

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

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

Regular Meeting of Monday, September 26, 2016

5:00 p.m.

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

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

PROCLAMATIONS / PRESENTATIONS		
3. <u>Proclamation - Lee Coumbs Appreciation Day.</u> (Mayor)	---	
4. <u>Proclamation - Lewis County – National Recovery Month.</u> (Mayor)	---	

SPECIAL BUSINESS		
5. <u>Update on Discover! Children's Museum.</u> (Larry McGee)	---	

CONSENT CALENDAR		
6. <u>Minutes of the Regular Meeting of September 12, 2016.</u> (City Clerk)	APPROVE	1
7. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	5
8. <u>Approve Appointment of Gloria Choi to the City's Lodging Tax Advisory Committee.</u> (City Manager)	APPROVE APPOINTMENT TO LTAC	6
9. <u>Set Date and Time of October 10, 2016, at 5:05 p.m., for a Public Hearing on Funding the Transportation Benefit District.</u> (City Manager, Public Works Director, Street/Stormwater Superintendent, Finance Manager)	SET DATE AND TIME FOR PUBLIC HEARING	
10. <u>Authorize City Manager to Execute Interlocal Agreement Between the City, City of Centralia, and the Public Facilities District Establishing a Tourism Promotion Area and Sports Commission.</u> (City Manager)	AUTHORIZE CITY MANAGER TO EXECUTE INTERLOCAL AGREEMENT ESTABLISHING TOURISM PROMOTION AREA AND SPORTS COMMISSION	8

ADMINISTRATION AND CITY COUNCIL REPORTS		
11. <u>Administration Reports.</u>		
a. August financial report. (City Manager, Finance Manager)	INFORMATION ONLY	19
12. <u>Council Reports.</u>		
a. Councilor reports. (City Council)	INFORMATION ONLY	
b. Council committee reports. (City Council)	INFORMATION ONLY	

THE CITY COUNCIL MAY ADD AND TAKE ACTION ON
OTHER ITEMS NOT LISTED ON THIS AGENDA

NEXT REGULAR CITY COUNCIL MEETING WILL BE ON MONDAY, OCTOBER 10, 2016

September 12, 2016

The Chehalis city council met in regular session on Monday, September 12, 2016, in the Chehalis city hall. Mayor Dawes called the meeting to order at 5:00 p.m. with the following council members present: Terry Harris, Dr. Isaac Pope, Bob Spahr, Daryl Lund, Chad Taylor and Tony Ketchum. Staff present included: Merlin MacReynold, City Manager; Bill Hillier, City Attorney; Judy Schave, City Clerk; Randy Kaut, Deputy Police Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; Trent Loughheed, Interim Community Development Director; and David Fleckenstein, Airport Manager. Members of the media included Natalie Johnson from *The Chronicle*.

1. **Employee Service Awards.** Mayor Dawes presented Human Resources Administrator Peggy Hammer with an employee service award for eight-and-a-half years of service to the city.

Mayor Dawes also presented a plaque to City Manager Merlin MacReynold in recognition of his exemplary service to the city from May 2006 to September 2016.

2. **Chehalis Basin Strategy Presentation.** City Manager MacReynold reported the Washington State Department of Ecology (DOE) has been working with the Chehalis Basin Flood Authority on a basin-wide strategy for quite some time. He introduced DOE Programmatic Environmental Impact Statement (EIS) Project Manager Chrissy Bailey who provided the following information regarding the Chehalis Basin Strategy.

Ms. Bailey reported, with the EIS coming out at the end of the month, they're busy trying to bring people up to speed on why this effort is occurring. She noted the actions being evaluated include extreme flooding and the declining health of the river.

Ms. Bailey reported the Basin covers eight counties, with Lewis County being one of the largest. She stated, over the last 30 years, poor returns of one or more species of salmon has limited tribal and non-tribal harvests, and productivity has been degraded by almost 80 percent. Ms. Bailey reported the Chehalis Basin is the only basin in the state that does not have federally endangered salmon species, which limits our ability to get federal funding for restoring habitat for declining species.

Ms. Bailey briefly talked about the issues of climate change specific to the basin, and extreme flooding. She noted if nothing is done, the results would include:

- \$3.5 billion in damage over the next 100 years under current conditions, and potentially an additional \$1 billion in the city of Aberdeen from coastal flooding
- Extreme floods more frequent and larger causing greater damage
- Loss of aquatic species
- Potential listing under Endangered Species Act

Ms. Bailey reported the Chehalis Basin Strategy is a two-pronged approach, adding there is no intent to do restoring of aquatic species habitat without reducing flood damage. She indicated the long-term goal of the strategy is to make the Basin a safer place for families and communities that are impacted by flooding, and to restore the habitat for future generations.

Ms. Bailey talked briefly on the projects currently underway in the basin. They include:

- Reconnecting floodplains and restoring habitat – culverts projects (\$23 million in value)
- Local flood damage flood projects – flood vents and farm pads (\$12.5 million in value)

Ms. Bailey reported they're looking at different combinations of recommended actions and evaluating the potential effects on both people and the environment. She stated the draft EIS will be released to the public at the end of September and comments will be due by the end of October. Ms. Bailey reported they also plan to have a number of public meetings throughout the Basin during the month of October, and at the end of the comment period the information will be consolidated and provided to the Governor and Legislature to make recommendations for what actions get funded and moved forward.

Ms. Bailey reported on the various actions included in the four alternatives being evaluated in the EIS. Those actions include:

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- Large-Scale Flood Damage Reduction Actions: flood retention facility; airport levee improvements; I-5 projects; Aberdeen/Hoquiam north shore levee; and restorative flood protection to re-establish the natural flood buffering capacity of a healthy watershed
- Local-Scale Flood Damage Reduction Actions: farm pads; raising structures; building walls; land use management improvements; and improved early warning system
- Aquatic Species Habitat Restoration Actions: low and high scenarios; restoring streamside habitat with native vegetation; restoring bank erosion to naturally occurring rates; and removing fish passage barriers (culverts)

Ms. Bailey reported, rather than looking at one particular project, they're looking at the different alternatives when combined together to see what the benefit and impacts are and how they compare to each other at a planning level. She noted some of the benefits to the alternatives being considered include:

- Lower maintenance costs
- Resilience and adaptation to climate change
- Benefits to habitat
- Assistance to landowners already impacted by flooding and erosion
- Non-traditional approach
- Relocation of landowners in treatment areas provided flood protection into perpetuity and eliminates chronic flood costs
- Large scale carbon sequestration benefits (re-forestation project)
- Benefits to water supply and groundwater recharge

Ms. Bailey reported the flood retention facility/dam, as part of the large-scale action, would be located about one mile south of Pe Ell along the Chehalis River on Weyerhaeuser land. She noted there are two types of facilities being looked at:

- Flood Retention Only Dam: This facility would only be in operation when a major flood is predicted at the Grand Mound gauge and the river would continue to run all other times of the year.
- Flood Retention and Flow Augmentation: This facility would have a year-round reservoir. The goal of the reservoir would be to release water that's stored in the winter into the river during the summer months to help cool the temperature and provide additional water during the summer.

Ms. Bailey reported they have a policy meeting planned for October 11, as well as a hearing in the upper basin on October 18 and in the lower basin on October 27.

Mayor Dawes wondered why they would list "potential listing under Endangered Species Act" as a significant impact with water retention, when it could go either way.

Ms. Bailey stated it would be a significant impact; however, that wouldn't happen with some of the other alternatives.

Councilor Harris asked where the greenway would be located.

Ms. Bailey reported there would be multiple site-specific areas, but they don't have that level of detail yet.

Councilor Harris wondered if there would be any land acquisition for the off-set of taking agricultural land and turning it into a greenway.

Ms. Bailey reported there's an economic assessment underway, but it's not part of the EIS. She noted the assessment would include the costs of displacing agriculture and forest lands.

Mayor Dawes stated the alternative on the table talks about displacing people, and suggested the outcome really doesn't provide any significant results, as compared to some of the other alternatives.

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Ms. Bailey reported the difference would be (especially in the greenways) if folks are willing to move, they would be protected from flood damage forever. She noted there will be trade-offs for all of the alternatives.

Mayor Dawes stated there's been a lot of work done and hoped they would not try to do something that might look good on paper, but doesn't get the results we need.

Councilor Harris suggested trying to change the culture of an entire basin based on whether you gain a foot of water one way or the other is going to be pretty difficult to sell, but he also thought this would be a good opportunity for folks who want to do something different.

Councilor Taylor asked if the airport levee improvements had already been done.

Ms. Bailey stated part of the improvements have been done, including widening the base in preparation for it to be raised.

Councilor Taylor asked if they plan to raise or widen the I-5 corridor.

Ms. Bailey reported it may include levees and walls along I-5, but they would not be raising it.

J. Vander Stoep reported you can't just pick the alternative you want with an EIS; you have to look at all of the reasonable options. He noted his opinion about building walls along I-5 has not changed, but it still has to be part of the process.

Mr. Vander Stoep stated it's good that they have all of these alternatives on the table to consider, but it doesn't mean they want to see all of them happen. He suggested there will be a lot of controversy, but right now they're just studying the options and want to make sure they study anything that's reasonable.

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

- a. Minutes of the regular meeting of August 22, 2016;
- b. Claim Vouchers No. 116733-116886 in the amount of \$180,340.01 dated August 31, 2016; and Payroll Vouchers No. 39066-39151, Direct Deposit Payroll Vouchers No. 7421-7516, and Electronic Federal Tax Payment No. 163 in the amount of \$745,573.02 dated August 31, 2016;
- c. Approve appointment of Jena Sorenson to the city's Lodging Tax Advisory Committee (LTAC);
- d. Approve reappointment of Karen Monroe to the Sister City Committee for a new term expiring December 31, 2018; and appoint Sherryl Ketchum, Judy Meuchel, and Carrina Stanton to terms expiring December 31, 2018, and Susan Finlay to a term expiring December 31, 2019; and
- e. Award bid for the Apron Rehabilitation Project at the Chehalis-Centralia Airport to Sterling Breen Crushing, Inc., in the amount of \$897,991.92 and authorize city manager to execute contract agreement for the same.

Councilor Pope seconded the motion.

Councilor Harris thanked Ms. Sorenson for volunteering to be on the committee. He noted the owner of the Econo Lodge recently sold his hotel creating another vacancy on the committee; however, he spoke with the new owner and she plans to submit an application to be considered to fill that vacancy.

The motion carried unanimously.

4. **Administration Reports.**

a. **Update on Main Street Park and Ride Camping Situation.** City Manager MacReynold reported since the last

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meeting, signs had been posted indicating the park and ride is closed from 10:00 p.m. to 5:00 a.m. He noted the police are monitoring the site and it appears to be working. City Manager MacReynold suggested this is one of those problems along the I-5 corridor that all cities are dealing with.

Deputy Police Chief Randy Kaut reported he spoke to both the day shift and the night shift and they indicated there have been no other issues, but will continue to monitor the situation.

b. **Interlocal Agreement (ILA) for Tourism Promotion Area.** City Manager MacReynold provided a brief update on the ILA for the Tourism Promotion Area. He noted City Attorney Bill Hillier has been communicating with the city attorney in Centralia to work out the details of the agreement. He noted they're still working out some issues, but plan to present the final document at the next regular meeting for council consideration. City Manager MacReynold indicated he's also been in communication with Todd Chaput, Lewis County Public Facilities District Chair, to keep him updated on what's happening with the agreement.

5. Council Reports.

a. **Update From Councilor Pope.** Councilor Pope reported the Fraternal Order of Eagles is planning another bingo fundraiser for Penny Playground on October 1 at the VR Lee Building.

b. **Update From Councilor Lund.** Councilor Lund thanked City Manager MacReynold for his service, noting he enjoyed working with him. He stated City Manager MacReynold did a great job taking care of the city and always responded to citizen's concerns in a timely manner.

c. **Update From Councilor Taylor.** Councilor Taylor reported Twin Transit recently wrapped up the construction of the bus pull-out near the Vintage At Chehalis and should have the shelter up in about one week. He noted he hoped to get more pull-outs built throughout the city, so busses don't have to stop in the middle of the street to pick people up and drop them off.

d. **Update From Mayor Dawes.** Mayor Dawes reported the council received an invitation to the 100th birthday party for the Baldwin Locomotive at the Chehalis-Centralia Steam Train and Museum on September 17, at 3:45 p.m.

Mayor Dawes reported he attended a budget committee meeting on August 23 to discuss the funding layout for the Transportation Benefit District and that a work session is scheduled for Monday, September 19, at 5:00 p.m. to go over a funding option. He also attended a ribbon cutting for the substantial completion of the Mellen Street to Blakeslee Junction project; a Boys and Girls Club fundraiser in Centralia; the monthly Mayors meeting; and a .09 Committee meeting at the county.

Mayor Dawes also wished City Manager MacReynold the best in his retirement.

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

Mayor

Attest:
City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of September 12, 2016.

CITY OF CHEHALIS
AGENDA REPORT

DATE: September 15, 2016

TO: The Honorable Mayor and City Council

FROM: Judy Pectol, Finance Manager *JP*

PREPARED BY: Michelle White, Accounting Tech II *MW*

SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following:

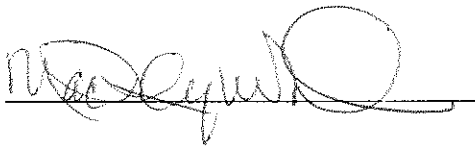
Claim Vouchers No. 116887 through 117070 and Electronic Funds Transfer Nos. 82016 and 92016 in the amount of \$1,082,883.95 dated September 15, 2016 and the transfer of \$222,538.94 from the General Fund, \$3,047.05 from the Dedicated Street Fund – 4% Sales Tax Fund, \$717.43 from the Garbage Fund, \$133,750.32 from the Wastewater Fund, \$576,812.67 from the Water Fund, \$4,723.69 from the Storm & Surface Water Utility Fund and \$141,293.85 from the Airport Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED


The administration recommends that the council approve the September 15, 2016 Claim Vouchers No.116887 through 117070 and Electronic Funds Transfer Nos. 82016 and 92016 in the amount of \$1,082,883.95 .

SUGGESTED MOTION

I move to approve the September 15, 2016 Claim Vouchers No. 116887 through 117070 and Electronic Funds Transfer Nos. 82016 and 92016 in the amount of \$1,082,883.95.

Reviewed by: , City Manager

CITY OF CHEHALIS AGENDA REPORT

DATE: September 24, 2016
TO: The Honorable Mayor and City Council
FROM: Merlin MacReynold, City Manager 
SUBJECT: Lodging Tax Advisory Committee Membership

ISSUE

There is a vacancy on the Lodging Tax Advisory Committee.

DISCUSSION

Satpal Sohal is no longer with the Econo Lodge. The committee is holding a meeting on September 27, to review 2017 tourism funding applications, and in order to comply with state law, the vacancy must be filled prior to the meeting to ensure equal membership on the committee.

In accordance with state law, the committee must have at least five members appointed by the city council. Membership must include at least two representatives of businesses required to collect hotel-motel tax, two people involved in activities that are authorized to be funded by the tax, and one elected official who serves as chairperson. The number of persons representing businesses that collect the tax and the number of persons involved in activities authorized to be funded by the tax must be equal.

Gloria Choi, the new owner of the Econo Lodge, has submitted the attached application. The make-up of the existing committee members and the appointment of Ms. Choi would maintain equal representation on the committee.

RECOMMENDATIONS/COUNCIL ACTION DESIRED

The administration recommends that Gloria Choi be appointed to the city's Lodging Tax Advisory Committee.

SUGGESTED MOTION

I move that Gloria Choi be appointed to the city's Lodging Tax Advisory Committee.

City of Chehalis APPLICATION FOR APPOINTMENT

Date 9/13/2016

(The city of Chehalis accepts applications from anyone residing in the city limits of Chehalis, who meet the required criteria for each Board, Commission or Committee. Please see below the corresponding RCW, CMC, or Resolution for appointment criteria. For more information contact city clerk at 360-345-3225)

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

- Sister City Committee (CMC 2.80)
- Lodging Tax Advisory Committee (Resolution 1-98)
- Historic Preservation Commission (CMC 2.66)
- Civil Service Commission CMC 2.56 and RCW 4.108-Fire, RCW 41.12-Police
- Chehalis River Basin Flood Authority
- Planning Commission (CMC 2.48)

Please print

Name Gloria Choi

Present employer Econo Lodge Chehalis - Centralia

Employer address 122 SW Interstate Ave. Phone No. 720-503-5885

Fax No. 360-740-5744 E-mail joyfuljyinc@gmail.com

Home address 122 SW Interstate Ave Home Phone No. 720-503-5885
Chehalis, WA 98532

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

If yes, please explain _____

Date available for appointment anytime

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

Approximately how many hours each month can you devote to city business? 1 HR - 8 HRS

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

As the new member of the city, I would be honored to participate in committee activities whice strive to help groups or organizations with hopes to serve good deeds in the neighborhood.

Signature Gloria Choi

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

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

**CITY OF CHEHALIS
AGENDA REPORT**

DATE: September 21, 2016
TO: The Honorable Mayor and City Council
FROM: Merlin MacReynold, City Manager
SUBJECT: Interlocal Agreement (ILA) Establishing Tourism Promotion Area and Sports Commission

ISSUE

Attached for council consideration is an ILA that if approved would establish a Tourism Promotion Area (TPA) between the City of Chehalis, Centralia and the Lewis County Public Facilities District.

DISCUSSION

On July 11, 2016, council adopted Resolution No. 16-2016 setting the date of July 25 for a public hearing to take public comment on the establishment of a Tourism Promotion area.

Since that time, the administration has been working with their counterparts in Centralia and came up with an ILA that meets the interest of all parties involved.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council authorize the city manager to execute the Interlocal Agreement between the City, City of Centralia, and the Lewis County Public Facilities District authorizing the establishment of a Tourism Promotion Area and Sports Commission.

SUGGESTED MOTION

I move that the council authorize the city manager to execute the Interlocal Agreement between the City, City of Centralia, and the Lewis County Public Facilities District authorizing the establishment of a Tourism Promotion Area and Sports Commission.

Reviewed:  _____, City Manager

**INTERLOCAL AGREEMENT FOR ESTABLISHMENT OF
THE CENTRALIA/CHEHALIS TOURISM PROMOTION AREA**

THIS AGREEMENT ("Agreement") dated this day of _____, 2016, is made and entered into by and among the CITY OF CENTRALIA, a municipal corporation of the State of Washington ("Centralia") and the CITY OF CHEHALIS, a municipal corporation of the State of Washington ("Chehalis"), referred to jointly as the "Cities," and the LEWIS COUNTY PUBLIC FACILITIES DISTRICT, a municipal corporation of the State of Washington (LCPFD), pursuant to the authority of RCW 39.34 (Authority to enter in to Interlocal Agreements) and RCW 35.101 (authorizing the establishment of a Tourism Promotion Area) to levy Special Assessments to fund tourism promotion.

WHEREAS, the Legislature of the State of Washington by Chapter 35.101 RCW authorizes "legislative authorities," meaning the legislative authority of any county with a population 40,000 or greater or any city or town within such a county..." to establish a Tourism Promotion Area to permit the levy of Special Assessments to be expended exclusively for tourism promotions; and

WHEREAS, the Operators of Lodging Businesses located within the corporate city limits of Centralia and the corporate city limits of Chehalis have presented an Initiation Petition to both Cities seeking to have the Cities establish a joint Tourism Promotion Area; and

WHEREAS, the Initiation Petition submitted to the Cities, marked as Exhibit "A" and attached to this Agreement, included:

1. A description of the boundaries of the proposed Centralia/Chehalis Tourism Promotion Area, which include the corporate city limits of Centralia and Chehalis; and
2. The proposed uses and projects for which the proposed revenue from the Special Assessments should be dedicated and the total estimated cost of such uses and projects; and
3. The estimated rate for the Special Assessments to be levied on Lodging Businesses within the Centralia/Chehalis Tourism Promotion Area; and
4. The signatures of the persons who operate Lodging Businesses in the proposed Centralia/Chehalis Tourism Promotion Area who would pay sixty percent (60%) or more of the proposed Special Assessments; and

WHEREAS, the Cities are authorized by RCW 39.34 and by RCW 35.101 to enter into this agreement to establish a Tourism Promotion Area, pursuant to the provisions of the Initiation Petition received from the Operators of Lodging Businesses, to include, within the boundaries of the proposed Centralia/Chehalis Tourism Promotion Area; and

WHEREAS, on June _____, 2016 the City of Centralia City Clerk received an Initiation Petition authorized by RCW 35.101.020 and on June _____, 2016 the City of Chehalis received an Initiation Petition authorized by RCW 35.101.020, from the Operators of Lodging Businesses located within the Corporate City limits of Centralia and Chehalis requesting a public hearing by the Legislative bodies of both Centralia and Chehalis, pursuant to the authority of the Tourism Promotion Areas Act, for the purposes of considering the establishment of a Centralia/Chehalis Tourism Promotion Area to provide funds for tourism promotion in the corporate city limits of Centralia and Chehalis; and

WHEREAS, on the ____ of July, 2016 the City of Centralia City Council adopted a Resolution entitled "A Resolution of the City of Centralia, Washington, of Intention to Establish a Tourism Promotion Area and setting July 12, 2016 at 7:00 p.m.in the Council Chambers at Centralia City Hall as the date for a Public Hearing to Consider the Establishment Thereof" for the promotion of tourism within the Centralia/Chehalis Tourism Promotion Area, describing the boundaries of the proposed Centralia/Chehalis Tourism Promotion Area, the proposed uses and projects that the proposed revenues from Special Assessments levied within the Centralia/Chehalis Tourism Promotion Area would be dedicated and setting the proposed rates for the Special Assessments to be levied on Lodging Businesses to fund the uses and projects of the Centralia/Chehalis Tourism Promotion Area, estimating the total cost for the proposed activities and programs for the use of funds received by the Centralia/Chehalis Tourism Promotion Area and directing the giving of notice of such public hearing; and,

WHEREAS, on the ____ of July, 2016 the City of Chehalis City Council adopted a Resolution entitled "A Resolution of the City of Chehalis, Washington, of Intention to Establish a Tourism Promotion Area and setting July ____, 2016 at ____ p.m.in the Council Chambers at Chehalis City Hall as the date for a Public Hearing to Consider the Establishment Thereof" for the promotion of tourism within the Centralia/Chehalis Tourism Promotion Area, describing the boundaries of the proposed Centralia/Chehalis Tourism Promotion Area, the proposed uses and projects that the proposed revenues from Special Assessments levied within the Centralia/Chehalis Tourism Promotion Area would be dedicated and setting the proposed rates for the Special Assessments to be levied on Lodging Businesses to fund the uses and projects of the Centralia/Chehalis Tourism Promotion Area, estimating the total cost for the proposed activities and programs for the use of funds received by the Centralia/Chehalis Tourism Promotion Area and directing the giving of notice of such public hearing; and,

WHEREAS, Resolution No. _____, entitled "A Resolution of the City of Centralia, Washington, of Intention to Establish a Tourism Promotion Area and setting July 12, 2016 at 7:00 p.m.in the Council Chambers at Centralia City Hall as the date for a Public Hearing to Consider the Establishment Thereof" for the promotion of tourism and convention business within the corporate city limits of Centralia and Chehalis was duly published, and copies thereof were mailed to each Lodging Business in the proposed Centralia/Chehalis Tourism Promotion Area, as provided by law; and

WHEREAS, Resolution No. _____, entitled "A Resolution of the City of Chehalis, Washington, of Intention to Establish a Tourism Promotion Area and setting July __, 2016 at ____ p.m.in the Council Chambers at Chehalis City Hall as the date for a Public Hearing to Consider the Establishment Thereof" for the promotion of tourism and convention business within the corporate city limits of Centralia and Chehalis was duly published, and copies thereof were mailed to each Lodging Business in the proposed Centralia/Chehalis Tourism Promotion Area, as provided by law; and

WHEREAS, the Cities have by appropriate legislative action, authorized or will authorize the execution of an Interlocal Agreement between the Cities and the LCPFD to permit the establishment of a Centralia/Chehalis Tourism Promotion Area to include collection of Special Assessments from Lodging Businesses within their respective jurisdictions.

WHEREAS, through this Interlocal Agreement the Cities along with the Lewis County Public Facility District (LCPFD) intend that the use of the TPA funds is to form a "Sports Commission" under the authority of the LCPFD to facilitate economic development through the promotion of sporting events within the proposed TPA.

NOW, THEREFORE, for and in consideration of the promises set forth hereafter, the cities of Centralia and Chehalis hereby agree as follows:

1. Purpose. The purpose of this Agreement is to promote tourism in Centralia/Chehalis by permitting the establishment of a Centralia/Chehalis Tourism Promotion Area ("TPA") pursuant to RCW 35.101, which when created, will permit collection of Special Assessments from Lodging Businesses located within Centralia and Chehalis to fund tourism promotion and to memorialize the agreement between the parties relating to this TPA.
2. Definitions. As used in this Agreement, the following terms, unless the context otherwise dictates, shall have the following meanings:
 - 2.1 "Agreement" shall mean this Interlocal Cooperation Agreement entered into among Centralia and Chehalis, for the establishment of a Tourism Promotion Area by the Cities as authorized by RCW 35.101.040(2).
 - 2.2 "Annual Budget" shall mean the Centralia/Chehalis Tourism Promotion Area budget for a fiscal year, as adopted or amended by the Lewis County Public Facility District, which shall identify all estimated revenue from Special Assessments for the fiscal year, and providing for all proposed uses of Special Assessment revenue for the purpose of providing tourism promotion in Centralia/Chehalis for the ensuing fiscal year.
 - 2.3 "Lodging Business" means a business which is located within the Centralia/Chehalis Tourism Promotion Area that furnishes lodging taxable by the state under RCW 82.08 that has forty (40) or more lodging units. Lodging facilities

with fewer than 40 rooms are not considered "Lodging Businesses" for the purpose of this Agreement and are exempt from any fees imposed under RCW 35.101.

2.4 "Operator" means the Operator of a Lodging Business, whether in the capacity of owner, general manager, lessee, sub lessee, mortgagee in possession, licensee or any other similar capacity.

2.5 "Lewis County Public Facility District (LCPFD)" means a duly organized and legally existing Washington public facilities district and municipal corporation, created by Lewis County in accordance with Chapter 36.100 of the Revised Code of Washington pursuant to Resolution No. 07-247 of the County, adopted on August 13, 2077.

2.6 "Sports Commission" means the Commission which is a Committee of the Lewis County Public Facilities District, organized pursuant to the Bylaws and other authority and procedures as established by the LCPFD.

2.7 "Centralia/Chehalis Corporate City Limits" means the entire geographic boundary of Centralia/Chehalis.

2.8 "Centralia/Chehalis Tourism Promotion Area" or "TPA" means the Tourism Promotion Area created by the resolution of the Centralia and Chehalis Councils pursuant to the authority of the Tourism Promotion Areas Act, RCW 35.101, as authorized or as will be authorized by the resolutions of each of the respective City Councils of the Cities adopting the terms of this Agreement.

2.9 "Room Revenues" means the gross per-night charge (nights of stay) imposed for the rental of a room or combination of rooms for Lodging.

2.10 "Special Assessment" means the levy (charge) imposed by Centralia/Chehalis on the Operators of a Lodging Business within the Centralia/Chehalis Tourism Promotion Area and subsequently passed on to the guests of the Lodging Business, under the authority of RCW 35.101 for the purpose of providing for funding of tourism promotion in Centralia/Chehalis.

2.11 "Tourism Promotion" means activities and expenditures designed to increase tourism and convention business, including but not limited to, advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists, and operating tourism destination marketing organizations.

2.12 "Transient Basis" means the rental of a room or rooms for dwelling, lodging, or sleeping purposes by the Operator of a Lodging Business for a period of thirty (30) consecutive calendar days or less, counting a portion of a day as a full calendar day.

3. Tourism Promotion Area to be Established by Centralia/Chehalis

A. It is hereby understood and agreed by the Cities, pursuant to the authority of RCW 35.101.040 (2), shall establish a "Tourism Promotion Area" designated the Centralia/Chehalis Tourism Promotion Area to include the corporate limits of the Cities.

B. It is hereby understood and agreed by the Cities, that the purpose of permitting the Centralia and Chehalis Councils is to form the Centralia/Chehalis Tourism Promotion Area under RCW 35.101.040 (2) to provide revenue to fund tourism promotion that will benefit the Operators of Lodging Businesses in, and the tourism industry of, the cities of Centralia and Chehalis.

4. Levy of Special Assessments on Lodging Businesses within the Centralia/Chehalis Tourism Promotion Area.

A. The Centralia/Chehalis Council will impose Special Assessments on the Operators of Lodging Businesses within the Centralia/Chehalis Tourism Promotion Area in accordance with the Special Assessments as set forth in City of Centralia Resolution No. _____ and City of Chehalis Resolution No. _____.

B. Centralia and Chehalis shall require the LCPFD to contract with the State Department of Revenue for the administration and collection of such Special Assessments pursuant to RCW 35.101.090.

C. It is understood and agreed by and between the Cities that the Operators of Lodging Businesses within the Centralia/Chehalis Tourism Promotion Area will be subject to Special Assessments to be levied at the rate of \$2.00 per lodging unit rented.

D. Any change in the Special Assessment rates shall be made only by amendment of the resolution by the Centralia and Chehalis City Councils.

F. It is understood and agreed by the parties, that the Special Assessments imposed under this section are not a tax on the "sale of lodging" for the purposes of RCW 82.14.410 and are not applicable to temporary medical housing exempt under RCW 82.08.997.

G. It is understood and agreed by the parties, that the Special Assessments imposed under this Agreement are in addition to the special assessments that may be levied under RCW 35.87A.

5. Administration and Collection of Special Assessments.

A. It is understood and agreed that in accordance with RCW 35.101.090, the Washington State Department of Revenue shall administer the Special Assessments

authorized under this Agreement and shall deposit the Special Assessments collected into the local tourism promotion account created in the custody of the state treasurer under RCW 35.101.100.

B. It is understood and agreed that in accordance with RCW 35.101.100, the state treasurer has the authority to distribute the money from the tourism promotion account to the LCPFD on a monthly basis.

6. Use of Special Assessment Revenues for the Establishment of a Sports Commission.

A. It is understood and agreed that all of the revenues derived from Special Assessments shall be allocated by the LCPFD for the establishment of a Sports Commission. The LCPFD shall have the ultimate authority to set and approve all Annual Budgets.

B. The revenues derived from the Special Assessments shall be used only for the following:

1. Establishment of a Sports Commission to promote and sponsor athletic and sports events that promote tourism within the TPA.
2. The Sports Commission shall focus market and recruit sporting events in order to promote local tourism and to benefit the Lodging Businesses and tourism industry within the Centralia/Chehalis Tourism Promotion Area.

7. Administration of the Centralia/Chehalis Tourism Promotion Area.

A. The Public Facilities District agrees to administer the Tourism Promotion Area. This Agreement requires LCPFD to administer the TPA to comply with all applicable City and State laws, ordinances, and regulations. The LCPFD shall be required to comply with all applicable provisions of law, including RCW 35.101 et seq. and with all Centralia/Chehalis resolutions and ordinances as well as all regulations lawfully imposed by the state auditor or other state agencies.

B. The LCPFD shall be responsible for establishing a Sports Commission and administering the activities and programs of the Centralia/Chehalis Tourism Promotion Area and to prepare an Annual Budget. The Sports Commission Board shall be represented by:

- Public Facilities District representative
- The Centralia School District Athletic Director
- The Chehalis School District Athletic Director
- Centralia College Athletic Director
- Centralia Parks and Recreation representative
- Chehalis Parks and Recreation representative
- Pacific Athletic Club representative
- Centralia hotelier's representative

Chehalis hotelier's representative

Four at large members selected by a majority of the Sports Commission.

C. The Annual Budget for the Centralia/Chehalis Tourism Promotion Area shall consist of:

- (1) A list of the Lodging Businesses subject to Special Assessments and an estimate of the revenue to be received from all such Lodging Businesses; and,
- (2) A statement of the proposed budget for all Sports Commission activities and programs to be funded from Special Assessments during the ensuing fiscal year.

D. All Special Assessments imposed within the TPA and received from the Washington State Treasurer and any interest therein shall be deposited by the LCPFD in a special account. Provided, however, no Special Assessment shall be dispersed in any fiscal year until after the adoption of that fiscal year's Annual Budget. Provided further that the LCPFD shall not expend in any fiscal year Special Assessments in excess of the approved fiscal year's Annual Budget.

E. The parties hereto acknowledge and agree that funds derived from the TPA Special Assessment are intended only to develop a "Sports Commission" for the promotion and recruitment of sporting events.

8. Modification or Disestablishment of the Centralia/Chehalis Tourism Promotion Area.

A. The Centralia and Chehalis City Councils, by appropriate action, may modify the provisions of the ordinance establishing the TPA after adopting a resolution of intention to such effect. Such resolution of intention shall describe the change or changes proposed, and shall state the time and place of a public hearing to be held by the Centralia and Chehalis Councils to consider the proposed action.

B. Either Centralia and/or Chehalis City Councils may, by ordinance, disestablish the TPA after conducting a hearing to receive public comment regarding the disestablishment of the TPA. Upon receipt of a petition indicating a desire to disestablish the TPA, with the signatures of the persons who operate lodging businesses in the TPA who pay forty percent (40%) or more of the total special assessments, the Centralia/Chehalis Council shall adopt a resolution of intention to disestablish the TPA, and shall state the time and place of a public hearing to be held by the Centralia/Chehalis Council to consider the proposed action, provided the public hearing will be at least fifteen (15) days prior to consideration of the proposed action. If at said hearing a petition objecting to the disestablishment is presented, with the signatures of the persons who operate lodging businesses in the TPA who pay fifty-one percent (51%) or more of the total special assessments, the TPA shall not be disestablished. If such petition objecting to the disestablishment is not presented at said hearing, either City Council shall disestablish the TPA.

9. Miscellaneous Provisions.

- A. Duration and Termination of this Agreement. This Agreement shall continue in full force and effect until such time as the Centralia/Chehalis Tourism Promotion Area is disestablished by action of the Centralia/Chehalis Council as provided in Section 8 above. Following termination of this Agreement, Centralia and Chehalis shall be responsible for utilizing any remaining unallocated revenue from Special Assessments for tourism promotion within Centralia and Chehalis.
- B. Waiver. No officer, employee, or agent of Centralia/Chehalis, or the Cities, has the power, right or authority to waive any of the conditions or provisions of this Agreement. No waiver of any breach of this Agreement by the Cities, shall be held to be a waiver of any other or subsequent breach. Failure of the Cities, to enforce any of the provisions of this Agreement or to require performance of any of the provisions herein, shall in no way be construed to be a waiver of such conditions, nor in any way effect the validity of this Agreement or any part hereof, or the right of the Cities, to hereafter enforce each and every such provision.
- C. Records. All records prepared, owned, used or retained by the LCPFD in conjunction with operating or administering the activities and programs of the Centralia/Chehalis Tourism Promotion Area as provided for under the terms of this Agreement shall be deemed records of the Cities, and shall be made available by the LCPFD upon request to the Cities, State Auditor, or their authorized representatives. Records shall be retained according to Washington State Auditor's records retention schedules.
- D. Property and Equipment. Centralia/Chehalis shall be the owner of all property and equipment purchased by the LCPFD from Special Assessment Revenues. Provided, however, in the event of the termination of the Agreement with the LCPFD, Centralia/Chehalis agrees to make the property and/or equipment available to the successor Organization for its use in conjunction with providing similar services. Provided further, in the event of disestablishment of the Centralia/Chehalis Tourism Promotion Area, all property and equipment purchased by the LCPFD from Special Assessment Revenues shall be retained by Centralia/Chehalis and used for any lawful purposes.
- E. Integration. This Agreement contains all of the terms and conditions agreed upon by the Cities, concerning the establishment of the Centralia/Chehalis Tourism Promotion Area by the Centralia and Chehalis City Councils and the collection of Special Assessments from Operators of Lodging Businesses within the entire area, including the area within the incorporated city limits of the Cities. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto. The parties have read and understand all of this Agreement, and now state that no representation,

promise, or agreement not expressed in this Agreement has been made to induce the officials of Centralia or Chehalis to execute this Agreement.

- F. Severability. In the event any provision of this Agreement shall be declared by a Court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall have full force and affect.
- G. Execution of Agreement. This Agreement shall become effective immediately after it is duly adopted by the City Council of the City of Centralia and the City Council of the City of Chehalis, and the Secretary of State of the State of Washington.
- H. Indemnification and Defense. The Parties shall defend, indemnify and hold each other, their officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with the performance of this Agreement, except for injuries and damages caused by the sole negligence of an individual Party.
- I. No real Property Acquisition. This Interlocal Agreement does not provide for the acquisition, holding, or disposal of real property.
- J. Notice. Any formal notice or communication to be given among the County and the Cities under this Agreement shall be deemed properly given, if delivered, or if mailed postage prepaid and addressed to:

City of Centralia
PO Box 609
Centralia WA 98531
Attn: City Clerk

City of Chehalis
350 N Market Blvd
Chehalis WA 98532
Attn: City Clerk

Chair, Board of Directors
Lewis County Public Facilities District
c/o Lewis County Treasurer
PO Box 509
Chehalis WA 98532
Attn: County Treasurer

- K. Filing. Copies of this Interlocal Agreement, together with the resolution of the Councils of each City approving and ratifying this Agreement, shall be filed with the Clerk for each City, the Lewis County Auditor, and the Secretary of State of Washington after execution of the Agreement by each party. Provided as an alternative, this Agreement may be listed by subject on the County's website or the Cities' websites or other electronically retrievable public source.
- L. Non-Discrimination. The Cities certify that they are Equal Opportunity Employers.
- M. Amendment. Provisions within this Agreement may be amended with the mutual consent of the parties hereto. No additions to or alteration of, the terms of this Agreement shall be valid unless made in writing, formally approved and executed by duly authorized agents of all parties.

IN WITNESS WHEREOF, the City of Centralia and the City of Chehalis have executed this Agreement by their duly authorized officials pursuant to all requirements of law.

CITY OF CENTRALIA

By _____
Robert Hill
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

By _____
Shannon M. Murphy-Olson
City Attorney

LEWIS COUNTY PUBLIC FACILITIES DISTRICT

By _____

By _____

CITY OF CHEHALIS

By _____
Jill Anderson
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

By _____
William Hillier
City Attorney

To: The Honorable Mayor and Council
 Via: Merlin MacReynold, City Manager
 From: Judy Pectol, Finance Manager
 Prepared by: Betty Brooks, Payroll Accountant
 Date: September 20, 2016
 Subject: Monthly Financial Reports for August

City of Chehalis
 Comparative Financial Reports
 August 2015 and 2016

GENERAL FUND (#001) REVENUES	A August 2015		B Actual		C=B/A %		D August 2016		E Actual		F=E/D %		G Expected % Rec'd*		H^ Var'nc from Expected		I=F-G %	
	Budget	Actual	Budget	Actual	Rec'd	%	Budget	Actual	Rec'd	%	Expected	% Rec'd*	Expected	Var'nc from Expected	%	Variance		
General Property Taxes	\$1,268,579	\$713,561	\$1,276,948	\$700,216	56.2%	54.8%	\$700,216	54.8%	66.7%	66.7%	(\$151,083)	-11.9%						
EMS Property Taxes	238,157	134,165	304,886	167,682	56.3%	55.0%	167,682	55.0%	66.7%	66.7%	(35,575)	-11.7%						
Sales & Use Tax	3,762,844	2,401,795	3,772,472	2,588,057	63.8%	68.6%	2,588,057	68.6%	66.7%	66.7%	73,076	1.9%						
Electricity Tax	440,000	288,802	495,100	309,315	65.6%	62.5%	309,315	62.5%	66.7%	66.7%	(20,752)	-4.2%						
Gas/Natural Gas Tax	191,000	109,507	217,725	124,568	57.3%	57.2%	124,568	57.2%	66.7%	66.7%	(20,582)	-9.5%						
Criminal Justice Tax	110,000	70,031	105,050	73,392	63.7%	69.9%	73,392	69.9%	66.7%	66.7%	3,359	3.2%						
Water/Sewer Tax	445,000	291,303	452,900	314,998	65.5%	69.6%	314,998	69.6%	66.7%	66.7%	13,065	2.9%						
Garbage Tax	61,000	47,778	81,900	48,253	78.3%	58.9%	48,253	58.9%	66.7%	66.7%	(6,347)	-7.8%						
Cable Tax	104,000	77,867	133,485	79,175	74.9%	59.3%	79,175	59.3%	66.7%	66.7%	(9,815)	-7.4%						
Telephone Tax	270,500	183,063	275,000	168,895	67.7%	61.4%	168,895	61.4%	66.7%	66.7%	(14,438)	-5.3%						
Leasehold Excise Tax	39,500	28,823	41,000	32,092	73.0%	78.3%	32,092	78.3%	66.7%	66.7%	4,759	11.6%						
Timber Excise Tax	40	39	45	43	97.5%	95.6%	43	95.6%	66.7%	66.7%	13	28.9%						
Total Tax Revenues	6,930,620	4,346,734	7,156,511	4,606,686	62.7%	64.4%	4,606,686	64.4%	66.7%	66.7%	(164,321)	-2.3%						
Licenses & Permits	168,116	124,397	157,050	160,072	74.0%	101.9%	160,072	101.9%	66.7%	66.7%	55,372	35.2%						
Intergov't: Grants/Entitlements	471,875	713,759	450,645	189,551	151.3%	42.1%	189,551	42.1%	66.7%	66.7%	(110,879)	-24.6%						
Charges for Goods and Svcs.	409,724	288,288	371,196	253,217	70.4%	68.2%	253,217	68.2%	66.7%	66.7%	5,753	1.5%						
Fines and Forfeitures	163,739	94,396	147,420	98,494	57.7%	66.8%	98,494	66.8%	66.7%	66.7%	214	0.1%						
Interest Earnings	9,990	11,918	11,890	15,642	119.3%	131.6%	15,642	131.6%	66.7%	66.7%	7,715	64.9%						
Rents & Royalties	79,472	51,769	71,280	61,230	65.1%	85.9%	61,230	85.9%	66.7%	66.7%	13,710	19.2%						
Donations/Contributions	0	8,747	87,000	104,648	100.0%	120.3%	104,648	120.3%	66.7%	66.7%	46,648	53.6%						
Misc. Revenue/Insurance	77,997	100,864	29,385	21,654	129.3%	73.7%	21,654	73.7%	66.7%	66.7%	2,064	7.0%						
Non-Revenues	124,435	36,151	124,435	93,766	29.1%	75.4%	93,766	75.4%	66.7%	66.7%	10,809	8.7%						
Proceeds of Long-Term Debt	632,000	631,762	0	0	100.0%	0.0%	0	0.0%	66.7%	66.7%	0	0.0%						
Transfers In	296,877	279,466	18,000	18,000	0.0%	100.0%	18,000	100.0%	66.7%	66.7%	6,000	33.3%						
Total Non-Tax Revenues	2,434,225	2,341,517	1,468,301	1,016,274	96.2%	69.2%	1,016,274	69.2%	66.7%	66.7%	37,407	2.5%						
TOTALS	\$9,364,845	\$6,688,251	\$8,624,812	\$5,622,960	71.4%	65.2%	\$5,622,960	65.2%	66.7%	66.7%	(\$126,915)	-1.5%						

Key:

* The expected percentage is calculated as follows: since the report is for the 8th month of the year, 8 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

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

City of Chehalis
Comparative Financial Reports
August 2015 and 2016

GENERAL FUND (#001) EXPENDITURES	A August 2015		B		C=B/A		D August 2016		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	% Exp'd	% Exp'd	Var'nc from Expected	H^	Var'nc	% Variance
City Council	\$111,811	\$45,499	\$98,657	\$59,845	40.7%	60.7%	\$98,657	\$59,845	\$98,657	\$59,845	60.7%	66.7%	66.7%	\$5,926	6.0%			
Municipal Court	494,185	253,923	522,105	339,119	51.4%	65.0%	522,105	339,119	522,105	339,119	65.0%	66.7%	66.7%	8,951	1.7%			
City Manager	266,410	178,291	308,708	199,533	66.9%	64.6%	308,708	199,533	308,708	199,533	64.6%	66.7%	66.7%	6,272	2.1%			
Finance	203,500	133,634	228,295	133,768	65.7%	58.6%	228,295	133,768	228,295	133,768	58.6%	66.7%	66.7%	18,429	8.1%			
City Clerk	78,816	39,931	78,878	47,724	50.7%	60.5%	78,878	47,724	78,878	47,724	60.5%	66.7%	66.7%	4,861	6.2%			
Non-Departmental	598,748	296,871	542,916	302,533	49.6%	55.7%	542,916	302,533	542,916	302,533	55.7%	66.7%	66.7%	59,411	11.0%			
Human Resources	85,969	57,201	85,553	59,374	66.5%	69.4%	85,553	59,374	85,553	59,374	69.4%	66.7%	66.7%	(2,339)	-2.7%			
Police	2,717,676	1,807,929	2,751,643	1,890,792	66.5%	68.7%	2,751,643	1,890,792	2,751,643	1,890,792	68.7%	66.7%	66.7%	(56,363)	-2.0%			
Fire	2,535,764	1,846,013	2,048,797	1,400,453	72.8%	68.4%	2,048,797	1,400,453	2,048,797	1,400,453	68.4%	66.7%	66.7%	(34,588)	-1.7%			
Public Works - Streets	765,760	389,444	758,249	329,115	50.9%	43.4%	758,249	329,115	758,249	329,115	43.4%	66.7%	66.7%	176,384	23.3%			
Community Development	1,460,242	1,065,588	1,688,294	1,277,042	73.0%	75.6%	1,688,294	1,277,042	1,688,294	1,277,042	75.6%	66.7%	66.7%	(151,513)	-8.9%			
TOTALS	\$9,318,881	\$6,114,324	\$9,112,095	\$6,039,298	65.6%	66.3%	\$9,112,095	\$6,039,298	\$9,112,095	\$6,039,298	66.3%	66.7%	66.7%	\$35,432	0.4%			

Net Budget/Income/Variance: \$45,964 \$573,927

(\$487,283) (\$416,338)

(\$91,483)

Key:

* The expected percentage is calculated as follows: since the report is for the 8th month of the year, 8 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

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

City of Chehalis
Comparative Financial Reports
August 2015 and 2016

	A		B		C=B/A		D		E		F=E/D		G		H^A		I=F-G		
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd*	Expected	Actual	Var'nc from Expected	%	Expected	Variance	
WASTEWATER FUND (#404)																			
REVENUES																			
Intergovernmental Revenues	\$0	\$0	0.0%	0.0%	\$1,400,000	\$0	0.0%	0.0%	\$0	\$0	0.0%	66.7%	\$933,333	\$0	(\$933,333)	0.0%			
Wastewater Fees	4,968,202	3,246,891	65.4%	65.4%	4,818,053	3,544,382	73.6%	73.6%	3,544,382	3,544,382	73.6%	66.7%	332,347	332,347	6.9%	6.9%			
Sewer Connection/Misc. Fees	10,000	28,179	281.8%	281.8%	30,000	76,962	256.5%	256.5%	76,962	76,962	256.5%	66.7%	56,962	56,962	189.8%	189.8%			
Rentals	3,545	3,545	100.0%	100.0%	3,545	3,545	100.0%	100.0%	3,545	3,545	100.0%	66.7%	1,182	1,182	33.3%	33.3%			
Misc. Revenues/Insurance	4,000	2,131	53.3%	53.3%	3,000	4,212	140.4%	140.4%	4,212	4,212	140.4%	66.7%	2,212	2,212	73.7%	73.7%			
Non-Revenue Tax Receipts	600	63	0.0%	0.0%	555	524	94.4%	94.4%	524	524	94.4%	66.7%	154	154	27.7%	27.7%			
Proceeds of Long-Term Debt	0	1,342	0.0%	0.0%	0	105,016	100.0%	100.0%	105,016	105,016	100.0%	66.7%	105,016	105,016	100.0%	100.0%			
Fines and Forfeitures	0	0	0.0%	0.0%	50,000	39,568	79.1%	79.1%	39,568	39,568	79.1%	66.7%	6,235	6,235	100.0%	100.0%			
Interest Earnings	985	1,662	168.7%	168.7%	2,459	6,476	263.4%	263.4%	6,476	6,476	263.4%	66.7%	4,837	4,837	196.7%	196.7%			
Totals:	\$4,987,332	\$3,283,813	65.8%	65.8%	\$6,307,612	\$3,780,685	59.9%	59.9%	\$3,780,685	\$3,780,685	59.9%	66.7%	(\$424,390)	(\$424,390)	-6.7%	-6.7%			

	A		B		C=B/A		D		E		F=E/D		G		H^A		I=G-F		
	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd*	Expected	Actual	Var'nc from Expected	%	Expected	Variance	
WASTEWATER FUND (#404)																			
EXPENSES																			
Operating Expenses	\$2,666,892	\$1,589,969	59.6%	59.6%	\$2,723,260	\$1,578,449	58.0%	58.0%	\$1,578,449	\$1,578,449	58.0%	66.7%	\$237,965	\$237,965	8.7%	8.7%			
Capital Outlay	253,000	35,087	13.9%	13.9%	1,467,900	136,739	9.3%	9.3%	136,739	136,739	9.3%	66.7%	842,350	842,350	57.4%	57.4%			
Debt Principal	1,832,390	935,663	51.1%	51.1%	1,834,840	936,884	51.1%	51.1%	936,884	936,884	51.1%	66.7%	286,954	286,954	15.6%	15.6%			
Interest Expense	24,524	12,293	50.1%	50.1%	34,188	11,073	32.4%	32.4%	11,073	11,073	32.4%	66.7%	11,730	11,730	34.3%	34.3%			
Interfund Loan Disbursements	83,784	0	0.0%	0.0%	0	0	0.0%	0.0%	0	0	0.0%	66.7%	0	0	66.7%	66.7%			
Transfers Out - Airport	0	0	0.0%	0.0%	32,500	32,500	100.0%	100.0%	32,500	32,500	100.0%	66.7%	(10,823)	(10,823)	33.3%	33.3%			
Totals:	\$4,860,590	\$2,573,012	52.9%	52.9%	\$6,092,688	\$2,695,645	44.2%	44.2%	\$2,695,645	\$2,695,645	44.2%	66.7%	\$1,379,000	\$1,379,000	22.5%	22.5%			

Net Budget/Income/Variance: \$126,742 \$710,801 \$214,924 \$1,085,040 \$954,611

Key:
 * The expected percentage is calculated as follows: since the report is for the 8th month of the year, 8 is divided by 12-the number of months in the year.
 ^To calculate the dollar variance between expected and actual expenditures, the following formula is used:
 H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

City of Chehalis
Comparative Financial Reports
August 2015 and 2016

WATER FUND (#405) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H [^]		I=G-F	
	Budget	Actual	Budget	Actual	% Rec'd	Budget	Actual	% Rec'd	Budget	Actual	% Rec'd	% Rec'd	Expected % Rec'd*	Var'nc from Expected	% Variance			
Water Sales	\$2,566,160	\$1,747,482	\$2,351,387	\$1,742,840	68.1%	\$2,351,387	\$1,742,840	74.1%	\$2,351,387	\$1,742,840	74.1%	66.7%	175,249	7.4%				
Water Connection/Misc. Fees	10,000	48,678	10,000	72,258	486.8%	10,000	72,258	722.6%	10,000	72,258	722.6%	66.7%	65,591	655.9%				
Interfund Principal Repayment	83,332	0	0	0	0.0%	0	0	0.0%	0	0	0.0%	66.7%	0	0.0%				
Misc. Revenues/Insurance	8,783	14,297	2,121	3,740	162.8%	2,121	3,740	176.3%	2,121	3,740	176.3%	66.7%	2,326	109.6%				
Non-Revenue Tax Receipts	25,085	41	100	365	0.0%	100	365	365.0%	100	365	365.0%	66.7%	298	298.3%				
Proceeds of Long-Term Debt	0	0	1,464,500	0	0.0%	1,464,500	0	0.0%	1,464,500	0	0.0%	66.7%	(976,333)	100.0%				
Fines and Forfeitures	0	0	25,000	19,903	0.0%	25,000	19,903	79.6%	25,000	19,903	79.6%	66.7%	3,236	100.0%				
Interest Earnings	11,073	3,761	6,275	8,071	34.0%	6,275	8,071	128.6%	6,275	8,071	128.6%	66.7%	3,888	61.9%				
Totals:	\$2,704,433	\$1,814,259	\$3,859,383	\$1,847,177	67.1%	\$3,859,383	\$1,847,177	47.9%	\$3,859,383	\$1,847,177	47.9%	66.7%	(\$725,745)	-18.8%				

WATER FUND (#405) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H [^]		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	Budget	Actual	% Exp'd	Budget	Actual	% Exp'd	% Exp'd	Expected % Exp'd*	Var'nc from Expected	% Variance			
Operating Expenses	\$1,852,581	\$1,350,697	\$1,888,309	\$1,257,144	72.9%	\$1,888,309	\$1,257,144	66.6%	\$1,888,309	\$1,257,144	66.6%	66.7%	\$1,729	0.1%				
Capital Outlay	979,400	369,259	1,847,000	379,186	37.7%	1,847,000	379,186	20.5%	1,847,000	379,186	20.5%	66.7%	852,147	46.2%				
Debt Principal	133,077	20,000	134,077	21,000	15.0%	134,077	21,000	15.7%	134,077	21,000	15.7%	66.7%	68,385	51.0%				
Interest Expense	26,185	5,400	14,435	4,400	20.6%	14,435	4,400	30.5%	14,435	4,400	30.5%	66.7%	5,223	36.2%				
Transfers Out	420,000	0	0	0	0.0%	0	0	0.0%	0	0	0.0%	66.7%	0	0.0%				
Totals:	\$3,411,243	\$1,745,356	\$3,883,821	\$1,661,730	51.2%	\$3,883,821	\$1,661,730	42.8%	\$3,883,821	\$1,661,730	42.8%	66.7%	\$927,484	23.9%				

Net Budget/Income/Variance: (\$706,810) \$68,903 (\$24,438) \$185,447 \$201,739

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

City of Chehalis
Comparative Financial Reports
August 2015 and 2016

STORM FUND (#406) REVENUES	A August 2015		B		C=B/A		D August 2016		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	% Rec'd	Budget	Actual	% Rec'd*	Budget	Actual	% Rec'd	Actual	% Rec'd	Exp'd	Expected % Rec'd*	Var'nc from Expected	%	Var'nc from Expected	%	
Storm & Surface Water Fees	\$506,772	\$332,450	65.6%	\$501,000	\$361,147	72.1%	\$501,000	\$361,147	72.1%	2,152	53.8%	66.7%	66.7%	\$27,147	5.4%	(515)	-12.9%	
Storm Connection/Misc. Fees	1,000	3,912	100.0%	4,000	2,152	53.8%	4,000	2,152	53.8%	0	0.0%	66.7%	66.7%	(1,333)	-66.7%	(1,333)	-66.7%	
Misc. Revenues/Insurance	825	1,475	100.0%	2,000	0	0.0%	2,000	0	0.0%	0	0.0%	66.7%	66.7%	(183)	-66.7%	(183)	-66.7%	
Non-Revenue Tax Receipts	275	0	0.0%	275	0	0.0%	275	0	0.0%	3,813	84.7%	66.7%	66.7%	813	100.0%	813	100.0%	
Fines and Forfeitures	0	0	0.0%	4,500	3,813	84.7%	4,500	3,813	84.7%	1,361	234.7%	66.7%	66.7%	974	168.0%	974	168.0%	
Interest Earnings	1,300	389	29.9%	580	1,361	234.7%	580	1,361	234.7%	\$368,473	71.9%	66.7%	66.7%	\$26,903	5.2%	\$26,903	5.2%	
Totals:	\$510,172	\$338,226	66.3%	\$512,355	\$368,473	71.9%	\$512,355	\$368,473	71.9%									

STORM FUND (#406) EXPENSES	A August 2015		B		C=B/A		D August 2016		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	% Exp'd	Budget	Actual	% Exp'd	Budget	Actual	% Exp'd	Actual	% Exp'd	Exp'd	Expected % Exp*	Var'nc from Expected	%	Var'nc from Expected	%	
Operating Expenses	\$442,865	\$216,079	48.8%	\$469,176	\$190,047	40.5%	\$469,176	\$190,047	40.5%	18,000	100.0%	66.7%	66.7%	\$122,737	26.2%	(6,000)	0.0%	
Transfers Out	18,000	3,045	0.0%	18,000	18,000	100.0%	18,000	18,000	100.0%	0	0.0%	66.7%	66.7%	(6,000)	0.0%	(6,000)	0.0%	
Totals:	\$460,865	\$219,124	47.5%	\$487,176	\$208,047	42.7%	\$487,176	\$208,047	42.7%									

Net Budget/Income/Variance: \$49,307 \$119,102 \$25,179 \$160,426 \$143,640

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City of Chehalis
Comparative Financial Reports
August 2015 and 2016

AIRPORT FUND (#407) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H [^]		I=G-F	
	Budget	August 2015 Actual	% Rec'd	Budget	August 2016 Actual	% Rec'd*	Exp'd	% Exp*	Var'nc from Expected	%	Exp'd	% Rec'd*	Exp'd	%	Var'nc from Expected	%		
Intergovernmental Revenues	\$821,408	\$22,130	2.7%	\$916,600	\$311,335	34.0%	34.0%	66.7%	(299,732)	66.7%	66.7%	(299,732)	66.7%	-32.7%				
Charges for Goods and Svcs.	520,000	431,723	83.0%	533,622	346,555	64.9%	64.9%	66.7%	(9,193)	66.7%	66.7%	(9,193)	66.7%	-1.8%				
Interest Earnings	15,085	7,298	48.4%	14,000	5,528	39.5%	39.5%	66.7%	(3,805)	66.7%	66.7%	(3,805)	66.7%	-27.2%				
Licenses & Permits	0	3,000	0.0%	0	1,450	100.0%	100.0%	66.7%	1,450	66.7%	66.7%	1,450	66.7%	33.3%				
Rents & Royalties	96,000	52,414	54.6%	80,001	55,659	69.6%	69.6%	66.7%	2,325	66.7%	66.7%	2,325	66.7%	2.9%				
Capital Lease Receipts	879,651	568,945	64.7%	816,422	620,981	76.1%	76.1%	66.7%	76,700	66.7%	66.7%	76,700	66.7%	0.0%				
Misc. Rev/Ins/Donations	2,000	525	26.3%	600	419	69.8%	69.8%	66.7%	19	66.7%	66.7%	19	66.7%	3.1%				
Non-Revenue Tax Receipts	165,000	66,430	100.0%	157,373	114,524	72.8%	72.8%	66.7%	76	66.7%	66.7%	76	66.7%	6.1%				
Operating Transfers In	420,000	0	0.0%	32,500	32,500	100.0%	100.0%	66.7%	10,833	66.7%	66.7%	10,833	66.7%	0.0%				
Totals:	\$2,919,144	\$1,152,465	39.5%	\$2,551,118	\$1,488,951	58.4%	58.4%	66.7%	(\$232,236)	66.7%	66.7%	(\$232,236)	66.7%	-8.3%				

AIRPORT FUND (#407) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H [^]		I=G-F	
	Budget	August 2015 Actual	% Exp'd	Budget	August 2016 Actual	% Exp'd	Exp'd	% Exp*	Var'nc from Expected	%	Exp'd	% Exp*	Exp'd	%	Var'nc from Expected	%		
Operating Expenses	\$1,338,816	\$798,317	59.6%	\$1,338,870	\$814,649	60.8%	60.8%	66.7%	\$77,931	66.7%	66.7%	\$77,931	66.7%	5.9%				
Capital Outlay	1,481,000	23,563	1.6%	904,130	378,970	41.9%	41.9%	66.7%	223,783	66.7%	66.7%	223,783	66.7%	24.8%				
Principal - G.O. Bonds	231,992	114,756	49.5%	278,505	128,423	46.1%	46.1%	66.7%	57,247	66.7%	66.7%	57,247	66.7%	20.6%				
Interest Expense	84,215	43,347	51.5%	74,084	45,244	61.1%	61.1%	66.7%	4,145	66.7%	66.7%	4,145	66.7%	5.6%				
Totals:	\$3,136,023	\$979,983	31.2%	\$2,595,589	\$1,367,286	52.7%	52.7%	66.7%	\$363,107	66.7%	66.7%	\$363,107	66.7%	14.0%				

Net Budget/Income/Variance: (\$216,879) \$172,482
(\$44,471) \$121,665

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RECOMMENDATION/COUNCIL ACTION DESIRED

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

Reviewed by , City Manager