

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, October 26, 2015

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.		

CONSENT CALENDAR		
3. <u>Minutes of the Regular Meeting of October 12, 2015.</u> (City Clerk)	APPROVE	1
4. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	6

ADMINISTRATION AND CITY COUNCIL REPORTS

5. <u>Administration Reports.</u>	INFORMATION ONLY	7
a. Third quarter and September financial reports and quarterly sales and use tax report. (Finance Manager)	INFORMATION ONLY	
b. Update on changes at state level concerning marijuana. (City Attorney, Community Development Director)	INFORMATION ONLY	
c. City manager recruitment. (City Manager)	INFORMATION ONLY	
6. <u>Council Reports.</u>	INFORMATION ONLY	
a. Councilor reports. (City Council)	INFORMATION ONLY	
b. Council committee reports. (City Council)	INFORMATION ONLY	

NEW BUSINESS

7. <u>Approve Candidates and Funding Amounts of the Lodging Tax Advisory Committee (LTAC) for Use of Lodging Tax Funds for 2016; and Reappoint the Memberships of Todd Chaput, Michel Rey, Satpal Sohal, Alicia Bull, Rick Burchett and Chip Duncan to the LTAC.</u> (City Manager, Mayor Pro Tem Harris - LTAC Chair)	APPROVE USE OF LODGING TAX FUNDS FOR 2016 AND REAPPOINT MEMBERSHIPS OF TODD CHAPUT, MICHEL REY, SATPAL SOHAL, ALICIA BULL, RICK BURCHETT AND CHIP DUNCAN TO THE LTAC	15
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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, NOVEMBER 9, 2015

October 12, 2015

The Chehalis city council met in regular session on Monday, October 12, 2015, in the Chehalis city hall. Mayor Dawes called the meeting to order at 4:30 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; Dennis Osborn, Community Development Director; and David Fleckenstein, Airport Manager.

1. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(i) – potential litigation for approximately 30 minutes and there would be no decision following conclusion of the executive session.

Mayor Dawes closed the executive session at 5:07 p.m. and announced the council would take a short recess and reopen the regular meeting at 5:10 p.m. Additional staff included: Glenn Schaffer, Police Chief; Judy Pectol, Finance Manager; Peggy Hammer, Human Resources Administrator; and Don Schmitt, Acting Public Works Director/Street and Stormwater Superintendent. Members of the media included Dameon Pesanti from *The Chronicle*.

2. **Proclamation Declaring October as “Domestic Violence Awareness Month.”** Mayor Dawes presented Human Response Network Executive Director Tara Leno with a proclamation declaring October as “Domestic Violence Awareness Month” in the city of Chehalis.

3. **Report on Initial Interview Findings for Recreation Park Project.** Community Development Director Dennis Osborn introduced Project Manager Tom Skillings with Skillings Connolly, Inc., to provide an update on where they are at in the process with regard to the improvement project at Recreation Park.

Mr. Skillings reported the city retained Skillings Connolly, Inc., to help implement the city's goal of turning Recreation Park and Penny Playground into a “first-class” facility. He noted after the team met with members of the city they set out to interview the stakeholders that use the park. The stakeholders interviewed included:

- Chehalis Parks Committee
- City Council
- Chehalis Planning Commission members
- City management staff
- City maintenance staff
- Chehalis Foundation representatives
- Miscellaneous user groups

Mr. Skillings noted the purpose of the interviews was to determine the overall impression of the park: what they liked; what they didn't like; how it was used; and, identify any issues with the park, what worked and what could be better. He noted at the end of the day they came up with a lot of information about the park. Mr. Skillings reported they divided the information up into the following three categories:

Items that need to be addressed:

- Drainage at the park
- Parking
- VR Lee and Fred Hess Kitchen need upgrading or replacement
- Penny Playground needs upgrading or replacement
- Ballfield drainage and playing surface needs to be improved
- Restrooms need improving and better security

Items that could be better:

- Ballfield facilities / dugouts / bleachers / access
- Ballfield orientation / size
- Park access
- Music in the park experience / access
- More green space
- Lighting

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Other park features:

- Trails
- Picnic shelters
- Larger multi-use shelter
- Reorganize playground for better access
- New signage
- Stage / music / Wi-Fi
- Storage

Mr. Skillings reported his firm hired several experts that specialize in parks, to include:

- HBB Landscape Architects - Juliet Vong, Principal
- DA Hogan & Associates (sports field expert)
- MSGS Architects
- EnviroIssues (public outreach and social media) - Project Manager Erin Taylor

Mr. Skillings reported the first item on their agenda was to conduct individual site assessments. He noted their findings showed that in order to be a first-class facility a lot of the buildings would need to be replaced, rather than upgraded. Mr. Skillings reported they also conducted a parking study, which provided a pretty good conclusion as to what is causing the stress on near-site parking.

Mr. Skillings reported, using the information they collected from the condition assessment, his team prepared a rough order of magnitude cost estimate for the following improvements:

- Drainage (single implementation - offsite drainage) \$335,000
- Parking, Access and Safety (currently 190 existing parking stalls in and around the park)
 - 240 parking stalls (new parking lot) \$800,000
 - 280 parking stalls (two new parking lots) \$1,400,000
- Structures: VR Lee and Fred Hess Kitchen
 - 2,800 total sq. ft. (new Fred Hess Kitchen and new VR Lee meeting facility) \$1,112,000
 - 4,200 total sq. ft. (new, combined kitchen and meeting facility with room dividers) \$1,341,000
 - 5,800 total sq. ft. (new, combined kitchen and meeting facility with room dividers) \$1,933,000
- Penny Playground
 - Repair - maintenance and repair of existing playground facility - \$104,000
 - New - replace with new, standard playground facility - \$244,000
 - Custom - replace with new custom-built playground facility - \$525,000
- Ballfields: Configuration and Drainage
 - 2 ballfields w/dugouts - natural turf - \$1,115,000
 - 2 ballfields w/dugouts - synthetic turf infield - \$1,255,000
 - 3 ballfields w/dugouts - natural turf - \$1,537,000
 - 3 ballfields w/dugouts - synthetic turf infield - \$1,747,000
 - 4 ballfields w/dugouts - natural turf - \$2,163,000
 - 4 ballfields w/dugouts - synthetic turf infield - \$2,443,000
- Restrooms
 - Renovate existing restrooms - \$117,000
 - Replace restrooms with new facility - \$221,000
- Field House
 - Renovate existing field house - \$117,000
 - Replace field house with new facility - \$473,000

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- Picnic Shelters
 - Replace three (3) shelters - \$60,000
 - Replace four (4) shelters - \$80,000

- Miscellaneous Park Features
 - Minimal Implementation - landscaping + amphitheater with lawn and drainage - \$1,052,000
 - Medium Implementation - additional landscaping + amphitheater with hardscape - \$1,332,000
 - Maximized Implementation - enhanced landscaping + amphitheater with hardscape, seatwalls, and stage arbor - \$1,963,000

Mr. Skillings introduced Ms. Vong with HBB to talk about the components and potential options for the project.

Ms. Vong provided an overview on three potential concepts. She noted the idea behind the different concepts is to get people to look beyond what they see now and look more towards the range of possibilities.

Mayor Dawes expressed concern with only having two ballfields, as identified in the third option. He noted our tournaments are a big draw and really feed into the hotel/motel tax. Mayor Dawes felt this concept would discourage a lot of folks from coming here.

Ms. Vong reported, with regard to the stakeholder interviews, there was definitely more concern with Option #3. She noted they purposely included this option to push the boundaries to get feedback from those who are not intensive users of the fields.

Councilor Ketchum suggested they would be shooting themselves in the foot if they even take out one of the fields.

Ms. Vong noted, on the flipside, parking to support the four fields is a real struggle, especially when you have other uses of the park going on at the same time.

Mayor Dawes stated the council certainly understands that, but they don't want to hurt any of the current uses. He suggested, whatever they decide, they need to make sure that they take a step forward, not a step back.

Mr. Skillings noted Option #3 is just to stretch the boundaries, adding in no way was it vetted with anybody. He reported they received a lot of responses from the stakeholders to add more green space.

Ms. Vong suggested if the council strongly feels there is absolutely no way two fields would work, they want to know that now. She noted they're totally open to scrapping any of the concepts, or mixing and matching different parts before they take it to the community for feedback.

Councilor Lund stated he was hoping the professionals would be able to tell them how many fields would be best before they even got this far.

Ms. Vong noted, from the interviews to date, there's been a bit of opinion in both camps with regard to the number of fields needed. She suggested, because we have a similar type of facility close by, we could do something there to offset it. Ms. Vong reported the whole point of the public process is to have the community help tell us what the right balance is.

Councilor Pope stated it's not their intent to have the council make a decision tonight, adding the intent is to bring the alternatives vested from the interview process. He noted the final product would not be decided on until December.

Councilor Harris suggested none of the concepts as a whole are what they're talking about adopting, adding it's all cut and paste at this point.

Ms. Von reported there's still a lot of work to be done with regard to easements and approvals from the railroad, as well as access and circulation items that need to be followed up on. She noted the city also received an RCO grant in 1999 to do some improvements to the ballfields, adding the perpetuity of that funding will also need to be considered as they move forward.

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Public Outreach Specialist Erin Taylor reported their intent it to take the concepts, or versions of the concepts forward to the public over the next month, or so. Their key objective is to:

- Provide information about initial design concepts for Recreation Park and Penny Playground
- Offer several comment and feedback methods for varying schedules
- Define public involvement process and next steps
- Provide opportunities to directly engage city and project staff

Ms. Taylor reported the public involvement process would launch on October 15 and run for approximately one month. She noted some of the broad questions they will be asking the public include:

- How do you use the park currently?
- How do you wish to use the park?
- What is your vision for Recreation Park and Penny Playground?
- Specific thoughts on design concepts

Ms. Taylor stated they were looking for council approval to move forward with the engagement process. She noted, initially, they would like to engage the community with a letter signed by the council stating they are taking on an endeavor to upgrade and renovate Recreation Park and Penny Playground. Ms. Taylor reported they will also be offering information on the city's website, Facebook posts via the "Experience Chehalis" Facebook page, yard signs in Recreation Park, and a project informational flier in City Hall.

Ms. Taylor talked briefly about the in-person open houses, which will give the public the ability to ask questions of Chehalis staff and project designers. She reported the open houses are scheduled for Thursday, October 29, at the VR Lee building from 6:00 p.m. to 8:00 p.m., and Thursday, November 5, at Chehalis City Hall from 11:00 a.m. to 1:00 p.m. Additionally, they plan to provide an online open house for people to offer their feedback on their own time.

Mr. Skillings reported they are also looking for direction from council to move forward with the open houses. He noted from there they will simulate the data received and put together a new concept, along with associated costs. Mr. Skillings noted they plan to present the feedback received to the city council on Monday, November 23, and will request a special council meeting on Monday, November 30 to decide on the preferred concept. He reported, if the outcome is positive, they will go into design immediately and have the project ready for advertising in mid-March, with construction starting in May 2016.

Mayor Dawes suggested the window for fundraising was not very big.

City Manager MacReynold reported when they bring back the final design they will also have options on how to fund it.

The consensus of the council was to move forward with the letter and public meetings on the Recreation Park/Penny Playground Improvement Project.

Councilor Spahr asked if there was any mention of putting the amphitheater at a different location, rather than Penny Playground. Mr. Skillings reported relocating it never came up, but that doesn't mean it's not a possibility.

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

a. Minutes of the regular meeting of September 28, 2015; and

b. Claim Vouchers No. 113741-113853 in the amount of \$216,395.74 dated September 30, 2015; and Payroll Vouchers No. 38406-38484, Direct Deposit Payroll Vouchers No. 6413-6500 and Electronic Federal Tax Payment No. 152 in the amount of \$758,998.97 dated September 30, 2015.

The motion was seconded by Councilor Taylor and carried unanimously.

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5. Administration Reports.

a. **Annual Debt Compliance Update.** Finance Manager Judy Pectol reported, on September 28, she submitted the city's annual financial statements and other required supplemental information to the Municipal Securities Rulemaking Board. She noted this information is submitted annually in order to be compliant with the federal requirements of our general obligation bond.

6. Council Reports.

a. **Update From Councilor Harris.** Councilor Harris reported the Lodging Tax Advisory Committee met on October 6, noting the meeting went well and he was hopeful with what they'll be bringing to the council for consideration at the next meeting.

Councilor Harris also noted Centralia Councilmember Lee Coumbs suffered a tragedy earlier in the day, adding his thoughts and prayers would be with the family.

b. **Update From Councilor Spahr.** Councilor Spahr reported he attended the Lewis Economic Development Council Board meeting, noting they have some interesting things going on that will hopefully benefit all of us.

c. **Update From Councilor Lund.** Councilor Lund stated the city is lucky to have people like Councilor Harris and Councilor Pope. He noted, in working with them on the Chehalis Parks Committee, they've come up with some really great ideas, adding Mr. Skillings is pretty impressive too.

d. **Update From Mayor Dawes.** Mayor Dawes reported the Council Budget Committee consisting of himself and Councilors Spahr and Harris attended four budget meetings and had some very good discussions with the administration. He noted they plan to bring the 2016 proposed balanced budget to the council for consideration in the very near future.

There being no further business to come before the council, the meeting adjourned at 6:10 p.m.

Mayor

Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of October 12, 2015.

CITY OF CHEHALIS
AGENDA REPORT

DATE: October 15, 2015
TO: The Honorable Mayor and City Council
FROM: Judy Pectol, Finance Manager
PREPARED BY: Michelle White, Accounting Tech II
SUBJECT: Vouchers and Transfers

JP
MW

ISSUE

Council approval is requested of the following:

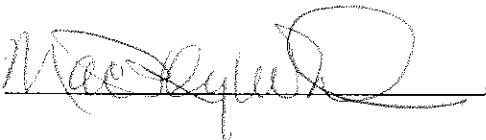
Claim Vouchers No. 113854 through 114017 and Electronic Funds Transfer No. 92015 in the amount of \$512,960.38 dated October 15, 2015 and the transfer of \$171,728.07 from the General Fund, \$1,337.65 from the Dedicated Street Fund - 4% Sales Tax, \$10,000.00 from the Tourism Fund, \$621.00 from the Automotive Equipment Reserve Fund, \$8,347.66 from the First Quarter Percent REET Fund, \$522.67 from the Garbage Fund, \$142,060.80 from the Wastewater Fund, \$60,314.49 from the Water Fund, \$11,496.65 from the Storm & Surface Water Utility Fund, \$106,447.22 from the Airport Fund and \$84.17 from the Firemen's Pension Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the October 15, 2015 Claim Vouchers No. 113854 through 114017 and Electronic Funds Transfer No. 92015 in the amount of \$512,960.38.

SUGGESTED MOTION

I move to approve the October 15, 2015 Claim Vouchers No. 113854 through 114017 and Electronic Funds Transfer No. 92015 in the amount of \$512,960.38.

Reviewed by: , City Manager

City of Chehalis
Third Quarter Financial Statements - All Funds
September 30, 2015

	General Fund #001		Dedicated Street Fund #003		Arterial Street Fund #102		Tourism Fund #107		CDBG Fund #195	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	990,221	990,221	0	0	21,256	21,256	95,114	95,114	11	11
Revs. & Transfers In	9,364,845	7,301,299	150,514	109,195	150,000	113,858	182,910	168,480	10,186	99
Exps. & Transfers Out	(9,318,879)	(7,004,246)	(148,800)	(36,810)	(128,938)	(99,633)	(220,550)	(81,657)	0	0
Ending Fund Balance	1,036,187	1,287,274	1,714	72,385	42,318	35,481	57,474	181,937	10,197	110

	HUD BG Fund #197		Federal & State Grant Fund #199		2011 G.O. Bond Fund #200		Public Fac. Res. #301		Auto/Equip. Res. #302	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	139,907	139,907	0	0	0	0	0	0	459	459
Revs. & Transfers In	600	4,110	296,877	304,763	97,210	16,007	0	0	36,700	36,216
Exps. & Transfers Out	0	0	(296,877)	(279,466)	(97,210)	(16,007)	0	0	(36,700)	(36,266)
Ending Fund Balance	140,507	144,017	0	25,297	0	0	0	0	459	409

	1st Qtr. REET Fund #305		2nd Qtr. REET Fund #306		Garbage Fund #402		Wastewater Fund #404		Water Fund #405	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	123,306	123,306	59,979	59,979	1,787	1,787	1,910,597	1,910,597	4,795,321	4,795,321
Revs. & Transfers In	32,125	84,959	32,125	84,910	12,190	6,724	4,987,332	3,680,414	3,990,441	2,121,126
Exps. & Transfers Out	(66,315)	(15,151)	(31,594)	(5,202)	(11,947)	(2,846)	(4,860,590)	(2,788,957)	(3,411,243)	(2,007,953)
Ending Fund Balance	89,116	193,114	60,510	139,687	2,030	5,665	2,037,339	2,802,054	5,374,519	4,908,494

	Storm/Surface Wtr. #406		Airport Fund #407		Firemens' Pension #611		City Agency Fund #633		All Funds Totals	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Beginning Fund Balance	504,988	504,988	1,822,481	1,822,481	383,125	383,125	7,307	7,307	10,855,859	10,855,859
Revs. & Transfers In	510,172	382,820	2,919,144	1,426,994	151,200	90,644	0	0	22,924,571	15,932,618
Exps. & Transfers Out	(460,865)	(242,508)	(3,136,023)	(1,658,936)	(71,085)	(33,150)	0	0	(22,297,616)	(14,308,788)
Ending Fund Balance	554,295	645,300	1,605,602	1,590,539	463,240	440,619	7,307	7,307	11,482,814	12,479,689

Note: In some instances, ending fund balances include non-cash components, such as prepaid insurance and inventory. Resulting variances are considered immaterial.

To: The Honorable Mayor and Council
 Via: Merlin MacReynold, City Manager
 From: Judy Pectol, Finance Manager
 Prepared by: Betty Brooks, Payroll Accountant
 Date: October 21, 2015
 Subject: Monthly Financial Reports for September

City of Chehalis
 Comparative Financial Reports
 September 2014 and 2015

GENERAL FUND (#001) REVENUES	A September 2014		B September 2014		C=B/A		D September 2015		E Actual		F=E/D		G Expected		H ^A Variance from Expected		I=F-G Variance	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	% Rec'd	% Rec'd	% Rec'd	% Rec'd	% Rec'd	% Rec'd	Expected	Variance	% Variance	% Variance
General Property Taxes	\$1,262,000	\$692,155	\$1,268,579	\$720,195	54.8%	56.8%	\$1,268,579	\$720,195	56.8%	56.8%	75.0%	75.0%	75.0%	75.0%	(\$231,239)	-18.2%	-18.2%	-18.2%
EMS Property Taxes	239,500	131,086	238,157	135,416	54.7%	56.9%	238,157	135,416	56.9%	56.9%	75.0%	75.0%	75.0%	75.0%	(43,202)	-18.1%	-18.1%	-18.1%
Sales & Use Tax	3,265,000	2,700,832	3,762,844	2,729,870	82.7%	72.5%	3,762,844	2,729,870	72.5%	72.5%	75.0%	75.0%	75.0%	75.0%	(92,263)	-2.5%	-2.5%	-2.5%
Electricity Tax	430,000	359,175	440,000	373,343	83.5%	84.9%	440,000	373,343	84.9%	84.9%	75.0%	75.0%	75.0%	75.0%	43,343	9.9%	9.9%	9.9%
Gas/Natural Gas Tax	222,000	168,085	191,000	124,275	75.7%	65.1%	191,000	124,275	65.1%	65.1%	75.0%	75.0%	75.0%	75.0%	(18,975)	-9.9%	-9.9%	-9.9%
Criminal Justice Tax	91,000	76,301	110,000	80,211	83.8%	72.9%	110,000	80,211	72.9%	72.9%	75.0%	75.0%	75.0%	75.0%	(2,289)	-2.1%	-2.1%	-2.1%
Water/Sewer Tax	415,834	327,214	445,000	330,419	78.7%	74.3%	445,000	330,419	74.3%	74.3%	75.0%	75.0%	75.0%	75.0%	(3,331)	-0.7%	-0.7%	-0.7%
Garbage Tax	60,000	45,513	61,000	47,778	75.9%	78.3%	61,000	47,778	78.3%	78.3%	75.0%	75.0%	75.0%	75.0%	2,028	3.3%	3.3%	3.3%
Cable Tax	94,000	74,799	104,000	77,867	79.6%	74.9%	104,000	77,867	74.9%	74.9%	75.0%	75.0%	75.0%	75.0%	(133)	-0.1%	-0.1%	-0.1%
Telephone Tax	318,000	205,505	270,500	187,560	64.6%	69.3%	270,500	187,560	69.3%	69.3%	75.0%	75.0%	75.0%	75.0%	(15,315)	-5.7%	-5.7%	-5.7%
Leasehold Excise Tax	38,000	28,774	39,500	28,823	75.7%	73.0%	39,500	28,823	73.0%	73.0%	75.0%	75.0%	75.0%	75.0%	(802)	-2.0%	-2.0%	-2.0%
Timber Excise Tax	40	37	40	39	92.5%	97.5%	40	39	97.5%	97.5%	75.0%	75.0%	75.0%	75.0%	9	22.5%	22.5%	22.5%
Total Tax Revenues	6,435,374	4,809,476	6,930,620	4,835,796	74.7%	69.8%	6,930,620	4,835,796	69.8%	69.8%	75.0%	75.0%	75.0%	75.0%	(362,169)	-5.2%	-5.2%	-5.2%
Licenses & Permits	69,980	78,243	168,116	126,703	111.8%	75.4%	168,116	126,703	75.4%	75.4%	75.0%	75.0%	75.0%	75.0%	616	0.4%	0.4%	0.4%
Intergovt: Grants/Entitlements	167,950	196,278	471,875	737,436	116.9%	156.3%	471,875	737,436	156.3%	156.3%	75.0%	75.0%	75.0%	75.0%	383,530	81.3%	81.3%	81.3%
Charges for Goods and Svcs.	332,800	262,550	409,724	304,400	78.9%	74.3%	409,724	304,400	74.3%	74.3%	75.0%	75.0%	75.0%	75.0%	(2,893)	-0.7%	-0.7%	-0.7%
Fines and Forfeitures	151,875	100,078	163,739	105,921	65.9%	64.7%	163,739	105,921	64.7%	64.7%	75.0%	75.0%	75.0%	75.0%	(16,883)	-10.3%	-10.3%	-10.3%
Interest Earnings	11,760	5,948	9,990	12,754	50.6%	127.7%	9,990	12,754	127.7%	127.7%	75.0%	75.0%	75.0%	75.0%	5,262	52.7%	52.7%	52.7%
Rents & Royalties	71,350	59,931	79,472	56,947	84.0%	71.7%	79,472	56,947	71.7%	71.7%	75.0%	75.0%	75.0%	75.0%	(2,657)	-3.3%	-3.3%	-3.3%
Donations/Contributions	40,475	6,606	77,997	8,747	16.3%	100.0%	77,997	8,747	100.0%	100.0%	75.0%	75.0%	75.0%	75.0%	8,747	0.0%	0.0%	0.0%
Misc. Revenue/Insurance	11,850	40,633	632,000	101,076	342.9%	129.6%	632,000	101,076	129.6%	129.6%	75.0%	75.0%	75.0%	75.0%	42,578	54.6%	54.6%	54.6%
Proceeds of LT Term Debt	0	0	124,435	631,762	0.0%	100.0%	124,435	631,762	100.0%	100.0%	75.0%	75.0%	75.0%	75.0%	157,762	25.0%	25.0%	25.0%
Non-Revenues	4,225	3,032	2,137,348	100,291	71.8%	80.6%	2,137,348	100,291	80.6%	80.6%	75.0%	75.0%	75.0%	75.0%	6,965	5.6%	5.6%	5.6%
Total Non-Tax Revenues	862,265	753,299	2,137,348	2,186,037	87.4%	102.3%	2,137,348	2,186,037	102.3%	102.3%	75.0%	75.0%	75.0%	75.0%	583,026	27.3%	27.3%	27.3%
Operating Transfers-In	1,000,000	772,936	296,877	279,466	77.3%	94.1%	296,877	279,466	94.1%	94.1%	75.0%	75.0%	75.0%	75.0%	56,808	19.1%	19.1%	19.1%
Total Other Financing Sources	1,000,000	772,936	296,877	279,466	77.3%	94.1%	296,877	279,466	94.1%	94.1%	75.0%	75.0%	75.0%	75.0%	56,808	19.1%	19.1%	19.1%
TOTALS	\$8,297,639	\$6,335,711	\$9,364,845	\$7,301,299	76.4%	78.0%	\$9,364,845	\$7,301,299	78.0%	78.0%	75.0%	75.0%	75.0%	75.0%	\$277,665	3.0%	3.0%	3.0%

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
September 2014 and 2015

GENERAL FUND (#001) EXPENDITURES	A September 2014		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	% Exp'd	% Exp'd	% Exp'd	% Exp'd	% Exp'd	Expected % Exp*	Expected	Variance from Expected	% Variance	
City Council	\$93,551	\$67,928	\$67,928	\$67,928	72.6%	72.6%	\$111,811	\$47,758	42.7%	42.7%	75.0%	75.0%	75.0%	75.0%	\$36,100	\$36,100	32.3%	
Municipal Court	340,304	251,463	251,463	251,463	73.9%	73.9%	494,185	347,397	70.3%	70.3%	75.0%	75.0%	75.0%	75.0%	23,242	23,242	4.7%	
City Manager	270,131	209,651	209,651	209,651	77.6%	77.6%	266,410	196,778	73.9%	73.9%	75.0%	75.0%	75.0%	75.0%	3,030	3,030	1.1%	
Finance	183,331	142,869	142,869	142,869	77.9%	77.9%	203,500	142,934	70.2%	70.2%	75.0%	75.0%	75.0%	75.0%	9,691	9,691	4.8%	
City Clerk	74,986	54,721	54,721	54,721	73.0%	73.0%	78,816	43,005	54.6%	54.6%	75.0%	75.0%	75.0%	75.0%	16,107	16,107	20.4%	
Non-Departmental	1,302,246	1,529,449	1,529,449	1,529,449	117.4%	117.4%	598,748	380,066	63.5%	63.5%	75.0%	75.0%	75.0%	75.0%	68,995	68,995	11.5%	
Human Resources	90,033	68,820	68,820	68,820	76.4%	76.4%	85,969	64,022	74.5%	74.5%	75.0%	75.0%	75.0%	75.0%	455	455	0.5%	
Police	2,573,370	1,926,635	1,926,635	1,926,635	74.9%	74.9%	2,717,676	2,055,196	75.6%	75.6%	75.0%	75.0%	75.0%	75.0%	(16,939)	(16,939)	-0.6%	
Fire	1,657,866	1,253,922	1,253,922	1,253,922	75.6%	75.6%	2,535,764	1,982,548	78.2%	78.2%	75.0%	75.0%	75.0%	75.0%	(80,725)	(80,725)	-3.2%	
Public Works - Streets	469,060	604,727	604,727	604,727	128.9%	128.9%	765,760	504,115	65.8%	65.8%	75.0%	75.0%	75.0%	75.0%	70,205	70,205	9.2%	
Community Development	1,228,727	944,967	944,967	944,967	76.9%	76.9%	1,460,242	1,240,427	84.9%	84.9%	75.0%	75.0%	75.0%	75.0%	(145,246)	(145,246)	-9.9%	
TOTALS	\$8,283,605	\$7,055,152	\$7,055,152	\$7,055,152	85.2%	85.2%	\$9,318,881	\$7,004,246	75.2%	75.2%	75.0%	75.0%	75.0%	75.0%	(\$15,085)	(\$15,085)	-0.2%	

Net Budget/Income/Variance: \$14,034 (\$719,441)

\$45,964 \$297,053

\$262,580

Key:

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City of Chehalis
Comparative Financial Reports
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WASTEWATER FUND (#404) REVENUES	A September 2014		B September 2014		C=B/A		D September 2015		E September 2015		F=E/D		G Expected % Rec'd*		H^ Var'nc from Expected		I=F-G	
	Budget	Actual	% Rec'd	Budget	Actual	% Rec'd	Budget	Actual	% Rec'd	Actual	% Rec'd	Actual	% Rec'd	Expected	Expected	Expected	Variance	
Wastewater Fees	\$4,364,408	\$3,385,942	77.6%	\$4,968,202	\$3,606,343	72.6%	10,000	31,209	312.1%	75.0%	75.0%	23,709	237.1%					
Sewer Connection/Misc. Fees	10,000	179,638	1796.4%	3,545	3,545	100.0%	4,000	23,631	590.8%	75.0%	75.0%	886	25.0%					
Rentals	3,323	3,545	106.7%	600	518	86.3%	0	0	100.0%	75.0%	75.0%	68	11.3%					
Misc. Revenues/Insurance	3,300	4,529	137.2%	985	1,919	194.8%	0	13,249	100.0%	75.0%	75.0%	13,249	100.0%					
Non-Revenue Tax Receipts	0	0	0.0%															
Proceeds of Long-Term Debt	0	0	0.0%															
Interest Earnings	300	1,204	401.3%															
Totals:	\$4,381,331	\$3,574,858	81.6%	\$4,987,332	\$3,680,414	73.8%									(\$60,085)		-1.2%	

WASTEWATER FUND (#404) EXPENSES	A September 2014		B September 2014		C=B/A		D September 2015		E September 2015		F=E/D		G Expected % Exp*		H^ Var'nc from Expected		I=G-F	
	Budget	Actual	% Exp'd	Budget	Actual	% Exp'd	Budget	Actual	% Exp'd	Actual	% Exp'd	Actual	% Exp'd	Expected	Expected	Expected	Variance	
Operating Expenses	\$2,550,559	\$1,892,296	74.2%	\$2,666,892	\$1,761,573	66.1%	253,000	79,428	31.4%	75.0%	75.0%	\$238,596	8.9%					
Capital Outlay	67,000	48,835	72.9%	1,832,390	935,663	51.1%	24,524	12,293	50.1%	75.0%	75.0%	62,838	75.0%					
Debt Principal	1,552,598	795,772	51.3%	83,784	0	0.0%			0.0%	75.0%	75.0%	\$856,486	17.6%					
Interest Expense	27,480	13,496	49.1%															
Interfund Loan Repayment	83,332	0	0.0%															
Totals:	\$4,280,969	\$2,750,399	64.2%	\$4,860,590	\$2,788,957	57.4%												

Net Budget/Income/Variance: \$100,362 \$824,459 \$126,742 \$891,457 \$796,401

Key:
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City of Chehalis
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WATER FUND (#405) REVENUES	A September 2014		B Actual	C=B/A		D September 2015		E Actual	F=E/D		G Expected % Rec'd*	H [^] Var'nc from Expected	I=G-F % Variance
	Budget	% Rec'd		Budget	% Rec'd	% Rec'd	% Exp'd						
Water Sales	2,566,160	80.6%	2,068,774	2,566,160	79.9%	2,049,824	75.0%	2,049,824	79.9%	75.0%	125,204	4.9%	
Water Connection/Misc. Fees	10,000	1378.8%	137,879	10,000	514.5%	51,449	75.0%	43,949	0.0%	75.0%	43,949	439.5%	
Interfund Principal Repayment	83,332	0.0%	0	83,332	0.0%	0	75.0%	(62,499)	172.8%	75.0%	(62,499)	-75.0%	
Misc. Revenues/Insurance	1,000	220.1%	2,201	8,783	152.8%	15,177	75.0%	8,590	0.6%	75.0%	8,590	97.8%	
Non-Revenue Tax Receipts	0	0.0%	0	25,085	152.8%	152	75.0%	(18,662)	40.9%	75.0%	(3,781)	-34.1%	
Interest Earnings	11,073	34.8%	3,852	11,073	78.4%	4,524	75.0%	(3,781)	78.4%	75.0%	\$92,801	3.4%	
Totals:	\$2,671,565	82.8%	\$2,212,706	\$2,704,433	78.4%	\$2,121,126	75.0%	\$92,801	78.4%	75.0%	\$92,801	3.4%	

WATER FUND (#405) EXPENSES	A September 2014		B Actual	C=B/A		D September 2015		E Actual	F=E/D		G Expected % Exp*	H [^] Var'nc from Expected	I=G-F % Variance
	Budget	% Exp'd		Budget	% Exp'd	% Exp'd	% Exp'd						
Operating Expenses	\$1,834,545	72.9%	\$1,337,647	\$1,852,581	80.4%	\$1,488,932	75.0%	\$1,488,932	80.4%	75.0%	(\$99,496)	-5.4%	
Capital Outlay	525,333	14.0%	73,537	979,400	37.7%	369,259	75.0%	365,291	37.7%	75.0%	365,291	37.3%	
Debt Principal	132,077	100.0%	132,077	133,077	100.0%	133,077	75.0%	(33,269)	100.0%	75.0%	(33,269)	-25.0%	
Interest Expense	19,225	100.0%	19,225	26,185	63.7%	16,685	75.0%	2,954	63.7%	75.0%	2,954	11.3%	
Transfers Out	0	0.0%	0	420,000	0.0%	0	75.0%	315,000	0.0%	75.0%	315,000	75.0%	
Totals:	\$2,511,180	62.2%	\$1,562,486	\$3,411,243	58.9%	\$2,007,953	75.0%	\$235,479	58.9%	75.0%	\$235,479	16.1%	

Net Budget/Income/Variance: \$160,385 \$650,220 (\$706,810) \$113,173

Key:

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City of Chehalis
Comparative Financial Reports
September 2014 and 2015

STORM FUND (#406) REVENUES	A September 2014		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	September 2015 Budget	September 2015 Actual	% Rec'd	% Rec'd	Expected % Rec'd*	Expected % Rec'd	Var'nc from Expected	Var'nc from Expected	% Variance	% Variance
Storm & Surface Water Fees	\$470,284	\$352,913	\$506,772	\$376,497	75.0%	74.3%	1,000	4,401	\$510,172	\$382,820	440.1%	75.0%	75.0%	-3,582	3,651	-0.7%	365.1%	
Storm Connection/Misc. Fees	0	4,068	825	1,475	100.0%	178.8%	0	0			0.0%	75.0%	75.0%	856	(206)	103.8%		
Misc. Revenues/Insurance	0	276	0	0	0.0%	0.0%	275	0	1,300	447	0.0%	75.0%	75.0%	(528)		-75.0%		
Non-Revenue Tax Receipts	0	0	0	0	0.0%	0.0%	0	0			0.0%	75.0%	75.0%					
Interest Earnings	300	314	1,300	447	104.7%	34.4%	1,300	447			34.4%	75.0%	75.0%	\$191		-40.6%		
Totals:	\$470,584	\$357,571	\$510,172	\$382,820	76.0%	75.0%					75.0%	75.0%	75.0%			0.0%		

STORM FUND (#406) EXPENSES	A September 2014		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	September 2015 Budget	September 2015 Actual	% Exp'd	% Exp'd	Expected % Exp*	Expected % Exp	Var'nc from Expected	Var'nc from Expected	% Variance	% Variance
Operating Expenses	\$452,358	\$304,132	\$442,865	\$239,463	67.2%	54.1%	18,000	3,045			16.9%	75.0%	75.0%	\$92,686	10,455	20.9%		
Capital Outlay	15,000	17,417	18,000	3,045	0.0%	16.9%					52.6%	75.0%	75.0%	\$103,141		58.1%		
Totals:	\$467,358	\$321,549	\$460,865	\$242,508	68.8%	52.6%					52.6%	75.0%	75.0%			22.4%		

Net Budget/Income/Variance: \$3,226 \$36,022 \$49,307 \$140,312 \$103,332

Key:

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City of Chehalis
Comparative Financial Reports
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AIRPORT FUND (#407) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H [^]		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Rec'd	Budget	Actual	% Rec'd	% Rec'd	Expected % Rec'd*	% Rec'd	Expected	Actual	Expected	Actual	% Variance	% Variance
Intergovernmental Revenues	265,000	0	411,272	0	0.0%	0.0%	821,408	100,301	12.2%	12.2%	75.0%	12.2%	(515,755)	100,301	(515,755)	-62.8%	-62.8%	
Charges for Goods and Svcs.	500,000	411,272	8,000	411,272	82.3%	82.3%	520,000	492,724	94.8%	94.8%	75.0%	94.8%	102,724	492,724	102,724	19.8%	19.8%	
Interest Earnings	8,000	109	3,000	109	1.4%	1.4%	15,085	7,337	48.6%	48.6%	75.0%	48.6%	(3,977)	7,337	(3,977)	-26.4%	-26.4%	
Licenses & Permits	0	3,000	73,203	3,000	100.0%	100.0%	0	3,000	100.0%	100.0%	75.0%	100.0%	3,000	3,000	3,000	100.0%	100.0%	
Rents & Royalties	821,918	622,014	2,000	622,014	75.7%	75.7%	879,651	636,106	72.3%	72.3%	75.0%	72.3%	(23,632)	636,106	(23,632)	0.0%	0.0%	
Capital Lease Receipts	2,000	1,438	1,672,724	1,438	71.9%	71.9%	2,000	594	29.7%	29.7%	75.0%	29.7%	(906)	594	(906)	-45.3%	-45.3%	
Misc. Revenues/Insurance	1,672,724	1,730,091	0	1,730,091	103.4%	103.4%	0	0	0.0%	0.0%	75.0%	0.0%	0	0	0	0.0%	0.0%	
Capital Contribution - Airport	0	0	0	0	0.0%	0.0%	165,000	128,567	77.9%	77.9%	75.0%	77.9%	76	128,567	76	2.9%	2.9%	
Non-Revenue Tax Receipts	0	0	0	0	0.0%	0.0%	420,000	0	0.0%	0.0%	75.0%	0.0%	(315,000)	0	(315,000)	-75.0%	-75.0%	
Operating Transfers In	0	0	0	0	0.0%	0.0%	2,919,144	\$1,426,994	48.9%	48.9%	75.0%	48.9%	(\$452,181)	\$1,426,994	(\$452,181)	-26.1%	-26.1%	
Totals:	\$3,342,845	\$2,820,745	\$2,820,745	\$2,820,745	84.4%	84.4%	\$2,919,144	\$1,426,994	48.9%	48.9%	75.0%	48.9%	(\$452,181)	\$1,426,994	(\$452,181)	-26.1%	-26.1%	

AIRPORT FUND (#407) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H [^]		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	% Exp'd	% Exp'd	Expected % Exp*	% Exp'd	Expected	Actual	Expected	Actual	% Variance	% Variance
Operating Expenses	941,045	683,538	13,909	683,538	72.6%	72.6%	\$1,338,816	\$981,885	73.3%	73.3%	75.0%	73.3%	\$22,227	\$981,885	\$22,227	1.7%	1.7%	
Capital Outlay	398,500	13,909	222,285	13,909	3.5%	3.5%	1,481,000	518,948	35.0%	35.0%	75.0%	35.0%	591,802	518,948	591,802	40.0%	40.0%	
Principal - G.O. Bonds	93,921	48,148	84,215	48,148	51.3%	49.5%	231,992	114,756	49.5%	49.5%	75.0%	49.5%	59,238	114,756	59,238	25.5%	25.5%	
Interest Expense	\$1,655,751	\$855,550	\$1,655,550	\$855,550	51.7%	51.3%	\$3,136,023	\$1,658,936	52.9%	52.9%	75.0%	52.9%	\$693,081	\$1,658,936	\$693,081	22.1%	22.1%	
Totals:	\$1,687,094	\$1,965,195	\$1,965,195	\$1,965,195	116.4%	116.4%	(\$216,879)	(\$231,942)	-13.8%	-13.8%	75.0%	-13.8%	\$240,900	(\$231,942)	\$240,900	22.1%	22.1%	

Net Budget/Income/Variance: \$1,687,094 \$1,965,195
(\$216,879) (\$231,942)

Key:

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

RECOMMENDATION/COUNCIL ACTION DESIRED

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

Reviewed by:  City Manager

**City of Chehalis
Sales & Use Tax Revenue**

	Month-by-Month Comparisons								% Chg.
	2008	2009	2010	2011	2012	2013	2014	2015	
January	338,775.84	311,681.25	242,158.24	255,550.11	239,905.57	271,375.98	290,642.45	274,670.17	-5.5%
February	325,708.20	326,987.75	296,867.87	288,322.28	293,448.86	322,000.58	333,263.02	336,038.91	0.8%
March	352,594.58	247,974.49	269,687.71	209,202.31	201,418.97	221,154.40	238,177.91	258,421.46	8.5%
April	323,886.70	245,182.86	223,636.27	211,769.41	229,146.29	231,493.06	248,725.24	257,696.99	3.6%
May	366,700.91	255,481.63	246,998.74	269,316.42	250,189.48	271,850.87	297,383.10	300,832.16	1.2%
June	340,751.01	266,335.35	228,867.63	253,348.87	253,817.94	265,285.99	277,316.08	311,189.00	12.2%
July	352,426.34	270,324.94	239,316.92	235,882.93	251,676.19	268,330.22	329,111.43	325,909.63	-1.0%
August	416,021.47	276,851.50	268,052.83	264,592.08	264,996.44	278,101.71	385,924.11	337,037.17	-12.7%
September	327,171.53	250,448.70	246,365.20	320,998.49	276,271.10	291,464.88	300,288.47	328,074.52	9.3%
October	305,787.51	345,695.15	260,630.19	245,472.95	283,408.61	278,187.79	316,620.23		
November	373,132.35	257,314.61	251,801.70	261,382.66	273,852.79	285,244.13	319,051.89		
December	194,375.82	234,399.17	241,368.04	233,191.67	258,144.76	277,923.31	293,816.98		
Year Totals	4,017,332.26	3,288,677.40	3,015,751.34	3,049,030.18	3,076,277.00	3,262,412.92	3,630,320.91	2,729,870.01	n/a
As of 9/30/15	3,144,036.58	2,451,268.47	2,261,951.41	2,308,982.90	2,260,870.84	2,421,057.69	2,700,831.81	2,729,870.01	1.1%
3rd Quarter	1,095,619.34	797,625.14	753,734.95	821,473.50	792,943.73	837,896.81	1,015,324.01	991,021.32	-2.4%
2nd Quarter	1,031,338.62	766,999.84	699,502.64	734,434.70	733,153.71	768,629.92	823,424.42	869,718.15	5.6%
1st Quarter	1,017,078.62	886,643.49	808,713.82	753,074.70	734,773.40	814,530.96	862,083.38	869,130.54	0.8%

CITY OF CHEHALIS
AGENDA REPORT

DATE: October 13, 2015

TO: The Honorable Mayor and City Council

FROM: Lodging Tax Advisory Committee
Mayor Pro Tem Terry Harris, Chair
Alicia Bull, Centralia-Chehalis Chamber of Commerce
Rick Burchett, Chehalis-Centralia Railroad & Museum
Todd Chaput, Holiday Inn Express & Suites
Chip Duncan, Veterans Memorial Museum
Michel Rey, Best Western Plus Park Place Inn & Suites
Satpal Sohal, Econo Lodge

SUBJECT: Lodging Tax Advisory Committee Recommendations for 2016 Tourism Funds

ISSUE

The Lodging Tax Advisory Committee (LTAC) met on October 6, to review requests from nine organizations for 2016 tourism funds.

DISCUSSION

As a reminder, in 2013 the state legislature passed a bill which, among other things, changed the role of the LTAC and what action can be taken by the city council. Legislation provides that requests be submitted to the LTAC who prepares a list of candidates and funding recommendations to the city council. The city council must either accept the recommendations or not accept them. *The candidates must be awarded the amounts recommended by the LTAC or nothing.*

If the council elects to propose a change, they can submit a proposal to the LTAC for review and consideration. The submission must occur at least 45 days before final action on or passage of the proposal by the city; however the statute does not provide what happens if the LTAC does not respond. It is the opinion of the city attorney that the council cannot make changes to the LTAC's recommendations regardless if they respond or do not respond.

All applicants submitted the additional documentation required by the council, including a financial audit if applicable. The documentation is being reviewed by the administration.

The attachments to this report include the minutes from the October 6 LTAC meeting, a current tourism tax revenue report, and 2016 tourism fund projections and requests. Funding request applications and additional documentation are available for review through the city manager's office and will be available at the council meeting.

Upon council approval, all recipients must enter into an agreement with the city for use of the funds. They are required to report on a quarterly basis how the funds were spent.

After review and discussion, the committee makes the following recommendations for the city council's consideration:

<u>Organization</u>	<u>Request</u>	<u>Recommendation</u>
1. Chehalis-Centralia Railroad & Museum	\$ 30,000	\$ 30,000
2. Lewis County Historical Museum	\$ 25,000	\$ 25,000
3. Veterans Memorial Museum	\$ 14,000	\$ 24,000
4. City (Chehalis Wedding Show)	\$ 13,500	\$ 13,500
5. Chamber (Sportsman's Expo)	\$ 10,000	\$ 10,000
6. LC Comm. Trails (Willapa Hills Trail Fat Ride & Festival)	\$ 14,000	\$ 14,000
7. Friends of the Chehalis Community Renaissance	\$ 17,880	\$ 17,880
8. City Manager's Office	\$ 61,500	\$ 61,500
9. Comm. Development Dept. (Youth Tournaments)	\$ 20,000	\$ 20,000
10. Visiting Nurses (Summer Slam Event)	\$ 2,500	\$ 2,500
Total	\$208,380	\$218,380

According to the resolution establishing the LTAC, the city council is to review membership on an annual basis and make changes as appropriate. 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. There is no established term of membership.

Committee members include Mr. Todd Chaput, Holiday Inn Express & Suites; Mr. Michel Rey, Best Western Plus Park Place Inn & Suites; and Mr. Satpal Sohal, Econo Lodge, representing businesses required to collect the tax. Members representing activities funded by the tax are Ms. Alicia Bull, Centralia-Chehalis Chamber of Commerce; Mr. Rick Burchett, Chehalis-Centralia Railroad & Museum; and Mr. Chip Duncan, Veterans Memorial Museum. Mayor Pro Tem Terry Harris is the council representative and acts as committee chair.

RECOMMENDATIONS/COUNCIL ACTION DESIRED

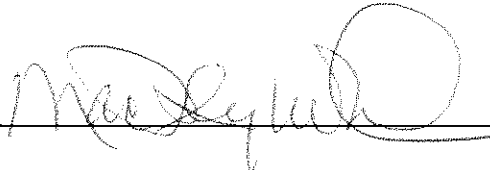
The Lodging Tax Advisory Committee recommends that the council approve its recommendations individually and collectively for use of lodging tax funds for 2016. The administration also recommends the reappointments of Todd Chaput, Michel Rey, Satpal Sohal, Alicia Bull, Rick Burchett, and Chip Duncan to the city's Lodging Tax Advisory Committee.

1st SUGGESTED MOTION

I move that the council approve, both individually and collectively, the candidates and funding amounts of the Lodging Tax Advisory Committee for use of lodging tax funds for 2016.

2nd SUGGESTED MOTION

I move that the council reappoint the memberships of Todd Chaput, Michel Rey, Satpal Sohal, Alicia Bull, Rick Burchett, and Chip Duncan to the Lodging Tax Advisory Committee.

Reviewed by  _____, City Manager

Chehalis Lodging Tax Advisory Committee
Meeting Minutes
October 6, 2015

The Lodging Tax Advisory Committee (LTAC) met on October 6, 2015, at 9:15 a.m. in the basement meeting room of Chehalis city hall to review applications for 2016 tourism funding. Members present were: Mayor Pro Tem Terry Harris, Chair; Alicia Bull, Centralia-Chehalis Chamber of Commerce; Rick Burchett, Chehalis-Centralia Railroad and Museum; Todd Chaput, Holiday Inn; Chip Duncan, Veterans Memorial Museum; Michel Rey, Best Western; and Satpal Sohal, Econo Lodge. Chehalis administration included Merlin MacReynold, City Manager; and Caryn Foley, City Manager's Administrative Assistant.

Call to Order

The meeting was called to order at 9:20 a.m. by Mayor Pro Tem Harris.

Ms. Foley stated the committee should have in front of them an updated revenue projections/funding request sheet. The projected beginning fund balance for 2016 was increased \$42,500. She explained that the city does not plan to use the \$40,000 requested from the Stan Hedwall Park Project, and the Visiting Nurses Summer Slam event was not held, adding another \$2,500 to the beginning fund balance. Visiting Nurses plans to hold next year's event and use the \$2,500 awarded to them. With these changes, the beginning fund balance is estimated to be \$141,959, with estimated revenues of \$224,895, and a recommended reserve of \$50,000. With these assumptions, the estimated total available revenue for distribution to applicants is \$316,854.

2016 Requests

The comments below are in addition to the information provided in each organization's application.

1. Chehalis-Centralia Railroad and Museum – \$30,000 (Wanda Thompson)

Funding will be used solely for marketing and promotion. This year's engine repair project led to no operating season this year, but that project is almost complete, so the Polar Express and Santa rides will take place. Polar Express is already sold out and they are considering adding more runs. To-date, Polar Express tickets have been purchased from 161 zip codes and from seven states. An 85-foot turntable from the 1940s was recently acquired from the Navy. The CCRM will seek grants to get it installed and operating. This will be another draw to the steam train. With the season being cut short by the engine repair project, next year's budget will be impacted. CCRM will do additional advertising next year since this year's season was cut short.

Questions/Comments:

- Mr. Rey - What will the additional advertising consist of? Ms. Thompson – A combination of social media and print.
- Mr. Rey - What are your main demographics? Ms. Thompson – It varies, but their primary demographic is families.
- Mr. Chaput just heard about a train enthusiast group that is looking at Chehalis for their 2018 conference, which runs four days. He thought the Veterans Memorial Museum would be a great location for the conference with its location next to the steam train.
- With the train not operating this year, Ms. Bull stated she realized just how much people love the steam train – it is certainly a tourist draw!
- Ms. Thompson – How can the CCRM work with the hotels to better track why visitors are coming to Chehalis? Mr. Chaput – It is sometimes difficult, but he thought that people need to be prompted by asking them what brought them to town, and are you staying in hotel.
- Mr. Rey -- Print advertising is not cost effective.
- Mr. Rey – What is the CCRM's price for Polar Express compared to others? Ms. Thompson – CCRM is cheaper, but comparable. They did raise the Polar Express tickets by 10% over last year's prices. Mr. Rey suggested they probably had room to grow price-wise. Mr. Burchett noted they spoke with Rail Events, the organization for the Polar Express event, and they suggested the price.

- Mr. Sohal – Are Chehalis lodging tax funds your only source for advertising? Ms. Thompson – Funds for advertising also come from the city of Centralia, Lewis County, and the CCRM general fund. Mr. Sohal suggested that something like, “Supported by area lodging taxes” be included in advertising. Ms. Thompson agreed that was a good idea.

2. Friends of the Chehalis Community Renaissance – \$17,880 (Annalee Tobey, Julie Balmelli-Powe, Andy Skinner)

The request is to fund year-round, general promotion and marketing of Chehalis, using both social media and print.

Questions/Comments:

- Mr. Rey – Has the Renaissance thought about having an independent website instead of having it on the city website? He thought it would make the Renaissance more visible. Ms. Tobey – It has been discussed, but funding has been the reason it hasn’t been pursued.
- Mr. Burchett – What are the contracted services for? Ms. Tobey – The contracted services are for her company, Vitality Marketing, for all social media services.

3. Chehalis Community Development Department for Youth Tournaments - \$20,000 (Lilly Wall)

The request will fund youth fastpitch, baseball, and basketball tournaments. Ms. Wall stated they have seen a reduction in the number of teams coming to tournaments. She believes more cities are hosting youth tournaments because they bring large amounts of visitors. She noted they are always looking at new opportunities and partnerships.

Mr. MacReynold noted the city council has given direction to create a plan for improving Recreation Park to make it a first class facility, including upgrades to fields and drainage, parking, buildings, and playground. These improvements would allow the facility to be used for more months out of the year, increasing the number of tournaments that would be offered.

4. Lewis County Historical Museum – \$25,000 (Andy Skinner)

Funds would be used for operations of the museum, marketing of events, and general promotion of the museum. The museum looks for opportunities to participate in partnerships. The museum has also seen an increase in event profits. The museum’s 20,000+ photos are in the process of being scanned and will be available for purchase on their website. A new website will be launched later in the week and will include a mobile-friendly version. Mr. Skinner plans to redesign the museum’s rack card next year, which include QR codes.

5. Chehalis Wedding Show – \$13,500 (Matt Shannon)

Funds will be used for the promotion and operation of the Chehalis Wedding Show. The name was changed for this year’s event to the Chehalis Wedding Show instead of the Chehalis Bridal Show to make it more appealing to more than just brides. This year’s event saw the highest number of vendors and attendance. The 2016 event will be scaled back to Saturday only, which was a request from the vendors. It was a lot of work to set up on Friday for just a few hours.

Questions/Comments:

- Mr. Rey thought the outreach was limited by using only local radio. Mr. Shannon – The purpose is to keep people in town with their weddings. The resultant weddings are what put heads in beds.
- Mayor Pro Tem Harris suggested that the event work with local venues to get connect Wedding Show vendors with brides-to-be. It could be a good opportunity for local vendors versus brides using the services from out of area vendors. Local vendors are probably more affordable than those from larger cities.

6. Lewis County Community Trails – \$14,000 (Harry Bhagwandin, Monica Brummer)

Funds will be used for the marketing and promotion of the first annual Willapa Hills Trail Fat Tire Ride & Festival.

Questions/Comments:

- Ms. Bull – Are you requesting funds from other agencies? Mr. Bhagwandin – This is their first request, but they plan to seek lodging tax funds from Lewis County.
- Mr. Rey – Have you contacted other similar types of events to use as examples? Mr. Bhagwandin indicated they had not, but would certainly do so.

7. City Manager’s Office – \$61,500 (Merlin MacReynold)

Funds will be used for a tourism services contract with the chamber; design, printing, and distribution of an official county-wide visitors guide; and half of the cost for hosting, maintenance, and support of the city’s website.

Ms. Bull added that the funding allows the chamber to be open on Saturdays and expanded hours during the rest of the week.

Historically, the chamber has overseen the publication of the Official Visitor Guide, but the city will contract with the Friends of the Chehalis Community Renaissance Team’s marketing committee in 2016. There is a desire to distribute the publication by February 1, and the chamber is not able to do that having to focus on several important projects at year’s end and during the first of the year.

8. Centralia-Chehalis Chamber of Commerce – \$10,000 (Alicia Bull)

Funds will be used for the marketing and promotion of the first annual Southwest Washington Sportsman’s Expo. Ms. Bull noted the event will coincide with the Wes Knodel Gun & Knife Show at the fairgrounds that same weekend.

9. Veterans Memorial Museum – \$14,000 (Chip Duncan)

Funds will be used for the general marketing of the museum and its events. After submitting the funding request, Mr. Duncan stated he really began thinking about the direction of the museum. He stated the status quo has been working, but it’s time to look at new ways of doing things. The museum was founded by and is funded mainly by WW II veterans through their memberships and donations. Those veterans are dwindling, so the museum will focus more on social media to market the museum and its events, specifically using promotional videos and by updating the website. He noted the museum has had 17,000 so far this year, which is above average.

Determine Allocation Recommendations to City Council

Mr. Duncan asked if the remaining money would be earmarked for the Recreation Park Project. Mr. MacReynold stated the total cost of the improvement project was not known at this time, so it would not be right to ask for funding. A plan is expected by the end of the year, and he expects that the city would be coming to the committee with a request, perhaps a long-term funding request similar to the sports complex in Centralia, early next year after council makes the decision about what is included in the improvements to the park.

The committee unanimously agreed to recommend that all requests be funded as submitted, except for the Veterans Memorial Museum. The committee recommends that the Veterans Museum be funded at \$24,000 because of the additional items outlined above by Mr. Duncan, and also because the museum, in prior years, has decreased the amount of their funding request in order to support other organizations.

<u>Organization</u>	<u>Request</u>	<u>Recommendation</u>
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6. LC Comm. Trails (Willapa Hills Trail Fat Ride & Festival)	\$ 14,000	\$ 14,000
7. Friends of the Chehalis Community Renaissance	\$ 17,880	\$ 17,880
8. City Manager’s Office	\$ 61,500	\$ 61,500
9. Comm. Development Dept. (Youth Tournaments)	\$ 20,000	\$ 20,000
10. Visiting Nurses (Summer Slam Event)	\$ 2,500	\$ 2,500
Total	\$208,380	\$218,380

The recommendations will be reviewed by the city council on October 26, 2015 at 5:00 p.m.

The meeting concluded at 1:20 p.m.

Minutes respectfully submitted by Caryn Foley, City Manager’s Administrative Assistant.

**City of Chehalis
Tourism Tax Revenue**

	Month-by-Month Comparisons										14-15 % Chg
	2008	2009	2010	2011	2012	2013	2014	2015			
January	6,692.02	6,140.00	9,276.80	8,520.62	9,323.48	13,350.86	10,704.50	12,679.38			18.4%
February	6,319.78	5,622.94	7,478.94	8,218.08	8,546.46	10,993.86	10,657.58	13,811.36			29.6%
March	7,118.50	5,995.90	7,797.06	8,133.40	11,792.44	8,983.66	9,131.84	12,335.74			35.1%
April	6,514.92	6,153.36	9,848.24	8,704.52	9,262.06	10,072.84	10,345.30	14,890.74			43.9%
May	8,732.08	6,824.02	11,553.28	11,092.58	13,366.08	13,774.46	12,882.16	19,099.54			48.3%
June	8,205.56	6,299.92	11,250.48	11,271.74	11,612.52	11,838.48	13,580.34	17,152.10			26.3%
July	10,400.54	10,143.10	16,307.04	16,087.02	12,640.42	14,180.74	16,837.04	24,868.60			47.7%
August	11,397.98	13,704.42	17,571.44	19,447.04	17,726.60	17,422.60	21,246.60	24,917.44			17.3%
September	11,254.52	16,931.30	18,530.96	20,803.42	19,630.80	23,712.14	26,185.60	28,625.58			9.3%
October	11,594.58	17,948.28	20,488.70	21,029.58	22,607.16	25,478.82	26,176.60				
November	10,291.86	12,609.06	13,828.34	15,837.28	16,172.06	16,895.88	19,608.08				
December	8,642.78	11,830.98	11,570.98	12,140.04	12,344.88	13,742.48	16,841.32				
Totals	107,165.12	120,203.28	155,502.26	161,285.32	165,024.96	180,446.82	194,196.96	168,380.48			n/a
As of 9/30/15	76,635.90	77,814.96	109,614.24	112,278.42	113,900.86	124,329.64	131,570.96	168,380.48			28.0%
3rd Quarter	33,053.04	40,778.82	52,409.44	56,337.48	49,997.82	55,315.48	64,269.24	78,411.62			22.0%
2nd Quarter	23,452.56	19,277.30	32,652.00	31,068.84	34,240.66	35,685.78	36,807.80	51,142.38			38.9%

2016 CHEHALIS TOURISM FUND PROJECTIONS & REQUESTS	
Projected Beginning Fund Balance	\$ 141,959.00
Estimated Revenue	\$ 224,895.00
Total Estimated Revenue	\$ 366,854.00
Recommended Ending Fund Bal Reserve	\$ 50,000.00
2016 Total Available Revenue	\$ 316,854.00

	2013	2014	2015	2016 Requests	2016 LTAC Recommendations	2016 Council Action
Facilities						
Chehalis-Centralia Railroad & Museum	20,000	15,000	10,000	30,000	30,000	
Lewis County Historical Museum	15,000	15,000	18,000	25,000	25,000	
Veterans Memorial Museum	18,125	25,000	18,000	14,000	24,000	
Events						
Chehalis Bridal Show - City (Premier Broadcasters)	10,000	10,000	13,550	13,500	13,500	
Sportman's Show - Centralia-Chehalis Chamber	No request	No request	No request	10,000	10,000	
Willapa Hills Trail Fat Tire Ride & Festival - LC Trails	No request	No request	No request	14,000	14,000	
Cascade Country Cook-Off - Advocate Foundation	5,000	5,000	No request	No request	No request	
Chehalis Garlic Fest - Advocate Foundation	5,000	5,000	No request	No request	No request	
Concert of the Green - Pope's Kids Place	5,000	5,000	No request	No request	No request	
Home & Garden Show - Cent-Cheh Chamber	5,000	5,000	No request	No request	No request	
Dance Festival NW - SWW Dance Center	No request	No request	0	No request	No request	
Summer Slam 3 on 3 - Visiting Nurses Foundation	No request	No request	5,000	2,500	2,500	
Marketing						
Friends of the Chehalis Community Renaissance	No request	11,000	10,000	17,880	17,880	
City						
City Manager's Office - Tourism & Marketing	20,000	45,000	45,000	61,500	61,500	
Community Development - Youth Tournaments	44,310	40,475	31,000	20,000	20,000	
Community Dev. - Recreation Park Project	25,000	No request	30,000	No request	No request	
Community Dev. - Stan Hedwall Park Project	No request	No request	40,000	No request	No request	
TOTALS	172,435	181,475	220,550	208,380	218,380	

In 2015:

* City will not use \$40,000 allocated to Stan Hedwall Park project

** Visiting Nurses was awarded \$2,500 for the 2015 event and \$2,500 for the 2016 event. This year's event was canceled, but next year's event is expected to happen.