

CHEHALIS CITY COUNCIL AGENDA

CITY HALL
350 N MARKET BLVD | CHEHALIS, WA 98532

Jerry Lord, District 1 Daryl J. Lund, District 2 Dr. Isaac S. Pope, District 4	Dennis L. Dawes, Position at Large Mayor	Anthony E. Ketchum Sr., District 3 Chad E. Taylor, Position at Large, Mayor Pro Tem Robert J. Spahr, Position at Large
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Regular Meeting of Monday, January 27, 2020 5:00 p.m.

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| <ol style="list-style-type: none"> 1. <u>Call to Order.</u> (Mayor) 2. <u>Pledge of Allegiance.</u> (Mayor) |
|---|

SPECIAL BUSINESS
3. <u>Chehalis Basin Strategy Update.</u> (J Vander Stoep)

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

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
CONSENT CALENDAR		
4. <u>Minutes of the Regular City Council Meeting of January 13, 2020.</u> (City Clerk)	APPROVE	1
5. <u>2019 Vouchers and Transfers – Accounts Payable in the Amount of \$1,100,454.94 Dated January 15, 2020.</u> (City Manager, Finance Director)	APPROVE	4
6. <u>2020 Vouchers and Transfers – Accounts Payable in the Amount of \$530,016.61 Dated January 15, 2020.</u> (City Manager, Finance Director)	APPROVE	6

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CONSENT CALENDAR - CONTINUED		
7. <u>Lease of Hangar K to Seaplane Scenics, LLC.</u> (City Manager, Public Works Director, Airport Operations Coordinator)	APPROVE	8
8. <u>Resolution No. 1-2020, First and Final Reading – Establishing a Policy for Accepting Credit and Debit Card Payments.</u> (City Manager, Finance Director)	APPROVE	40

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NEW BUSINESS		
9. <u>Naming of Recreation Park Ballfields.</u> (City Manager, Recreation Manager)	PASS	48

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ADMINISTRATION AND CITY COUNCIL REPORTS		
10. <u>Administration Reports.</u>	INFORMATION ONLY	---
a. Finance Report. (Finance Director)		58
b. City Manager update. (City Manager)		
11. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	---

EXECUTIVE SESSION		
12. Pursuant to RCW:		
a. 42.30.110(1)(c) – Minimum Price at Which Real Estate Will Be Offered for Sale/Lease		
b. 42.30.110(1)(i) – Potential Litigation		

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, FEBRUARY 10, 2020.**

January 13, 2020

The Chehalis city council met in regular session on Monday, January 13, 2020, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present: Tony Ketchum, Jerry Lord, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Staff present included: Jill Anderson, City Manager; Tammy Baraconi, Planning & Building Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Erin Hillier, City Attorney; Trent Loughheed, Public Works Director; Dale McBeth, Municipal Court Judge; Phil Neale, Hillier, Scheibmeir & Kelly; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Glenn Schaffer, Police Chief; Judy Schave, HR/Risk Manager; and Don Schmitt, Street/Storm Superintendent. Members of the news media included Celine Fitzgerald of *The Chronicle*.

1. **Swearing-in of Re-elected and Newly-elected Council Members.** Municipal Court Judge Dale McBeth administered the oaths of office to Tony Ketchum, Jerry Lord, Daryl Lund, and Dr. Isaac Pope. Each member was appointed to a four-year term expiring December 31, 2023.

2. **Election of Mayor and Mayor Pro Tem.** Mayor Dawes opened the floor for nominations for mayor. Councilor Lund nominated Dennis Dawes. The motion was seconded by Councilor Spahr. Mayor Dawes asked if there were any further nominations. Councilor Taylor moved to close the nominations. The motion was seconded by Councilor Spahr. The motion to elect Dennis Dawes as mayor carried unanimously.

Mayor Dawes opened the floor for nominations for mayor pro tem. Councilor Pope nominated Chad Taylor. The motion was seconded by Councilor Spahr. Mayor Dawes asked if there were any further nominations. Councilor Pope moved to close the nominations. The motion was seconded by Councilor Spahr. The motion to elect Chad Taylor as mayor pro tem carried unanimously.

Mayor Dawes noted both positions were for two-year terms.

3. **Proclamation – Law Enforcement Appreciation Day.** Mayor Dawes read and presented a proclamation to Chief Schaffer in honor of Law Enforcement Appreciation Day.

4. **Council Committee/Board Appointments.** Mayor Dawes distributed the list of various council committee/board assignments. The list was reviewed and all positions were filled.

5. **Citizens Business – Commissioner Edna Fund.** Commissioner Fund invited Lewis County residents to participate in Vision 2025 by taking a survey to help develop the county's five-year strategic plan. She also noted that last week at the Office of the Chehalis Basin, the Newaukum River was identified as an important spawning ground for the almost-endangered Spring Chinook. Finally, Commissioner Fund stated there was a friendly competition on New Year's Eve with several mayors around the county. She stated Mayor Dawes was challenged to participate this year by throwing Chehalis mints.

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

- a. Minutes of the regular City Council meeting of December 9, 2019;
- b. December 13, 2019 Claim Vouchers No. 127632 – 127762 and Electronic Funds Transfer No. 1120191 in the amount of \$852,458.15;
- c. December 31, 2019 Claim Vouchers No. 127763 – 127909 in the amount of \$430,811.76 and voided Check No. 127888 in the amount of \$4,565.24;
- d. December 31, 2019, Payroll Vouchers No. 41144-41178, Direct Deposit Payroll Vouchers No. 11600-11705, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 274-277 in the amount of \$905,548.81
- e. Reappointment of Ed Stanton to the Civil Service Commission for a six-year term expiring December 31, 2025;
- f. Reappointments and appointments to the Planning Commission (reappointments of Kyle McKerricher and David Fitzpatrick to four-year terms expiring December 31, 2023; and appointment of Noel Sharp to a new four-year term expiring December 31, 2023). It was noted that Michael McCowan withdrew his name for appointment;

January 13, 2020

- g. Acceptance of TIB arterial preservation grant in the amount of \$707,535 for the Main Street resurfacing project;
- h. Engineering services agreement with Gibbs and Olson in an amount not to exceed \$90,000 for design and bidding the Main Street resurfacing project;
- i. Award Kresky Avenue resurfacing project to Clark and Sons Excavating, Inc., in the amount of \$512,863.05;
- j. Supplemental agreement #1 with Skillings Connolly for construction management services for the Kresky Avenue resurfacing project; and
- k. Accept apron rehabilitation project as complete.

The motion was seconded by Councilor Ketchum.

Councilor Lund stated it was worth recognizing Ed Stanton's 38 years of service on the Civil Service Commission.

The motion carried unanimously.

7. Ordinance No. 1005-B, Second and Final Reading – Vacating Alleyway at the Corner of SW Chehalis Avenue and W Main Street. Trent Lougheed stated a public hearing was held November 25 and the council approved the vacation on December 9 by passage of the ordinance on first reading. Mr. Lougheed described the vacation, noting it was entirely adjacent to Darigold (the petitioner) property, and the only utility within the property was a private stormwater system owned by Darigold.

Councilor Pope moved to pass Ordinance No. 1005-B on second and final reading. The motion was seconded by Councilor Lund and carried unanimously.

8. Administration Reports.

a. **City Manager Update.** City Manager Anderson wished everyone a Happy New Year and congratulated newly-elected Councilor Lord, as well as reelected Councilors Ketchum, Pope, and Lund. With inclement weather in the forecast, she reminded everyone that if there are issues with streets or other concerns to contact the non-emergency dispatch line at 360-740-1105 or 9-1-1 in a life-threatening emergency. She stated the city's street crews were ready to respond.

9. Councilor Reports/Committee Updates.

a. Councilor Taylor stated he had a conversation with the City Manager about people living behind the retaining wall along Kresky Avenue near the Home Carpet Warehouse. There have also been concerns received from the Twin City Town Center complex about individuals hanging out.

Chief Schaffer stated the people living behind the retaining wall were posted and will be cleared out on Thursday. Mayor Dawes stated there is also an encampment under the Chamber Way railroad bridge. Chief Schaffer stated they are looking at areas where hazards may be involved. No trespassing signs will be posted.

Councilor Lund stated King County buys bus tickets for folks. He asked if Chehalis could do the same.

Mayor Dawes stated the city of Lacey just passed an ordinance that apparently meets the concerns of the 9th Circuit Court. He asked that a copy be obtained and sent to the city attorney and Chief Schaffer to review. He stated there have also been some incidences at the Gospel Mission on Chehalis Avenue. Chief Schaffer stated the Police Department has been there quite a few times in the last couple days.

b. Councilor Lund stated he is now the Chief Finance Officer of the stream train group.

c. Councilor Spahr attended an EDC meeting. He stated they can't say a lot when working with certain companies, but there are some things happening. He stated he is coaching the W.F. West girls bowling team right now and they are undefeated so far this year. He stated he has seen several streetlights going on and off. For everyone's information, he asked who people

January 13, 2020

should contact. City Manager Anderson stated most streetlights are owned by the PUD, but if people contact the city, staff can report those to PUD.

d. Councilor Pope stated a few years back he started a dinner for displaced youth, the homeless, and shut-ins, and this year 160 people were served. He stated the great success of the event was due to Twin Transit providing transportation. He asked if the city had a written agreement with the school district for use of facilities. If there wasn't one, he suggested one be drafted to include a process for cancelling planned events. City Manager Anderson thought there was an agreement, which was in the process of being updated.

e. Mayor Dawes attended the following: mayors meeting, Port of Chehalis ribbon cutting for their new facility; flood stakeholder update by J. Vander Stoep; Planning Commission applicant interviews; and ribbon cutting for Prime Lending in downtown Chehalis. He reminded everyone about the joint meeting with the Port of Chehalis on February 3 at 4:30 pm at city hall. He met with Larry McGee who will be providing a presentation at a future council meeting on the county Vision 2025 strategic plan. City Manager Anderson stated Caryn Foley was working to schedule that, along with scheduling a Chehalis Basin update and presentation by Joe Clark with Twin Transit.

9. **Executive Session.** Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.140(4)(b) – Collective Bargaining, not to exceed 30 minutes and there would be action following conclusion of the executive session. Mayor Dawes closed the regular meeting at 5:38 pm. The executive session began at 5:41 pm. Following conclusion of the executive session, the regular meeting was reopened at 5:55 pm. Mayor Dawes announced that no members of the public were present and the only member of the press in attendance was from *The Chronicle* and that reporter advised the City Manager that she would call tomorrow to see what the vote was about.

10. **Collective Bargaining Agreement with IAFF for 2020-2022.** Dave Luxenberg, the attorney representing the city in their labor negotiations with the IAFF reported the negotiating teams with both fire and the city have a tentative agreement for the council's consideration. The fire union has already ratified the agreement and on behalf of the city's bargaining team, he recommended the council ratify the agreement. He stated it was a three-year contract running from 2020-2022.

Councilor Ketchum moved to approve the 2020-2022 Collective Bargaining Agreement between the City and IAFF Local 2510 (Fire Personnel) and authorize the City Manager to execute the related documents. The motion was seconded by Councilor Lund and carried 6 to 0. Councilor Lord abstained from voting since he was not involved in any portion and had no prior knowledge of the contract.

There being no further business to come before the council, the meeting was adjourned at 5:57 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: January 27, 2020

SUBJECT: 2019 Vouchers and Transfers – Accounts Payable in the Amount of
\$1,100,454.94

ISSUE

City Council approval is requested for 2019 Vouchers and Transfers dated January 15, 2020.

DISCUSSION

The January 15, 2020 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 2019 Claim Vouchers No. 127910 – 128018 and Electronic Funds Transfer No. 122019 and 1220191 in the amount of \$1,100,454.94 dated January 15, 2020 which includes the transfer of:

- \$ 86,065.41 from the General Fund
- \$ 319.04 from the Dedicated Street Fund – 4% Sales Tax Fund
- \$ 7.36 from the Arterial Street Fund
- \$ 1,408.00 from the Transportation Benefit District Fund
- \$9,898.27 from the Tourism Fund
- \$ 439,646.33 from the Public Facilities Reserve Fund
- \$ 74,544.39 from the Wastewater Fund
- \$ 27,863.18 from the Water Fund
- \$ 4,287.43 from the Storm & Surface Water Utility Fund
- \$ 456,415.53 from the Airport Fund

RECOMMENDATION

It is recommended that the City Council approve the January 15, 2020 Claim Vouchers No. 127910 - 128018 and Electronic Funds Transfer Nos. 122019 and 1220191 in the amount of \$1,100,454.94

SUGGESTED MOTION

I move that the City Council approve the January 15, 2020 Claim Vouchers No. 127910 - 128018 and Electronic Funds Transfer Nos. 122019 and 1220191 in the amount of \$1,100,454.94.

**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: January 27, 2020

SUBJECT: 2020 Vouchers and Transfers – Accounts Payable in the Amount of \$530,016.61

ISSUE

City Council approval is requested for 2020 Vouchers and Transfers dated January 15, 2020.

DISCUSSION

The January 15, 2020 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 2020 Claim Vouchers No. 128019 -128084 in the amount of \$530,016.61 dated January 15, 2020 which includes the transfer of:

- \$ 272,000.91 from the General Fund
- \$ 339.00 from the LEOFF 1 OPEB Reserve Fund
- \$ 30,193.51 from the 2011 G.O. Bond Fund
- \$ 867.76 from the Automotive Equipment Reserve Fund
- \$ 100,598.27 from the Wastewater Fund
- \$ 73,302.62 from the Water Fund
- \$ 7,532.09 from the Storm & Surface Water Utility Fund
- \$ 45,182.45 from the Airport Fund

RECOMMENDATION

It is recommended that the City Council approve the January 15, 2020 Claim Vouchers No. 128019 - 128084 in the amount of \$530,016.61

SUGGESTED MOTION

I move that the City Council approve the January 15, 2020 Claim Vouchers No. 128019 - 128084 in the amount of \$530,016.61.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

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

DATE: January 27, 2020

SUBJECT: Lease of Hangar K to Seaplane Scenics, LLC

ISSUE

The Chehalis-Centralia Airport has received an offer to lease Hangar K by Seaplane Scenics, LLC.

INTRODUCTION

Seaplane Scenics, LLC proposes leasing Hangar K from the Chehalis-Centralia Airport to provide flight training, scenic and charter operations, aircraft maintenance and detailing, and aircraft sales. They have operated out of several locations including Boeing Field, Renton, and Lake Washington. James Young is the owner of the company and he has over 30 years of flying experience. James is a native of the Pacific Northwest and is looking to expand services to our airport.

TERMS OF THE PROPOSAL

The initial term of the lease proposed will be for five years. Thereafter, the tenant would have five successive terms of five years each.

FISCAL IMPACT

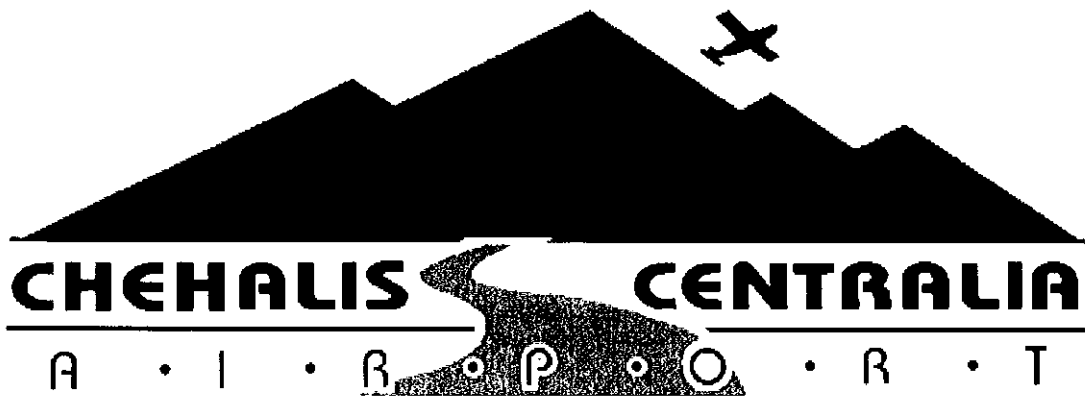
Proposed base rent for the hangar space is \$500 per month with an additional 12.84% leasehold tax for a total of \$564.20 per month. Electric utilities are not currently available to be individually metered to this hangar. Therefore, a flat fee of \$50.00 is suggested with a ten percent annual adjustment to the fee.

RECOMMENDATION

It is recommended that the City Council approve acceptance of the lease for Hangar K to Seaplane Scenics, LLC, and authorize the City Manager to execute the lease agreement.

SUGGESTED MOTION

I move that the City Council approve acceptance of the lease for Hangar K to Seaplane Scenics, LLC, and authorize the City Manager to execute the lease agreement.



CHEHALIS-CENTRALIA AIRPORT
BUILDING LEASE AGREEMENT

BETWEEN

SEAPLANE SCENICS, LLC

AND

THE CITY OF CHEHALIS,
CHEHALIS-CENTRALIA AIRPORT



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**CITY OF CHEHALIS
CHEHALIS-CENTRALIA AIRPORT
LEASE AGREEMENT**

THIS AGREEMENT is made and entered into as of the ____ day of _____, _____, between THE CITY OF CHEHALIS, CHEHALIS-CENTRALIA AIRPORT, hereinafter referred to as "Airport," and _____ hereinafter referred to as "Lessee."

WITNESSETH:

WHEREAS, the Airport represents that it is the owner and operator of Chehalis-Centralia Airport and has the right to enter into this lease; and

WHEREAS, the Airport desires to lease certain premises to Lessee located within the Chehalis-Centralia Airport and Lessee desires to lease from the Airport that premises, all upon the terms, conditions, and provisions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein, the parties agree as follows:

1. PREMISES

The said premises subject matter of this Lease is described in Exhibit "A" attached hereto and made a part hereof (hereinafter "Premises"). The Premises consist of approximately 3,432 square feet, more or less, which is graphically depicted for illustrative purposes on the diagram attached hereto as Exhibit "B" and made a part hereof. As used herein, the term "Premises" includes the real property and improvements now existing or hereafter constructed or installed on the property. Lessee has examined the Premises and accepts the same in their present condition, "as is".

2. TERM

2A. Initial Term

The Airport leases the Premises to Lessee and Lessee leases the Premises from the Airport for a term of five (5) years commencing on the 1st day of January, 2020, and terminating on the 31st day of December, 2024, unless sooner terminated as provided in this Lease.

2B. Option

In addition, so long as Lessee is not in default, the Airport grants Lessee an option to renew or extend this Lease upon the same terms and conditions, except as to rent, for 5 (five) successive terms of (5) years each, upon prior written notice thereof to the Airport prior to 180 days of the expiration of this Lease or any extended term hereof.

2C. Possession

Lessee is entitled to possession of the Premises as of the Effective Date.

3. RENTAL

3A. Base Rent

Lessee shall pay the Airport as "Base Rent" rental in the amount of \$500 per month, in advance, commencing on the 1st day of January, 2020, and adjusted as hereinafter provided. In the event that Lessee occupies the premises prior to the Term date, Lessee agrees to pay a pro-rata rate of \$16.13 per day for the days occupied.

3B. Additional Rent

As additional rent, Lessee shall pay any applicable leasehold tax (currently 12.84% as of effective date) and property taxes or assessments, general or special, or fees in lieu thereof, in connection with the Premises, tie-downs or any improvements on the Premises.

3C. Late Payments

In the event any rental payment is not made within ten (10) days of its due date, Lessee shall also pay the Airport a late payment charge in the amount of \$50.00 for each such delinquent rental payment, together with interest on the delinquent total at the rate of eighteen percent (18%) per annum until the delinquency is cured. The acceptance of rent by the Airport for any period or portions thereof after default by the Lessee shall not constitute a waiver of the default unless the Airport so notifies Lessee in writing. The Lessee agrees that the Airport shall have a lien against all assets of the Lessee located on the Premises or used in connection with the Lessee's occupation of the Premises for all rents, charges, interest and fees payable under this Lease, and the Lessee further agrees that it shall not remove any of said assets from its locations until all such charges and fees payable under this Lease are paid in full.

4. RENTAL ADJUSTMENTS

The Base Rent shall be adjusted in accordance with the terms of this Section. Any date upon which the Base Rent is to be adjusted is referred to as an "Adjustment Date" in this Lease.

4A. Periodic Adjustment

All rental rates and other charges due hereunder shall be adjusted annually as of the first day of January of each year (hereinafter referred to as the "Adjustment Date") commencing on the first day of January, 2021 and applied each year thereafter. The adjustment shall be equal to the increase, if any, in the latest

October Consumer Price Index (CPI-U), all items, Seattle-Tacoma-Bellevue Area, as published by the U.S. Department of Labor. In no event shall the Base Rent ever decrease from one year to the next.

Every 5 (five) years during the term of this lease, or any extended term, all rental rates and other charges due hereunder shall be renegotiated by the parties prior to the expiration of the applicable 5 (five) year period.

4B. Arbitration

If the parties cannot mutually agree upon the rental and charges payable for said Premises at any such renegotiation interval for the ensuing period, then each of the parties shall appoint one (1) arbitrator. If the two (2) arbitrators cannot agree upon the rental rates and charges at issue within thirty (30) days after submission to such arbitration panel, they shall appoint a third arbitrator. The amounts payable fixed by any two (2) such arbitrators shall be the amounts to be paid for said Premises for the ensuing 5 (five)-year period. The decision of the arbitrators shall be reduced in writing and delivered to each party within thirty (30) days of submission of the issue to the arbitration panel for determination.

(1) In determining the rate issue under consideration, the arbitrators shall endeavor to determine and base their decision upon a "fair market" value of like and similar rates and practices for properties of similar uses, with a market primarily found in Lewis County, or if sufficient data is not available in that area, then from properties and practices found in Mason, Kitsap, Thurston, Pierce and Snohomish counties, if any.

(2) The fees of the respective arbitrators shall be paid by the party who selected the same, and if a third arbitrator is employed, his fees shall be divided equally between the parties and paid accordingly.

(3) These renegotiations shall be commenced and completed during the last six (6) months of each specified 5 (five)-year interval as set forth above. In no event shall the rate be less than in the immediately preceding period. The increase in the rent resulting from the first such renegotiation shall be effective on the first day of the succeeding period. The new rate shall be applied retroactively to the beginning of the new period if not determined prior to the end of the previous period. During any extended renegotiation period, the Lessee shall pay the previously established rent and charges until the new rate is established. Any deficiency shall be paid by the Lessee on the next rental due date.

5. USE OF THE PREMISES

Lessee shall use the Premises for the following purpose(s): Maintenance, Storage, Training, Sightseeing, and Charter.

Lessee shall not use the Premises for any other purposes without the prior written consent of the Airport. The Lessee shall observe, abide and comply with any and all applicable federal, state or local laws, rules or regulations that affect the Premises, as well as all of the Airport's rules regulations and minimum standards applicable to Chehalis-Centralia Airport as they are now formulated, or as they may be re-formulated in the future. Lessee shall not allow any illegal or unlawful activities on the Premises. Nothing herein shall be deemed or construed to grant Lessee any exclusive right or interest to conduct the type of business or activity permitted hereunder.

6. OBLIGATIONS OF LESSEE

During the term of this Lease or any extensions thereof, the Lessee shall:

6A. Expenses

Pay all costs and expenses associated and in connection with the use of the Premises and the rights and privileges herein granted, including, but not limited to, leasehold and other taxes, permit fees, license fees, and assessments lawfully levied or assessed upon the Premises or the improvements and other property on the Premises. The Lessee may, however, at its sole expense and cost, contest any tax, fee, or assessment, but shall in no event allow the same to become a lien on the Premises.

6B. Maintenance

Keep and maintain the Premises in neat, clean, sanitary and safe condition and repair. The Airport shall be responsible for all maintenance of the hangar structure.

6C. Rubbish

Properly dispose of all rubbish, garbage, and waste in a clean and sanitary manner at reasonable and regular intervals and assume all costs of extermination and fumigation for any infestation caused by Lessee.

6D. Use of Utilities

Properly use and operate all electrical, gas, heating, plumbing, and other fixtures and appliances that are or may be available for use by the Lessee.

6E. Damage

Not intentionally or negligently destroy, deface, damage, impair, or remove a part of the Premises, its appurtenances, facilities, equipment, furniture, furnishings, appliances, or fixtures, nor permit any person, whether family, invitee, licensee, or otherwise, acting under control of the Lessee to do so.

6F. Nuisance

Not permit any nuisance or common waste on the Premises.

6G. Exclusive Rights

It is not the intent of this Agreement to grant to the Lessee the exclusive right to provide any or all of the services described in this document at any time during the term of this Agreement. The Airport reserves the right, at its sole discretion, to grant to others certain rights and privileges upon the Airport which may be identical or similar, in part or in whole, to those granted to the Lessee. Nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Airport Act of 1958 or any other provision of law.

6H. Use of Facilities

The Lessee shall be entitled, in common with others so authorized, to the use of all facilities and improvements of a public nature which now are or may hereafter be connected with or appurtenant to the Airport, including the use of landing areas, runways, taxiways, navigational aids, terminal facilities, and aircraft parking areas designated by the Airport, all upon such rules, regulations and minimum standards as may be established by the Airport from time to time hereafter.

6I. Right of Ingress/Egress

The Lessee shall have the reasonable right to ingress and egress to and from the Premises and to the public areas of the Airport in the carrying on of their activities as herein provided for; subject, however, to such rules, regulations and minimum standards pertaining to the use and operation of the Airport as may be established by the Airport from time to time hereafter, which right shall extend to the Lessee's guests and invitees. Said right shall be exercised so as not to impede or interfere with the business conducted by the Airport or its other Lessees.

6J. Sewage

Not available on the site. Therefore, this section is not applicable. Any sewage facilities wished to be installed by the Lessee will be the sole responsibility of the Lessee.

7. IMPROVEMENTS/ALTERATIONS (*buildings/raw land*)

The Lessee shall not make any improvements or alterations to the Premises without the express, prior written consent of the Airport, which consent shall not be unreasonably withheld. Any improvements or alterations shall become the property of the Airport upon the termination of this Lease (except trade fixtures and equipment which may be removed by Lessee at its own cost and expense, and Lessee agrees to and shall

make any repairs to the Premises necessitated by the removal). If the Lessee intends to make changes in the Premises, Lessee shall submit plans to the Airport no less than thirty (30) days before the commencement of such changes. Upon completion the Lessee shall provide the Airport with "as built" diagrams and specifications for its records. The Lessee agrees that it is solely responsible for and shall secure all permits required in connection with any construction and improvements and pay the required fees therefor. The Lessee agrees that all construction, improvements, and maintenance shall be paid for by the Lessee and be made in conformance with the provisions of all applicable laws, rules, codes, and regulations. It is further agreed that all leasehold improvements shall be kept in condition so as to meet the requirements of applicable laws, rules, codes and regulations at all times. Upon receiving all necessary approvals of its plans and specifications, the Lessee shall engage one or more qualified contractors to construct said improvements. The Airport does not assume any responsibility for compliance with the foregoing requirements or the improvements/alterations made.

The Lessee shall, at its sole expense, install, maintain, and operate proper obstruction lights or markings on all buildings placed on the Premises, at the direction of the Airport, and keep the same lighted from sunset to sunrise. The Lessee shall have the right to install, at its own expense, equipment normal for its activities and the right, subject to any other provisions of this Agreement, to remove the same at the expiration of this Agreement, provided that the Lessee shall pay for all damages suffered by the Premises by such removal.

7. IMPROVEMENTS/ALTERATIONS (*new construction*)

As part of the consideration for the privileges herein granted, the Lessee agrees to construct or otherwise make improvements to the Premises at its sole cost and expense, except those which may be otherwise agreed to in writing by the Airport.

7A. Approval of Plans

Preliminary plans shall have been submitted to the Airport prior to the execution of this Lease. Lessee agrees that it shall submit to the Airport for approval, detailed plans and specifications for any proposed leasehold improvements within thirty (30) days of the date of this Lease and prior to taking steps toward commencement of any proposed construction (e.g., earth movement, material acquisitions or permit applications). In the event that the Airport requires revisions of the plans and specifications, it shall notify the Lessee in writing which details such revisions and the Lessee shall then have thirty (30) calendar days from the date of receipt of the Airport's revisions to resubmit the plans and specifications for the Airport's approval. If such plans and specifications cannot thereafter be agreed upon within thirty (30) calendar days, either party may terminate this Lease.

7B. Permits

The Lessee agrees that it shall secure all permits required in connection with any construction and improvements and pay the required fees therefor. The Lessee agrees that all construction, improvements, and maintenance shall be made in conformance with the provisions of all applicable laws, rules, codes, and regulations. It is further agreed that all leasehold improvements shall be kept in condition so as to meet the requirements of applicable Uniform Building and Fire Codes at all times.

7C. Construction

Upon receiving all necessary approvals of its plans and specifications, the Lessee shall engage one or more qualified contractors to construct said improvements. Construction shall commence within sixty (60) calendar days of the Lessee's receipt of the Airport's final approval of the plans and specifications and receipt of applicable permits and shall be scheduled for completion no later than one hundred eighty (180) calendar days after commencement of construction.

7D. Fixtures

The Lessee shall have the right to install, at its own expense, trade fixtures and equipment normal for its activities and the right (subject to any other provisions of this Lease) to remove the same at the expiration of this Lease. Provided, however, that the Lessee shall pay for all damages suffered by the Premises by such removal.

7E. Liens

The Lessee shall have no authority, expressed or implied, to create any lien on said Premises without the receipt of prior written approval of the Airport, and shall hold harmless, defend and indemnify the Airport from any loss or claim of liability by reason of any such lien. Lessee shall cause any such lien to be removed from the Premises. If any such lien is not removed or satisfied by the Lessee within thirty (30) days after written notice thereof by the Airport, the Airport may, but is not obligated to, take such steps as it may deem reasonably required to cause such lien to be removed, including but not limited to payment of the amount(s) claimed therefor, and the Lessee shall, upon receipt of notice, reimburse the Airport for all sums it may have paid to cause said lien to be removed plus interest thereon at the rate of twelve percent (12%) per annum from the date of the Airport's payment until reimbursed in full by Lessee.

8. SIGNS

8A. Installation of Signs

Lessee shall have the right, at its own expense, to place in or on the Premises a sign or signs identifying the Lessee. Said sign or signs shall be of a size, shape, and design, and at a location or locations, approved by the Airport in writing and in conformance with any overall directional graphics or sign program, codes, rules or regulations established by the Airport or any other governmental entity having jurisdiction over the Premises, including, but not limited to, City of Chehalis. Said sign or signs shall be kept presentable and in good repair. Notwithstanding any other provision of this Lease, said sign or signs shall remain the property of the Lessee.

8B. Removal of Signs

The Lessee shall remove, at its expense, all lettering, signs, and placards so erected on the Premises at the expiration of the term of this Lease. If the Lessee violates this provision, the Airport may remove the sign or signs without any liability and may charge the expense incurred by such removal to the Lessee, which expense Lessee shall pay within ten (10) days of receipt of notice thereof. Provided, however, that the Airport shall give the Lessee written notice of the Lessee's violation of this provision, and Lessee shall have forty-eight (48) hours after receiving said notice to comply before the Airport removes said sign(s).

9. AIRSPACE

Lessee hereby grants and conveys for the use and benefit of the public a right of way over the Premises for the unobstructed passage of all aircraft ("aircraft" being defined for the purpose of this Lease as any contrivance now known or hereafter invented, used or designed for navigation of or flight in the air), by whomsoever owned and operated, in all air space above the surface of the Premises to an infinite height.

9A. Airport Noise

In addition, this easement grants the right to cause in all airspace above the Premises such noise, vibrations, fumes, dust, fuel particles, and all other effects that may be caused by the current or future operation of aircraft landings at, or taking off from, or operating at or on the Chehalis-Centralia Airport. The Lessee does hereby fully waive, remise, and release any right or cause of action which they may now have or which they may have in the future against the Airport, its successors and assigns, due to such noise, vibrations, fumes, dust, fuel particles, and all other effects that may be caused by the operation of such aircraft.

9B. Airspace Obstructions

In addition, this easement includes the continuing right of the Airport to prevent the erection of or growth upon the Premises of any building, structure, tree, or other object extending into the air space which would constitute an obstruction to said air space in accordance with Federal Air Regulation Part 77 (or its successor law, rule or regulation). The Lessee for themselves, their heirs, personal representatives, successors, and permitted assigns, do hereby agree that for and during the life of this Lease they will not erect, permit the erection of, or permit or suffer to remain upon the Premises any building, structure, tree or other object extending into such airspace. In addition, Lessee agrees that it shall not use, permit or suffer the use of the Premises in such a manner as to create electrical or other interference with radio communications between any installation upon the Chehalis-Centralia Airport and aircraft, or to make it difficult for flyers to distinguish between airport lights and others, or as to impair visibility in the vicinity of the airport, or to endanger the landing, taking off or maneuvering of aircraft.

10. FIRE PROTECTION

Lessee understands and agrees that the City of Chehalis Fire Department provides for fire protection service to the Airport. Lessee further understands and agrees that Airport has no duty under this Lease to provide fire protection for Lessee's buildings, property or equipment located on or upon the Premises through the use of Airport's emergency fire suppression equipment. It is agreed that fire protection service shall be provided to the Premises by the City of Chehalis Fire Department, and Lessee agrees to pay any service charges that may be imposed by said fire department.

11. STORM WATER REQUIREMENTS

11A. NPDES Permit

All permits related to storm water will be the responsibility of the Airport.

11B. On-Site Facilities

Storm water facilities required by City of Chehalis drainage ordinances shall be installed and maintained by the Lessee. Such facilities shall not be altered, damaged or removed without prior written agreement with the Airport and City of Chehalis. The Airport will be responsible for any and all federal, state or local storm water drainage taxes, fees or assessments attributable to the Premises if applicable.

12. UTILITIES

The Airport, at its own expense, shall provide for and make connections to all utilities that it requires to serve the Premises. Any on-site utility improvements within the

Premises shall be the sole responsibility of Lessee, including, but not limited to, all design and construction costs. Lessee shall pay a flat rate electric utility charge of \$50.00 per month to the Airport. The flat rate electric utility will adjust ten-percent (10%) annually on the anniversary of the lease agreement.

If individual metering is provided to the hangar at any point in the future the Lessee will then be responsible for actual utility costs provided by Lewis County PUD.

13. HAZARDOUS SUBSTANCES

As used in this Lease, the term "Hazardous Substance" means any hazardous, toxic, dangerous or extremely dangerous substance, material or waste, which is or becomes regulated by the United States Government, the State of Washington, or any local governmental authority. The term includes, without limitation, any substance containing constituents regulated as specified above. The term "release" shall be defined as provided in 42 U.S.C. 9601 and RCW 70.105D.020, as amended. In the event a conflict exists between the two definitions, the broader definition shall apply. For purposes of this Lease, the term release shall also include a threatened release. During the term of this Lease, or any extended term:

13A. Storage and Use, etc.

Lessee shall not use, store, treat, generate, sell or dispose of any Hazardous Substances on or in any manner that affects the Premises, improvements, common areas, or any areas adjacent thereto, without the prior written consent of the Airport.

13B. Compliance

The Lessee shall, at its sole cost and expense, comply with all laws, statutes, ordinances, regulations, rules, and other governmental requirements regarding the proper and lawful generation, use, sale, transportation, storage, treatment, and disposal of Hazardous Substances (hereinafter "Laws") on the Premises or in any manner that affects the Premises.

13C. Right of Entry

The Airport or its designated agents may, at the Airport's sole discretion and at reasonable times, enter upon the Premises for the purpose of monitoring Lessee's activities or conducting environmental testing and sampling to determine compliance with applicable Laws and the terms of this Lease. If such monitoring discloses the presence or release of Hazardous Substances in violation of either applicable Laws or this Lease, the cost of such monitoring shall be paid by the Lessee. In addition, within five (5) days of the Airport's written request, the Lessee shall provide the Airport with a detailed written description of the Lessee's generation, use, sale, transportation, storage, treatment, and disposal of Hazardous Substances on the Premises or which may affect the Premises or

adjacent property. The Airport's discretionary actions pursuant to this paragraph shall not constitute a release, waiver or modification of the Lessee's obligations otherwise specified in this Lease.

13D. Notification

The Lessee shall notify the Airport within twenty-four (24) hours of any release of Hazardous Substances that may affect the Premises or any adjacent property and shall promptly provide the Airport with a copy of any notifications given to any governmental entity regarding any such release. The Lessee shall promptly provide the Airport with copies of any inspection report, order, fine, request, notice, or other correspondence from any governmental entity regarding the release of Hazardous Substances that may affect the Premises or any adjacent property. The Lessee shall provide the Airport with a copy of all reports, manifest, material safety data sheets (MSDS), and identification numbers regarding Hazardous Substances at the same time they are submitted to the appropriate governmental authorities.

13E. Environmental Assessment

The Lessee shall, upon written request from the Airport, based on a sufficient reason to believe there has been a release of Hazardous Substances, within sixty (60) days following expiration or other termination of this Lease, provide the Airport with an environmental assessment prepared by a qualified professional approved in advance by the Airport. The environmental assessment shall, at a minimum, certify that a diligent investigation of the Premises has been conducted, including a specific description of the work performed, and either (1) certify that diligent investigation of the Premises has revealed no evidence of a release of Hazardous Substances or violation of applicable Laws, or (2) if a release or violation of applicable Laws is detected, identify and describe: (i) the types and levels of Hazardous Substances detected; (ii) the physical boundaries of the release, including property other than the Premises; (iii) the actual and potential risks to the environment from such release or violation; and (iv) the procedures and actions necessary to remedy the release or violation in compliance with applicable Laws. The Lessee shall pay the expense of obtaining the environmental assessment and of performing all remediation.

13F. Indemnification and Hold Harmless

The Lessee shall defend (with attorneys approved in writing by the Airport, such approval not unreasonably withheld), indemnify and hold the Airport, its employees and agents and representatives harmless from any loss, claim, fine, or penalty arising from the release of Hazardous Substances or any violation of applicable Laws affecting the Premises caused in whole or in part by the Lessee. Such obligation shall include, but shall not be limited to, environmental response and remedial costs, other cleanup costs, environmental consultants' fees,

attorneys' fees, fines and penalties, laboratory testing fees, claims by third parties and governmental authorities for death, personal injuries, property damage, business disruption, lost profits, natural resource damages and any other costs, and the Airport's expenses incurred under the foregoing provisions. The Lessee's obligation pursuant to this paragraph shall survive expiration or other termination of this Lease.

13G. Default

Notwithstanding any other provision of this Lease, the Airport may, in the event of a release of Hazardous Substances or a violation of applicable Laws affecting the Premises, elect to declare this Lease in default and terminate it. Such election by the Airport, if made, shall be without prejudice to any other remedy provided in this Lease. Should the Airport not elect to declare a default, it may cure any release of Hazardous Substances or any violation of applicable Laws by the Lessee and impose a surcharge sufficient to recover such expenses together with interest at eighteen percent (18%) per annum, for such portion of the unexpired term of this Lease as the Airport may deem proper.

13H. Rights and Remedies

Notwithstanding any other provision of this Lease, and without prejudice to any other such remedy, the Airport, in the event of a release of Hazardous Substances, a violation of applicable Laws or a breach of this Lease, shall be entitled to all rights and remedies provided by law or in equity, including, but not limited to the following, at the Airport's option: Terminate this Lease immediately; recover any and all damages associated with the default, including but not limited to cleanup costs and charges, civil and criminal penalties and fees, loss of business and sales by the Airport and other tenants, and any and all damages and claims asserted by the parties' and the Airport's attorneys' fees and costs; or to renegotiate the terms of this Lease to recover any return on expenditures made by the Airport in order to insure that the Premises and the use of such Premises comply with all governmental rules, regulations and requirements. The Airport, in pursuing any particular remedy, shall not be deemed to have made an election of remedies to the exclusion of any other remedies available to it.

14. RIGHTS RESERVED FOR Airport

During the term or any extensions of this Lease the Airport shall:

14A. Use of Facilities

Have the perpetual right and privilege to construct and maintain for the use of itself and its agents or tenants underground pipe, cable, ducts, and other necessary facilities to serve other users and tenants, together with the right to enter upon the Premises at any time with all necessary men, materials, and appliances

for the purposes of constructing, inspecting, operating, repairing, and maintaining the same.

14B. Entry

Have the right to enter upon the Premises at any reasonable time for the purpose of making any inspection it may deem expedient to the proper enforcement of any of the covenants or conditions of this Lease.

14C. No Improvements

Not be required to make any improvements or repairs of any kind upon the Premises, except as may be specifically provided for in this Lease.

14D. Perform Agreements

Have the right to make any changes to and perform any construction on the Premises required by any agreement or obligation to which it is subject with any other governmental agency or agencies having jurisdiction thereon upon prior written notice served upon the Lessee at least ninety (90) days in advance of such proposed work.

14E. Air Operations Improvement

The Airport reserves the right to further develop or improve the air operations area of the Airport as it sees fit, regardless of the desires or opinion of the Lessee, and without interference or hindrance from the Lessee.

14F. Temporary Closure

The Airport reserves the right to temporarily close the Airport or any of the facilities thereon for maintenance, improvement, or for the safety of the public. Except for emergency closures or those beyond the Airport's control, the Airport will provide 24 hours prior notice to the Lessee of such closure.

14G. Right to Maintain

The Airport reserves the right, but not the obligation, to maintain and keep in repair the Air Operation Area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of the Lessee in this regard.

14H. Protection of Aerial Approaches

The Airport reserves the right to take any action it considers necessary to protect the aerial approaches of the airport against obstruction, together with the right to prevent the Lessee, its successors or assigns, from erecting or permitting to be erected any building, device, or structure on or adjacent to the Airport which, in the opinion of the Airport, would limit the usefulness of the Airport, interfere with

Airport operations, planning, development, constitute a hazard to aircraft or in any way place the Airport in a position of non-compliance with FAR Part 77 of the Federal Aviation Administration Regulations.

14I. Rules and Regulations

The Airport reserves the right to promulgate reasonable rules and regulations for the use of runways, taxiways, ramps, streets, and parking areas within the confines of Chehalis-Centralia Airport as it may deem appropriate in the best interests of the Airport, Lessee and the general public. Lessee agrees to abide by such rules and cooperate in the observance thereof.

14J. Notice to Vacate

The Airport may, with sixty (60) days written notice to the Lessee, relocate the Lessee to other premises that are suitable for the operation of the Lessee's business on Chehalis-Centralia Airport, said premises to be chosen by the Airport. In the event the Airport notifies the Lessee that it intends to implement this section, the rent paid under Section 3 shall be renegotiated in consideration of potential difference in the size and location of said alternate premises. At the Lessee's option, if said alternate premises are not found suitable to the Lessee, and upon thirty (30) days written notice, the Lessee may terminate this agreement. All relocation costs will be the responsibility of the Airport.

14K. Higher Authority

The Airport shall have the right to make any changes and perform any construction required by any agreement or obligation to which it is subject with any other governmental agency or agencies having jurisdiction thereon upon prior written notice served upon the Lessee at least ninety (90) days in advance of such proposed work.

14L. Condemnation

If the premises leased herein, or any portion thereof shall be condemned or otherwise conveyed for public or quasi-public purposes in such a manner as to directly affect or limit the use of the premises by Lessee, the Airport shall have no obligation hereunder, except to adjust the rental fee provided for at said times hereunder, or to provide other equivalent premises for the use of Lessee, should it be able to do so. Lessee, at its option, shall have the right to terminate this lease in its entirety in the event of such condemnation by written notice of thirty (30) days within sixty (60) days of the receipt of "Notice of Condemnation." All relocation costs will be the responsibility of the Airport.

15. SUBROGRATION

In the event the leased facilities are totally destroyed by fire or other casualty, the Airport may at its option, terminate the lease or it may rebuild the leased facilities as described in said lease, and the rent reserved herein shall abate between the time of such destruction and the time either the leased facilities are reconstructed and suitable for occupancy or use, or in the event of a partial destruction of either of said premises by fire or other casualty, the Airport may at its option, terminate the lease or repair and rebuild the premises, and in such case, the rent shall be proportionally abated during the time between such partial destruction and repair and reoccupation and re-use of the demised premises, provided that in the case of the aforesaid, the Airport shall exercise said option within thirty (30) days after the event giving rise thereto.

In the event the lease is terminated under the terms of this paragraph, it shall terminate as of the day on which such destruction occurred, and the Lessee shall hold the Airport harmless from any claim for lost revenues resulting from said destruction.

16. DEFAULT AND TERMINATION

This Lease shall terminate at the option of the Airport in the event of any one or more of the following events:

16A. Payment Default

Lessee's default in the payment of the monthly rent or any additional rent for more than thirty (30) days after the time such payment becomes due;

16B. Failure to Perform

Lessee's default in the performance of any of the terms, covenants, or conditions of this Lease, or in the event of its failure to comply with the reasonable instructions of the Airport relative to default, and the failure of the Lessee to remedy, or undertake to remedy, to the Airport's satisfaction, such default for the period of thirty (30) days after receipt of written notice from the Airport;

16C. Abandonment

Lessee's abandonment of the Premises;

16D. Insolvency

If the Lessee files a voluntary petition in bankruptcy, makes a general or other assignment for the benefit of creditors, is adjudicated bankrupt, or if a receiver is appointed for the property or affairs of the Lessee. This Lease shall not be an asset of the Lessee in any bankruptcy proceeding.

16E. Assignment

Lessee assigns this Lease without the Airport's prior written consent.

Except as to bankruptcy proceedings, such termination shall be effective upon thirty (30) days prior written notice given to the Lessee. If this Lease is so terminated by the Airport, all rights of the Lessee, or any person claiming through the Lessee, shall cease and terminate, and all payments made thereon shall belong to the Airport. The Airport may, without notice, re-enter and take full possession of the Premises, including all leasehold improvements thereon. The Airport shall be entitled to all leasehold improvements, and title thereto shall vest in the Airport free and clear of any lien of claim of the Lessee or its successors. All property of the Lessee which is located on the Premises, whether exempt from execution or not, shall be bound by and subject to a lien for the payment of any amount(s) owing hereunder, and for any other damages arising from a breach by the Lessee of any portion of this Lease. Lessee agrees that the Airport may take possession of said property, or any part or parts thereof, and sell or cause the same to be sold at a public or private sale, without notice, to the highest bidder for cash, and apply the proceeds of said sale toward the cost thereof and then toward the indebtedness or other damages. Subject to the Airport's lien rights set forth above, upon termination of this Lease, the Lessee shall, at its sole cost and expense, remove all signs, trade fixtures, furnishings, personal property, equipment, and materials from the Premises which the Lessee was permitted to install or maintain under the rights granted herein. Lessee shall repair all damages caused by such removal. If the Lessee fails to do so within thirty (30) days, then the Airport may effect such removal or restoration at the Lessee's expense, and the Lessee agrees to pay to the Airport such expense promptly upon receipt of a proper invoice therefor.

17. LEASEHOLD IMPROVEMENTS AT TERMINATION

Except as may otherwise be specifically provided in Section 14 above, leasehold improvements upon the Premises shall become the property of the Airport upon expiration or termination of this Lease. Upon expiration of the term of this Lease or upon the sooner termination hereof pursuant to any of the provisions of this Lease, the Airport shall take and have title to all improvements then located upon the Premises, and title to those improvements shall vest in the Airport free and clear of any lien or claims of Lessee or its successors. Lessee shall deliver any and all keys to the Premises upon expiration or termination of this Lease. Provided, however, that upon the expiration of the term of this Lease or upon the sooner termination thereof, the Airport shall be entitled, upon its specific written request given sixty (60) days in advance in the case of expiration of the Lease term, to have the Premises returned to it clear of all improvements, clean, and in good condition, in which event, title to all of said improvements shall remain in and with the Lessee.

If the Airport requests such removal, the Lessee shall complete the same within sixty (60) days after the termination of this Lease. If the Lessee fails to so remove said improvements within the specified time, they may be removed by the Airport and the Lessee shall pay the Airport the cost thereof upon demand.

If, in the reasonable opinion of the Airport, the Premises are left in an unclean condition or state of disrepair by the Lessee, the Airport may cause the Premises to be repaired or cleaned to its satisfaction and Lessee shall pay the costs therefor.

18. DESTRUCTION OF IMPROVEMENTS

In the event any improvements owned or constructed by the Lessee on the Premises are destroyed in whole or in part of fire, earthquake, wind, storm, flood, explosion, aircraft collision, vehicle collision, smoke, vandalism or malicious mischief, the Lessee shall restore the same to its original condition subject to the approval of the Chehalis-Centralia Airport Administration of any Plans and Specifications for such reconstruction. Any reconstruction shall be undertaken within sixty (60) days of the event which in whole or in part necessitates reconstruction and diligently processed to completion; however, if the said improvements on the Premises are totally destroyed or partially damaged or destroyed to the extent that the costs of reconstruction or restoration of the same is sixty percent (60%) of the full insurable value of the Premises, Lessee may, by written notice to the Airport within thirty (30) days of the occurrence of such damage or destruction, elect not to reconstruct or restore the improvements and shall elect to demolish the above ground structures then existing and restore the Premises to cleared street level surface (pursuant to applicable governmental regulations, if any). Any insurance proceeds remaining shall be distributed to the Loss Payees as their interest may appear and in lieu of further Lease obligations to the Airport, whereas this Lease shall terminate as to the day on which demolition shall have been completed to the Airport's satisfaction.

19. ASSIGNMENT, SUBLETTING AND USE BY OTHERS

Neither this Lease, nor any part hereof, may be assigned, transferred, rented or sublet by the Lessee by process or operation of law or in any other manner whatsoever, without the prior written consent of the Airport. Such consent shall not be unreasonably withheld. Copies of all proposed agreements between the Lessee and any prospective sublessee or other party relating in any way to the use of the Premises, shall be filed with the Airport for review and consideration not less than thirty (30) days prior to the effective date of said documents. The Airport reserves the right to require submission of additional detailed information concerning such other party including, but not limited to, financial records and statements, business background and references.

Lessee will not permit any use or activity to be conducted upon the Premises that does not conform to all applicable zoning and construction regulations. Lessee will not enter into any sublease or other tenancy agreement when the proposed use of the Premises requires a Special Use Permit, rezone, variance of any kind, environmental impact statement, determination of non-significance, or any other use that requires special permission by a governing body, without the prior written consent of the Airport.

The Airport reserves the right to adopt a policy or policies which specially exclude certain types of business activities that are inconsistent with the Airport's planned

development of Chehalis-Centralia Airport. Lessee hereby agrees to comply with all such policy or policies, and further agrees to require that all of the Lessee's approved sublease or tenancy documents contain the following covenant:

"Sublessee shall perform all covenants and conditions contained in the Lease Agreement between the Airport and Lessee, except for the covenant relating to the payment of rent. Sublessee also understands and agrees that the only activity authorized by this sublease document is that which is specifically addressed in the Lease Agreement between Lessor and Lessee and no other activity."

The Airport may withhold its consent to any assignment, sublease, other transfer, or tenancy if the proposed transferee's use of the Premises may involve the generation, storage, use, treatment, or disposal of Hazardous Substances, as defined in this Lease.

20. HOLD HARMLESS/INDEMNIFICATION

The Lessee covenants and agrees to hold harmless, defend and indemnify the Airport, its employees, agents and representatives from and against any and all liability, damages, judgments, or claims therefor, which may arise from or are attributable to the Lessee's occupancy or use of the Premises or any of the Airport facilities, whatsoever the nature, and whether authorized or unauthorized. The Lessee shall defray the expenses, including reasonable attorney's fees and costs, for the defense of any such claim, including but not limited to litigation in any court of competent jurisdiction or any other dispute resolution process or proceeding. The Lessee also agrees that the Airport or its employees or agents shall not be held liable for any damage to property or persons caused by any defects now in said Premises or equipment, and hereafter occurring, and the Lessee shall defend, indemnify, and hold the Airport harmless therefrom. The Airport may, at its option, select the defense counsel of its choice in any such matters.

21. INSURANCE

21A. Liability Insurance

The Lessee shall obtain and keep in force during the term of this Lease, Comprehensive General Liability insurance, extended to cover the Premises and the Lessee's business operations in companies and in form to be approved by the Airport. Coverage provided by the foregoing insurance policy shall be re-evaluated in accordance with the time schedule established for renegotiation of rental rates and shall include such areas of coverage as the Airport deems reasonably required and appropriate to protect itself from claims of liability in light of the nature of Lessee's business operations and use of the Premises.

21B. Property Insurance

In addition, Lessee shall keep and maintain in full force and effect during the term of this Lease All-Risk insurance on all fixed improvements located or situated on

or in the Premises to the full replacement value thereof. Proceeds from such insurance shall be used to restore the Premises.

21C. Policy Requirements

All such policies shall:

- (1) Name the Airport as an Additional Insured and list the Premises as a covered site.
- (2) Apply as primary insurance irrespective of any insurance which the Airport may carry.
- (3) In the case of the Comprehensive General Liability policy, it shall be in an amount not less than \$2,000,000 general aggregate, \$1,000,000 for single limit bodily injury/property damage. The policy shall also include similar coverage for site specific pollution for the Premises. The Lessee shall be responsible for notifying the Airport in the event that the Lessee receives notice of cancellation of coverage. The Lessee shall provide this notice to the Airport within 10 days of receiving notice of cancellation from its insurer. It will be considered a material breach of this Lease if the Airport is not notified and given the opportunity to place coverage as it deems appropriate. The Lessee will be responsible for any premium costs that the Airport incurs for replacing said coverage.
- (4) A true copy of the insurance policy, including all of the aforementioned coverage and endorsements, shall be provided to the Airport upon request. The insurance carrier must annually provide the Airport with a complete and properly authenticated Certificate of Insurance as evidence of the coverage required herein, said Certificate to be subject to the approval of the Airport.

21D. Release and Waiver

The Airport and the Lessee herein hereby mutually release each other from liability and waive all right of recovery against each other for any loss from perils insured against under their respective property insurance contracts, for all perils insured thereunder. Provided, that this paragraph shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of the Airport or the Lessee.

22. NONDISCRIMINATION

Notwithstanding any other or inconsistent provision of this Lease, during the term hereof, or any extended term, the Lessee, for itself, its heirs, personal representatives,

shall not mortgage, assign, or encumber the security deposited under this Lease without the Airport's written consent, and any attempt to do so shall be void.

26. MISCELLANEOUS

The following miscellaneous provisions apply to this Lease:

26A. Captions

The captions used in this Lease are intended for convenience of reference only, and do not define or limit the scope or meaning of any provision of this Lease.

26B. Joint and Several Liability; Binding Effect

Each party who signs this Lease (other than in a representative capacity) will be jointly and severally liable for the performance of the obligations under this Lease. This Lease is and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and permitted assigns.

26C. "Lessee" Includes Lessees

It is understood and agreed that for convenience the word "Lessee" and verbs and pronouns in the singular number and neuter gender are uniformly used throughout this Lease, regardless of the number, gender, or fact of incorporation of the party who is, or of the parties who are, the actual Lessee or Lessees under this Lease.

26D. Waiver

The failure to enforce any provision concerning breach, violation, or default in or with respect to the performance or observance of the covenants and conditions contained herein shall not be taken to constitute a waiver of rights to enforce such provisions with respect to any such subsequent breach, violation, or default in or with respect to the same or any other covenant or condition hereof.

26E. Governing Law

The place of making of the Lease shall be deemed to be Chehalis, Washington, and the legal rights and obligations of the Airport and the Lessee shall be determined by the laws of the State of Washington.

26F. Jurisdiction and Venue

In the event any suit, action or other proceeding shall be brought in connection with any of the terms or conditions of this Lease, the Airport and the Lessee hereby stipulate that jurisdiction and venue of each suit, action or other proceeding shall be in Chehalis, Washington.

26G. Attorney's Fees and Costs

In the event that any suit, action or other proceeding shall be instituted to enforce compliance with any of the terms or conditions of this Lease, there shall be paid to the substantially prevailing party in such suit, action or proceeding reasonable attorneys' fees (including the allocated cost of in-house counsel) and costs, with the foregoing applicable to proceedings both in the trial and appellate court levels and arbitration proceedings.

26H. Holding Over

In the event that the Lessee, for any reason, shall hold over in possession of the Premises following the expiration of this Lease, or any extensions hereof, such holding over shall not be deemed to operate as a renewal or extension of this Lease, but shall only create a tenancy from month to month which may be terminated at will at any time by the Airport.

26I. Severability

In the event that any section, or any part of any section of this Lease shall be declared invalid by a court of competent jurisdiction, said holding shall have no effect upon the remaining sections of this Lease, which remain in full force and effect.

26J. Entirety

The Lease constitutes the entire agreement and understanding between the Airport and the Lessee. There are no other agreements or representations, either written or oral, which modify or have any effect upon this Lease. This Lease is not effective in any manner until such time as formally approved and accepted by the City of Chehalis as evidenced by their signature below.

26K. No Recordation; Memorandum

This Lease Agreement may not be recorded. A memorandum of lease approved by the Airport may be executed in recordable form and recorded with the Lewis County Auditor.

24L. Submission of Lease Form Not an Offer

One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Airport and Tenant until it has been fully signed by both Airport and Tenant.

IN WITNESS WHEREOF the parties hereto have caused this Lease Agreement to be executed as of the day and year first above written.

LANDLORD:

CITY OF CHEHALIS

By _____
Name: Jill Anderson
Its: City Manager
Date: _____

TENANT:

Seaplane Scenics LLC DBA Adventures in Flight

By _____
Name:
Its:
Date: _____

Acknowledgments

State of _____)

) ss.

County of _____)

On _____, 20__ before me _____, a Notary Public in and for said State, personally appeared _____ [] personally known to me, or [] proved to me on the basis of satisfactory evidence, to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Notary Public

My Commission Expires: _____

State of _____)

) ss.

County of _____)

On _____, 20__ before me _____, a Notary Public in and for said State, personally appeared _____ [] personally known to me, or [] proved to me on the basis of satisfactory evidence, to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Notary Public

My Commission Expires: _____

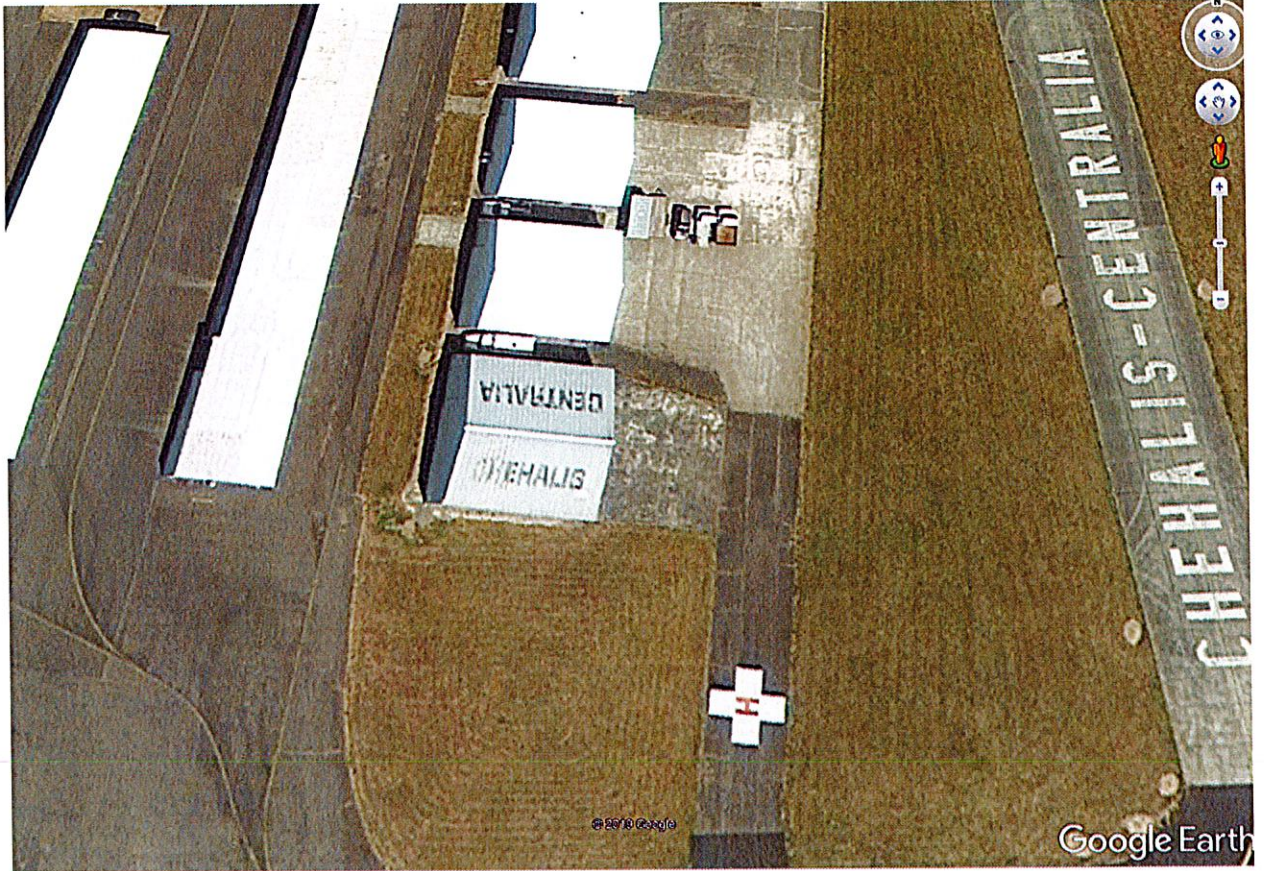
Exhibit A

Premises are described as Hangar K. The map below shows the location of the site as Hangar K.



Exhibit B

Hangar K has Chehalis-Centralia painted on the roof.



**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: January 27, 2020

SUBJECT: Resolution No. 1-2020, First and Final Reading - Approval of Policy for Accepting Credit and Debit Card Payments

ISSUE

Currently, a few City departments are accepting alternative payment methods, such as credit/debit cards, and eCheck for payment of City-imposed fees, charges through two different third-party payment vendors.

As use of credit/debit cards as a payment method are becoming more common, it is anticipated that more City departments may wish to offer credit/debit card payment options to their customers.

A City Council policy for acceptance of credit/debit card payments for all departments that accept or may accept credit/debit cards for payment of City-imposed fees, charges and fines is required. The Policy would assist in improving efficiency for administration of such program.

DISCUSSION

Currently Municipal Court, Parks and Recreation, and Utility Billing departments/divisions are accepting credit/debit card payments through Official Payments Corp (OPC) with convenience fees charged to the customers directly by OPC.

Airport is accepting credit/debit card payments through Epic Aviation, but Airport fund absorbs all transaction costs associated with the credit/debit card payment process and no convenience fees are charged to the customers.

The City's Public Works Utility Billing division is currently in the process of implementing online payment services, as well as taking credit/debit card payments over the counter, through a new payment vendor, CivicPay, replacing OPC. The Utility Billing office determined that it is in the best interest of the department and the City to absorb all transaction costs as a cost of doing business, which was approved by the City Council at the October 28, 2019 council meeting.

The Finance Department had established a Standard for Credit and Debit Card Procedures in September 2009, based on the terms and conditions for the contract with third-party vendor OPC. Since then, Airport came on to the City and taking credit/debit card payments for their fuel sales using a different payment vendor. Now the utility billing department is in the process of implementing a new program through a new third-party payment vendor. We anticipate some other departments (i.e., Planning and Building, and Police) may wish to accept credit/debit cards as an alternative payment method in addition to cash, check or money order.

The current Standard for Credit and Debit Card Procedures needs updating to current card industry standards and also accommodating different procedures for all different payment vendors.

The Finance Director has prepared policies and procedures for the Acceptance of Credit and Debit Card Payment for use by City of Chehalis departments wishing to utilize this service for their customers for consideration by the City Council (Attachment A), as an attachment to Resolution No. 1-2020.

Key provisions of the proposed policy include:

- Authorizes the City Manager, at his or her discretion, to approve City department(s) to accept credit and debit cards for payment of City-imposed fees, charges, and fines and further authorizes the City Manager to approve each department's requests/policy whether to charge any fees (i.e., convenience fees) to the customers or to waive such charges and absorb the costs.
- Provides that each Department Head is responsible for specific administrative details and policies affecting individual departments or divisions for accepting credit/debit cards and other alternative payment methods.
- Requires that the Finance Director establish appropriate business practices concerning the acceptance of credit/debit cards on participating departments and providing the authority for administering contracts with payment vendors.

FISCAL IMPACT

None.

RECOMMENDATION

It is recommended that the City Council approve and adopt Resolution No. 1-2020 on first and final reading and approve the Policy for Accepting Credit and Debit Card Payments.

SUGGESTED MOTION

I move that the City Council adopt Resolution No. 1-2020 on first and final reading.

RESOLUTION NO. 1-2020

**A RESOLUTION OF THE CITY OF CHEHALIS,
WASHINGTON, AUTHORIZING THE ACCEPTANCE OF
CREDIT AND DEBIT CARDS FOR PAYMENT OF CITY-
IMPOSED FEES, CHARGES, AND FINES AND
APPROVING THE POLICY FOR THE ACCEPTANCE OF
CREDIT AND DEBIT CARD PAYMENTS.**

WHEREAS, the City of Chehalis accepts credit and debit cards for payment of City-imposed fees, charges and fines.

WHEREAS, the City's Finance Director has presented the City Council with policies and procedures for the Acceptance of Credit and Debit Card Payments for use by City of Chehalis departments wishing to utilize this service for their customers.

WHEREAS, the City Council has reviewed the policies and procedures for the Acceptance of Credit and Debit Card Payments for use by City of Chehalis departments wishing to utilize this service for their customers.

WHEREAS, the City Council has determined that it is in the best interest of the City of Chehalis to reserve to exercise options to absorb all or portions of transaction costs and/or convenience fees as a condition of accepting an alternative payment method pursuant to a written policy.

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

Section 1. The City Council does hereby approve the policies and procedures for the Acceptance of Credit and Debit Card Payments (Attachment A) as recommended by the Finance Director.

Section 2. The City Council does hereby authorize the City Manager, at his or her discretion, to approve a City department (s) to accept credit and debit cards for the payment of City-imposed fees, charges, and fines.

Section 3. The City Manager is further authorized to approve City departments' policy of opting to absorb all or portions of transaction costs and/or convenience fees, or to charging such fees to customers for the use of credit and debit cards for payment.

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 _____, 2020.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

Accepting Credit and Debit Card Payments

This policy applies to all departments that accept or may accept credit/debit cards for payment of City-imposed fees, charges and fines.

Credit card or Debit Card customer information is not subject to Public Records Disclosure. Credit Card or Debit Card customer information will not be subject to use for commercial purposes.

City of Chehalis Resolution No. 1-2020 allows City departments to accept payments in an electronic format (alternative payment methods).

Policies

- A. Practice to increase efficiency and lower overall costs in administering payments for municipal services or other obligations should be encouraged.
- B. Practice should be encouraged to make it easier for our citizens, who are also our customers, to pay municipal obligations.
- C. Besides traditional means of payment such as check, cash or money order, alternative payment methods should be implemented, consistent with this policy.
- D. Use of alternative payment methods consistent with this policy is a sound business practice and fiscally responsible where it enhances the City's ability to receive prompt payment and transfers a portion of debt collection burdens, which would otherwise be an additional expense to the City, to third parties.
- E. The policies in this section should be administered subject to applicable legal requirements and principles of fiscal responsibility and sound business management practice. Notwithstanding any other provision, no part of this policy creates any duty or contractual right as to any specific person or entity.

Definitions

- A. "Alternative payment method" means payment by credit cards, charge cards, debit cards, federal wire, automatic clearinghouse (ACH) system transactions, automatic withdrawal, online payment or any other commercially reasonable means of payment, as distinguished from traditional payment methods such as cash, check or money order.

- B. "Automated Clearing House" or "ACH" means an association of depository institutions that process financial transactions electronically through the Federal Reserve Bank.
- C. "Convenience fee" means a flat fee that is charged to a customer for the convenience of making an electronic payment through internet, an interactive voice response system, or other similar means. A convenience fee charged to a customer, typically covers all or a portion of a payment vendor's transaction costs as well as any other additional fees that are charged by an agency to recover direct costs associated with an electronic payment.
- D. "Department" means any City department, office or department head of City of Chehalis.
- E. Managed by an "Interactive Voice Response System" (IVR) means a system that allows users to pay for services over the telephone or other audio-signal carrier using a credit or debit card.
- F. "Internet Payment Gateway Service" means a service provided by a vendor that directs an internet payment transaction to the appropriate third-party payment processor who facilitates the transfer of funds from a specific financial institution.
- G. "Merchant Banking Service" refers to the designated bank or banking service that processes an electronic payment.
- H. "Payment Vendor" means a service provider who is involved with the electronic payment transaction, including, but not limited to: merchant bank, credit card issuer, credit card association, internet payment gateway, ACH or credit card payment processor.
- I. "Point-of-sale" or POS is a payment option that performs a real-time payment authorization of a customer's account when the customer presents their credit card (or other payment method) in-person at the time of sale.
- J. "Transaction fee" means the same as "transaction cost" and refers to the cost incurred by a payment vendor for executing an electronic payment. If an agency passes all or a portion of this transaction cost on to the customer, then the resulting fee to the customer is typically called a "convenience fee" (see definition above). It may be a flat per-transaction fee or a discount absorbed by the party receiving payment.

Options

- A. A City department may elect to absorb all or portions of transaction costs and/or convenience fees, consistent with this policy, pursuant to a written policy approved by the department head of the affected department and further approved by the City Manager. The policy may limit or condition this practice. For example, a department may decline to accept such costs or fees for some classes of obligations or for larger transactions because of the amount or for other reasons, in the exercise of sound discretion.

Administration

- A. The City Manager is authorized, at his or her discretion, to approve a City department(s) to accept credit/debit cards for the payment of City-imposed fees, charges and fines. No department shall accept credit/debit cards for payments without such approval.
- B. The Finance Director makes any needed general arrangements and establishes and administers contacts with vendors for the acceptance and processing of electronic payments; including, but not limited to, merchant banking services, internet payment gateway services, and third-party electronic payment processors for all City departments so authorized.
- C. The Finance Director is further authorized to establish appropriate business practices and set any limitations concerning the acceptance of credit/debit cards on participating departments.
- D. Each department authorized to accept credit/debit card payments must have a policy in place about the kind of payments that are allowed by credit card. Each department head is further responsible for specific administrative details and policies affecting individual departments or divisions. All departments shall coordinate their actions with any policies of the Finance Director.
- E. Each department may elect to absorb all or portions of transaction costs and/or convenience fees pursuant to department policy. Use of a convenience fee and the methodology used in calculating it must be approved by the Finance Director prior to a department accepting electronic payments and be in accordance with the contracts the City has established with its payment vendors.
 - 1. Departmental policies for convenience fees must also be approved by the City Manager.

2. When any department determines to absorb all or any portion of a transaction cost or convenience fee as to funds collected by or on behalf of such department, the Finance Director records such charges in the respective department's expenditure account.

###

DRAFT

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Lilly Wall, Recreation Manager

MEETING OF: January 27, 2020

SUBJECT: Consideration of Applications for Naming of the Ballfields and Promenade at the Newly Renovated Recreation Park

ISSUE

Attached are applications for the consideration of naming facilities at the newly renovated Recreation Park, all of which have been reviewed by the City Council's Recreation Park Committee Members: Councilor Lund, Councilor Lord, and Councilor Pope.

DISCUSSION

The first request is from The Chehalis Foundation requesting to use the naming of the four ballfields located at Recreation Park as a fundraising opportunity for the project. The contribution amounts below identify the level of giving they would like to recognize.

Contribution amounts include I-5 Toyota \$100,000; Pacific Mobile Structures Inc. \$75,000; Dick and Roberta Haakenson \$60,000; and The Chehalis Foundation who has raised over \$2.5 million with fundraising efforts in support of the project. The request is to name the ballfields as listed below.

- Field # 1 - I-5 Toyota
- Field # 2 - Pacific Mobile Structures Inc.
- Field #3 - Dick and Roberta Haakenson
- Field # 4 - The Chehalis Foundation

The second request is from Dr. Pope, Chehalis City Council Member, with support from the Recreation Park City Council Committee, which includes Councilors Pope, Lund, and Lord. The request is to name the walkway through the center of the park the Connie Bode Promenade. Connie Bode, Chehalis Foundation Project Chair has secured approximately \$4.5 million for facility improvements that have taken place at Recreation Park over the last several years. Her outstanding contributions and leadership have helped to facilitate a state of the art, ADA accessible aquatics center, ballfield complex, walking paths, and a new Penny Playground. The City's outstanding facilities would not be a reality without Connie's passion, dedication, and

countless volunteer hours spent planning and fundraising millions of dollars in support of our community needs. She has put her heart and soul into helping the City create a park that our community can be proud of and where our children can flourish. It is also a facility that will be used as an economic driver to entice athletic teams and families to compete in our tournaments, swim at our amazing aquatics center, play on our fabulous playground and eat, shop and stay in Chehalis.

At completion, Recreation Park is going to be a state of the art facility. The funds needed to finance this premier park would not have been possible without Connie Bode taking on the leadership role of fundraising for the Gail and Carolyn Shaw Center and now the ballfields, walkways, and Penny Playground. The generous donations from I-5 Toyota, Pacific Mobile Structures Inc., Dick and Roberta Haakenson, and The Chehalis Foundation make it possible for the City of Chehalis to accomplish our goal of providing exceptional facilities to our community.

The City Council' Committee for Recreation Park have reviewed and discussed the proposal for the naming of the fields and the promenade and fully support the recommendation presented in this report.

FISCAL IMPACT

The Chehalis Foundation will pay for the ballfield recognition signs. The current project budget will pay the estimated \$300 to have signs made to name the promenade.

RECOMMENDATION

It is recommended that the City Council approve the naming of the ballfields at Recreation Park to:

- Field # 1 - I-5 Toyota
- Field # 2 - Pacific Mobile Structures Inc.
- Field #3 - Dick and Roberta Haakenson; and
- Field # 4 - The Chehalis Foundation

It is also recommended that the walkway through the center of the park be named the Connie Bode Promenade.

SUGGESTED MOTION

I move that the City Council authorize the naming of the ballfields at Recreation Park to:

- Field # 1 - I-5 Toyota
- Field # 2 - Pacific Mobile Structures Inc.
- Field #3 - Dick and Roberta Haakenson; and
- Field # 4 - The Chehalis Foundation

and authorize naming the walkway through the center of the park to Connie Bode Promenade.

**City of Chehalis Application for
Naming/Renaming of City Buildings, Facilities, and Parks or Interior
Features of Facilities**

To: City Manager

From: [The undersigned]

Date: 1/21/2020

Subject: Request to Name a City Facility
 Request to Rename a City Facility – must also complete a supplemental application
 Request to Name an Interior Feature of a City Facility

Provide the name and address of City Building, Facility, Park or Interior Feature of a facility being requesting to name/rename.

Name: Recreation Park Sports Complex Ballfields

Address: 401 SW Parkland Drive, Chehalis WA 98532

Name being requested: Field # 1 - I-5 Toyota

Name being requested: Field # 2 - Pacific Mobile Structures Inc.

Name being requested: Field #3 - Dick and Roberta Haakenson

Name being requested: Field # 4 - The Chehalis Foundation

It is the policy of the city to choose names for public buildings, facilities, and parks based upon the site's relationship to the following criteria. Please place a check by the criteria in which your request qualifies.

- Neighborhood, geographic or common usage identification;
- A historical figure, place, event or other instance in historical or cultural significance that is directly related to the community and surrounding country;
- Natural or geographical features (hills, prairie, vegetation, rivers, streams) must relate to those found in the region within which the city is located;
- An organization that has donated a significant parcel of property or facility, or has provided the major source of financing for the acquisition/development of the public facility.
- An individual (living or deceased) who has made a significant land and/or monetary contribution to the city or who has had the contribution made in "memoriam" and when the name has been stipulated as a condition of the donation; Please list the land or monetary contribution being offered or contribution that has already been provided to the city (provide attachments if necessary):

Each donor made a significant donation in support of the Recreation Park Renovation Project.

**City of Chehalis Supplemental Application for
Renaming of City Buildings, Facilities, and Parks or Interior Features of
Facilities**

Policy - Renaming of City Buildings, Facilities, and Parks

Renaming of buildings, facilities, and parks carries with it a greater burden of process compared to initial naming. A name once selected for a park or facility should be bestowed with the intention that it will be permanent, and changes should be strongly resisted. Tradition and continuity of name and community identification are values that supersede fads and fashion. Applicants must address the issue of costs involved in the changing of an existing name (due to signage and a variety of written information that would need to be updated).

Please state the specific reason(s) why this name change is being requested.

We request to use the naming of the four ballfields located at Recreation Park as a fundraising opportunity for the Recreation Park Renovation Project. The contribution amounts below identify the level of giving we would like to recognize. Contribution amounts include I-5 Toyota \$100,000, Pacific Mobile Structures Inc. \$75,000, Dick and Roberta Haakenson \$60,000, and The Chehalis Foundation who has raised over 2.5 million dollars with fundraising efforts in support of the project.

Recreation Park is going to be a state of the art facility. The funds needed to finance this premier would not have been possible without significant donations like the ones listed above.

Please list the anticipated/expected costs affiliated with the proposed name change.

There will be no out of pocket cost to the City of Chehalis. The anticipated cost is the expense to have signage made for naming recognition on each field and the inclusion on the honors boards to be displayed at the park.

Page 2 - Application for Naming/Renaming of City Buildings, Facilities, and Parks or Interior Features of Facilities

A facility may be named after a living or deceased individual only if that individual in his or her lifetime has enhanced the quality of life within the city through outstanding service to the community in at least 4 of the following categories. Please place a check by the categories your applicant qualifies:

Involvement in a leadership role in civic organizations, which are devoted to community improvement and assistance to the underprivileged, economically disadvantaged, physically and/or mentally handicapped.

Actively promoted and directed community events and activities, which have clearly added to the quality of life and cultural enrichment within the community.

Actively promoted and implemented effective youth programs and activities within the community for the city's young people.

Actively promoted and implemented effective programs and activities within the community to enhance the lives of our senior citizens.

Assumed an active leadership role in developing and implementing programs directed to the improvement of the visual appearance of the community at either the commercial or residential level or both.

Assumed an active leadership role in developing programs and/or facilities for collecting, promoting, and retaining of the many aspects of the historical heritage of the community.

Assumed an active leadership role in developing programs and facilities directed toward the improvement of community social and health needs as well as programs directed toward humanitarian purposes.

Deceased state or national leader.

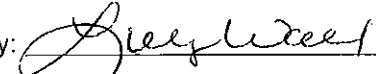
Please explain in detail why your recommendation should be honored and/or how your applicant enhanced the quality of life within the city through outstanding service to the community. Please attach documentation.

- **By my signature hereon, I hereby certify that I have a full understanding of the implications of the above proposal, and request an opportunity to present testimony at any public hearing(s) held on this request. I further understand that the final decision on this request will be made by the Chehalis City Council.**

Printed name: Tim Saylor, The Chehalis Foundation President

Mailing address: PO Box 1608,
Chehalis WA 98532

Signature: 

Date Received: 1-23-2020 By: 

How do you propose that the costs affiliated with changing the name be funded?

The Chehalis Foundation is paying for all recognition signage at the park with fundraising dollars.

**City of Chehalis Application for
Naming/Renaming of City Buildings, Facilities, and Parks or Interior
Features of Facilities**

To: City Manager

From: [The undersigned]

Date: 1/21/2020

Subject: Request to Name a City Facility
 Request to Rename a City Facility – must also complete a supplemental application
 Request to Name an Interior Feature of a City Facility

Provide the name and address of City Building, Facility, Park or Interior Feature of a facility being requesting to name/rename.

Name: Recreation Park - Connie Bode Promenade

Address: 401 SW Parkland Drive, Chehalis WA 98532

Name being requested: Connie Bode Promenade

It is the policy of the city to choose names for public buildings, facilities, and parks based upon the site's relationship to the following criteria. Please place a check by the criteria in which your request qualifies.

- Neighborhood, geographic or common usage identification;
- A historical figure, place, event or other instance in historical or cultural significance that is directly related to the community and surrounding country;
- Natural or geographical features (hills, prairie, vegetation, rivers, streams) must relate to those found in the region within which the city is located;
- An organization that has donated a significant parcel of property or facility, or has provided the major source of financing for the acquisition/development of the public facility.
- An individual (living or deceased) who has made a significant land and/or monetary contribution to the city or who has had the contribution made in "memoriam" and when the name has been stipulated as a condition of the donation; Please list the land or monetary contribution being offered or contribution that has already been provided to the city (provide attachments if necessary):

Page 2 - Application for Naming/Renaming of City Buildings, Facilities, and Parks or Interior Features of Facilities

A facility may be named after a living or deceased individual only if that individual in his or her lifetime has enhanced the quality of life within the city through outstanding service to the community in at least 4 of the following categories. Please place a check by the categories your applicant qualifies:

Involvement in a leadership role in civic organizations, which are devoted to community improvement and assistance to the underprivileged, economically disadvantaged, physically and/or mentally handicapped.

Actively promoted and directed community events and activities, which have clearly added to the quality of life and cultural enrichment within the community.

Actively promoted and implemented effective youth programs and activities within the community for the city's young people.

Actively promoted and implemented effective programs and activities within the community to enhance the lives of our senior citizens.

Assumed an active leadership role in developing and implementing programs directed to the improvement of the visual appearance of the community at either the commercial or residential level or both.

Assumed an active leadership role in developing programs and/or facilities for collecting, promoting, and retaining of the many aspects of the historical heritage of the community.

Assumed an active leadership role in developing programs and facilities directed toward the improvement of community social and health needs as well as programs directed toward humanitarian purposes.

Deceased state or national leader.

Please explain in detail why your recommendation should be honored and/or how your applicant enhanced the quality of life within the city through outstanding service to the community. Please attach documentation.

- **By my signature hereon, I hereby certify that I have a full understanding of the implications of the above proposal, and request an opportunity to present testimony at any public hearing(s) held on this request. I further understand that the final decision on this request will be made by the Chehalis City Council.**

Printed name: Dr. Isaac Pope, City Council Member

Mailing address: 350 N Market Blvd.
Chehalis WA 98532

Signature: *Isaac Pope, Dist 4*

Signature: _____

Date Received: 1-23-2020 By: *Greg Wines*

**City of Chehalis Supplemental Application for
Renaming of City Buildings, Facilities, and Parks or Interior Features of
Facilities**

Policy - Renaming of City Buildings, Facilities, and Parks

Renaming of buildings, facilities, and parks carries with it a greater burden of process compared to initial naming. A name once selected for a park or facility should be bestowed with the intention that it will be permanent, and changes should be strongly resisted. Tradition and continuity of name and community identification are values that supersede fads and fashion. Applicants must address the issue of costs involved in the changing of an existing name (due to signage and a variety of written information that would need to be updated).

Please state the specific reason(s) why this name change is being requested.

Connie Bode, Chehalis Foundation Fundraising Chair has secured approximately 4.5 million dollars for facility improvements that have taken place at Recreation Park over the last several years. Her outstanding contributions and leadership has helped to facilitated a state of the art, ADA accessible aquatics center, ballfield complex, walking paths and a new Penny Playground.

The City's outstanding facilities would not be a reality without Connie's passion, dedication and countless volunteer hours spent planning and fundraising millions of dollars in support of our community needs. She has put her heart and soul into helping the City create a park that our community can be proud of and where our children can flourish. A facility that will be used as an economic driver to entice athletic teams and families to compete in our tournaments, swim at our amazing aquatics center, play on our fabulous playground and eat, shop and stay in Chehalis.

T

Please list the anticipated/expected costs affiliated with the proposed name change.

The anticipated cost is approximately \$300. This would be used to have signage made to identify the walkway being named in recognition of her outstanding efforts. The expense would be covered within the project budget.

The promenade is a beautiful ADA walkway with newly stamped concrete and pedestrian lighting. It leads to and from the Gail and Carolyn Shaw Aquatics Center, the Chehalis Sports Complex and the Penny Playground. These are all aspects of the park that Connie took great pride in by assisting with project design and fundraising. The promenade would be a nice place to highlight Connie's momentous efforts.

How do you propose that the costs affiliated with changing the name be funded?

The cost to have signs made will be covered in the existing project budget.

**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: January 27, 2020
SUBJECT: 2019 Fourth Quarter Financial Status Report

DISCUSSION

This document provides a summary review of the City's financial activities and status as of fourth quarter ending December 31, 2019.

The reports have been formatted to be consistent with the approved budget for ease of comparison and review of information. Comparisons and variances shown are based on straight line projections. The percentage year-to-date (YTD) target for December is 100% (12 of 12 months).

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

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

CITY-WIDE OVERVIEW

Overall, on a city-wide basis, the city has received \$31,028,217 or 98.0% of the 2019 revenue budget and has expensed \$27,819,828 or 82.2% of the 2019 appropriations. Total city-wide revenues exceeded total expenditures by \$3,208,389. The city-wide total fund balance as of December 31, 2019 is \$23,404,786.

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

City of Chehalis
Revenues, Expenditures/Expenses and Changes in Fund Balance
All City Funds Combined - Budget to Actual
For the Fourth Quarter Ending December 31, 2019

City-Wide, All Funds	2019 Budget	2019 YTD 12/31/2019	YTD % of Budget	Budget to Actual Variance Positive (Negative)
Revs. & Transfers In	\$ 31,649,006	\$ 31,028,217	98.0%	\$ (620,789)
Exps. & Transfers Out	33,853,633	27,819,828	82.2%	6,033,805
Increase (Decrease) in Fund Balance	(2,204,627)	3,208,389	-145.5%	\$ 5,413,016
Plus Beginning Fund Balance	20,196,397	20,196,397	100.0%	-
Ending Fund Balance	\$ 17,991,770	\$ 23,404,786	130.1%	\$ 5,413,016

Total YTD revenues is about 2.0% or \$620,789 below the 2019 YTD target amount. The key factors for this variance is due to grants for Recreation Park Renovation and Airport Taxiway Realignment projects. A combined total of \$4,244,795 in grant revenue is budgeted between these two projects and \$3,424,260 has been received through the end of 2019. Remaining grant fund balance of \$820,535 will be reimbursed in 2020.

The below table provides summary of total city-wide expenditures by objects. The YTD actual expenditures are \$6,033,805 below the 2019 appropriations. About 78% or \$4,692,595 of the variance is from capital outlays activities. About \$3.0 million of the 2019 unspent capital budget has been re-appropriated in the 2020 adopted budget, which includes, but is not limited to, the following major construction projects: Pacific Avenue between Main and Park Street, Recreation Park Renovation, High-Level Pump Station Replacement, watermain replacement at Pacific and Chehalis Avenues, and storm line replacement at Pacific Avenue. \$182,000 of the transfers out budget balance is from the Lodging Tax Fund to the Public Facilities Reserve Fund for the pool liner replacement project. The work started late in December and no expenses have been incurred in 2019. An amendment to the 2020 budget will be requested in early 2020 to carry over unspent 2019 appropriations.

<i>City-wide Expenditures by Objects</i>	<i>2019 Budget</i>	<i>2019 Actual</i>	<i>Balance</i>	<i>Percent Used</i>
Salaries & Benefits	11,427,275	10,862,780	564,495	95.1%
Supplies	1,891,503	1,952,109	(60,606)	103.2%
Services	4,791,846	4,206,623	585,223	87.8%
Services/Custodial Activities	729,171	669,288	59,883	91.8%
Capital Outlay	11,305,872	6,613,277	4,692,595	58.5%
Debt Service	2,495,383	2,487,924	7,459	99.7%
Transfers out	1,212,583	1,027,827	184,756	84.8%
Total	33,853,633	27,819,828	6,033,805	82.2%

Bottom Line: The City operated within normal budget parameters.

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

GENERAL FUND OVERVIEW

The General Fund’s 2019 actual revenue is \$10,305,406 or 101.6% of the 2019 budget. This exceeds the 2019 revenue budget projection by \$166,744. Total actual expenditures are \$10,619,031 or 95.1% of the 2019 budget. This is \$550,177 below the 2019 budget. At the end of the 4th quarter 2019, the General Fund total expenditures exceeded total revenues by \$313,625, which represents use of beginning reserves by the same amount.

The ending fund balance of the General Fund as of December 31, 2019 is \$1,490,637, which is about 14.7% of the General Fund revenue budget. The estimated beginning fund balance that was incorporated in the 2020 adopted budget was \$1,099,370. The actual ending fund balance at 2019 year-end is \$391,267 more than what was estimated during the budget development.

**City of Chehalis
Revenues, Expenditures/Expenses and Changes in Fund Balance
General Fund - Budget to Actual
For the Fourth Quarter Ending December 31, 2019**

General Fund	2019 Budget	2019 YTD 12/31/2019	YTD % of Budget	Budget to Actual Variance Positive (Negative)
Revs. & Transfers In	\$ 10,138,662	\$ 10,305,406	101.6%	\$ 166,744
Exps. & Transfers Out	11,169,208	10,619,031	95.1%	550,177
Increase (Decrease) in Fund Balance	(1,030,546)	(313,625)	30.4%	\$ 716,921
Plus Beginning Fund Balance	1,804,262	1,804,262	100.0%	-
Ending Fund Balance	\$ 773,716	\$ 1,490,637	192.7%	\$ 716,921
Ending Fund Balance % of Revenue Budget	7.6%	14.7%		
Ending Fund Balance % of Expenditure Budget	6.9%	13.3%		

General Fund Tax Revenues:

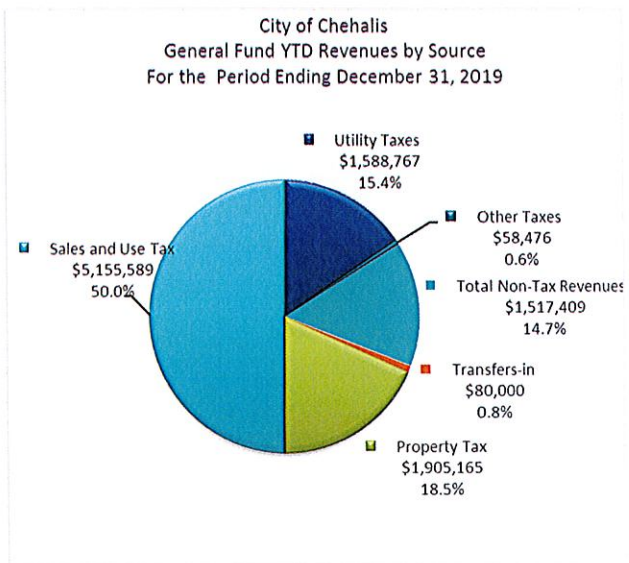
About 84.5% of the general fund revenue is from various tax revenues. Total YTD tax revenue is \$8,707,997 or 100.2% of the 2019 tax revenue budget. This exceeds the 2019 tax revenue projection by \$15,978.

GENERAL FUND (#001)	2019	YTD	2019	2019
	Amended	12/31/2019	YTD % of	Budget to
Revenues:	Budget	Actual	Budget	Actual
				Variance^
Revenues:				
Property Taxes General	\$ 1,434,393	\$ 1,419,034	98.9%	(15,359)
Property Taxes General - Fire Pension%	165,126	162,518	98.4%	(2,608)
Property Taxes EMS	327,230	323,613	98.9%	(3,617)
Subtotal for Property Taxes	1,926,749	1,905,165	98.9%	(21,584)
Local Sales & Use Taxes	4,970,180	4,918,795	99.0%	(51,385)
Brokered Natural Gas Sales Tax	27,200	80,344	295.4%	53,144
Criminal Justice Tax	144,730	156,450	108.1%	11,720
Subtotal for Sales and Use Taxes	5,142,110	5,155,589	100.3%	13,479
Electricity Utility B & O Tax	546,320	610,697	111.8%	64,377
Gas Utility Tax	154,480	126,811	82.1%	(27,669)
Garbage Utility Tax	73,480	82,167	111.8%	8,687
Cable Utility Tax	87,430	99,369	113.7%	11,939
Telephone Utility Tax	250,180	186,231	74.4%	(63,949)
Water/Sewer Utility B & O Tax	464,600	483,492	104.1%	18,892
Subtotal for Utility Taxes	1,576,490	1,588,767	100.8%	12,277
Leasehold Excise Tax	46,630	58,476	125.4%	11,846
Timber Excise Tax	40	-	0.0%	(40)
Subtotal for Other Taxes	46,670	58,476	125.3%	11,806
Total Tax Revenues	\$ 8,692,019	\$ 8,707,997	100.2%	\$ 15,978

Property Tax revenue received through December is 98.9% of the 2019 budget and is \$21,584 below the YTD target amount. Historically, about 98% of taxes are collected in the levy year with the remaining balance collected in the subsequent years following the levy year. The 2019 budget included 100% of the 2019 tax levy as well as an estimated delinquent tax collection for the previous years' levy, thus, inflating the budget by about \$21,900. The 2020 adopted budget reflects more to actual.

Sales Tax revenue received through December is \$5,155,589 or 100.3% of the 2019 budget. This is about \$13,479 exceeding the YTD target amount. Sales tax is the City's largest revenue source and makes up 50.0% of the total General Fund revenues received through December 2019.

Local sales and use tax received is \$4,918,795 or 99.0% of the 2019 budget and is \$51,385 below the YTD target amount. About \$287,894 (or 5.9%) of the YTD 2019 local sales and use tax is from construction activities (construction of buildings, heavy and civil engineering, and specialty trade contractors, etc.). As predicted, the sales tax from aggregated construction



activities declined by \$218,064 (or 43.1%) from 2018; whereas, sales taxes from aggregated non-construction activities increased by \$221,829 (or 5.0%) when compared to last year. Overall, local sales and use tax revenues increased by \$3,765 or 0.1% from 2018. Local sales and use tax revenues trend will be closely monitored throughout the year.

Utility Tax revenue received is \$1,588,767 or 100.8% of the 2019 budget. This is \$12,277 exceeding the 2019 budget. Electricity utility tax revenue exceeded the 2019 budget by \$64,377; however, gas and telephone utility tax revenues are below the 2019 budget by \$27,669 and 63,949, respectively. Utility tax revenue is the third largest revenue source of the General Fund and make up 15.4% of the General Fund total revenues received through December 2019.

General Fund Non-Tax Revenues:

License and Permit fee revenue received is \$235,162 or 117.2% of the 2019 budget. This exceeds the YTD target amount by \$34,587. This category includes business licenses and permit fees and non-business licenses and permit fees (i.e., building permit fees, animal licenses, and gun permits). The \$27,987 permit fees paid for the multi-family units on Jackson Highway is one of the contributing factors for the YTD revenue exceeding the budget projection. Total revenues from business licenses and permits and non-business licenses and permits were \$115,507 and \$119,655, respectively.

Intergovernmental revenues is \$445,178 or 123.1% of the 2019 budget. This is \$83,657 exceeding the YTD target amount. This category includes intergovernmental grants, state shared revenues, and the Main Street B&O Tax Credit.

2019 YTD state Shared revenue received is \$288,780 or 123.5% of the 2019 budget and is \$55,026 exceeding the YTD target amount. This category includes Multimodal Transportation, Streamlined Sales Tax (SST) Mitigation, Criminal Justice Programs, Marijuana Enforcement, Marijuana Excise Tax, DUI cities, Liquor Excise Tax and Liquor Board Profits, and PUD Privilege Tax. Shared revenues from criminal justice programs exceeded the budget projection by \$30,000 and Marijuana excise tax distribution also exceeded the budget projection by \$10,385.

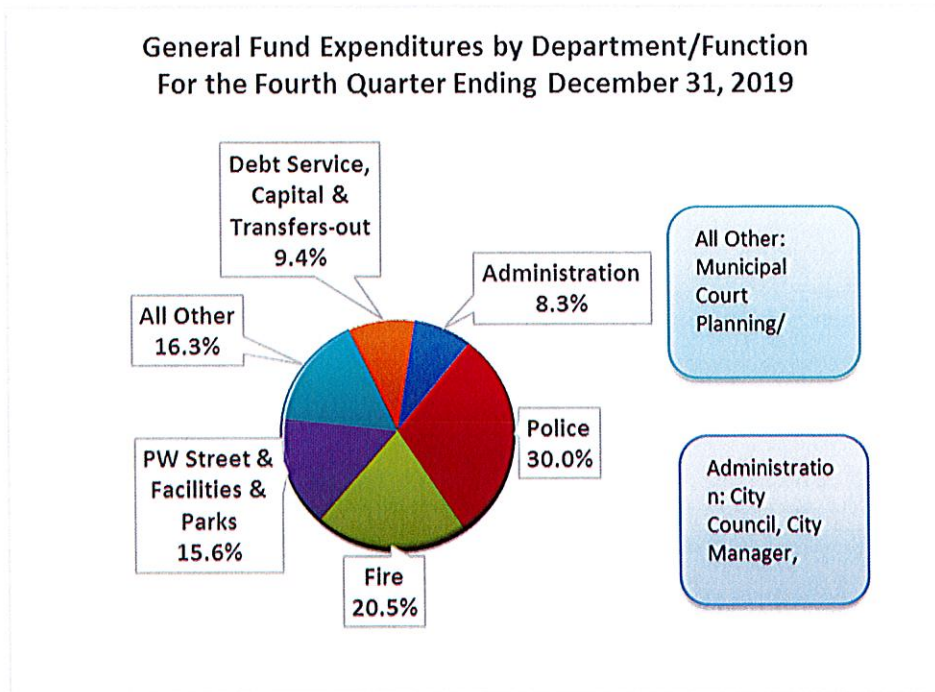
Charges for goods and services revenue received is \$390,812 or 92.6% of the 2019 budget and \$31,225 below the YTD target amount. This category includes charges for fire and police services, plan check review fees, and recreation program fees. Recreation program fees make up about 49% of the 2019 budget in this category. The parks and recreation program revenues received are \$191,228 or 98.6% of the 2019 budget. Total revenue from pool activities is \$118,105 and programs from other activities (i.e. classes and tournaments) is \$73,123.

General Fund Expenditures and Transfers-out

Total expenditures and transfers-out through December is \$10,619,032 or 95.1% of the 2019 budget. This is \$550,177 below the 2019 expenditures budget.

Total salaries and benefits were \$7,434,837 and makes up about 70.0% of the total general fund expenditures.

Police and Fire make up 50.5% of the total 2019 general fund expenditures.



All departments operated within the budget parameters, with average spending of 95.1% of the 2019 total general fund appropriations, leaving a \$550,177 balance in the 2019 expenditures budget. The remaining budget balance is summarized by the following major expenditures categories: about \$250,000 from salary and benefits; \$36,000 from supplies; \$231,000 from services. The general fund financial statements attached to this agenda report provides the budget to actual information by each department.

The 2019 budget includes transfers-out in the amount of \$870,554. A total of \$867,536 or 99.65% of the 2019 budgeted amounts was transferred by the end of December, which includes the following:

- Annual debt service payment for the 2011 LTGO \$24,966
- 4% of local sales and use tax to dedicated street fund in the amount of \$196,752.
- Reserve for building abatement \$80,000
- Reserve for compensated absences liabilities \$100,000
- Reserve for future fire station land acquisition \$150,000
- Reserve for major facility repairs/improvements \$134,038
- Transfer to automotive and equipment reserve fund \$181,780

Bottom Line: Overall, the General Fund operated within the budget parameters.

ENTERPRISE FUNDS

Wastewater Fund

2019 total operating revenues is \$5,617,443 or 100.4% of the 2019 budget. This exceeds the 2019 budget projection by \$20,241.

Total operating expenditures through December is \$2,980,694 or 95.4% of the 2019 budget; whereas, total capital expenditures through December is \$491,803 or 55.2% of the 2019 capital budget. Riverside Force Main replacement project was still in process at the end of December which spent \$407,295 of the \$712,868 project budget. An amendment to the 2020 adopted budget may be requested to carry over the 2019 remaining capital budget.

The ending fund balance as of December 31, 2019 is \$5,377,923, which is a \$265,043 increase from December 31, 2018. \$1,879,904 of the ending fund balance is restricted for debt service reserves.

Water Fund

2019 total operating revenues is \$3,262,222 or 110.3% of the 2019 budget. This exceeds the 2019 budget projection by \$303,966. Charges for services exceeded the 2019 projection by \$297,492 and a \$57,748 increase from 2018.

Total operating expenditures through December is \$2,210,225 or 87.9% of the 2019 budget; whereas, capital expenditures through December is \$270,978 or 18.5% of the 2019 capital budget has been spent. Construction budget for High-Level Pump Station Replacement and Pacific Avenue Waterline Replacement projects have been re-appropriated in the 2020 adopted budget in the amount of \$800,000.

The ending fund balance at December 31, 2019 is \$7,967,278, which is a \$530,187 increase from December 31, 2018. About \$517,000 of the ending fund balance is restricted for customer deposits held.

Storm and Surface Water Fund

2019 total operating revenues is \$735,000 or 98.8% of the 2019 budget. This is \$8,640 below the 2019 budget amount.

Total operating expenditures through December is \$525,859 or 93.7% of the 2019 budget. However, only 5.8% of the 2019 capital outlay budget has been spent through December.

The ending fund balance at December 31, 2019 is \$1,460,054, which is a \$195,392 increase from December 31, 2018.

Airport Fund

2019 total operating revenues received through December is \$1,852,985 or 104.9% of the 2019 budget. This exceeds the 2019 budget by \$86,050. Fuel sales and interest earnings exceeded the 2019 budget projection by \$17,378 and \$65,989, respectively.

Intergovernmental revenues (grants) received is \$2,452,599 or 92.7% of the 2019 budget. The grant revenue budget includes the FAA and WSDOT grants for the Taxiway Realignment project. The grant reimburses 95% of eligible costs incurred. Taxiway Realignment project is substantially completed. A final grant reimbursement request will be submitted in 2020 as the project closes out and the City will receive the remaining grant funds in 2020.

2019 total operating expenditures through December is \$1,230,283 or 104.5% of the 2019 budget. This exceeds the 2019 budget by \$53,256, due to increases in fuel purchases.

About 96.1% of the 2019 capital budget has been spent through December 2019. The 2019 budget for the Taxiway Realignment project is \$2,803,678, and \$2,779,770 or 98.8% of the project budget has been spent through December 2019. An amendment to the 2020 budget will be requested to carry over the 2019 project budget balance to 2020.

The ending fund balance at December 31, 2019 is \$1,169,630, which is a \$118,212 increase from December 31, 2018.

TREASURER'S REPORT – CASH AND INVESTMENTS

The City's total cash, deposits, and investments as of December 31, 2019 is \$23,404,786. About 87.7% or \$20,517,356 of the City's cash is invested and earns interests. The remaining 12.3% or \$2,887,429 is held at the City or deposited in non-interest-bearing checking accounts to cover on-going operational cash flow needs. A summary of cash funds and investment types are as follows:

City of Chehalis Cash, Deposits & Investment - Total Combined All Funds		
Account Type	Balance 12/31/2019	% of Total
Revolving Cash Funds (on-hand)	\$ 4,650	0.0%
Checking	2,882,779	12.3%
Money Market & Savings	187,434	0.8%
Local Government Investment Pool (LGIP)	17,954,569	76.7%
US Govt Agency Securities	2,375,353	10.1%
Total	\$ 23,404,786	100.0%

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

Only about 6.4% or \$1,490,638 of the total cash and investment balance belongs to the General Fund. The table below provides summary totals for each fund.

Total Cash, Deposits & Investments by Fund Types	Balance 12/31/2019	% of Total
General Fund	\$ 1,490,638	6.4%
TBD Fund	2,166,644	9.3%
Combined Utilities Funds	14,813,257	63.3%
Airport Fund	1,169,630	5.0%
Capital Project Funds	1,565,641	6.7%
Firemen's Pension Fund	1,013,143	4.3%
All other funds	1,185,834	5.1%
Total	\$ 23,404,786	100.0%

The City's total investment interest earnings through December 31, 2019 totaled \$421,145. Investment interests are credited to the respective funds based on the percent of investment holdings by the fund. The average LGIP net earnings rate for 2019 was 2.3072%.

FISCAL IMPACT

As shown.

RECOMMENDATION

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

SUGGESTED MOTION

N/A

City of Chehalis



Quarterly Council Financial Report Preliminary Fourth Quarter 2019

For the Period Ending
December 31, 2019
(January through December)

The City of Chehalis, Washington

City of Chehalis
Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
PRELIMINARY 2019 Fourth Quarter Financial Statements - All Funds
As of December 31, 2019

Fund Type/Name	Beginning Fund Balance		Revenues & Transfers			Expenditures & Transfers			Changes in Fund Balance		Ending Fund Balance	
	2019 Amended Budget	Actual 1/1/2019	2019 Amended Budget	YTD 12/31/2019 Actual	YTD % of Budget	2019 Amended Budget	YTD 12/31/2019 Actual	YTD % of Budget	2019 Amended Budget	YTD 12/31/2019 Actual	2019 Amended Budget	Actual 12/31/2019
General Funds:												
General Fund	\$ 1,804,262	\$ 1,804,262	\$ 10,138,662	\$ 10,305,406	101.6%	\$ 11,169,208	\$ 10,619,031	95.1%	\$ (1,030,546)	\$ (313,625)	773,716	\$ 1,490,637
Dedicated Street Fund	163,772	163,772	199,518	211,830	106.2%	172,520	153,588	89.0%	26,998	58,242	190,770	222,014
Building Abatement Fund	101,209	101,209	80,330	81,823	101.9%	80,000	80,000	100.0%	330	1,823	101,539	103,032
Compensated Absences Fund	93,841	93,841	101,850	103,066	101.2%	-	-	0.0%	101,850	103,066	195,691	196,907
Total General Funds	2,163,084	2,163,084	10,520,360	10,702,125	101.7%	11,421,728	10,852,619	95.0%	(901,368)	(150,494)	1,261,716	2,012,590
Special Revenue Funds:												
Arterial Street Fund	125,142	125,142	165,504	160,926	97.2%	175,650	164,365	93.6%	(10,146)	(3,439)	114,996	121,703
Transportation Benefit Dist. Fund	1,110,158	1,110,158	1,218,481	1,225,398	100.6%	1,194,196	168,912	14.1%	24,285	1,056,486	1,134,443	2,166,644
Tourism Fund	363,943	363,943	253,985	265,204	104.4%	405,435	208,645	51.5%	(151,450)	56,559	212,493	420,502
Community Block Grant Fund	24,190	24,190	1,000	464	46.4%	1,000	200	20.0%	-	264	24,190	24,454
HUD Block Grant Fund	86,259	86,259	1,420	1,668	117.5%	1,000	-	0.0%	420	1,668	86,679	87,927
Total Special Revenue Funds	1,709,692	1,709,692	1,640,390	1,653,660	100.8%	1,777,281	542,122	30.5%	(136,891)	1,111,538	1,572,801	2,821,230
Debt Service Funds:												
2011 G.O. Bond Fund	1	1	99,863	99,863	100.0%	99,863	99,863	100.0%	-	-	1	1
Total Debt Service Fund	1	1	99,863	99,863	100.0%	99,863	99,863	100.0%	-	-	1	1
Capital Project Funds:												
Public Facilities Reserve Fund	339,638	339,638	4,461,026	3,477,000	77.9%	4,498,968	2,780,448	61.8%	(37,942)	696,552	301,696	1,036,190
Automotive/Equip. Reserve Fund	94,311	94,311	182,010	185,595	102.0%	81,780	39,275	48.0%	100,230	146,320	194,541	240,631
First Quarter REET Fund	62,712	62,712	106,280	114,481	107.7%	40,944	40,944	100.0%	65,336	73,537	128,048	136,249
Second Quarter REET Fund	71,769	71,769	106,470	114,755	107.8%	33,953	33,953	100.0%	72,517	80,802	144,286	152,571
Total Capital Project Funds	568,430	568,430	4,855,786	3,891,831	80.1%	4,655,645	2,894,620	62.2%	200,141	997,211	768,571	1,565,641
Proprietary Funds:												
Garbage Fund	7,706	7,706	6,745	6,063	89.9%	7,252	5,767	79.5%	(507)	296	7,199	8,002
Wastewater Fund	5,112,880	5,112,880	5,597,862	5,618,006	100.4%	5,894,863	5,352,963	90.8%	(297,001)	265,043	4,815,879	5,377,923
Water Fund	7,437,091	7,437,091	3,026,621	3,331,295	110.1%	4,301,755	2,801,108	65.1%	(1,275,134)	530,187	6,161,957	7,967,278
Storm & Surface Water Fund	1,264,662	1,264,662	743,670	735,191	98.9%	801,936	539,799	67.3%	(58,266)	195,392	1,206,396	1,460,054
Airport Fund	1,051,418	1,051,418	4,606,473	4,510,490	97.9%	4,446,310	4,392,278	98.8%	160,163	118,212	1,211,581	1,169,630
Total Proprietary Funds	14,873,757	14,873,757	13,981,371	14,201,045	101.6%	15,452,116	13,091,915	84.7%	(1,470,745)	1,109,130	13,403,012	15,982,887
Fiduciary Funds:												
Firemen's Pension Fund	877,319	877,319	191,236	194,360	101.6%	87,000	58,536	67.3%	104,236	135,824	981,555	1,013,143
City Agency Fund	4,114	4,114	360,000	285,333	79.3%	360,000	280,153	77.8%	-	5,180	4,114	9,294
Total Fiduciary Funds	881,433	881,433	551,236	479,693	87.0%	447,000	338,689	75.8%	104,236	141,004	985,669	1,022,437
TOTAL ALL CITY FUNDS	\$ 20,196,397	\$ 20,196,397	\$ 31,649,006	\$ 31,028,217	98.0%	\$ 33,853,633	\$ 27,819,828	82.2%	\$ (2,204,627)	\$ 3,208,389	\$ 17,991,770	\$ 23,404,786

Note: May contain rounding differences of +/-1

City of Chehalis
Comparative Revenues, Expenditures, and Fund Balances - Budget to Actual
December 2018 and 2019
General Fund

	2018	YTD	2018	2019	YTD Target % *	100.0%	2019 Budget to Actual Variance^	2019-2018 YTD Actual Change
	Amended Budget	12/31/2018 Actual	YTD % of Budget	Amended Budget	12/31/2019 Actual	YTD % of Budget		
GENERAL FUND (#001)								
Revenues:								
Taxes:								
Property Taxes	\$ 1,639,220	\$ 1,750,244	106.8%	\$ 1,926,749	\$ 1,905,165	98.9%	\$ (21,584)	\$ 154,921
Sales and Use Taxes	4,909,128	5,108,799	104.1%	5,142,110	5,155,589	100.3%	13,479	46,790
Utility Taxes	1,588,620	1,594,782	100.4%	1,576,490	1,588,767	100.8%	12,277	(6,015)
Other Taxes	50,222	55,336	110.2%	46,670	58,476	125.3%	11,806	3,140
Total Taxes	8,187,190	8,509,161	103.9%	8,692,019	8,707,997	100.2%	15,978	198,836
Non-Tax Revenues:								
Licenses and Permits	188,435	172,745	91.7%	200,575	235,162	117.2%	34,587	62,417
Intergovernmental Revenues	316,519	318,683	100.7%	361,521	445,178	123.1%	83,657	126,495
Charges for Goods & Services:								
General Government	10,400	8,981	86.4%	14,350	15,879	110.7%	1,529	6,898
Security/Persons & Property	79,410	80,124	100.9%	121,862	117,238	96.2%	(4,624)	37,114
Economic Development	33,260	34,881	104.9%	91,710	66,417	72.4%	(25,293)	31,536
Culture & Recreation	198,000	200,705	101.4%	193,900	191,228	98.6%	(2,672)	(9,477)
Physical Environment & Transportation	135	1,068	791.1%	215	50	23.3%	(165)	(1,018)
Total for Charges for Goods & Services	321,205	325,759	101.4%	422,037	390,812	92.6%	(31,225)	65,053
Fines and Forfeitures	114,085	116,090	101.8%	120,110	121,965	101.5%	1,855	5,875
Miscellaneous	310,738	325,527	104.8%	262,400	324,292	123.6%	61,892	(1,235)
Total Non-Tax Revenues	1,250,982	1,258,804	100.6%	1,366,643	1,517,409	111.0%	150,766	258,605
Other Fund Sources:								
Transfers-in	-	-	0.0%	80,000	80,000	100.0%	-	80,000
Total Other Fund Sources	-	-	0.0%	80,000	80,000	100.0%	-	80,000
Total Revenues & Fund Sources	\$ 9,438,172	\$ 9,767,965	103.5%	\$ 10,138,662	\$ 10,305,406	101.6%	\$ 166,744	\$ 537,441
Expenditures								
Operating Expenditures by Department:								
City Council	\$ 77,498	\$ 76,333	98.5%	\$ 97,825	\$ 92,510	94.6%	\$ 5,315	\$ 16,177
Municipal Court	489,082	457,249	93.5%	497,978	479,432	96.3%	18,546	22,183
City Manager	262,340	251,458	95.9%	201,348	198,952	98.8%	2,396	(52,506)
Finance	273,990	224,966	82.1%	299,503	270,212	90.2%	29,291	45,246
City Clerk	81,252	73,304	90.2%	86,347	81,195	94.0%	5,152	7,891
Legal Service	-	-	0.0%	78,183	72,700	93.0%	5,483	72,700
Facilities and Parks	1,073,729	1,014,852	94.5%	1,173,217	1,096,475	93.5%	76,742	81,623
Non-Departmental	421,189	445,636	105.8%	497,543	419,604	84.3%	77,939	(26,032)
Human Resources	122,749	108,180	88.1%	202,578	165,809	81.8%	36,769	57,629
Police	3,200,771	3,147,364	98.3%	3,293,409	3,182,890	96.6%	110,519	35,526
Fire	2,296,930	2,101,684	91.5%	2,262,207	2,174,135	96.1%	88,072	72,451
Public Works - Streets	568,451	520,226	91.5%	601,350	558,603	92.9%	42,747	38,377
Planning & Building	325,880	287,381	88.2%	391,443	352,714	90.1%	38,729	65,333
Recreation	481,740	466,786	96.9%	482,879	476,047	98.6%	6,832	9,261
Total Operating Expenditures	9,675,601	9,175,419	94.8%	10,165,810	9,621,278	94.6%	544,532	445,859
Other Expenditures:								
Debt Service	114,385	114,432	100.0%	114,432	114,432	100.0%	-	-
Capital Expenditures	143,760	146,180	101.7%	18,412	15,823	85.9%	2,589	(130,357)
Transfers-out	562,527	568,502	101.1%	870,554	867,498	99.6%	3,056	298,996
Total Other Expenditures	820,672	829,114	101.0%	1,003,398	997,753	99.4%	5,645	168,639
Total Expenditures	\$ 10,496,273	\$ 10,004,533	95.3%	\$ 11,169,208	\$ 10,619,031	95.1%	550,177	\$ 614,498
Changes in Fund Balance	\$ (1,058,101)	\$ (236,568)	22.4%	\$ (1,030,546)	\$ (313,625)	30.4%	716,921	\$ (77,057)
Beginning Fund Balance	2,040,830	2,040,830	100.0%	1,804,262	1,804,262	100.0%	-	(236,568)
Ending Fund Balance	\$ 982,729	\$ 1,804,262	183.6%	\$ 773,716	\$ 1,490,637	192.7%	\$ 716,921	\$ (313,625)

Foot Note:

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

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

	2018	YTD	2018	YTD Target % *		2019	2019	2019	2019-2018
	Amended Budget	12/31/2018 Actual	YTD % of Budget	2019 Amended Budget	12/31/2019 Actual	YTD % of Budget	Budget to Actual Variance^	YTD Actual Change	
Wastewater Fund (#404)									
Revenues:									
Operating Revenues:									
Charges for Services	\$ 5,070,414	\$ 4,988,977	98.4%	\$ 5,068,094	\$ 5,075,725	100.2%	\$ 7,631	\$ 86,748	
Hookup/Connection Fee	100,000	48,480	48.5%	99,000	105,156	106.2%	6,156	56,676	
Capacity Charge	277,378	277,378	100.0%	277,378	277,378	100.0%	-	-	
Intergovernmental Revenues	10,905	25,918	237.7%	-	-	0.0%	-	(25,918)	
Late Payment Fees	51,000	50,528	99.1%	42,910	48,285	112.5%	5,375	(2,243)	
Interest Earnings	60,000	73,385	122.3%	104,130	106,041	101.8%	1,911	32,656	
Rental Income	3,545	3,545	100.0%	4,140	3,545	85.6%	(595)	-	
Miscellaneous Other	1,100	1,984	180.4%	1,550	1,313	84.7%	(237)	(671)	
Total Operating Revenues	5,574,342	5,470,195	98.1%	5,597,202	5,617,443	100.4%	20,241	147,248	
Other Fund Sources:									
Capital Grants	-	-	0.0%	-	-	0.0%	-	-	
Custodial Activities	555	618	111.4%	660	563	85.3%	(97)	(55)	
Debt Proceeds	-	-	0.0%	-	-	0.0%	-	-	
Total Other Fund Source	555	618	111.4%	660	563	85.3%	(97)	(55)	
Total Revenues & Fund Sources	\$ 5,574,897	\$ 5,470,813	98.1%	\$ 5,597,862	\$ 5,618,006	100.4%	\$ 20,144	\$ 147,193	
Expenditures:									
Operating Expenditures:									
Operating Expenditures	\$ 3,349,574	\$ 3,002,160	89.6%	\$ 3,124,064	\$ 2,980,694	95.4%	\$ 143,370	\$ (21,466)	
Total Operating Expenditures:	3,349,574	3,002,160	89.6%	3,124,064	2,980,694	95.4%	143,370	(21,466)	
Other Expenditures:									
Custodial Activities	600	618	103.0%	600	563	93.8%	37	(55)	
Debt Service	1,909,145	1,895,658	99.3%	1,879,905	1,879,903	100.0%	2	(15,755)	
Capital Expenditures	294,873	293,016	99.4%	890,294	491,803	55.2%	398,491	198,787	
Transfers-out	-	-	0.0%	-	-	0.0%	-	-	
Total Other Expenditures	2,204,618	2,189,292	99.3%	2,770,799	2,372,269	85.6%	398,530	182,977	
Total Expenditures	\$ 5,554,192	\$ 5,191,452	93.5%	\$ 5,894,863	\$ 5,352,963	90.8%	\$ 541,900	\$ 161,511	
Changes in Fund Balance	\$ 20,705	\$ 279,361	1349.2%	\$ (297,001)	\$ 265,043	-89.2%	\$ 562,044	\$ (14,318)	
Beginning Fund Balance	4,833,519	4,833,519	100.0%	5,112,880	5,112,880	100.0%	(5,112,880)	279,361	
Ending Fund Balance	\$ 4,854,224	\$ 5,112,880	105.3%	\$ 4,815,879	\$ 5,377,923	111.7%	\$ (4,550,836)	\$ 265,043	
<i>Operating Income (deficit)</i>	<i>\$ 2,224,768</i>	<i>\$ 2,468,035</i>	<i>110.9%</i>	<i>\$ 2,473,138</i>	<i>\$ 2,636,749</i>	<i>106.6%</i>	<i>\$ 163,611</i>	<i>\$ 168,714</i>	

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

	2018	YTD	2018	YTD Target % *		100.0%	2019	2019-2018
	Amended Budget	12/31/2018 Actual	YTD % of Budget	2019 Amended Budget	12/31/2019 Actual	YTD % of Budget	2019 Budget to Actual Variance^	2019-2018 YTD Actual Change
WATER FUND (#405)								
<u>Revenues:</u>								
<u>Operating Revenues:</u>								
Charges for Services	\$ 2,654,784	\$ 2,888,244	108.8%	\$ 2,648,500	\$ 2,945,992	111.2%	\$ 297,492	\$ 57,748
Hookup/Connectin Fee	160,000	87,073	54.4%	136,640	142,194	104.1%	5,554	55,121
Intergovernmental Revenues	-	-	0.0%	-	-	0.0%	-	-
Late Payment Fees	31,000	38,690	124.8%	27,720	27,189	98.1%	(531)	(11,501)
Interest Earnings	94,400	115,127	122.0%	144,176	145,959	101.2%	1,783	30,832
Other Misc. Revenues	1,000	8,486	848.6%	1,220	888	72.8%	(332)	(7,598)
Total Operating Revenues	2,941,184	3,137,620	106.7%	2,958,256	3,262,222	110.3%	303,966	124,602
<u>Other Funding Source</u>								
Inerfund Loan Repayment	16,800	16,590	98.8%	68,095	68,308	100.3%	213	51,718
Capital Grants	-	-	0.0%	-	-	0.0%	-	-
Custodial Activities	100	570	570.0%	270	83	30.7%	(187)	(487)
Debt Proceeds	-	-	0.0%	-	-	0.0%	-	-
Other Resources	-	2,733	0.0%	-	682	0.0%	682	(2,051)
Total Other Fund Source	16,900	19,893	117.7%	68,365	69,073	101.0%	708	49,180
Total Revenues & Fund Sources	\$ 2,958,084	\$ 3,157,513	106.7%	\$ 3,026,621	\$ 3,331,295	110.1%	\$ 304,674	\$ 173,782
<u>Expenditures</u>								
<u>Operating Expenditures</u>								
Operating Expenditures	2,318,091	2,127,634	91.8%	2,515,693	2,210,225	87.9%	305,468	82,591
Total Operating Expenditures	2,318,091	2,127,634	91.8%	2,515,693	2,210,225	87.9%	305,468	82,591
<u>Other Expenditures</u>								
Custodial Activities	100	953	953.0%	100	33	33.0%	67	(920)
Debt Service	343,576	332,448	96.8%	321,662	319,872	99.4%	1,790	(12,576)
Capital Expenditures	290,570	73,120	25.2%	1,464,300	270,978	18.5%	1,193,322	197,858
Interfund Loan Disbursements	279,430	279,427	100.0%	-	-	0.0%	-	(279,427)
Total Other Expenditures	913,676	685,948	75.1%	1,786,062	590,883	33.1%	1,195,179	(95,065)
Total Expenditures	\$ 3,231,767	\$ 2,813,582	87.1%	\$ 4,301,755	\$ 2,801,108	65.1%	\$ 1,500,647	\$ (12,474)
Change in Fund Balance	\$ (273,683)	\$ 343,931	-125.7%	\$ (1,275,134)	\$ 530,187	-41.6%	\$ 1,805,321	\$ 186,256
Beginning Fund Balance	7,093,160	7,093,160	100.0%	7,437,091	7,437,091	100.0%	(7,437,091)	343,931
Ending Fund Balance	\$ 6,819,477	\$ 7,437,091	109.1%	\$ 6,161,957	\$ 7,967,278	129.3%	\$ (5,631,770)	\$ 530,187
<i>Operating Income (deficit)</i>	<i>\$ 623,093</i>	<i>\$ 1,009,986</i>	<i>162.1%</i>	<i>\$ 442,563</i>	<i>\$ 1,051,997</i>	<i>237.7%</i>	<i>\$ (1,502)</i>	<i>\$ 42,011</i>

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

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

	2018	YTD	2018	YTD Target % *		100.0%	2019	2019-2018
	Amended Budget	12/31/2018 Actual	YTD % of Budget	2019	YTD	2019		
				Amended Budget	12/31/2019 Actual	YTD % of Budget	Budget to Actual Variance^	YTD Actual Change
Storm Water Fund (#406)								
Revenues:								
Operating Revenues:								
Charges for Goods & Services	\$ 609,000	\$ 645,495	106.0%	\$ 704,070	\$ 693,353	98.5%	\$ (10,717)	\$ 47,858
Hookup/Connection Fee	2,100	1,712	81.5%	8,000	8,998	112.5%	998	7,286
Intergovernmental Revenue	-	-	0.0%	-	-	0.0%	-	-
Fines and Forfeitures	5,000	8,900	178.0%	5,000	5,507	110.1%	507	(3,393)
Interest Earnings	13,250	17,371	131.1%	26,570	26,483	99.7%	(87)	9,112
Other Misc. Revenues	-	297	0.0%	-	659	0.0%	659	362
Total Operating Revenues	629,350	673,775	107.1%	743,640	735,000	98.8%	(8,640)	61,225
Other Fund Sources:								
Capital Grants	-	-	0.0%	-	-	0.0%	-	-
Custodial Activities	30	46	153.3%	30	55	183.3%	25	9
Debt Proceeds	-	-	0.0%	-	-	0.0%	-	-
Other Resources	-	-	0.0%	-	136	0.0%	136	136
Total Other Fund Sources	30	46	153.3%	30	191	636.7%	161	145
Total Revenues & Fund Sources	\$ 629,380	\$ 673,821	107.1%	\$ 743,670	\$ 735,191	98.9%	\$ (8,479)	\$ 61,370
Expenditures:								
Operating Expenditures:								
Operating Expenditures	491,175	477,146	97.1%	561,086	525,859	93.7%	35,227	48,713
Total Operating Expenditures	491,175	477,146	97.1%	561,086	525,859	93.7%	35,227	48,713
Other Expenditures:								
Custodial Activities	50	46	92.0%	50	54	108.0%	(4)	8
Capital Expenditures	230,000	30,190	13.1%	240,800	13,886	5.8%	226,914	(16,304)
Transfers-out	-	-	0.0%	-	-	0.0%	-	-
Total Other Expenditures	230,050	30,236	13.1%	240,850	13,940	5.8%	226,910	(16,296)
Total Expenditures	721,225	507,382	70.4%	801,936	539,799	67.3%	262,137	32,417
Changes in Fund Balance	\$ (91,845)	\$ 166,439	-181.2%	\$ (58,266)	\$ 195,392	-335.3%	\$ 253,658	\$ 28,953
Beginning Fund Balance	1,098,223	1,098,223	100.0%	1,264,662	1,264,662	100.0%	(1,264,662)	166,439
Ending Fund Balance	\$ 1,006,378	\$ 1,264,662	125.7%	\$ 1,206,396	\$ 1,460,054	121.0%	\$ (1,011,004)	\$ 195,392
<i>Operating Income (deficit)</i>	<i>\$ 138,175</i>	<i>\$ 196,629</i>	<i>142.3%</i>	<i>\$ 182,554</i>	<i>\$ 209,141</i>	<i>114.6%</i>	<i>\$ 26,587</i>	<i>\$ 12,512</i>

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

	2018	YTD	2018	YTD Target % *	YTD	100.0%	2019	2019-2018
	Amended Budget	12/31/2018 Actual	YTD % of Budget	Amended Budget	12/31/2019 Actual	YTD % of Budget	Budget to Actual Variance^	YTD Actual Change
Airport Fund (#407)								
Revenues:								
Operating Revenues:								
Fuel sales	\$ 486,000	\$ 524,221	107.9%	\$ 620,073	\$ 637,451	102.8%	\$ 17,378	\$ 113,230
Other Misc. Revenues	1,700	43,760	2574.1%	1,375	2,495	181.5%	1,120	(41,265)
Late Payment Fees	-	60	0.0%	-	103	0.0%	103	43
Interest Earnings	-	10,971	0.0%	24,140	25,600	106.0%	1,460	14,629
Rents & Leases	1,112,500	1,152,429	103.6%	1,121,347	1,187,336	105.9%	65,989	34,907
Total Operating Revenues	1,600,200	1,731,441	108.2%	1,766,935	1,852,985	104.9%	86,050	121,544
Other Fund Sources:								
Intergovernmental - Capital Grants	308,000	400,937	130.2%	2,644,795	2,452,599	92.7%	(192,196)	2,051,662
Custodial Activities	182,059	290,623	159.6%	194,743	203,961	104.7%	9,218	(86,662)
Interfund Loan Receipts	279,430	279,427	100.0%	-	-	0.0%	-	(279,427)
Proceeds from Sale of Capital Asset:	-	1,620	0.0%	-	945	0.0%	945	(675)
Debt Proceeds (Bonds/Loans)	-	-	0.0%	-	-	0.0%	-	-
Operating Transfers In	-	-	0.0%	-	-	0.0%	-	-
Total Other Fund Sources	769,489	972,607	126.4%	2,839,538	2,657,505	93.6%	(182,033)	1,684,898
Total Revenues & Fund Sources	\$ 2,369,689	\$ 2,704,048	114.1%	\$ 4,606,473	\$ 4,510,490	97.9%	\$ (95,983)	\$ 1,806,442
Expenditures:								
Operating Expenditures	1,070,331	1,067,955	99.8%	1,177,027	1,230,283	104.5%	(53,256)	162,328
Total Operating Expenditures	1,070,331	1,067,955	99.8%	1,177,027	1,230,283	104.5%	(53,256)	162,328
Other Expenditures:								
Custodial Activities	182,014	190,628	104.7%	195,359	204,009	104.4%	(8,650)	13,381
Debt Service	336,014	336,349	100.1%	32,151	32,216	100.2%	(65)	(304,133)
Capital Expenditures	613,073	412,733	67.3%	2,973,678	2,857,462	96.1%	116,216	2,444,729
Interfund Loan Payment	16,800	16,590	98.8%	68,095	68,308	100.3%	(213)	51,718
Total Other Expenditures	1,147,901	956,300	83.3%	3,269,283	3,161,995	96.7%	107,288	2,205,695
Total Expenditures	\$ 2,218,232	\$ 2,024,255	91.3%	\$ 4,446,310	\$ 4,392,278	98.8%	\$ 54,032	\$ 2,368,023
Changes in Fund Balance	\$ 151,457	\$ 679,793	448.8%	\$ 160,163	\$ 118,212	73.8%	\$ (41,951)	\$ (561,581)
Beginning Fund Balance	371,625	371,625	100.0%	1,051,418	1,051,418	100.0%	(1,051,418)	679,793
Ending Fund Balance	\$ 523,082	\$ 1,051,418	201.0%	\$ 1,211,581	\$ 1,169,630	96.5%	\$ (1,093,369)	\$ 118,212
<i>Operating Income (deficit)</i>	\$ 529,869	\$ 663,486	125.2%	\$ 589,908	\$ 622,702	105.6%	\$ 32,794	\$ (40,784)

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