city since the second amendment of the 2019 budget in July. This ordinance is necessary to ensure compliance with state appropriation requirements and to document adjustments to the 2019 budget.

**DISCUSSION**

In April of this year, Ordinance No. 997-B was adopted to amend the 2019 budget, which was the first budget amendment of the year. Ordinance No. 1000-B was adopted to amend the 2019 budget for the second time in July.

This proposed ordinance is the third amendment to the 2019 budget. The attached spreadsheet (Exhibit A-1) provides information on a line-by-line basis, as well as summary information of the proposed budget amendments by fund. The net total city-wide increase in fund balance associated with the third budget amendment is \$519,857. The proposed budget amendments by fund are summarized below:

Fund Name	Revenues Increase (decrease)	Transfers In Increase (decrease)	Expenditures Increase (decrease)	Transfers Out Increase (decrease)	Net Increase (decrease) in Fund Balance
General Fund	\$ 15,000		\$ 31,640	\$ 75	\$ (16,715)
Transportation Benefit District Fund	225,963		19,196		206,767
Tourism Fund	28,000		-		28,000
G.O Bond Fund	-	300	-	300	-
Public Facilities Reserve Fund	12,750		33,360		(20,610)
First Quarter REET Fund	-		123		(123)
Second Quarter REET Fund	-		102		(102)
Wastewater Fund	125,600		-		125,600
Water Fund	140,200		29,200		111,000
Storm & Surface Water Fund	(57,100)		15,410		(72,510)
Airport Fund	183,300		16,250		167,050
Firemen's Pension Fund	-		8,500		(8,500)
<b>Total</b>	<b>\$ 673,713</b>	<b>\$ 300</b>	<b>\$ 153,781</b>	<b>\$ 375</b>	<b>\$ 519,857</b>

**General Fund:**

The proposed budget amendment includes \$15,000 increase in revenues and \$31,715 increase in expenditures and transfers out, resulting in net decrease in the General Fund's fund balance by \$16,715.

The revenue increase of \$15,000 is to adjust interest earnings budget to reflect more to actual. The current budget amount is \$8,690, and the estimated investment interest earnings at year-end is \$23,690.

Total net increase in expenditures and transfers out budget of \$31,715 is summarized below:

General Fund Department	Additional Appropriations Requested	Budget Adjustments for Indirect Cost Allocation (Contra Expenses)	Net Increase (decrease) in Fund Balance
City Manager	\$ 2,020	\$ 8,700	\$ 10,720
Finance	3,170	-	3,170
Legal Services (City Attorney)	-	3,550	3,550
Non-departmental	75	(11,700)	(11,625)
Human Resources	45,000	(36,700)	8,300
Police	6,000	-	6,000
Fire	11,600	-	11,600
<b>Total General Fund</b>	<b>\$ 67,865</b>	<b>\$ (36,150)</b>	<b>\$ 31,715</b>

Certain general fund departments provide administrative support services to all city funds and departments. These departments include City Council, City Manager, City Clerk, Legal Services/City Attorney, Finance, Human Resources, and Non-Departmental. These departments' expenditures are allocated based on certain allocation factors (i.e., agenda items, budget, FTEs, number of email users, revenue receipts, and voucher payments, etc.). The amounts allocable to the City's enterprise funds (utilities and Airport funds) are charged out to

those funds. Contra expenses are the portion of expenses that are allocated (charged out) to other funds and show as negative expenditures (reduction of expenditures) in the fund that provided the services. Positive adjustments to the budget means reducing the cost allocation amount, thus increasing the expenditures.

- City Manager department budget increase of \$2,020 is to adjust salary and benefits budget to reflect more to actual. The 2019 adopted budget was slightly lower than actual. Budget adjustment for contra expense is needed to reflect more to actual YTD activities.
- Finance department requests \$3,170 for the purchase of a dedicated server for the AP Vendor ACH payment program.
- Non-departmental department requests additional transfers out budget of \$75 to G.O. Bond fund for General Fund share of the \$300 annual debt service fees. Cost allocation to enterprise funds for city-wide network maintenance, Office 365 and Antivirus software license renewal fees are projected at \$11,700, which was not included in the original budget.
- Human Resources department requests \$45,000 budget increase for professional services for the cost of negotiating the Fire, Police and Non-Uniformed personnel collective bargaining agreements, as well as the cost of professional services to deal with other personnel issues. The professional services budget was increased by \$70,000 in July, and additional funding is needed as the Administration is currently in mediation with all three labor union groups. Total 2019 budget for professional services, including this amendment, will be \$135,000. Additional cost allocation to enterprise funds is estimated at \$36,700 largely due to increase in professional services expenditures for collective bargaining agreement negotiations.
- Police department has requested \$6,000 additional budget for purchase of exterior ballistic vests for police officers. This was approved by City Council in September 2019.
- Fire department requests \$11,600 additional budget which includes \$5,000 for professional services for medical program director services and \$6,600 for unanticipated repairs to the fire chief vehicle due to an accident. The City has recovered this cost through insurance reimbursement.

The ending cash (fund balance) of the General Fund at the end of 2019 is estimated at \$773,716, which is about 7.7% of the General Funds' operating revenue. This is below City Council policy to maintain 10% of General Fund's operating revenues in the General Fund.

**Transportation Benefit District (TBD) Fund:**

The proposed budget amendment includes \$225,963 increase in revenues and \$19,196 increase in expenditures, with a net increase in fund balance by \$206,767.

2019 TBD sales tax revenue is projected to be \$162,000 more than original budget projection. TBD fund received \$39,963 federal grant reimbursement for Kresky Avenue resurface project. Interest earnings is expected to exceed the current budget by \$24,000.

The \$19,196 expenditure budget increase is due to National Avenue Slide Restoration project change order no. 4.

**Tourism Fund:**

A \$28,000 revenue budget increase is proposed, which includes \$23,000 for hotel/motel tax and \$5,000 for investment interest earnings, to reflect more to actual.

**G.O. Bond Fund:**

Additional transfers in of \$300 and expenditures budget of \$300 is requested, net zero impact to the fund balance. The \$300 annual debt service fee by US Bank for the City's 2011 LTGO Bond was not budgeted. Annual debt service payments and related fees are paid by the General Fund and two REET funds.

**Public Facilities Reserve Fund:**

The proposed budget amendment includes \$12,750 increase in interest revenue and \$33,360 increase in expenditures for the following: 1) \$28,360 for replacement of carpenter shop roof and preschool building roof; and 2) \$5,000 for appraisal service fees for new fire station site.

**First Quarter REET Fund:**

An additional transfer out budget of \$123 to the G.O. Bond fund is requested.

**Second Quarter REET Fund:**

An additional transfer out budget of \$102 to the G.O. Bond fund is requested.

**Wastewater Fund:**

A \$125,600 increase in revenue budget is proposed, which includes \$50,600 for Hookup/Connection fees and \$75,000 for investment interest earnings. The proposed amendment is to reflect budget more to actual.

**Water Fund:**

A \$140,200 increase in revenue budget and \$29,200 increase in expenditures budget is proposed.

The proposed revenue budget amendment includes \$42,200 for Hookup/Connection fees and \$98,000 for investment interest earnings, to reflect budget more to actual.

The \$29,200 proposed increase in expenditures is to reflect the indirect cost allocation budget (contra expense offsets) for administrative support services provided by the general fund to the water fund more to YTD actual activities.

**Storm and Surface Water Fund:**

A \$57,100 decrease in revenue budget and \$15,410 increase in expenditures budget is proposed.

Storm water rate fee revenue projection in the original adopted budget is \$80,000 higher than year-end estimate based on YTD activities. Whereas, Hookup/Connection fee revenue and investment interest earnings will exceed the original budget projections by \$22,900.

A \$15,410 increase in expenditures budget is requested to adjust the indirect cost allocation from the general fund and from water fund, to reflect more to YTD actual activities.

**Airport Fund:**

The proposed budget amendment includes \$183,300 increase in revenues which includes: 1) \$162,300 for fuel sales; and 2) \$21,000 investment interest earnings, to reflect more to actual.

A \$16,250 increase in expenditures budget request includes \$12,300 for indirect cost allocation from the general fund and \$3,950 for sales tax remittance increase due to fuel sales increase.

**Firemen's Pension Fund:**

The proposed budget amendment includes \$8,500 additional budget for professional services for pension fund actuarial valuation that was approved by City Council in October.

**RECOMMENDATION**

It is recommended that the City Council pass Ordinance No. 1004-B on first reading.

**SUGGESTED MOTION**

I move that the City Council pass Ordinance No. 1004-B on first reading.

Fund No. and Name	Account Name	Reason for Amendment	2019 Amended Budget	Revenue Increase (Decrease)	Transfers In	Expenditure Increase (Decrease)	Transfers Out	Total Amendment Increase (Decrease)	Recommended Amended Budget
<b>Fund 001 - General Fund</b>									
Revenues:									
001.361.011.00	Interest Earnings	Adjust budget to reflect to actual	8,690	15,000	-	-	-	15,000	23,690
<b>Total General Fund Revenues &amp; Transfers In</b>			<b>10,123,662</b>	<b>15,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>10,138,662</b>
Expenditures:									
001.D1.513.010.11.00	Salaries & Wages	City Manager COLA increase not budgeted	148,521	-	-	620	-	620	149,141
001.D1.513.010.21.00	Personnel Benefits	Adjust budget to reflect actual.	53,435	-	-	1,400	-	1,400	54,835
001.D1.513.019.1C.00	Wage Contra Expense	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	(60,608)	-	-	2,000	-	2,000	(58,608)
001.D1.513.019.2C.00	Benefits Contra Expense	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	(25,812)	-	-	1,200	-	1,200	(24,612)
001.D1.513.019.4C.00	Services Contra Expense	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	(9,307)	-	-	5,500	-	5,500	(3,807)
<b>subtotal - City Manager</b>						<b>10,720</b>		<b>10,720</b>	
001.E1.514.023.35.000	Small Tools & Minor Equipment	Purchase of a dedicated server for AP Vendor ACH program	1,220	-	-	3,170	-	3,170	4,390
<b>subtotal - Finance</b>						<b>3,170</b>		<b>3,170</b>	
001.F1.515.049.3C.00	Supplies Contra Expense	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	(429)	-	-	250	-	250	(179)
001.F1.515.049.4C.00	Services Contra Expense	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	(34,938)	-	-	3,300	-	3,300	(31,638)
<b>subtotal - Legal Services</b>						<b>3,550</b>		<b>3,550</b>	
001.G1.518.089.3C.00	Supplies Contra Expense	Non-department net work supplies. Not budgeted	-	-	-	(500)	-	(500)	(500)
001.G1.518.089.4C.00	Services Contra Expense	IT Cost Allocation - Office 365 & Mailware. Not budgeted	-	-	-	(11,200)	75	(11,200)	(11,200)
001.G1.597.000.05.20	Transfer Out - Fund 200	US Bank annual debt service fee (General Fund share) not budgeted.	24,891	-	-	-	75	75	24,966
<b>subtotal - Non-departmental</b>						<b>(11,700)</b>	<b>75</b>	<b>(11,625)</b>	
001.G2.518.010.41.00	Professional Services	Additional attorney fees for labor union negotiations and other personnel issues.	90,000	-	-	45,000	-	45,000	135,000
001.G2.518.019.1C.00	Wage Contra Expense	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	(27,665)	-	-	(5,600)	-	(5,600)	(33,265)
001.G2.518.019.2C.00	Benefits Contra Expense	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	(10,671)	-	-	(2,000)	-	(2,000)	(12,671)
001.G2.518.019.3C.00	Supplies Contra Expense	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	(471)	-	-	-	-	-	(471)
001.G2.518.019.4C.00	Services Contra Expense	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	(2,670)	-	-	(29,100)	-	(29,100)	(31,770)
<b>subtotal - Human Resources</b>						<b>8,300</b>		<b>8,300</b>	
001.H1.521.022.35.00	Small Tools & Minor Equipment	Purchase of exterior carriers (vests). Council Approved	14,300	-	-	6,000	-	6,000	20,300
<b>subtotal - Police</b>						<b>6,000</b>		<b>6,000</b>	
001.I1.522.010.48.01	Repairs & Maint - Equipment	Repairs for Ford Explorer accident. Not budgeted.	2,000	-	-	6,600	-	6,600	8,600
001.I1.522.026.41.00	Professional Services	New Medical Program Director (MPD) Program Service Contract. Not budgeted	7,000	-	-	5,000	-	5,000	12,000
<b>subtotal - Fire</b>						<b>11,600</b>		<b>11,600</b>	
<b>Total General Fund Expenditures &amp; Transfers Out</b>			<b>11,137,493</b>	<b>-</b>	<b>-</b>	<b>31,640</b>	<b>75</b>	<b>31,715</b>	<b>11,169,208</b>
<b>Total for General Fund</b>			<b>15,000</b>	<b>15,000</b>	<b>-</b>	<b>31,640</b>	<b>75</b>	<b>(16,715)</b>	
<b>Fund 103 - Transportation Benefit District</b>									
Revenues:									
103.313.021.00	Public Transportation Tax - TBD	Adjust budget to reflect more to actual	989,691	162,000	-	-	-	162,000	1,151,691
103.333.020.20	DOT/Federal HWY Admin Grant	Grant reimbursement for Kresky Ave resurface project. Not budgeted.	-	39,963	-	-	-	39,963	39,963
103.361.011.00	Interest Earnings	Adjust budget to reflect more to actual	2,827	24,000	-	-	-	24,000	26,827
<b>Total Transportation Benefit District Fund Revenues &amp; Transfers In</b>			<b>992,518</b>	<b>225,963</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225,963</b>	<b>1,218,481</b>
Expenditures:									
103.03.595.030.65.30	Construction Project-Roadway	Natl Ave Slide Restoration Project Change Order #4. Council approved 3/13/19	825,000	-	-	19,196	-	19,196	844,196
<b>Total Transportation Benefit District Fund Expenditures &amp; Transfer out</b>			<b>1,175,000</b>	<b>-</b>	<b>-</b>	<b>19,196</b>	<b>-</b>	<b>19,196</b>	<b>1,194,196</b>
<b>Total for Transportation Benefit District Fund</b>			<b>225,963</b>	<b>225,963</b>	<b>-</b>	<b>19,196</b>	<b>-</b>	<b>206,767</b>	

Fund No. and Name	Account Name	Reason for Amendment	2019		Revenue		Expenditure		Total		
			Amended Budget	Increase (Decrease)	Increase (Decrease)	Transfers In	Increase (Decrease)	Transfers Out	Amendment Increase (Decrease)	Recommended Amended Budget	
<b>Fund 107 - Tourism</b>											
Revenues:											
107.313.031.00	Hotel/Motel Tax	Adjust budget to reflect more to actual	225,185	23,000	23,000					23,000	248,185
107.361.011.00	Interest Earnings	Adjust budget to reflect more to actual	800	5,000	5,000					5,000	5,800
	<b>Total Tourism Fund Revenues &amp; Transfers In</b>		<b>225,985</b>	<b>28,000</b>	<b>28,000</b>					<b>28,000</b>	<b>253,985</b>
	<b>Total for Tourism Fund</b>			<b>28,000</b>						<b>28,000</b>	
<b>Fund 200 - G.O. Bond Fund</b>											
Revenues:											
200.397.000.01	Transfer In - Fund 001	2011 LTGO. US bank annual debt service fee. Not budgeted.	24,891	75	75					75	24,966
200.397.000.35	Transfer In - Fund 305	2011 LTGO. US bank annual debt service fee. Not budgeted.	40,821	123	123					123	40,944
200.397.000.36	Transfer In - Fund 306	2011 LTGO. US bank annual debt service fee. Not budgeted.	33,851	102	102					102	33,953
	<b>Total G.O Bond Fund Revenues &amp; Transfers In</b>		<b>99,563</b>	<b>300</b>	<b>300</b>					<b>300</b>	<b>99,863</b>
Expenditures:											
200.00.592.014.89.00	Other Interest & Debt Service Cost	2011 LTGO. US Bank annual debt service fee. Not budgeted.	99,563	300	300					300	99,863
	<b>Total G.O Bond Fund Expenditures and Transfers Out</b>		<b>99,563</b>	<b>300</b>	<b>300</b>					<b>300</b>	<b>99,863</b>
	<b>Total for G.O. Bond Fund</b>			<b>300</b>	<b>300</b>						
<b>Fund 301 - Public Facilities Reserve Fund</b>											
Revenues:											
301.361.011.00	Interest Earnings	Adjust budget to reflect more to actual	3,760	12,750	12,750					12,750	16,530
	<b>Total Public Facilities Reserve Fund Revenues &amp; Transfers In</b>		<b>4,448,276</b>	<b>12,750</b>	<b>12,750</b>					<b>12,750</b>	<b>4,481,026</b>
Expenditures:											
301.44.518.020.48.00	Repairs & Maint - Facilities	Replacement of carpenter shop building roof. Not budgeted.	-	23,815	23,815					23,815	23,815
301.44.575.050.48.00	Repairs & Maint - Facilities	Replacement of preschool building roof. Not budgeted.	-	4,545	4,545					4,545	4,545
301.44.594.022.61.00	Land	Appraisal services for New Fire Station Site. Not budgeted.	-	5,000	5,000					5,000	5,000
	<b>Total Public Facilities Reserve Fund Expenditures &amp; Transfers Out</b>		<b>4,455,608</b>	<b>33,360</b>	<b>33,360</b>					<b>33,360</b>	<b>4,498,968</b>
	<b>Total for Public Facilities Reserve Fund</b>			<b>12,760</b>	<b>12,760</b>					<b>(20,610)</b>	
<b>Fund 305 - First Quarter Percent REET Fund</b>											
Expenditures:											
305.44.597.000.05.20	Transfer Out - Fund 200	US Bank annual service fee not budgeted.	40,821	-	-			123		123	40,944
	<b>Total First Quarter Percent REET Fund Expenditures and Transfers Out</b>		<b>40,821</b>	<b>-</b>	<b>-</b>			<b>123</b>		<b>123</b>	<b>40,944</b>
	<b>Total First Quarter Percent REET Fund</b>							<b>123</b>		<b>(123)</b>	
<b>Fund 306 - Second Quarter Percent REET Fund</b>											
Expenditures:											
306.44.597.000.05.20	Transfer Out - Fund 200	US Bank annual service fee not budgeted.	33,851	-	-			102		102	33,953
	<b>Total Second Quarter Percent REET Fund Expenditures and Transfers Out</b>		<b>33,851</b>	<b>-</b>	<b>-</b>			<b>102</b>		<b>102</b>	<b>33,953</b>
	<b>Total Second Quarter Percent REET Fund</b>							<b>102</b>		<b>(102)</b>	
<b>Fund 404 - Wastewater Fund</b>											
Revenues:											

Fund No. and Name	Account Name	Reason for Amendment	2019		Revenue		Expenditure		Total	
			Amended Budget	Increase (Decrease)	Increase (Decrease)	Transfers In	Transfers Out	Amendment Increase (Decrease)	Recommended Amended Budget	
404.343.050.30	Utility Hook Up/Connection	Adjust budget to reflect more to actual	48400	50,600	-	-	-	-	50,600	99,000
404.361.011.00	Interest Earnings	Adjust budget to reflect more to actual	29,130	75,000	-	-	-	-	75,000	104,130
Total Wastewater Revenues & Transfers In			5,472,262	125,600	-	-	-	-	125,600	5,597,862
<b>Total Wastewater Fund</b>				<b>125,600</b>					<b>125,600</b>	

**Fund 405 - Water Fund**

<b>Revenues:</b>										
405.343.040.30	Utility Hook Up/Connection	Adjust budget to reflect more to actual	94,440	42,200	-	-	-	-	42,200	136,640
405.361.011.00	Interest Earnings	Adjust budget to reflect more to actual	40,710	98,000	-	-	-	-	98,000	138,710
Total Water Fund Revenues & Transfers In			2,886,421	140,200	-	-	-	-	140,200	3,026,621
<b>Expenditures:</b>										
405.10.534.091.1A.00	Water Wages Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	57,570	12,000	-	-	-	-	12,000	69,570
405.10.534.091.2A.00	Water Benefits Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	30,040	7,000	-	-	-	-	7,000	37,040
405.10.534.091.3A.00	Water Supplies Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	970	1,200	-	-	-	-	1,200	2,170
405.10.534.091.4A.00	Water Services Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	18,890	15,000	-	-	-	-	15,000	33,890
405.10.534.071.1C.00	Water Wages Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	(80,010)	(1,000)	-	-	-	-	(1,000)	(81,010)
405.10.534.071.2C.00	Water Benefits Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	(52,300)	(2,000)	-	-	-	-	(2,000)	(54,300)
405.10.534.071.4C.00	Water Services Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	(25,360)	(3,000)	-	-	-	-	(3,000)	(28,360)
Total Water Fund Expenditures			4,272,555	29,200	-	-	-	-	29,200	4,301,755
<b>Total for Water Fund</b>				<b>140,200</b>					<b>140,200</b>	

**Fund 406 - Storm & Surface Water Fund**

<b>Revenues:</b>										
406.343.010.01	Single Family Residential	Adjust budget to reflect more to actual	246,340	(30,000)	-	-	-	-	(30,000)	216,340
406.343.010.02	Closed Non-Single Family Residential	Adjust budget to reflect more to actual	435,740	(50,000)	-	-	-	-	(50,000)	385,740
406.343.010.30	Utility Hook Up/Connection	Adjust budget to reflect more to actual	2,100	5,900	-	-	-	-	5,900	8,000
406.361.011.00	Interest Earnings	Adjust budget to reflect more to actual	9,570	17,000	-	-	-	-	17,000	26,570
Total Storm Water Fund Revenues & Transfers In			800,770	(57,100)	-	-	-	-	(57,100)	743,670
<b>Expenditures:</b>										
406.06.531.091.1A.00	Storm Water Wages Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	14,430	3,500	-	-	-	-	3,500	17,930
406.06.531.091.2A.00	Storm Water Benefits Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	7,790	1,500	-	-	-	-	1,500	9,290
406.06.531.091.3A.00	Storm Water Supplies Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	250	400	-	-	-	-	400	650
406.06.531.091.4A.00	Storm Water Services Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	4,940	4,000	-	-	-	-	4,000	8,940
406.06.531.099.1A.00	Storm Water Wages Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	27,710	4,000	-	-	-	-	4,000	31,710
406.06.531.099.2A.00	Storm Water Benefits Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	16,900	2,010	-	-	-	-	2,010	18,910
Total Storm Water Fund Expenditures			786,626	15,410	-	-	-	-	15,410	801,936
<b>Total Stormwater Fund</b>				<b>(57,100)</b>					<b>(57,100)</b>	

**Fund 407 - Airport Fund**

<b>Revenues:</b>										
407.344.050.00	Fuel Sales	Increase in fuel sales. Adjust budget to reflect more to actual	470,073	150,000	-	-	-	-	150,000	620,073
407.361.011.00	Interest Earnings	Adjust budget to reflect more to actual	3,140	21,000	-	-	-	-	21,000	24,140
407.389.030.04	Due to State - Sales Tax	Increased fuel sales. Adjust budget to reflect more to actual	39,032	12,300	-	-	-	-	12,300	51,332
Total Airport Fund Revenues & Transfers In			4,423,173	183,300	-	-	-	-	183,300	4,606,473
<b>Expenditures:</b>										
407.09.546.091.4A.00	Airport Services Contra Offsets	Review of Contra Expense (Indirect Cost Allocation)-Reflects more to actual	21,680	3,950	-	-	-	-	3,950	25,630



Fund No. and Name	Account Name	Reason for Amendment	2019		Revenue		Expenditure		Total		Recommended
			Amended Budget	Amended Budget	Increase (Decrease)	Transfers In	Transfers Out	Increase (Decrease)	Increase (Decrease)	Amended Budget	
407.09.569.030.00.04	Due to State - Sales Tax	Increased fuel sales. Adjust budget to reflect more to actual	40,000	40,000	-	-	12,300	-	12,300	-	52,300
Total Airport Fund Expenditures			4,430,060	4,430,060	-	-	16,250	-	16,250	-	4,446,310
Total for Airport Fund				183,300	-	-	16,250	-	167,050	-	

**Fund 611 - Firemen's Pension Fund**

Expenditures:

611.36.517.020.41.00	Professional Services	Pension Fund Actuarial Valuation Service, Approved by Council on 10/14/19.	-	-	-	-	8,500	-	8,500	8,500	8,500
Total Firemen's Pension Fund Expenditures			78,500	78,500	-	-	8,500	-	8,500	8,500	87,000
Total for Firemen's Pension Fund							8,500		(8,500)		
Total Amendment for City-wide All Funds						673,713	300	153,656	300	519,867	

**ORDINANCE NO. 1004-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING THE 2019 FISCAL YEAR BUDGET ADOPTED BY ORDINANCE NO. 995-B BY REVISING THE BUDGETED AMOUNTS BY A COMBINED TOTAL OF FIVE HUNDRED NINETEEN THOUSAND EIGHT HUNDRED FIFTY SEVEN (\$519,857) FOR THE GENERAL FUND, TRANSPORTATION BENEFIT DISTRICT FUND, TOURISM FUND, GENERAL OBLIGATION BOND FUND, PUBLIC FACILITIES RESERVE FUND, FIRST QUARTER REET FUND, SECOND QUARTER REET FUND, WASTEWATER FUND, WATER FUND, AIRPORT FUND, AND FIREMEN'S PENSION FUND AND DIRECTING THE FINANCE DIRECTOR TO EFFECT THE BUDGET AMENDMENTS HEREIN PROVIDED.**

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

**Section 1.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the General Fund's revenues by \$15,000, increase appropriations by \$31,640, and increase transfers-out by \$75.

**Section 2.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the Transportation Benefit District Fund's revenues by \$225,963 and increase appropriations by \$19,196.

**Section 3.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the Tourism Fund's revenues by \$28,000.

**Section 4.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the General Obligation Bond Fund's transfers in by \$300 and increase the appropriations by \$300.

**Section 5.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the Public Facilities Reserve Fund's revenues by \$12,750 and increase appropriations by \$33,360.

**Section 6.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the First Quarter REET Fund's transfers out by \$123.

**Section 7.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the Second Quarter REET Fund's transfers out by \$102.

**Section 8.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the Wastewater Fund's revenues by \$125,600.

**Section 9.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the Water Fund's revenues by \$140,200 and increase appropriations by \$29,200.

**Section 10.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to decrease the Storm and Surface Water Fund's revenues by \$57,100 and increase appropriations by \$15,410.

**Section 11.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the Airport Fund's revenues by \$183,300 and increase appropriations by \$16,250.

**Section 12.** The annual budget of the city for the calendar year 2019 shall be, and the same hereby is, amended so as to increase the Firemen's Pension Fund's appropriations by \$8,500.

**Section 13.** Attached hereto and identified as Exhibit A, in summary form, are the total of estimated revenues, transfers-in, expenditures, and transfers-out for each separate fund and the aggregate totals for all such funds combined for the city for the amended 2019 budget which shows a total estimated ending fund balance of \$17,991,770.

**PASSED** by the City Council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this \_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Mayor

Attest:

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

Approved as to form and content:

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

**Exhibit "A"**  
**CITY OF CHEHALIS THIRD AMENDED 2019 BUDGET**  
**2019 BUDGET SUMMARY REVISED WITH ORDINANCE NO. 1004-B**

FUND NO.	FUND NAME	BEGINNING CASH	REVENUES	TRANSFERS IN	EXPENDITURES	TRANSFERS OUT	ESTIMATED ENDING CASH	CASH BALANCE CHANGE FROM BEGINNING TO ENDING	ENDING CASH % CHANGE
001	General Fund	\$ 1,804,262	\$ 10,058,662	\$ 80,000	\$ 10,298,654	\$ 870,554	\$ 773,716	\$ (1,030,546)	-57.1%
003	Dedicated Street Fund	163,772	710	198,808	172,520	-	190,770	26,998	16.5%
004	Building Abatement Fund	101,209	330	80,000	-	80,000	101,539	330	0.3%
102	Arterial Street Fund	125,142	165,504	-	170,218	5,432	114,996	(10,146)	-8.1%
103	Transportation Benefit District Fund	1,110,158	1,218,481	-	1,194,196	-	1,134,443	24,285	2.2%
107	Tourism Fund	363,943	253,985	-	223,435	182,000	212,493	(151,450)	-41.6%
110	Compensated Absences Reserve Fund	93,841	1,850	100,000	-	-	195,691	101,850	108.5%
195	Community Development Block Grant Fund	24,190	-	1,000	1,000	-	24,190	-	0.0%
197	HUD Block Grant Fund	86,259	1,420	-	1,000	-	86,679	420	0.5%
200	2011 General Obligation Bond Fund	1	-	99,863	99,863	-	1	-	0.0%
301	Public Facilities Reserve Fund	339,638	3,989,594	471,432	4,498,968	-	301,696	(37,942)	-11.2%
302	Automotive/Equipment Reserve Fund	94,311	230	181,780	81,780	-	194,541	100,230	106.3%
305	First Quarter REET Fund	62,712	106,280	-	-	40,944	128,048	65,336	104.2%
306	Second Quarter REET Fund	71,769	106,470	-	-	33,953	144,286	72,517	101.0%
402	Garbage Fund	7,706	6,745	-	7,252	-	7,199	(507)	-6.6%
404	Wastewater Fund	5,112,880	5,597,862	-	5,894,863	-	4,815,879	(297,001)	-5.8%
405	Water Fund	7,437,091	3,026,621	-	4,301,755	-	6,161,957	(1,275,134)	-17.1%
406	Storm and Surface Water Fund	1,264,662	743,670	-	801,936	-	1,206,396	(58,266)	-4.6%
407	Airport Fund	1,051,418	4,606,473	-	4,446,310	-	1,211,581	160,163	15.2%
611	Firemen's Pension Fund	877,319	191,236	-	87,000	-	981,555	104,236	11.9%
633*	Agency Fund	4,114	360,000	-	360,000	-	4,114	-	0.0%
<b>TOTALS</b>		<b>\$ 20,196,397</b>	<b>\$ 30,436,123</b>	<b>\$ 1,212,883</b>	<b>\$ 32,640,750</b>	<b>\$ 1,212,883</b>	<b>\$ 17,991,770</b>	<b>\$ (2,204,627)</b>	<b>-10.9%</b>

\*Fund 633 is an Agency Fund which the city holds funds as a custodian for a period of time. This money does not belong to the City.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**BY:** Trent Lougheed, Public Works Director

**MEETING OF:** November 25, 2019

**SUBJECT:** Resolution No. 17-2019, First and Final Reading - Contracting with Municipal Research and Services Center to Participate in MRSC Rosters Program

---

**ISSUE**

Currently, the City pays approximately \$330 annually on legal advertisements for the Engineering & Architectural, Small Works, and Vendor Rosters. These rosters have historically been managed and updated regularly by City staff and consume a considerable amount of staff time.

**DISCUSSION**

MRSC Rosters is a roster service that provides a membership database used by participating Washington public agencies to efficiently and affordably contact registered businesses about small public works construction projects, consulting opportunities, and contracting of goods or services. MRSC Rosters has no involvement in how public agency members procure services through the roster process.

MRSC serves Washington counties, cities, and special purpose districts authorized to use a roster contracting process and businesses who meet the eligibility requirements for providing services to local governments. The non-profit Municipal Research and Services Center (MRSC) provides the MRSC Rosters as part of their mission to support Washington local governments with trusted consultation, research, training, and collaboration since 1934. MRSC Rosters is a self-sustaining program that is funded by public agency membership fees, and fees from businesses when fees are applicable.

**FISCAL IMPACT**

The fee for this service is dependent on the City's Total Capital Expenditures (TCE) averaged over five years. The current fee to the City would be \$135 per year until the City reaches a TCE average of \$5M, at which time the fee will increase to \$275. Legal advertisement fees for 2019 were \$330.

It should be noted that the main benefit to the City will be the amount of staff time that will no longer be necessary to manage the City's current roster processes.

## **RECOMMENDATION**

The administration recommends that the City Council adopt Resolution No. 17-2019, a resolution declaring that the City will contract with Municipal Research and Services Center for hosting the City's Small Works Roster, the City's Architectural, Engineering and other Services Roster, and the City's Vendor Roster.

Resolution No. 6-2017 establishes an order of procedure for city council meetings and provides that resolutions having a financial impact will have two readings. *In order to the meet the December 1 deadline for entering into a contract with MRSC, it is recommended that the City Council suspend the rule requiring two readings of the resolution and adopt the resolution on first and final reading.*

## **SUGGESTED MOTION**

Motion #1: I move that the City Council suspend the rules requiring two readings of a resolution.

Motion #2: I move that the City Council adopt Resolution No. 17-2019 on first and final reading.

**RESOLUTION NO. 17-2019**

**A RESOLUTION OF THE CITY OF CHEHALIS, WASHINGTON, DECLARING THAT THE CITY WILL CONTRACT WITH MUNICIPAL RESEARCH AND SERVICES CENTER FOR HOSTING THE CITY'S SMALL WORKS ROSTER, THE CITY'S ARCHITECTURAL, ENGINEERING, AND OTHER SERVICES ROSTER, AND THE CITY'S VENDOR ROSTER.**

**WHEREAS**, RCW 39.04.155 and other laws regarding contracting for public works by municipalities, allow certain contracts to be awarded by a small works roster process; and

**WHEREAS**, Ch. 39.80 RCW and other laws regarding contracting for consulting services by municipalities allow certain contracts to be awarded by a consultant roster process; and

**WHEREAS**, RCW 39.04.190, regarding purchase of materials, supplies, or equipment not connected to a public works project, allows certain purchasing contracts to be awarded by a vendor roster process; and

**WHEREAS**, staff spends a significant amount of time advertising, reviewing, and maintaining said rosters; and

**WHEREAS**, Municipal Research and Services Center provides roster contracting services to public agencies; now, therefore,

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

**Section 1.** The City of Chehalis shall contract with Municipal Research and Service Center to provide roster contracting services for the City's Small Works Roster, Architectural, Engineering, and Other Services Roster, and Vendor Roster.

**Section 2.** Municipal Research and Services Center Rosters will be the exclusive roster for the City of Chehalis.

**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 Lougheed, Public Works Director  
Tammy Baraconi, Planning and Building Manager

**MEETING OF:** November 25, 2019

**SUBJECT:** Resolution No. 18-2019, First and Final Reading – Adjusting Fire Safety Permit Fees

**ISSUE**

Currently, the City charges a flat fee of **\$35** for all fire related permits. This includes permits for automatic sprinkler systems, fire alarms, fire control panels, etc.

The City does not have its own Fire Marshal and currently contracts with the Riverside Fire Authority (RFA) to do plan reviews and inspections for these types of fire permits. Therefore, the City's cost to review and inspect fire suppression plans and projects costs significantly more than the fee charged for the service.

**DISCUSSION**

Typically, other jurisdictions calculate plan review and inspection fees based upon valuation in the same way that building permit fees are calculated. Below is a breakdown of fire permit fees for local jurisdictions. For purposes of the example a valuation of \$100,000 investment in a fire suppression system, such as one that might be required of a commercial building.

<b>Fire Safety Fees based upon \$100,000 valuation for Fire Systems Only</b>			
<b>City/County</b>	<b>Permit/Inspection Fee</b>	<b>Plan Review Fee</b>	<b>Total fees</b>
Centralia (Riverside Fire Authority)	Flat rate (1.8%)	Flat rate	\$1,800.00 plus a \$50 Admin Fee
Tumwater	\$1345.00	Complicated formula	\$1,345.00 plus inspections
Longview	\$1,310.00	\$917.00	\$2,227.00
Kelso	\$1,284.40	\$963.30	\$2,247.70
Lewis County	\$1,304.34	\$652.17	\$1,956.51
Chehalis (currently)	Flat Rate	Flat Rate	\$35
<i>Chehalis (proposed)</i>	<i>Flat Rate 1.9%</i>	<i>Flat Rate</i>	<i>\$1,900.00</i>

Riverside Fire Authority currently charges 1.8 percent of the valuation of the fire system plus a \$50 administration fee for permits issued on behalf of Centralia. These permits are not issued by the City but rather directly from Riverside Fire Authority.

### **FISCAL IMPACT**

Currently the City pays Riverside Fire Authority a flat sum annually for fire marshal services. In 2019, that fee is \$27,500. To date, in 2019 we have had 27 permits totaling \$945 in assessed fees. This fee increase will allow the City to recover monies that will be spent in the future for fire services.

### **PROPOSED CHANGES**

It is recommended that the City Council amend the fee schedule, CMC 17, Appendix A to more accurately reflect the charges incurred by the city for fire safety permits. Staff proposes a fee of 1.9 percent that would cover plan review, inspections, and administration costs. Fire Safety Permits would be issued by the City of Chehalis.

Staff is also mindful that at times there are small projects that do not require a full fire safety permit. These types of projects would include interior modifications to shopping malls or office space that already have a fire suppression system. Because they are interior remodeling, these types of projects typically don't require a plan review, but they will require inspections. With that in mind, it is proposed that for minor fire sprinkler projects involving less than 10 sprinkler heads or modifications to existing fire panels we charge a flat rate of \$200 to cover administrative permit work and inspections. If the proposed work will require the reinspection of more than 10 sprinkler heads, the permit will be processed as a full fire safety permit.

This would not affect other fire code related permits such as fireworks stands which currently has a fee of \$100, but just those that have to do with construction related activities.

### **RECOMMENDATION**

The city's *Schedule of Fees and Charges* is codified in the Chehalis Municipal Code under Title 17, Appendix A (Uniform Development Regulations). Section 17.09.170.C provides that amendments and revisions to Appendix A be done by resolution. Therefore, it is recommended that the City Council adopt Resolution No. 18-2019 on first and final reading to modify the *Schedule of Fees and Charges* codified in the Chehalis Municipal Code under Title 17, Appendix A as follows:

- Change the current \$35 fire safety permit fee to a flat rate of 1.9% with no administrative fees added.
- Create a modified safety permit fee entitled "Minor Fire Safety Modifications Permit" for work that involves less than ten (10) sprinkler heads or modifications to existing fire panels, for a flat fee of \$200.

### **SUGGESTED MOTION**

I move that the City Council adopt Resolution No. 18-2019 on first and final reading.

**RESOLUTION 18-2019**

**A RESOLUTION OF THE CITY OF CHEHALIS, WASHINGTON, REVISING APPENDIX CHAPTER 'A' OF THE CHEHALIS UNIFORM DEVELOPMENT REGULATIONS, CODIFIED AS CHEHALIS MUNICIPAL CODE TITLE 17 AND PROVIDING FOR AN EFFECTIVE DATE HEREOF.**

**WHEREAS**, Appendix Chapter 'A' of the Uniform Development Regulations establishes the listing of fees and charges for services provided by the City of Chehalis; and

**WHEREAS**, Chehalis Municipal Code section 17.09.170.C provides that amendments and revisions to Appendix Chapter 'A' may be made by Resolution, and

**WHEREAS**, if inconsistencies are identified between Appendix Chapter 'A' and other applicable local, state, or federal requirements, said Appendix Chapter 'A' must be altered to reflect such requirements; and

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

**Section 1.** Appendix Chapter 'A' (Schedule of fees and charges) of the Uniform Development Regulations, codified in the Chehalis Municipal Code as Title 17, shall be, and the same hereby is, revised to reflect the established fees and charges listed in the attached Schedule.

**Section 2.** The effective date of this Resolution shall be \_\_\_\_\_.

**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

Uniform Development Regulations  
Appendix Chapter "A"  
Schedule of Fees and Charges

**Community Development Fees**

Most plans for which a development permit is required will be assessed a plan review fee in addition to any permit fees. The plan review fee is based on the construction cost or value of the development project, or projected staff review time; and may be a percentage of the development permit fee from the applicable code. Generally, the following formulas are used for the identified type of plan review.

- **Manufactured structure** – \$200 (per assembled structure)
- **Land Use/Zoning Plan Review**  
No plan review fee, unless variance or conditional use permit is required  
Variance permit fee \$200.00 deposit plus up to \$500 in pass-through costs  
Conditional Use permit fee \$200.00 deposit plus up to \$500 in pass-through costs
- **Public Works Variance** – \$50.00
- **Fee to restore water service** - \$50.00
- **Civil Plan Review associated with Development – 1<sup>st</sup> review** - \$50.00
- **Civil Plan Review associated with Development – each additional review** - \$25.00
- **Joint Aquatic Resource Permit Application (JARPA)**  
If Shorelines Management Act permit \$200.00 deposit plus up to \$500 in pass-through costs  
Otherwise \$200

*Plan review fees must be submitted with the application before any city plan review or approval process will be initiated. Other county, state, and federal agencies with jurisdiction may charge additional review or permitting fees.*

• **Building Permit & Plan Review Fee**

Value	'97 UBC Table 1-A	Fee
1 million+1 and up	\$5,608.75/1 <sup>st</sup> million	\$4.22 per thousand
500k+1 - 1 mill	\$3,233.75/1 <sup>st</sup> \$500k	\$5.50 per thousand
100k+1 - 500k	\$993.75/1 <sup>st</sup> \$100k	\$6.48 per thousand
50k+1 - 100k	\$643.75/1 <sup>st</sup> \$50k	\$7.00 per thousand + \$215.00
25k+1 - 50k	\$391.25/1 <sup>st</sup> \$25k	\$10.10 per thousand + \$197.00
2k + 1 - 25k	\$69.25/1 <sup>st</sup> \$2k	\$14.00 per thousand + \$33.00
500 + 1 - 2k	\$23.50/1 <sup>st</sup> \$500	Same fee as '97 UBC
1 - 500	\$23.50	Same fee as '97 UBC

- **State surcharge fee** - \$4.50 plus \$2.00 per residential unit
- **Demolition Permit** - \$28.00
- **Fire Permit**

Fire Safety Permit Fee – 1.9% of the valuation of work

Occupancy – \$15.00 initial application

Minor Fire Safety Modifications (<10 heads or panel modifications) - \$200

Annual Inspection - \$25.00

- **Fireworks Stand** - \$100 annual fee plus \$100 deposit
- **Underground Storage Tank** - \$25.00 per tank installed or removed

- **Sign Permit - For Project Cost**  

\$1 through \$2,000	\$20.00
\$ 2,001 or more	\$75.00
- **Earth Disturbing Permit (Stormwater)** -1997 UBC Table A-33-B 'Grading Permit Fees unless associated with a building permit, then no fee.
- **Right-of-Way Permit**  
For construction activity - \$50.00  
For temporary (less than 30 days) occupancy - \$50.00  
For permanent occupancy associated w/adjacent business - \$100.00 annual fee
- **House Moving Permit Plan Review Fee** - \$50.00
- **House Moving Permit** - \$200.00 plus performance bond or damage deposit of \$5,000
- **Mechanical Permit** - \$35.00
- **Plumbing Permit** - \$26.00
- **Occupancy Permit** - \$30.00
- **Occupancy Permit (No construction or R/W)** \$50.00
- **Joint Aquatic Resources Permit**  
If Shoreline Management Act permit, flood hazard zone-permit, local wetland development permit; or slope/slide/unstable soil permit - no permit fee  
If other agency involved - Other agency requirements, State of Washington surcharge - \$4.50 + \$2.00 per residential unit over one. (attached to any building permit issued)

**Appeal Fees**

- Appeal from decision of Responsible Official (SEPA) to Hearing Examiner - \$200.00 deposit plus pass-through fees up to \$500\*
- Appeal from decision of Development Review Committee member to Hearing Examiner - \$200.00 deposit plus pass-through costs up to \$500\*\*
- Appeal from decision of Shorelines Administrator to Hearing Examiner - \$200.00 deposit plus pass-through costs up to \$500\*

\* 80% of the appeal fee may be refunded to a prevailing party (appellant) upon written request, at the discretion of the Hearing Examiner.

\*\* 100% of the appeal fee shall be refunded to a prevailing party (appellant).

**Planning/Zoning Fees**

- Comprehensive Plan amendment application - no fee for first form; \$20.00 thereafter
- Comprehensive Plan amendment/PUD/Rezone - \$300.00
- Development Regulation Text Amendment (Title 17) - \$125.00
- Subdivision (preliminary plat application) - \$200.00 plus \$5.00 per lot

Subdivision (final plat application) - \$200.00 (includes filing fees at county auditor)  
Short-plat application - \$200.00 (includes filing fees at county auditor)  
Boundary line adjustment application - \$250.00 (includes filing fees at county auditor) State  
Environmental Policy Act checklist - \$200.00  
Environmental Impact Statement - \$200.00 (review only - EIS by applicant)  
Preliminary site plan review (Development Review Committee) - no fee  
Pre-submission conference (Development Review Committee) - no fee  
Preconstruction conference (Development Review Committee) - no fee  
Binding site plan fee - \$150.00, no fee for amendment

### **Business License Fees**

General business license  
Initial application fee - \$50.00  
Annual renewal fee - \$20.00  
Temporary business fee - \$25 per day

### **Other (Miscellaneous) Fees**

NSF or returned (for any reason) check or ACH fee - \$30.00  
Bicycle license - no fee  
Concealed weapons permit - \$55.25  
Fingerprinting - \$10.00 for two cards, additional \$5.00 each  
Parking permits: residential \$7.50 per month, business \$15 per month  
Sale of class A biosolids (loaded at CRWRF by city on buyer's vehicle) - \$1.00 per cubic yard  
Certified copies - \$5.00 first page, \$1.00/page thereafter for same document (may be waived if associated with city business)

The following fees and charges were incorporated into the Public Records Act ordinance passed by City Council in 2018

~~Photocopies - \$0.15 (may be waived if associated with city business and less than 50 copies)~~

~~Copy of audio Compact Disk (CD) or audio tape - \$15.00 (may be waived if associated with city business)~~

~~Scanned copy - \$1.00 (may be waived if associated with city business and less than 50 copies)~~

~~Copy of digital photos on CD - \$10.00~~

~~Copy of DVD on video disc - \$15.00~~

~~Copy of non-digital photo - \$1.00~~

~~Copy of map or public data file on Compact Disk (CD) - \$6.00~~

~~Copy of ordinance - \$3.00~~

~~City map, small - \$2.00~~

~~Blueprint/Map copies (black/white):~~

~~• up to 24x36 - \$4.00/sheet~~

~~• 24x36 - \$11.00/sheet~~

~~• over 36 x 42 - \$11.00/sheet~~

~~Blueprint/Map copies (color):~~

~~• up to 24x36 - \$11.00/sheet~~

~~• 24x36 - \$17.00/sheet~~

~~• over 36 x 42 - \$22.00/sheet~~

Installation of Hydrant Meter - \$100.00 plus \$100.00 deposit

Notary - no fee if city business; \$6.00 otherwise

Organic Dump Pass - \$40.00

Police department clearance letter - \$15.00

RV Dump Fee - \$3.00

RV Nightly Camping Fee (Including Dump Fee) - \$20.00  
 RV Showers - \$.25

**Swimming Pool Fees**

Weekend admit for 4 hours - \$5.00  
 Admit Youth - \$3.00  
 Admit Adult - \$4.00  
 Youth Pass - \$30.00  
 Adult Pass - \$40.00  
 Guard Start Book - cost of book  
 Life Guard – cost of instructor  
 Swimming Pool Private Rental for 1 hour – includes 8 staff & use of common room - \$200.00  
 Swimming Pool Private Rental for 1 hour - \$3.00 per participant up to 201 plus rent fee above  
 Swimming Pool Rental – Room plus 25 admit during open swim - \$125.00  
 Swimming Lessons - \$40.00  
 Swimming Lessons, Extra, after 2 - \$35.00  
 Swimming Lessons, Private - \$15.00  
 Swimming Lessons, Semi-private (2 or more persons) - \$12.00  
 Senior Citizen Discount (age 55 or older) - \$(1.00)

**Building Rental Fees**

VR Lee Community Building

Time of Day	Monday-Thursday	Friday	Saturday/holiday	Sunday
Daytime	\$65	\$65	N/A	\$130
Evening	\$65	\$90	N/A	\$130
All Day	\$130	\$150	\$150	\$130

Fred Hess Kitchen

Time of Day	Monday-Thursday	Friday	Saturday/holiday	Sunday
Daytime	\$35	\$35	N/A	N/A
Evening	\$45	\$50	N/A	N/A
All Day	\$80	\$85	\$85	\$80

Stan Hedwall Park Covered Shelter (all day) \$100

Stan Hedwall Park Covered Shelter (all day) including grass area \$200

Robert E. Lintott / Alexander Park Covered Shelters (all day) \$100

Robert E. Lintott / Alexander Park Covered Shelters (all day) including grass area \$200

**Airport Fees**

Fuel Overhead & Profit (Per Gallon) Profit (100LL Self-Service - \$.10

Profit (Jet A) – Market Rate

Overhead (Full Service Fuels, includes \$.10 per gallon for labor - \$.28

Overhead (Self-Service Fuels) - \$.14

Call out fees - \$75.00

Catering – (base fee + actual costs + 10% for additional services) - \$25.00



Hangar Rents

- Hangar B, C, D Units - \$102.25
- Hangar E Units - \$56.63
- Hangar F Units - \$ 70.79
- Hangar G Units - \$295.24
- Hangar J Units 1, 2 - \$102.25
- Hangar S1 12 Units - \$220.00
- Hangar N (has not been rented) - \$2,400.00
- Hangar Waiting List deposit - \$25.00
- Replacement hangar lock - \$ 25.00
- Extra hangar key - \$5.00

Ramp Tie Down Fees

- Daily - \$5.00
- Monthly - \$35.00

Property Fees

- Ground lease assignment fee - \$200.00

Rental Vehicles

- Sienna per day - \$103.30
- Sienna weekly rate - \$464.85
- Camry per day - \$72.31
- Camry weekly rate - \$353.39
- Fuel - \$9.29 per gallon or \$.422 per mile driven
- Cleaning fee (based on condition of vehicle when returned plus actual damage fees) - \$50.00

Animal Control Fees

Initial license, unsterilized dog	\$30.00
Renewal license, unsterilized dog	\$15.00
Initial license, sterilized dog	\$10.00
Renewal license, sterilized dog	\$5.00
Late license, add	\$10.00 to any required license fee
Other animal, initial license	\$5.00
Replacement licenses	\$5.00
Registration, potentially dangerous dog	\$150.00
Registration, dangerous dog	\$250.00
Registration, other animal:	
Dangerous/potentially dangerous	\$250.00
Registration for micro-chipped animal	
Not otherwise categorized	no fee
Registration, other animal	\$5.00
Late Registration, add	\$25.00 to any required registration fee
Detainment (impound) per day or part of day at municipal impound kennel	\$35.00

Detainment (impound) per day or part of day at county I impound kennel	\$50.00
Quarantine, per day or part of day	\$20.00
Disposal fee (relinquished animal)	\$50.00
Rabies testing	actual cost

[Res. 11-2014.]

DRAFT