

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

Terry F. Harris, District 1, Mayor Pro Tem Daryl J. Lund, District 2 Dr. Isaac S. Pope, District 4	Dennis L. Dawes, Position at Large Mayor	Anthony E. Ketchum Sr., District 3 Chad E. Taylor, Position at Large Bob Spahr, Position at Large
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Regular Meeting of Monday, December 12, 2016
5:00 p.m.

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

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
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
SPECIAL 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.		
3. <u>Chehalis Community Renaissance Team.</u> (Annalee Tobey)	INFORMATION ONLY	---
4. <u>Chehalis Foundation Update.</u> (Tim Saylor)	INFORMATION ONLY	---
5. <u>New River App.</u> (Edna Fund, Steve Wohld)	INFORMATION ONLY	---

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
CONSENT CALENDAR		
6. <u>Minutes of the Regular Meeting of November 28, 2016, and Special Meeting of December 5, 2016.</u> (City Clerk)	APPROVE	1
7. <u>Vouchers and Transfers.</u> (City Manager, Finance Manager)	APPROVE	5
8. <u>Drinking Water State Revolving Fund Contract Amendment for the Redundant Flocculation Basin Project.</u> (City Manager, Public Works Director, Water Superintendent)	AUTHORIZE CITY MANAGER TO EXECUTE AMENDMENT 1 FOR NEW LOAN AMOUNT OF \$1,212,000	7
9. <u>Interlocal Agreement to Provide Fire Investigation Services to the City of Vader.</u> (City Manager, Fire Chief)	APPROVE	13

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
ADMINISTRATION AND CITY COUNCIL REPORTS		
10. <u>Administration Reports.</u>		
a. City Manager update. (City Manager)	INFORMATION ONLY	---
b. Consider cancelation of December 26 City Council Meeting. (City Manager)	CANCEL MEETING	---
11. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	---

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
UNFINISHED BUSINESS		
12. <u>Ordinance No. 966-B, Second Reading – Amending the 2016 Budget.</u> (City Manager, Finance Manager)	APPROVE	21

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
NEW BUSINESS		
13. <u>Bonus Compensation for Exempt Employees Meeting Specific Criteria.</u> (City Manager, Human Resources/Risk Manager)	APPROVE	30

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
EXECUTIVE SESSION		
14. <u>Pursuant to RCW 42.30.140(4)(a) – Collective Bargaining.</u>	---	---

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

NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, JANUARY 9, 2017.

November 28, 2016

The Chehalis city council met in regular session on Monday, November 28, 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, Daryl Lund, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Councilor Tony Ketchum was absent (excused). Staff present included: Jill Anderson, City Manager; David Fleckenstein, Airport Manager; Caryn Foley, City Clerk; Melody Guenther, Court Administrator; Bill Hillier, City Attorney; Trent Loughheed, Interim Community Development Director; Dale McBeth, Municipal Court Judge; Judy Pectol, Finance Manager; Rick Sahlin, Public Works Director; Glenn Schaffer, Police Chief; Judy Schave, Human Resources/Risk Manager; Don Schmitt, Street Superintendent; Dave Vasilauskas, Water Superintendent; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Justyna Tomtas from *The Chronicle*.

Mayor Dawes announced that an item has been added to the agenda – Resolution No. 21-2016, First and Final Reading – Declaring an Emergency Relating to the City's Phone System, which will be addressed under New Business.

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

a. Minutes of the regular meeting of November 14, 2016;

b. November 15, 2016 Claim Vouchers No. 117448 – 117592 and Electronic Funds Transfer No. 1020161 and 112016 in the amount of \$811,649.05; and

c. Amended Resolution No. 18-2016, First and Final Reading – Accepting and Approving the 2016 Lewis County Multi-Jurisdictional Hazard Mitigation Plan.

The motion was seconded by Councilor Lund and carried unanimously.

2. **Administration Reports.**

a. **October Financial Report.** Judy Pectol reported that utility funds and the General Fund are receiving more revenues than budgeted, except for intergovernmental loans. Expenditures are under budget, and with the budget amendment later on the agenda, they will be under budget at year-end. The Airport Fund is being watch closely. Although it has a large fund balance now, \$1.5 million of that is held at the county and will be spent next June, dropping the fund balance significantly.

Mayor Dawes stated the budget doesn't show that the \$1.5 million is money the county is actually holding. The interest that accrues off of that money comes to the city. Ms. Pectol confirmed the city is receiving that interest, but will not receive the December installment until June 2017. The county has the money invested and each time the city makes a payment on the airport's general obligation loan, the county pays the interest accrued in that six months. The county wants to have security to make sure that when the June payment is due there is enough money in the county airport account to pay it all.

Mayor Dawes stated that was troubling because he recalls Commissioner Schulte saying there would be enough money that would be set aside in the county budget to cover that obligation when it became due and that was part of the airport agreement. Mayor Dawes stated the agreement needs to be reviewed because it shouldn't be withheld. The agreement needs to be held to the letter. The council concurred.

Mayor Dawes noted sales tax revenue continues to show improvements, although not quite back to the level of 2008.

b. **City Manager Update.** City Manager Anderson reminded the council of their special meeting on December 5 at 5:00 pm for an executive session to discuss union negotiations, and no announcements/actions are expected following the meeting. She also reminded everyone about the Santa Parade this Saturday at 11:00 am downtown.

3. **Councilor Reports.**

a. **Update from Councilor Harris.** Councilor Harris thanked city staff and his family for putting up Christmas decorations downtown. He also stopped by the chamber on the evening they were handing out shopper survival bags, which was a great event.

November 28, 2016

b. **Update from Mayor Dawes.** Mayor Dawes attended one of the Chamber Way bridge information meetings put on by WSDOT, and the November 18 meeting to review .09 grant requests at the EDC. A couple of projects were approved out in the Port of Chehalis.

4. **Ordinance No. 963-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2017, and Ordinance No. 964-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2017.** City Manager Anderson stated the City Council received a staff presentation at the last meeting. She noted there are no proposed changes to the tax rate levies.

Councilor Spahr moved to approve Ordinance Nos. 963-B and 964-B on second and final readings. The motion was seconded by Councilor Pope and carried unanimously.

5. **Ordinance No. 965-B, Second and Final Reading – Adopting the Proposed 2017 Budget.** Councilor Lund moved to approve Ordinance No. 965-B on second and final reading. The motion was seconded by Councilor Taylor.

City Manager Anderson acknowledged staff, and particularly Judy Pectol, on their work on the budget. There were some minor revisions to the salary schedule from the budget presented at the last meeting, which will be reflected in the final budget document. There were no changes to the ordinance.

The motion carried unanimously.

6. **Ordinance No. 966-B, First Reading – Amending the 2016 Budget.** City Manager Anderson stated the major items reflected in the budget amendment include revenues from permit fees, and an increase in sales tax revenue and grant funds. Other amendments address staff adjustments, as well as one-time expenditures for repairs to the fire department building and replacement of the citywide phone system. Two major general fund items include the Recreation Park project and Dillenbaugh Creek project. Others are relatively minor and many are offset by some form of revenue.

Mayor Dawes asked if monies would be put back into the city budget with regard to repairs on the Aquatics Center and The Chehalis Foundation having set aside monies for that. City Manager Anderson stated it was her understanding there might be some maintenance funds available, whether or not it will cover all of the cost remains to be seen. The administration will discuss this with the Foundation.

Councilor Lund moved to approve Ordinance No. 966-B on first reading. The motion was seconded by Councilor Spahr.

Councilor Spahr asked if the \$200,000 increase noted in local retail sales and use tax was an estimate or actual amount. Judy Pectol stated it is an estimate of a little less than what we actually think we're going to get over what was budgeted.

The motion carried unanimously.

7. **Resolution No. 21-2016, First and Final Reading – Declaring an Emergency Relating to the City's Phone System.** City Manager Anderson stated the need for a new phone system was discussed at the last city council meeting. At that time, the council authorized the expenditure funds to proceed with the replacement of the phone system. Through that process there were bid requirements that needed to be followed, which were in process; however, after the power outage last week, the Public Works phone system went down. While they were able to get back up and running, it showed the fragility of the system. In addition, while the phones are working, the voice mail system is not. The state auditor's office was contacted to communicate the situation to see if this would qualify for an emergency purchase and allow the city to waive normal bid procedures. We received confirmation earlier today that this indeed meets the standards of the state for declaring an emergency. The resolution before the council would waive the requirements of going through a competitive bid process.

Councilor Lund moved to adopt Resolution No. 21-2016 on first and final reading. The motion was seconded by Councilor Pope and carried unanimously.

November 28, 2016

Councilor Pope asked about the status of the issue brought at the last meeting by Mr. Dale Luger. City Manager Anderson stated she has spoken with Mr. Luger and a meeting is scheduled with him on December 6.

Councilor Taylor asked for information about the Main Street B&O Tax Incentive Program that allows businesses to donate their state B&O taxes to Main Street programs. City Manager Anderson stated representatives from the Chehalis Community Renaissance Team would be providing an update during the December 12 council meeting.

There being no further business to come before the council, the meeting was adjourned at 5:27 pm.

Mayor

Attest:

City Clerk

December 5, 2016

The Chehalis city council met in special session on Monday, December 5, 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, Tony Ketchum, Dr. Isaac Pope, Bob Spahr, and Chad Taylor. Daryl Lund was absent (excused). Staff present included: Jill Anderson, City Manager; Ken Cardinale, Fire Chief; Caryn Foley, City Clerk; and Judy Schave, Human Resources/Risk Manager. Patrick Pearce, Attorney was also in attendance.

1. Executive Session Pursuant to RCW 42.30.110(1)(g) – Evaluate Qualifications of an Applicant for Public Employment; and RCW 42.30.140(4)(a) – Collective Bargaining. Mayor Dawes announced the Council would be in executive session for approximately 60 minutes and no action would be taken following the executive session. Mayor Dawes closed the regular meeting and the council adjourned into executive session at 5:01 pm.

Councilor Spahr left the meeting at 6:19 pm.

The regular meeting was reopened at 6:34 pm, and there being no further business to come before the council, the meeting was immediately adjourned.

Mayor

Attest:

City Clerk

**CITY OF CHEHALIS CITY COUNCIL
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Judy Pectol, Finance Manager
Michelle White, Accounting Tech II

MEETING DATE: December 12, 2016

SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested for the Vouchers and Transfers in discussion.

DISCUSSION

The following claim vouchers have been reviewed by a committee of three councilors prior to the release of payments. Requesting council approval for Claim Vouchers No. 117593 through 117715 in the amount of \$383,915.45 dated November 30, 2016 and the transfer of \$52,962.00 from the General Fund, \$1,634.91 from the Dedicated Street Fund – 4% Sales Tax, \$33,238.67 from the Wastewater Fund, \$66,235.41 from the Water Fund, \$980.17 from the Storm & Surface Water Utility Fund, \$227,892.83 from the Airport Fund and \$971.46 from the Firemen's Pension Fund.

RECOMMENDATION

It is recommended that the council approve the November 30, 2016 Claim Vouchers No. 117593 through 117715 in the amount of \$383,915.45.

SUGGESTED MOTION

I move that the council approve the November 30, 2016 Claim Vouchers No. 117593 through 117715 in the amount of \$383,915.45.

**CITY OF CHEHALIS CITY COUNCIL
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Judy Pectol, Finance Manager
Betty Brooks, Payroll Accountant

MEETING DATE: December 12, 2016

SUBJECT: Payroll Vouchers and Transfers

ISSUE

Council approval is requested for the Payroll Vouchers and Transfers in discussion.

DISCUSSION

Requesting council approval for Payroll Vouchers No. 39268 through 39308, Direct Deposit Payroll Vouchers No. 7709 through 7804 and Electronic Federal Tax Payment No. 166 dated November 30, 2016 in the amount of \$714,653.12 and the transfer of \$496,073.97 from the General Fund, \$5,360.99 from the Arterial Street Fund, \$76,577.43 from the Wastewater Fund, \$84,216.75 from the Water Fund, \$24,320.51 from the Storm & Surface Water Utility Fund, \$26,392.78 from the Airport Fund and \$1,710.69 from the Firemen's Pension Fund.

RECOMMENDATION

It is recommended that the council approve the November 30, 2016 Payroll Vouchers No. 39268 through 39308, Direct Deposit Payroll Vouchers No. 7709 through 7804, and Electronic Federal Tax Payment No. 166 in the amount of \$714,653.12.

SUGGESTED MOTION

I move that the council approve the November 30, 2016, Payroll Vouchers No. 39268 through 39308, Direct Deposit Payroll Vouchers No. 7709 through 7804, and Electronic Federal Tax Payment No. 166 in the amount of \$714,653.12.

**CITY OF CHEHALIS CITY COUNCIL
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Rick Sahlin, Public Works Director
Dave Vasilauskas, Water Superintendent

MEETING DATE: December 12, 2016

SUBJECT: Drinking Water State Revolving Fund Contract Amendment for the Redundant Flocculation Basin Project

ISSUE

The Drinking Water State Revolving Fund (DWSRF) has agreed to increase the loan granted to the City to cover increased construction costs of the Redundant Flocculation Basin Project.

DISCUSSION

In our updated Water System Plan, adopted February 2012, our capital improvement plan identified the need to design and construct an additional flocculation basin within the water treatment process. Modern treatment processes are designed with dual treatment trains to provide operator flexibility and allow continued operation while performing routine and emergency maintenance. The addition of a new flocculation basin would enhance the flexibility and reliability of the City's water treatment plant.

In 2013, an application was submitted to the DWSRF requesting \$909,000 for the design and construction of an additional flocculation basin at the water treatment plant. In April 2014, the City entered into a DWSRF loan for \$909,000 at 1.5 percent interest for a period of 24 years and a \$9,000 loan fee.

In July 2016, the City Council awarded a contract to construct a second flocculation and pre-sedimentation train at the water filter plant to Prospect Construction, Inc., in the amount of \$1,204,349. Because project costs came in higher than the amount of the loan awarded to the City by the DWSRF, the City requested additional loan money from the DWSRF.

The DWSRF has agreed to provide additional loan funding for this project. The DWSRF will amend the previously awarded loan amount from \$909,000 to \$1,212,000 with a loan fee of \$12,000 for 24 years at 1.5 percent interest. (See attachment)

RECOMMENDATION

It is recommended that the City Council authorize the city manager to execute Amendment 1 with the DWSRF to reflect a new loan amount of \$1,212,000 for 24 years at 1.5 percent interest with a loan fee of \$12,000 for the construction of the Redundant Flocculation Basin Project.

SUGGESTED MOTION

I move that the City Council authorize the city manager to execute Amendment 1 with the DWSRF to reflect a new loan amount of \$1,212,000 for 24 years at 1.5 percent interest rate with a loan fee of \$12,000 for the construction of the Redundant Flocculation Basin Project.

AMENDMENT DECLARATIONS

Amendment Title: City of Chehalis Loan Amount Change
Amendment Number: A

CLIENT INFORMATION

Legal Name: City of Chehalis
Loan Number: DM13-952-180
Award Year: 2013
State Wide Vendor Number: SWV0015116-00

PROJECT INFORMATION

Project Title: Redundant Flocculation Basin - Water Filter Plant
Project City: Chehalis
Project State: Washington
Project Zip Code: 98532

LOAN INFORMATION

New Loan Amount: \$1,212,000.00
Prior Loan Amount: \$909,000.00
New Loan Fee (Included in loan amount if applicable): \$12,000.00
Loan Forgiveness %: 0%
Loan Term: 24 years
Interest Rate: 1.50%
Payment Month: October 1st
Earliest Date for Construction Reimbursement: 7/1/2013
Time of Performance: 48 months from Contract execution date to Project Completion date.

FUNDING INFORMATION

Total Amount of Federal Award (as applicable): [To be determined]
Federal Award Date: [To be determined]
Federal Award ID # (FAIN): [To be determined]
Amount of Federal Funds Obligated by this action: [To be determined]
Awarding Official: [To be determined]

SPECIAL TERMS AND CONDITIONS GOVERNING THIS LOAN AGREEMENT

None.

LOAN SECURITY CONDITION GOVERNING THIS LOAN AGREEMENT

This loan is a revenue obligation of the Contractor payable solely from the net revenue of the Water system. Payments shall be made from the net revenue of the utility after the payment of the principal and interest on any revenue bonds, notes, warrants or other obligations of the utility having a lien on that net revenue. As used here, "net revenue" means gross revenue minus expenses of maintenance and operations. The Board grants the Contractor the right to issue future bonds and notes that constitute a lien and charge on net revenue superior to the lien and charge of this loan Contract. This option may be used only if the entire project is a domestic water, sanitary sewer, storm sewer, or solid waste utility project.

AMENDMENT DECLARATIONS (continued)

Amendment Title	Loan Amount Change
Loan Number:	DM13-952-180
Amendment Number	A
Project Title:	Redundant Flocculation Basin - Water Filter Plant

Scope of Work:

The main feature of the project is the addition of a new flocculation basin to the City's existing water treatment plant. The project scope includes the survey, geotech analysis, design, DOH approval and City permitting, construction, and construction management of the following improvements:

1. One new outdoor, aboveground concrete rapid mix chamber fitted with rapid mix flocculator and motor.
2. Two new outdoor, aboveground concrete slow mix flocculation basins in series, each fitted with a slow mix flocculator and motor.
3. Drain valves and piping from new rapid mix chamber and slow mix basins.
4. One new electric motor-actuated inlet isolation valve (or gate) to the new rapid mix chamber.
5. One new electric motor-actuated inlet isolation valve (or gate) to the existing rapid mix chamber.
6. One new electric motor-actuated outlet isolation valve (or gate) to the newly installed downstream slow mix flocculation basin.
7. One new electric motor-actuated outlet isolation gate on wall separating the existing downstream slow mix flocculation basin from the existing presedimentation basin.
8. New coagulant and chlorine feed lines and valving to new rapid mix chamber.
9. New streaming current monitor to control coagulant feed to new rapid mix chamber.
10. Associated power and telemetry wiring for the new valves.
11. Updated plant control programming to incorporate new valves, rapid mix flocculator and chamber, slow mix flocculators and basins, chemical feeds, and streaming current monitor.
12. Associated new 8" to 14" piping from existing raw water piping to new rapid mix chamber, and from new slow mix basin to existing presedimentation basin.
13. Associated site/civil earthwork and restoration landscaping.

AMENDMENT FACE SHEET
Contract Number: DM13-952-180
Amendment Number: A
DRINKING WATER STATE REVOLVING FUND (MUNICIPAL)

1. Contractor City of Chehalis 2007 NE Kresky Avenue Chehalis, WA 98532		2. Contractor Doing Business As (optional) N/A	
3. Contractor Representative (only if updated) N/A		4. Public Works Board Representative (only if updated) N/A	
5. Original Contract Amount \$909,000.00	6. Amendment Amount \$303,000.00	7. New Contract Amount \$1,212,000.00	
8. Amendment Funding Source Federal: <input checked="" type="checkbox"/> State: <input checked="" type="checkbox"/> Other: <input type="checkbox"/> N/A: <input type="checkbox"/>		9. Amendment Start Date Amendment Execution Date	10. Contract End Date October 1, 2037
11. Federal Funds (as applicable): N/A		Federal Agency: EPA	CFDA Number: 66.468
12. Amendment Purpose: The purpose of this amendment is to modify the amount of the Loan. The Board, defined as the Washington State Public Works Board, and Borrower/Contractor acknowledge and accept the terms of this Agreement/Contract As Amended and attachments and have executed this Contract on the date below to start as of this date of execution. The rights and obligations of both parties to this Agreement/Contract As Amended are governed by this Agreement/Contract Amendment and the following other documents incorporated by reference: Declarations Page, Amendment Terms and Conditions including all attachments. A copy of this Agreement/Contract Amendment shall be attached to and made a part of the original Agreement/Contract between the Board and the Borrower/Contractor. Any reference in the original Contract to "Agreement" or "Contract" shall mean the "Agreement As Amended" or "Contract As Amended," respectively.			
FOR THE BORROWER/CONTRACTOR _____ Signature _____ Print Name _____ Title _____ Date		FOR PUBLIC WORKS BOARD _____ Stan Finkelstein, Public Works Board Chair _____ Date APPROVED AS TO FORM ONLY _____ This 14 th Day of December, 2015 Bob Ferguson Attorney General _____ Signature on File Kathryn Wyatt Assistant Attorney General	

AMENDMENT TERMS AND CONDITIONS

DRINKING WATER STATE REVOLVING FUND (MUNICIPAL)

Contractor/Borrower: City of Chehalis
Contract Number: DM13-952-180
Amendment Number: A

The purpose of this amendment is to modify the amount of the Loan Agreement / Contract identified above. This amendment is being entered into based on the following reason:

DOH approved loan increase due to higher than expected construction bids.

The New Loan Amount is amended to delete the original Loan Amount in your contract and replace it with a sum not to exceed the Loan Amount as shown on the attached Declarations Page, and identified on the Contract Face Sheet as Contract Amount. The Interest Rate shall be the percent amount shown on the Declarations Page, per annum on the outstanding principal balance.

The loan amount, where referenced in the Contract's Special Terms and Conditions section, shall refer to this declared Loan Amount, which is alternately listed as New Contract Amount on the attached Contract Amendment Face Sheet.

If loan fees are applicable, the amount shown on the Declarations Page as Loan Fee is the total loan fee after adding any new loan fees due to the change of the total loan amount.

**CITY OF CHEHALIS CITY COUNCIL
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Ken Cardinale, Fire Chief

MEETING DATE: December 12, 2016

SUBJECT: Interlocal Agreement to Provide Fire Investigation Services to the City of Vader

ISSUE

An Interlocal Agreement with the City of Vader has been prepared for consideration by the City Council in order to clarify that the City of Chehalis Fire Department will provide and be reimbursed for fire investigation services performed on behalf of the City of Vader.

DISCUSSION

The City of Chehalis Fire Department provides fire investigation services to Lewis County in accordance with an Interlocal Agreement. Fire Service in the City of Vader is provided by Cowlitz County-Lewis County Fire Protection District #20, which has created confusion in regards to fire investigation responsibilities. When the City of Chehalis has been called to investigate an incident and then bills the City of Vader for the services, there have been payment delays due to questions about which County was responsible for the call. In order to eliminate this confusion and ensure that the City of Chehalis could continue to provide the investigation services in the City of Vader, it is proposed that the two cities have an nterlocal agreement that states that the City of Chehalis will provide and be reimbursed for fire investigation services.

An interlocal agreement has been prepared for consideration by the City Council in order to set forth the conditions and fees for the provision of the investigative services. If approved by the City of Chehalis, the City of Vader City Council plans to consider and take action on the agreement at its first meeting in January, 2017.

KEY TERMS

The proposed agreement, which is similar to the one that the City has with Lewis County, includes the scope of the fire investigation services to be provided, the responsibilities of each party, and standard legal clauses in addition to the following key terms:

- **Term:** The contract can be terminated for public convenience with 60 days' notice. The term would be automatically extended unless terminated by either party.
- **Fees:** Chehalis is to be reimbursed \$135 an hour, including travel time. Fees can be adjusted by the City of Chehalis in January of each year of the contract with notification by October 31 of the previous year.
- **Indemnification:** The City of Chehalis and the City of Vader agree to indemnify, defend, save and hold harmless the other and their agents in the event of legal actions relating to this agreement.

The City Attorney has participated in the discussions of the agreement, which is attached to this report for your review.

FINANCIAL IMPACT

The City of Chehalis would be reimbursed for the costs associated with the provision of services to the City of Vader. Revenues and expenses will vary based on the number of incidents in a given year.

RECOMMENDATION

It is recommended that the City Council approve the agreement and authorize the City Manager to execute the document.

SUGGESTED MOTION

I move that the City council approve the Interlocal Agreement with the City of Vader and authorize the City Manager to execute the document.

**AN INTERLOCAL AGREEMENT
BETWEEN CITY OF VADER
AND THE CITY OF CHEHALIS
FOR FIRE INVESTIGATOR SERVICE**

THIS AGREEMENT is made and entered into this _____ day of _____, 2016, by and between the City of Vader, a municipal corporation, hereinafter referred to as "Vader" and the City of CHEHALIS, WASHINGTON, a municipal corporation, hereinafter referred to as "Chehalis", under the authority of the Interlocal Cooperation Act, Chapter 39.34 RCW,

WITNESSETH:

WHEREAS, pursuant to Chapter 39.34 RCW (Interlocal Cooperation Act), one or more public entities may contract with one another to perform government services which each is by law authorized to perform; and

WHEREAS, Vader does not have a fire department but was annexed in 1999 by the Lewis County Fire Protection District #20 (formerly #7) and receives fire services from that District; and

WHEREAS, Lewis County Fire Protection District #20 does not have a fire investigator and requires the various jurisdictions located within its boundaries to separately contract for such services; and

WHEREAS, Vader is required by Ch. 43.44 RCW to provide the services of a Fire Investigator or other such fire authority designated by Vader to investigate the origin, cause, circumstances and extent of loss of all fires within its jurisdiction; and

WHEREAS, pursuant to RCW 43.44.050(3), Vader is expressly entitled to enter into interlocal agreements to carry out such duties in the incorporated areas of Vader, and Chehalis has the staff and resources available to provide certain other services in Chehalis and Vader in an effective and cost-efficient manner; and

WHEREAS, Chehalis and Vader find it mutually beneficial and in the public interest to enter into an Interlocal services agreement for Chehalis to provide Fire Investigator services to Vader residents;

NOW, THEREFORE, CHEHALIS AND VADER agree as follows:

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 SECTION 7 Dispute Resolution
 SECTION 8 Independent Contractor
 SECTION 9 Hold Harmless/Indemnification
 SECTION 10 Assignments/Subcontracting
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 SECTION 12 No Third Party Beneficiary
 SECTION 13 Notice
 SECTION 14 Waiver
 SECTION 15 Entire Agreement
 SECTION 16 Amendment and Termination
 SECTION 17 Document Execution and Filing
 SECTION 18 Severability

SECTION 1. PURPOSE, TERM AND EXTENSION OF AGREEMENT. The purpose of this Agreement is to ensure high quality and uninterrupted Fire Investigator services to the residents of Vader commencing on _____ 2016. This Agreement shall be automatically renewed on January 1st of each year (starting on January 1, 2018) unless sooner terminated under the provisions herein. Chehalis shall provide advance written notice by October 31st of each year of any rate change to Vader, which change shall take effect on January 1st of the next year. This Agreement may be terminated, without cause, by either Party upon written notice to the other Party of at least 60 calendar days in accordance with Section 16 below.

SECTION 2. SCOPE OF FIRE INVESTIGATOR SERVICES. The scope of services provided by Chehalis within the incorporated areas of Vader shall be as specified in Sections 4 & 5 of this Agreement.

SECTION 3. FINANCIAL ADMINISTRATION. The fair costs for provision of such Fire Investigation (cause & origin) service shall be provided at the rate of \$135.00 per hour, inclusive of all expenses, materials and costs of provision of such service. This rate shall cover a period commencing with dispatch to on-site, investigation to return to off-duty status; a minimum of one hour service shall constitute a 'base cost' for investigative services. Preparation and filing of reports, and follow-up investigation shall be satisfied by such base cost; PROVIDED, that death scenes, criminal investigations, and multiple or large structure response may be billed and detailed as to salary, equipment, supplies and administration costs associated with the services.

SECTION 4. RESPONSIBILITIES OF CHEHALIS. Chehalis agrees to provide the following Fire Investigator services to Vader through the Chehalis Fire Department:

4.1 Investigation of the origin, cause, circumstances and extent of loss from fire, pursuant to Ch. 43.44 RCW, whether of civil or criminal nature, in cooperation with the State Fire Investigator, and State and Vader law enforcement and regulatory personnel.

4.2 Provision for the on-call availability of a properly trained, experienced and equipped Fire Investigator, 24 hours per day, each and every day of the year. On-call dispatch time of the

Investigator to the fire scene shall be not more than two (2) hours after first notification by Vader to the appropriate Chehalis representative.

4.3 Chehalis Fire Department shall furnish and supply all necessary labor, supervision, equipment, communication services and supplies, and such administrative services as are necessary to maintain a proper level of Fire Investigator service to incorporated areas of Vader. Administrative services to include, but not be limited to: the filing and storage of fire investigation reports and investigative evidence and responding to public disclosures requests thereto; and accounting services for the purpose of providing a full and complete disclosure to Vader of all actual service costs. The Fire Investigator and Chehalis Fire Department will work cooperatively with Vader and, as necessary, with Vader's Fire District (Lewis Co. Fire District #20) to facilitate and coordinate these services.

4.4 Vader currently has its own Fire Marshall to provide Fire and Life Safety inspections and safety service programs, and permit review, however, Vader, at its option may request and upon receiving such request Chehalis shall provide Fire & Life Safety inspections and safety service programs to Vader citizens at a rate and schedule as agreed to between the parties, including plan-checks.

4.5 To assign the Chehalis Fire Chief to act as liaison with Vader on all operational issues and civil investigations, and to act as liaison with Vader Law Enforcement, Lewis County Sheriff's Office and Vader Prosecuting Attorney on all criminal investigations.

4.6 Chehalis welcomes input from Vader on the operation of its Fire Investigator service. Any operational concerns should initially be raised with the Chehalis representative designated under subsection 4.5. In addition, if regular meetings are deemed necessary by Vader to discuss issues regarding Fire Investigator services, they will be arranged by representatives of Vader and with said Chehalis representative.

SECTION 5. RESPONSIBILITIES OF VADER. Vader agrees to meet the following responsibilities under this Agreement:

5.1 Vader shall grant to Chehalis Fire Department personnel assigned to provide Fire Investigator services the authority to enforce the provisions of Ch. 43.44 RCW, and associated Vader Fire Investigator duties pertaining to civil and criminal fire investigations.

5.2 Vader shall provide to the Chehalis Fire Department personnel assigned to Fire Investigator services with the assistance of Vader personnel necessary to assist Chehalis in providing Fire Investigator services.

5.3 Provide for timely payment the services provided for in this Agreement upon receipt of a properly constituted and prepared billing by Chehalis.

SECTION 6. ADMINISTRATION. This Agreement shall be administered by the Chehalis City Manager and by the Mayor of Vader.

SECTION 7. DISPUTE RESOLUTION. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event of a dispute between Chehalis and Vader regarding the delivery of services under this Agreement, a representative of the Chehalis Fire Department and Vader, shall review such dispute and options for resolution. Any dispute not resolved by these representatives shall be referred to the Chehalis City Manager and the Vader Mayor. The decision of the Chehalis City Manager and the Vader Mayor regarding the dispute shall be final as between the parties.

If any controversy or claim arising out of or relating to this Agreement or the alleged breach of such Agreement that cannot be resolved by the Chehalis City Manager and the Vader Mayor such dispute may, upon mutual agreement by the Parties, be submitted to mediation. If the parties are unable to settle any dispute, difference or claim arising from the parties' performance of this Agreement by informal means, then the exclusive means of resolving that dispute, difference or claim, shall be by filing suit under the venue, rules and jurisdiction of the Lewis County Superior Court, Lewis County, Washington, unless the parties agree in writing to an alternative dispute resolution process.

SECTION 8. INDEPENDENT CONTRACTOR. As used in this Agreement, "Vader" means the party that solicits and pays for services and "Chehalis" means the party that contracts to provide those services. Chehalis is and shall at all times be deemed to be an independent contractor in the provision of the services set forth in the Agreement. Nothing herein nor in any of the Agreement shall be construed as creating the relationship of employer and employee, or principal and agent, between Chehalis and Vader or between any of Chehalis's employees or agents. Chehalis shall retain all authority for provision of services, standards of performance, discipline and control of personnel, and other matters incident to the performance of services by Chehalis pursuant to this Agreement. Nothing in this Agreement shall make any employee of Vader an employee of Chehalis or any employee of Chehalis an employee of Vader for any purpose, including but not limited to, for withholding of taxes, payment of benefits, workers' compensation pursuant to Title 51 RCW, or any other rights or privileges accorded their respective employees by virtue of their employment. All Chehalis personnel rendering service hereunder shall be, for all purposes, employees of Chehalis, although they may from time to time act as officers of Vader.

SECTION 9. HOLD HARMLESS/INDEMNIFICATION. Chehalis in this Agreement agrees to indemnify, defend, save and hold harmless Vader, its officials, employees and agents from and against any and all liability, demands, losses, damage, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, or whatsoever kind or nature, including deaths and injuries to persons, arising out of, or in connection with, or incident to, the performance by Chehalis of this Agreement. In the event that any suit based on such a claim, demand, loss, damage, cost, or cause of action is brought against Vader, Vader retains the right to participate in said suit if any principal of public law is involved. This indemnity and hold harmless shall include any claim made against Vader by an employee of Chehalis or subcontractor or agent of Chehalis, even if Chehalis is thus otherwise immune from liability pursuant to the workers, compensation statute, Title 51 RCW.

Vader in this Agreement agrees to indemnify, defend, save and hold harmless Chehalis, its officials, employees and agents from and against any and all liability, demands, losses, damage, claims, causes of action, suits or judgments, including costs, attorney fees and expenses incurred in connection therewith, or whatsoever kind or nature, including deaths and injuries to persons, arising out of, or in connection with, or incident to, the performance by Vader of this Agreement. In the event that any suit based on such a claim, demand, loss, damage, cost, or cause of action is brought against Chehalis, Chehalis retains the right to participate in said suit if any principal of public law is involved.

This indemnity and hold harmless shall include any claim made against Chehalis by an employee of Vader or subcontractor or agent of Vader, even if Vader is thus otherwise immune from liability pursuant to the workers compensation statute. Title 51 RCW.

SECTION 10. ASSIGNMENT/SUBCONTRACTING. Neither Chehalis nor Vader shall transfer or assign, in whole or in part, any or all of their respective rights or obligations under this Agreement without the prior written consent of the other. Chehalis shall not subcontract for the provision of any services it is to provide Vader under this Agreement without the prior written consent of Vader.

SECTION 11. NON-DISCRIMINATION. In connection with the provision of services pursuant to this Agreement, Chehalis shall not discriminate against any employee or applicant for employment or against any consumer of or applicant for services because of age, sex, race, creed, religion, color, national origin, marital status, pregnancy, veteran status, the presence of any physical, mental or sensory disability, or perceived or actual sexual orientation. Vader and City Chehalis each certify that it is an Equal Employment Opportunity Employer.

SECTION 12. NO THIRD PARTY BENEFICIARY. Chehalis does not intend by this Agreement to assume any contractual obligations to anyone other than Vader. Vader does not intend by this Agreement to assume any contractual obligations to anyone other than Chehalis. Chehalis and Vader do not intend there be any third-party beneficiary to this Agreement.

SECTION 13. NOTICE. Any notices to be given under this Agreement shall at minimum be delivered, postage prepaid and addressed to:

To Vader:
City of Vader
P.O. Box 189
Vader, WA 98593
Attention: Mayor

To Chehalis:
Chehalis Fire Department
City of Chehalis
455 NW Park St.
Chehalis, WA 98532
Attention: Fire Chief

Either Chehalis or Vader giving the other notice of such change as provided in this section may change the name and address to which notices shall be directed.

SECTION 14. WAIVER. No waiver by either party of any term or condition of this Agreement or Agreement incorporated in this Agreement shall be deemed or construed to constitute a waiver

of any other term or condition or of any subsequent breach, whether of the same or different provision.

SECTION 15. ENTIRE AGREEMENT. This Agreement contains all of the agreements of the parties with respect to the subject matter covered or mentioned therein, and no prior Agreements shall be effective to the contrary.

SECTION 16. AMENDMENT AND TERMINATION. The provisions of this Agreement may be amended with the mutual consent of the parties. No additions to, or alterations of, the terms of this Agreement shall be valid unless made in writing and formally approved and executed by the duly authorized agents of both parties. Either party may terminate this Agreement for public convenience upon not less than sixty (60) days prior written notice to the other party.

SECTION 17. DOCUMENT EXECUTION AND FILING. Chehalis and Vader agree that there shall be duplicate originals of this Agreement procured and distributed for signature by the necessary officials of Chehalis and Vader. Upon execution, the executed duplicate of this Agreement shall be returned to the Chehalis City Clerk which shall file copies of this Agreement with the County Auditor and the Washington State Secretary of State. Upon receipt by the Chehalis City Clerk of the duplicate originals, each such duplicate original shall constitute an agreement binding upon both Chehalis and Vader.

SECTION 18. SEVERABILITY. If any section or part of this Agreement is held by a court to be invalid, such action shall not affect the validity of any other part of this Agreement.

IN WITNESS WHEREOF, Chehalis and Vader have caused this Agreement to be executed in their respective names by their duly authorized officers and have caused this Agreement to be dated as of the _____ day of _____, 2016, the same being subject to ratifying legislative actions of the respective parties, hereto.

CITY OF CHEHALIS, a municipal corporation

CITY OF VADER
VADER, WASHINGTON

By: _____
Chehalis City Manager

By: _____
Kenneth Smith, Mayor

Approved as to form, only:

Approved as to form, only:

Chehalis City Attorney

Vader City Attorney

**CITY OF CHEHALIS CITY COUNCIL
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Judy Pectol, Finance Manager

MEETING DATE: December 12, 2016

SUBJECT: Ordinance No. 966-B, Second Reading – Amending the 2016 Budget

ISSUE

Ordinance No 966-B, amending the 2016 Budget, is hereby submitted for second reading to reflect the changes in estimates and actual activity of the city. This ordinance is necessary to ensure compliance with state appropriation requirements and to document adjustments to the 2016 Budget.

Since the first reading, the net city-wide fund balance has been decreased by \$26,100 in the Storm and Surface Water Fund to account for the amount due to an employee for unused leave that will be retiring from the City at the end of December after more than 34 years of service.

DISCUSSION

In April of this year, Ordinance No. 957-B was adopted to amend the 2016 budget, which was the first budget amendment of the year. The proposed ordinance, which is before you at this time, reflects changes in City Operations since that time and is the second amendment to the 2016 Budget.

The attached spreadsheet provides information on a line-by-line basis, as well as the summary information of the proposed budget amendment. The net city-wide increase in fund balances associated with the second budget amendment totals \$355,924 which is a decrease of \$26,100 from the first reading of this ordinance. The appropriations for the Storm and Surface Water Fund were increased to cover the cost of the accrued vacation and sick leave hours for an employee retiring at the end of December after over 34 years of employment with the City.

Revenue estimates and donations and grants not previously included in the 2016 Budget and related expenses are included in the proposed amendment. There have also been staff changes in the positions of City Manager, Human Resources/Risk Manager, City Clerk, and Community Development Director, and a reorganization of the Community Development Department.

In addition, the 2016 budget amendment includes funds for a new phone system, consistent with City Council direction provided on November 14 and November 28 and repairs to the Fire Station, which were discussed during the November 14 budget hearing. Following the Emergency Declaration approved at the most recent City Council meeting, the new phone system has been ordered. The proposed 2017 Budget also includes funds for these activities, so a budget adjustment will be made in early 2017 if the funds are spent in 2016.

Exhibit A to Ordinance 966-B summarizes the revenues and expenditures of all of the City's funds and reflects the changes associated with the first budget amendment, as well as the proposed second amendment.

RECOMMENDATION

It is recommended that the council pass Ordinance No 966-B on second reading.

SUGGESTED MOTION

I move that the council pass Ordinance No 966-B on second reading.

City of Chehalis
 2016 Budget Amendment No. 2 - Ordinance 966-B
 12/6/2016

Fund No. and Name Fund 001 - General Fund	Acct. Name	Reason for Amendment	Revenue		Appropriation		Transfers		Total Increase/(Decrease)
			Increase/(Decrease)		Increase/(Decrease)		In/(Out)		
001.G1.553.030.41.00	Flood Control Prof Services	EDC - Flood Control Fee per 5/9/16 Council Meeting			15,000				
001.337.009.42	AWC Grants	Wellness Mini-Grant Receipts	455						
001.G1.518.011.31.00	Supplies	Wellness Program			455				
001.334.	RCO Grant	RCO - Dillenbaugh Creek Culvert Grant	100,000						
001.53.554.090.41.00	Environmental Professional	Dillenbaugh Creek Professional Services			100,000				
001.331.016.60	Federal Grants - Direct	Received Grant for Ballistic Vests	977						
001.H1.521.022.35	Small Tools & Minor Equip	Ballistic Vests Funded by Federal Grant			977				
001.333.020.60	Federal Grants - Indirect	Received Grant for Radar Units	1,400						
001.H1.521.022.35	Small Tools & Minor Equip	Radar Units Funded by Federal Grant			1,400				
001.369.010.00	Sale of Scrap or Junk	Funds Received to buy Sergeant Wilson's gun	444						
001.H1.521.010.35.02	Range Small Tools & Equip	Purchase of new firearm			444				
001.369.031.00/111.094	Confiscation & Forfeiture	Confiscation & Forfeiture Funds	3,627						
001.H1.521.040.43.01	Travel - Staff	Training Expenses			879				
.H1.521.040.49.01	Miscellaneous - Staff	Training Expenses			640				
.H1.521.040.43.01	Travel - Staff	Training Expenses			2,108				
.369.031.00/111.094	Confiscation & Forfeiture	Confiscation & Forfeiture Funds	820						
001.H1.521.022.31.00	Patrol Operating Supplies	Repairs for Vehicle used by JNET			820				
001.369.031.00/111.094	Confiscation & Forfeiture	Confiscation & Forfeiture Funds	560						
001.H1.521.022.31.00	Patrol Operating Supplies	Repairs for Vehicle used by JNET			560				
001.369.031.00/111.094	Confiscation & Forfeiture	Confiscation & Forfeiture Funds	2,009						
001.H1.521.040.43.01	Training-Travel-Staff	Drug Related Training			1,369				
001.H1.521.040.49.01	Training -Misc-Staff	Drug Related Training			640				
001.H1.521.022.24.00	Patrol - Uniforms & Clothing	2015 Uniform Purchase Completed in 2016			1,268				
001.H1.521.022.11.00	Patrol Wages	Use to fund Thayer Academy Training			(3,187)				
001.H1.521.040.49.01	Miscellaneous - Staff	Thayer Academy Training			3,187				
001.H1.521.022.11.00	Patrol Wages	Use to fund Thayer Academy Uniform			(2,026)				
001.H1.521.022.24.00	Patrol Uniforms	Thayer Academy Uniform			2,026				
001.H1.521.022.31.00	Patrol Supplies	To Fund Small Tools Purchase			(950)				
001.H1.521.022.35.00	Patrol Small Tools	Small Tools Purchase			950				
001.H1.521.022.11.00	Patrol Wages	To Fund Administrative Travel			(2,780)				
001.H1.521.040.43.00	Travel - Adm	Administrative Travel			2,780				
001.H1.521.022.35.00	Patrol - Small Tools	Radio for the K-9 Vehicle			(940)				
001.H1.594.021.64.K9	K-9 Vehicle	Radio is Included in Cost of Vehicle			940				
001.D1.513.010.11.00	City Manager Wages	Payment of Accrued Benefits			23,000				
001.D1.513.010.21.00	City Manager Personnel Benefits	Payment of Accrued Benefits			15,000				
001.G2.518.010.11.00	HR Wages	Payment of Accrued Benefits			7,000				
001.G2.518.010.21.01	HR Personnel Benefits	Manager Payout of Accrued Benefits			1,000				

City of Chehalis
 2016 Budget Amendment No. 2 - Ordinance 966-B
 12/6/2016

Fund No. and Name	Acct. Name	Reason for Amendment	Revenue		Appropriation		Transfers		Total
			Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)	In/(Out)	Increase/(Decrease)		
001.53.524.011.21.07	Comm Dev - Unemployment	Unemployment Expense - Former Director			4,250				4,250
001.53.524.020.21.07	Comm Dev - Unemployment	Unemployment Expense - Former Director			9,000				9,000
001.53.558.061.21.07	Comm Dev - Unemployment	Unemployment Expense - Former Director			2,500				2,500
001.53.524.011.41.00	Comm Dev - Profess Services	Professional Services - Interim Director			70,000				70,000
001.53.558.060.44.00	Comm Dev - Advertising	Advertising Expense			5,200				5,200
001.53.524.020.49.00	Comm Dev - Misc	Travel/Lodging/Training			2,000				2,000
001.53.518.030.11.00	Comm Dev - Wages	Facilities Adm Wages			16,300				16,300
001.53.518.030.11.06	Comm Dev - Wages	Facilities Adm Wages			4,500				4,500
001.53.518.030.21.06	Comm Dev - Personnel Benefits	Facilities Adm Benefits			3,350				3,350
001.53.518.030.21.07	Comm Dev - Unemployment	Facilities Adm Unemployment			3,400				3,400
001.53.518.030.31.00	Comm Dev - Supplies	Facilities Adm Supplies			33,500				33,500
001.53.518.030.41.00	Comm Dev - Profess Services	Facilities Adm - Professional Services			20,000				20,000
001.53.518.030.45.00	Comm Dev - Rentals	Facilities Adm - Travel			4,500				4,500
001.53.518.030.49.00	Comm Dev - Misc	Facilities Adm - Miscellaneous			3,100				3,100
001.53.518.031.21.07	Comm Dev - Unemployment	Parks & Facilities Unemployment			4,000				4,000
53.518.031.41.00	Comm Dev - Profess Services	Parks & Facilities Professional Services			50,000				50,000
53.572.050.11.00	Comm Dev - Wages	Library Facilities Wages			2,300				2,300
53.572.050.11.05	Comm Dev - Wages	Library Facilities Wages			1,800				1,800
001.53.572.050.21.00	Comm Dev - Personnel Benefits	Library Facilities Personnel Benefits			1,290				1,290
001.53.572.050.48.00	Comm Dev - Repairs	Library Facilities Repairs			7,000				7,000
001.53.576.020.31.00	Comm Dev - Supplies	Swimming Pool Facilities Supplies			15,000				15,000
001.53.576.020.47.00	Comm Dev - Utilities	Swimming Pool Facilities Utilities			6,500				6,500
001.H1.521.021.12.00	Police Dept Investigation Wages	2013-2016 Overtime Calculations Correction			1,710				1,710
001.H1.521.021.21.00	Police Dept Investigation Benefits	2013-2016 Overtime Calculations Correction			325				325
001.H1.521.022.12.00	Police Dept Patrol Wages	2013-2016 Overtime Calculations Correction			4,065				4,065
001.H1.521.022.21.00	Police Dept Patrol Benefits	2013-2016 Overtime Calculations Correction			765				765
001.11.522.020.12.00	Fire Dept Suppression Wages	2013-2016 Overtime Calculations Correction			700				700
001.11.522.020.21.00	Fire Dept Suppression Benefits	2013-2016 Overtime Calculations Correction			50				50
001.11.522.028.12.00	Fire Dept Rescue & Emergency	2013-2016 Overtime Calculations Correction			2,800				2,800
001.11.522.028.21.00	Fire Dept Rescue & Emergency	2013-2016 Overtime Calculations Correction			190				190
001.367.000.00	Private Grants & Donations	Rum Runners Donation to Fire Dept			1,300				1,300
001.11.522.050.48.00	Fire Dept Adm Repairs & Maint	Truck Repairs Funded by Rum Runners Donation			1,300				1,300
001.H1.594.021.64.K9	Police Dept - K-9 Vehicle	Purchase of new Vehicle for K-9 Program							42,500
001.395.010.K9	Sale of Capital Assets	Sale of Police Vehicles							4,635
001.337.000.K9	BNSF Grant	Grant for K-9 Vehicle							5,000
001.367.011.K9	Police Officers Donation	Donation for K-9 Vehicle							3,500
001.369.031.00	Restricted Drug Seizure Fund	Funding for K-9 Vehicle							8,100
001.367.011.76	Donations for Facilities	The Chehalis Foundation Donation for Pool Drains							8,370

City of Chehalis
 2016 Budget Amendment No. 2 - Ordinance 966-B
 12/6/2016

Fund No. and Name	Acct. Name	Reason for Amendment	Revenue		Appropriation		Transfers		Total
			Increase/(Decrease)	Increase/(Decrease)	Increase/(Decrease)	In/(Out)	Increase/(Decrease)		
001.53.576.020.48.00	Pool Facilities Repairs	Floor Slope/Drain Repairs at the Pool.				8,370			
001.367.01.1.76	Donations for Facilities	The Chehalis Foundation Donation - Pool Supplies	1,365						
001.53.571.022.31.00	Operating Supplies	Life Vests/Puddle Jumpers/Float Belts, Etc.		1,365					1,365
001.367.01.1.79	Donations - Culture & Recreation	Chehalis Youth Soccer Club	1,077						
001.53.518.030.31.00	Facilities Supplies	Paint to Line Soccer Fields @ Hedwall Park		1,077					1,077
001.367.01.1.79	Donations - Culture & Recreation	Friends of Chehalis Community Renaissance	4,295						
001.53.518.030.31.00	Facilities Supplies	Downtown Landscape Project		4,295					4,295
001.367.01.1.76	Donations for Facilities	Chehalis Little League	932						
001.53.518.030.31.00	Facilities Supplies	Supplies for Little League Field & Batting Cage				632			632
001.53.518.030.48.00	Facilities Repairs	Electrical Work at Little League Field				300			300
001.337.009.80	LC Fire District #6	Grant for Fire Training Center	4,000						
001.11.594.022.64.00	Machinery & Equipment	Training Center Development Costs		4,000					4,000
001.369.091.00	Miscellaneous Income	Refund from Pierce Manufacturing	920						
11.522.020.31.00	Fire Dept Supplies	EMS Operating Supplies	1,290						920
334.004.90	Dept of Health Grant	Prehospital Participation Grant							1,290
11.522.020.31.00	Fire Dept Supplies	EMS Operating Supplies				1,290			1,290
001.11.594.022.62.00	Fire Dept - Buildings	Major Repairs to the Fire Building				75,000			75,000
001.G1.518.080.64.00	Non-Departmental Equip	New Telephone System				28,000			28,000
001.G1.518.080.64.00	Non-Departmental Equip	Network Switches				11,800			11,800
001.322.010.00	Building Permits	To reflect One-Time Increase in Revenue	300,000						300,000
001.345.083.00	Plan Check Fees	To reflect One-Time Increase in Revenue	152,100						152,100
001.313.011.00	Local Retail Sales & Use Taxes	To reflect Increase in Revenue	200,000						200,000
Total General Fund			807,176		633,504				173,672
Fund 404 - Wastewater Fund									
404.11.594.035.65.00	Construction Projects	Coal Creek Sewer Extension Postponed				(250,000)			
404.16.535.050.48	WWTP Repairs	Acid wash/service of odor control system				19,475			
404.11.594.035.64	Wastewater Equipment	Update of camera system at CRWRF				40,808			
404.337.000.52	LC Coal Creek Ext	Lewis County Grant - Coal Creek Extension	25,000						25,000
404.391.080.03	SRF Loan - Coal Creek Ext	DOE Loan for Coal Creek Extension	15,000						15,000
404.391.080.04	SRF Coal Creek - Forgivable	DOE Loan for Coal Creek Forgivable Portion	15,000						15,000
Total Wastewater Fund			55,000		(189,717)				244,717

City of Chehalis
 2016 Budget Amendment No. 2 - Ordinance 966-B
 12/6/2016

Fund No. and Name	Acct. Name	Reason for Amendment	Revenue Increase/(Decrease)	Appropriation Increase/(Decrease)	Transfers In/(Out)	Total Increase/(Decrease)
Fund 406 - Storm & Surface Water Utility Fund						
406.06.531.035.11.00	Maintenance Salaries & Wages	Year-End Retirement of 34-Year Employee		22,000		
406.06.531.035.21.00	Maintenance Employee Benefits	Year-End Retirement of 34-Year Employee		4,100		
Total Wastewater Fund			-	26,100	-	(26,100)
Fund 407 - Airport Fund						
407.347.000.00	Special Events Revenue	Leap the Levee 5K Revenue	765			
407.367.000.00	Private Donations	Leap the Levee 5K Revenue	180			
407.09.571.010.41.00	Discover! Children's Museum	Leap the Levee 5K Donation		314		
407.09.546.010.31.00	Supplies Expense	Leap the Levee 5K Expenses		631		
407.09.546.010.45.01	Rental Car Leases	Lewis County will Hold Airport interest till 2017	(4,000)			
407.09.594.046.64.00	Machinery & Equipment	Terminated Car Lease		(9,241)		
407.09.546.010.41.00	Professional Services	Purchased a Vehicle		9,241		
407.09.594.046.63.00	Other Improvements	Needed for Levee Repair		(30,000)		
407.362.050.01	Capital Lease Receipts	Levee Repair		30,000		
407.09.546.10.41.00	Professional Services	Taco Bell & Burger King Deposits	32,365			
		Commission for Taco Bell & Burger King		32,365		
Total Airport Fund			(3,055)	33,310	-	(36,365)
Total of All Funds			859,121	503,197	-	355,924

ORDINANCE NO. 966-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING THE ANNUAL BUDGET OF THE CITY FOR THE CALENDAR YEAR 2016, BY INCREASING APPROPRIATIONS OF THE GENERAL FUND, THE STORM AND SURFACE WATER FUND, AND THE AIRPORT FUND AND BY DECREASING THE APPROPRIATIONS OF THE WASTEWATER FUND; AND DIRECTING THE FINANCE MANAGER TO EFFECT THE BUDGET AMENDMENTS HEREIN PROVIDED.

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

Section 1. The annual budget of the city for the calendar year 2016 shall be, and the same hereby is, amended so as to increase the General Fund's estimated revenues by \$807,176, and increase appropriations by \$633,504.

Section 2. The annual budget of the city for the calendar year 2016 shall be, and the same hereby is, amended so as to increase the Wastewater Fund's estimated revenues by \$55,000, and decrease the Wastewater Fund's appropriations by \$189,717.

Section 3. The annual budget of the city for the calendar year 2016 shall be, and the same hereby is, amended so as to increase the Storm and Surface Water's appropriations by \$26,100.

Section 4. The annual budget of the city for the calendar year 2016 shall be, and the same hereby is, amended so as to decrease the Airport Fund's estimated revenues by \$3,055, and to increase the Airport's appropriations by \$33,310.

Section 5. Attached hereto and identified as Exhibit A, in summary form, are the total of estimated revenues, transfers in, expenditures, and transfers out for each separate fund and the aggregate totals for all such funds combined for the city for the amended 2016 budget, which shows a total estimated ending fund balance of \$14,390,548.

PASSED by the City Council of the City of Chehalis, Washington, and **APPROVED** at a regularly scheduled open public meeting thereof this _____ day of December, 2016.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

EXHIBIT A
CITY OF CHEHALIS AMENDED 2016 BUDGET
2016 Budget Summary Revised with Ordinance #966-B

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expenditures	Operating Transfers Out	Est. End. Fund Balance
General Fund	1,512,139	9,413,988	18,000	9,558,377	187,222	1,198,528
Dedicated Street Fund - 4% Sales Tax	92,883	442,260	150,899	640,260	-	45,782
Arterial Street Fund	68,357	150,000	-	130,120	-	88,237
Transportation Benefit Fund	-	-	-	-	-	-
Tourism Fund	198,720	224,895	-	218,380	-	205,235
Community Dev. Block Grant Fund	110	10,136	-	-	-	10,246
HUD Block Grant Fund	57,350	390	-	-	-	57,740
Federal and State Grant Fund	-	-	-	-	-	-
2011 G.O. Bond Fund	-	-	96,017	96,017	-	-
Automotive/Equip. Res. Fund	459	-	12,000	12,000	-	459
1st Quarter REET Fund	155,433	100,175	-	-	40,149	215,459
2nd Quarter REET Fund	126,740	100,150	-	-	31,545	195,345
Garbage Fund	4,554	6,410	-	4,155	-	6,809
Wastewater Fund	3,271,463	6,362,612	-	5,870,471	32,500	3,731,104
Water Fund	5,584,336	3,859,383	-	3,883,821	-	5,559,898
Storm & Surface Water Fund	682,478	512,355	-	495,276	18,000	681,557
Airport Fund	1,899,100	2,515,563	32,500	2,628,899	-	1,818,264
Firemen's Pension Fund	490,266	151,845	-	74,333	-	567,778
City Agency Fund	8,107	360,000	-	360,000	-	8,107
TOTALS	14,152,495	24,210,162	309,416	23,972,109	309,416	14,390,548

**CITY OF CHEHALIS CITY COUNCIL
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Judy Schave, HR/Risk Manager

MEETING DATE: December 12, 2016

SUBJECT: Personnel Policy Providing for Bonus Compensation for Exempt Employees Meeting Specific Criteria

ISSUE

In an effort to recruit and retain qualified employees who hold specialized licenses, it is proposed that the City Council consider a personnel policy that would provide for bonus compensation for qualifying employees.

DISCUSSION

In recent months, the city administration has been reviewing options on how to fill and retain employees in management level positions. One of the options available is the establishment of a policy that would authorize the City Manager to approve bonus pay for those that have the education and qualifications to be licensed as a professional engineer (PE) or a certified public accountant (CPA). Such licenses have a tremendous value in the market place and the ability to have this expertise readily available on staff would ultimately save the City money by reducing the costs for outside consultants.

The draft policy being presented would apply to exempt/non-represented positions not covered by collective bargaining. The policy, as written, would apply to professional engineering and CPA licenses. In order to be eligible for bonus pay the employee must be licensed in the State of Washington; meet all relicensing requirements; and maintain good standing. The City Manager would have the authority to approve bonus pay on a case-by-case basis, up to fifteen percent (15%) of the employee's annual salary, prorated on a monthly basis. If at such time the employee no longer maintains the specialized license, bonus pay would immediately be terminated.

The draft policy is attached for consideration by the City Council.

FINANCIAL IMPACT

The cost associated with the policy would be included in the annual budget if the City employs individuals that meet the criteria set forth in the policy. At this time, the City does not currently

employ individuals that have a professional engineering license or meet the standards of a certified public accountant. In the event that there is an opportunity to hire an individual with the specified skill sets, it is expected the costs associated with the bonus would be more than offset by the reduction in costs associated with outside consultants.

RECOMMENDATION

It is recommended that the City Council approve the personnel policy providing for bonus compensation for qualifying exempt employees.

SUGGESTED MOTION

I move that the City Council approve the Personnel Policy providing for bonus compensation for exempt employees, as presented.

PERSONNEL POLICY BONUS COMPENSATION FOR EXEMPT EMPLOYEES

This personnel policy applies to all employees of the City of Chehalis who are exempt from the Fair Labor and Standards Act and non-represented positions not covered by collective bargaining agreements. This document provides policy for providing bonus compensation for exempt and non-represented positions. Unless otherwise stipulated, this policy covers all persons and positions noted above. In the event these policies conflict with any City, State or Federal law, those laws shall prevail.

BONUS PAY

In order to retain qualified employees in City service, an Employee who holds the following specialized license, a Professional Engineering or CPA license, may qualify to receive bonus pay up to fifteen percent (15%) of the employee's annual base salary, prorated on a monthly basis.

To be eligible for bonus pay the Employee must be licensed in the State of Washington, maintain good standing and meet all relicensing requirements. The City Manager shall have the authority to approve bonus pay on a case-by-case basis, up to fifteen percent (15%) of the employee's annual salary, prorated on a monthly basis.

The Employee must provide proof of license in order to be considered. At such time the City Manager approves Bonus pay, the Employee will notify the City Manager immediately if such license is no longer valid, at which time the Employee would no longer be eligible to receive bonus pay.