

IMPORTANT NOTICE

Due to regulations pertaining to in-person meetings listed in the Governor's Open Public Meetings Act Proclamation 20-28.6, this meeting will be held remotely.

There are two options for viewing/listening to the meeting:

1. Live-Stream

View and listen through live streaming by using the following link –

<https://www.ci.chehalis.wa.us/citycouncil/live-streaming-and-demand-viewing-city-council-meetings>

or

2. Telephone

Dial: 1-253-215-8782

Meeting ID: 824 6786 8170 #

Passcode: 438463

Citizens wishing to provide public comments in general and on agenda items should submit comments by 4:00 pm on the day of the meeting. All comments received will be acknowledged by the Mayor under the Citizens Business portion of the meeting agenda. Please use the following form to submit comments – <https://www.ci.chehalis.wa.us/contact>. If you do not have computer access or would prefer to submit a comment verbally, please contact City Clerk Caryn Foley at 360-345-1042 or at cfoley@ci.chehalis.wa.us.

If you have any questions about live streaming the meeting or submitting a comment, please contact City Clerk Caryn Foley at cfoley@ci.chehalis.wa.us or 360-345-1042.

**The City truly appreciates the community's cooperation
and patience during this challenging time.**

CHEHALIS CITY COUNCIL AGENDA

CITY HALL
350 N MARKET BLVD | CHEHALIS, WA 98532

Dennis L. Dawes, Position at Large
Mayor

Jerry Lord, District 1
Daryl J. Lund, District 2
Dr. Isaac S. Pope, District 4

Anthony E. Ketchum Sr., District 3
Chad E. Taylor, Position at Large, Mayor Pro Tem
Robert J. Spahr, Position at Large

Regular Meeting of Monday, July 27, 2020 5:00 p.m.

1. Call to Order. (Mayor)
2. Pledge of Allegiance. (Mayor)

CITIZENS BUSINESS

This is an opportunity for members of the audience to address the council on matters not listed elsewhere on the agenda. Citizens wishing to provide public comments in general and on agenda items must submit comments by 4:00 pm on the day of the meeting using the form available at <https://www.ci.chehalis.wa.us/contact>. All comments will be acknowledged by the Mayor at the meeting.

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5. <u>Amendment No. 2 to Engineering Services Agreement with Gibbs & Olson in the Amount of \$9,670 for the Riverside Force Main Replacement Project.</u> (City Manager, Public Works Director, Wastewater Superintendent)	APPROVE	7

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6. <u>Bond Ordinance No. 1008-B, First Reading and Final Reading – Providing for the Issuance and Sale of a Limited General Obligation Bond Not to Exceed \$1.725 Million to Finance the New Fire Station Land Purchase and Temporary Fire Station.</u> (City Manager, Finance Director)	SUSPEND RULES / PASS	10
7. <u>Interlocal Agreement with Lewis County for Flood Warning System Cost Sharing.</u> (City Manager, Public Works Director)	APPROVE	22

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9. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	---

EXECUTIVE SESSION
10. Pursuant to RCW:
a. 42.30.110(1)(c) – Sale/Lease of Property
b. 42.30.140(4)(a) and (b) – Collective Bargaining

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

July 13, 2020

The Chehalis city council met in regular session on Monday, July 13, 2020, in the Chehalis city hall. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following council members present Tony Ketchum, Jerry Lord; Daryl Lund (telephonically); Dr. Isaac Pope; and Bob Spahr. Councilor Chad Taylor arrived at 5:01 pm. Staff present included: Jill Anderson, City Manager; Caryn Foley, City Clerk; Tedd Hendershot, Interim Fire Chief; Erin Hillier, City Attorney; Andrew Hunziker, Parks & Facilities Manager; Trent Loughheed, Public Works Director; Chun Saul, Finance Director; and Lilly Wall, Recreation Manager. No members of the news media were in attendance.

1. **Citizens Business – Flooding and Farms.** Lewis County Commissioner Edna Fund provided copies of the new Lewis County Farm Guide; provided handouts from the Office of Chehalis Basin about the new Community Flood Assistance and Resilience Program for land and business owners and for local and tribal governments; and fielded various questions from the council relating to COVID-19. Questions regarded the requirements for masks and health reasons that exempt people from wearing a mask. City Attorney Hillier stated the Governor's Office provided guidance on the issue, and she noted that face masks were currently required in public areas of city buildings.

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

- a. Minutes of the regular city council meeting of June 22, 2020;
- b. June 30, 2020 Claim Vouchers No. 129357 – 129476 and Electronic Funds Transfer Check No. 901, 902 and 903 in the amount of \$207,205.86 and voided Electronic Funds Transfer Check Nos. 901, 902 and 903 in the amount of \$794.20;
- c. June 30, 2020, Payroll Vouchers No. 41328-41361, Direct Deposit Payroll Vouchers No. 12242-12353, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 299-302 in the amount of \$964,447.11; and
- d. Agreement with the Lewis Economic Development Council to provide economic development services.

The motion was seconded by Councilor Ketchum.

The council discussed the services provided by the EDC. City Manager Anderson stated part of the situation with being involved with the EDC was a regional approach – the city doing its part for general economic development.

It was noted that the EDC brings tangible indirect and direct benefits to the city, and that the organization was always talking to clients, but can't disclose those clients. It was suggested that the EDC provide an annual update on what they produced.

The motion carried unanimously.

3. **Resolution No. 9-2020, First and Final Reading – Providing for an Interfund Loan Policy.** Chun Saul stated that due to COVID-19, the city's General Fund was experiencing significant disruption in revenue collections. MRSC (Municipal Research and Services Center) suggested that governments may be able to provide blanket authority to staff for interfund loans in response to temporary cashflow deficiencies. The proposed policy would require staff to report any interfund loan transaction by resolution to the council at the next regularly scheduled council meeting. The policy would give blanket authority to the City Manager to authorize the Finance Director to make temporary interfund loan transfers with subsequent reporting to the council.

Mayor Dawes stated the policy provided no limitations. At the very least, the council budget committee should be made aware of the situation and give approval. If the budget committee had concerns, then it should be brought to the whole council.

Councilor Taylor hoped that if cash got really tight, the council would have an emergency meeting. He was concerned about a policy that turned over a responsibility of the council to someone else.

Councilor Lund agreed with everyone's comments. He thought it was the council's responsibility.

City Manager Anderson stated there was a budget committee meeting on Thursday, and they could discuss the policy at that time and determine whether or not it needed to come back to the council. She acknowledged the council's concerns.

July 13, 2020

4. Temporary Emergency Fire Station Update – Request for Additional Authority for Site Preparation Work and the Addition of a Temporary Apparatus Bay. Trent Lougheed stated the council authorized staff to start preparing a temporary fire station site located at 710 NW Arkansas Way due to Lewis County Fire District 6 terminating the station use agreement with the city.

Site Preparation. The council authorized the City Manager to expend funds up to \$150,000 in preparation of the site, which did not include any structures. The costs associated with work to-date exceeded estimates and additional financial authority was needed. Mr. Lougheed summarized the site preparation work to-date and stated the items that caused exceeded estimates related to additional excavating and rock, and electrical power to the site. The anticipated site preparation costs were now \$199,700 to be paid by the Airport Fund, which would allow the property to be leased in the future as “improved property.”

Site Set-Up. Mr. Lougheed stated set-up of the site was needed and was separate from the site preparation work. He noted the costs would be paid by the General Fund for structures; radio equipment; temporary fencing until an apparatus building was erected; garbage service; internet service; water and sewer service lines; and temporary power installation. The total cost of set-up work to-date was approximately \$27,000.

Temporary Apparatus Bay. A 60' x 68' engineered steel structure was estimated to cost \$170,700, which included sales tax. He stated a steel building was about \$16,000 more, but it would be able to be dismantled and relocated for city use.

Mr. Lougheed outlined the anticipated costs:

Airport Fund – Total anticipated costs for site preparation work was \$199,100 (substantially complete). Mr. Lougheed stated staff was requesting \$205,000 in case additional unforeseen work was necessary.

General Fund – Total anticipated costs for a temporary apparatus building was \$201,000. In addition, staff identified tent-like covers for the engine until the apparatus bay was constructed at a cost of about \$6,500. Staff was requesting \$220,000, plus a contingency of \$12,500 for unforeseen work.

Mr. Lougheed indicated staff would, in the future, be requesting authority to purchase a mobile home for around \$150,000. This would be a one-time purchase and be less expensive than paying the monthly rental fees for the mobile structures over the next several years while the permanent fire station was designed, funded, and constructed.

City Manager Anderson noted the mobile home would most likely be put on the permanent fire station site. She reiterated the idea was to transition from the monthly rental of the Pacific Mobile Structure buildings. She also stated the temporary apparatus bay would also most likely be on the permanent site or transferred to that site. Both structures would be used for several years as a new fire station was designed and constructed.

Several council members expressed concern about the increase in costs for the project from the last meeting. City Manager Anderson explained that the costs discussed at the last meeting related to site preparation. They did not include the cost of the apparatus bay.

Trent Lougheed noted that the site preparation work would not be wasted. It would increase the value of the property and be recovered when the property was leased in the future. The only non-recoverable costs would be the \$27,000 for the site set-up. The apparatus bay would be used until a permanent fire station was built and then repurposed at the firing range for evidence storage.

Some council members noted the city was put in this situation because of others. There was also frustration and confusion about the way the costs were presented. It was suggested that the temporary apparatus bay be located on the property that the city was going to purchase for the permanent fire station.

City Manager Anderson stated staff anticipated that the apparatus bay could be constructed on the permanent site. If everything on the purchase of the property moved forward, the purchase could close the first half of October.

In regard to the apparatus bay, Mayor Dawes wanted the start and end dates of construction to be ironclad so that the equipment had proper protection.

July 13, 2020

Frustration was again expressed about why the city was in this situation, which did not include poor planning on the part of the city's administration.

Councilor Ketchum moved to:

- Authorize the City Manager to spend an additional \$70,000, increasing the project spending authority for the emergency temporary fire station and apparatus shelters from \$150,000 to \$220,000, which would be General Fund expenditures; and
- Establish signing authority for site preparation in a "not-to-exceed" amount of \$205,000, which would be Airport Fund expenditures; and
- Acknowledge that this work is being done under the emergency authority granted to the City Manager for all work related to the establishment of an emergency temporary fire station by City Council adoption of Resolution 7-2020 on June 8, 2020, which expires on September 6, 2020.

The motion was seconded by Councilor Spahr.

Councilor Taylor expressed concern that a local contractor was not used in this emergency situation. Councilor Lund agreed that the city was not supporting the people that support the city.

The motion carried 5 to 2. Councilors Lund and Taylor voted against the motion.

5. Financing Options for New Fire Station Land Purchase and Temporary Fire Station. Chun Saul stated the total estimated cost was \$1,820,000 and she provided debt financing options, including the LOCAL Program administered through the State Treasurer's Office; public offering; and private placement. She reviewed the process, along with the pros and cons of each option. Ms. Saul then reviewed estimated debt service scenarios. She recommended a 15-year term with the annual debt service to be provided with REET (Real Estate Excise Tax) Funds. She noted the city's debt management policy provided annual debt service payments for non-voted debt not to exceed 4.2% of General Fund operating revenues or \$42,000, whichever was greater, so the policy may need updated in 2021.

Councilor Lund stated staff knew for a long time that money was needed to purchase the property and he asked why it had not been taken care of a month or two ago. City Manager Anderson explained that staff had been talking generally about the issue wanting to not put the cart before the horse. In addition, the city would not want to issue the bonds too soon and pay interest on a million-plus dollars for longer than needed, or until the environmental results came back appropriately and that the project was actually moving forward.

Councilor Spahr moved that the City Council authorize the City Manager to start preliminary work related to a bond issue, with a preliminary direction for a councilmanic debt issue not to exceed \$1.525 million dollars, for a maximum term of 15 years through a private placement financing process. The motion was seconded by Councilor Ketchum and carried 5 to 2. Councilors Lund and Taylor voted against the motion.

6. Administration Reports.

a. **City Manager Update.** City Manager Anderson stated Lilly Wall would be giving an update on issues related to the new Sports Complex and swimming pool in order to meet the Governor's proclamation and Lewis County Health Department regulations.

Lilly Wall stated there were challenges to be able to meet state requirements with opening Recreation Park in Phase 3, which included limiting gatherings to 50 or less. She stated the ballfields were basically done and completion of the playground was about two weeks out. Staff anticipated opening the entire park in Phase 4, but there was now a pause in moving to the next phase and it was unknown when that would happen. Staff was figuring out ways to use the complex during Phase 3 and she noted that teams coming from counties in lower phases than Lewis County could not participate. Ms. Wall stated that opening ceremonies will be rescheduled to hopefully the spring. The same restrictions apply to the playground, so that opening ceremony would be pushed back. Staff was also looking at not opening the park until Phase 4. The aquatics center and spray park would also be challenging in Phase 3, specifically with regard to keeping everyone safe.

July 13, 2020

City Manager Anderson thanked the Chehalis Community Renaissance Team and Patty Kaija for planting the flower planters at city hall at no cost to the city.

7. **Executive Session.** Mayor Dawes announced the council would be in executive session pursuant to RCW 42.30.110(1)(b) – Selection of Site or Acquisition of Real Estate; 42.30.110(1)(c) – Sale/Lease of Property; 42.30.110(1)(g) – Review Performance of a Public Employee; and 42.30.110(1)(i) – Potential Litigation not to exceed 8:45 pm and there would be action following conclusion of the executive session. Mayor Dawes closed the regular meeting at 7:09 pm. The executive session began at 7:17 pm.

Mayor Dawes reopened the regular meeting 8:45 pm.

8. **Approve Commercial & Investment Real Estate Purchase & Sale Agreement and with Cascade Trader, Inc., for Property at 1380 NW State Avenue for the Site of a New Fire Station.** City Manager Anderson stated the city had been in negotiations for a piece of property at Chamber and State. A purchase agreement was entered into and a feasibility study had been completed. She stated the site was deemed suitable and asked that the council close the feasibility study and approve the purchase of the property (85,004 sq. ft. at \$14.06 per sq. ft. at a total value of \$1.195 million).

Councilor Ketchum moved to clear the feasibility study and authorize the City Manager to proceed with the purchase and sale agreement, closing in October, for property at 1380 NW State Avenue for 85,004 sq. ft. at \$14.06 per sq. ft. at a total value of \$1.195 million, and the payment of non-refundable earnest money in the amount of \$35,000. The motion was seconded by Councilor Spahr and carried unanimously.

Mayor Dawes announced the council would continue in executive session not to exceed 9:15 pm and there would be no decision following conclusion of the executive session. The regular meeting was closed at 8:49 pm. Following conclusion of the executive session, the regular meeting was reopened at 9:11 pm and immediately adjourned.

Dennis L. Dawes, Mayor

Caryn Foley, City Clerk

Approved:
Initials: _____

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director
Michelle White, Accounting Tech II

MEETING OF: July 27, 2020

SUBJECT: Vouchers and Transfers – Accounts Payable in the Amount of \$1,056,525.46

ISSUE

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

DISCUSSION

The July 15, 2020 claim vouchers have been reviewed by a committee of three councilors prior to the release of payments. The administration is requesting City Council approval for Claim Vouchers No. 129477 – 129615 and Electronic Funds Transfer Check No. 62020 and 620201 in the amount of \$1,056,525.46 dated July 15, 2020 which includes the transfer of:

- \$ 182,393.64 from the General Fund
- \$ 650.05 from the Dedicated Street Fund – 4% Sales Tax
- \$ 26,169.37 from the Arterial Street Fund
- \$ 439,770.19 from the Transportation Benefit District Fund
- \$ 8,012.82 from the Tourism Fund
- \$ 2,801.22 from the LEOFF 1 OPEB Reserve Fund
- \$ 33,198.11 from the 2011 G. O. Bond Fund
- \$ 150,813.50 from the Public Facilities Reserve Fund
- \$ 19,734.22 from the Automotive Equipment Reserve Fund
- \$ 663.75 from the Garbage Fund
- \$ 47,212.53 from the Wastewater Fund
- \$ 40,090.26 from the Water Fund
- \$ 5,803.78 from the Storm & Surface Water Utility Fund
- \$ 99,212.02 from the Airport Fund

RECOMMENDATION

It is recommended that the City Council approve the July 15, 2020 Claim Vouchers No. 129477 – 129615 and Electronic Funds Transfer Check No. 62020 and 620201 in the amount of \$1,056,525.46

SUGGESTED MOTION

I move that the City Council approve the July 15, 2020 Claim Vouchers No. 129477 – 129615 and Electronic Funds Transfer Check No. 62020 and 620201 in the amount of \$1,056,525.46

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Trent Lougheed, Public Works Director
Devlan Pool, Wastewater Superintendent

MEETING OF: July 25, 2020

SUBJECT: Amendment No. 2 to Engineering Services Agreement with Gibbs & Olson in the Amount of \$9,670 for the Riverside Force Main Replacement Project

ISSUE

The engineering budget for the Riverside Force Main Replacement Project needs to be increased in order to account for additional engineering required to address several issues resulting from the means and methods of construction utilized by the general contractor and drilling subcontractor late last year. The general contractor has agreed to a deductive credit as part of the project's reconciliation change order equal to the increase in the budget authorized by this amendment so that there is no net cost to the City for the additional engineering services performed by the engineer.

DISCUSSION

In February 2018, the City Council approved an engineering services agreement with Gibbs & Olson to design the Riverside Force Main Replacement Project. Now that the project has been designed and the construction is substantially complete, an amendment to the original agreement for construction management services is proposed.

Amendment No. 1 for construction management services as approved by City Council on May 13, 2019 was \$82,500. Unfortunately, an issue with the replacement of the force main via a horizontal directional drill for a length of 1,000 feet caused project delays and additional engineering by Gibbs & Olson. The engineering budget for this period was requested to increase \$9,670 to cover the additional construction management costs.

FISCAL IMPACT

The original engineering budget for design engineering was \$97,000.00. Amendment No. 1 was \$82,500.00 for construction management services, with Amendment No. 2 being requested at \$9,670.00. The total engineering agreement amount will be \$189,170.00.

It should be noted that the net impact to the project due to the additional construction management services required will be \$0, as a deduction in the construction pay request will reflect a credit to compensate for the additional services required due to contractor actions.

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to execute Amendment No. 2 with Gibbs & Olson for \$9,670.00 for additional engineering services for the Riverside Force Main Replacement Project.

SUGGESTED MOTION

I move that the City Council authorize the City Manager to execute Amendment No. 2 with Gibbs & Olson for \$9,670.00 for additional engineering services for the Riverside Force Main Replacement Project.

AMENDMENT NO. 2

This Amendment No. 2 modifies the Agreement for Engineering Services (Agreement) between Gibbs & Olson, Inc., Longview, Washington (Engineer) and the City of Chehalis, Washington (Client) executed on February 26, 2018, for a project known as the Prindle Street and Riverside Road Forcemain Project.

The following modifications are made to the Agreement. All other terms and conditions of the Agreement remain unchanged.

The Engineer's budget is increased to account for additional engineering required to address several issues resulting from the means and methods of construction utilized by the general contractor drilling subcontractor late last year. The general contractor has agreed to a deductive credit as part of the project's reconciliation change order equal to the increase in the budget authorized by this amendment so that there is no net cost to the Client for the additional engineering services performed by the Engineer.

SCHEDULE:

Due to utility conflicts and weather delays, construction completion is not expected until April 2020 with contract close out in June 2020.

BUDGET

The Engineer's budget is increased by \$9,670.

Original Agreement Amount	\$ 97,000.00
Amendment No. 1	\$ 82,500.00
<u>Amendment No. 2</u>	<u>\$ 9,670.00</u>
Total Agreement Amount	\$189,170.00

GIBBS & OLSON, INC.

CITY OF CHEHALIS, WASHINGTON

By: Richard A. Gushman
Richard A. Gushman, President

By: _____
T. Jill Anderson, City Manager

Date: March 12, 2020

Date: _____

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director

MEETING OF: July 27, 2020

SUBJECT: Bond Ordinance No. 1008-B, First and Final Reading – Providing for the Issuance and Sale of a Limited General Obligation Bond Not to Exceed \$1.725 Million to Finance the New Fire Station Land Purchase and Preparing Temporary Fire Station

ISSUE

Bond Ordinance No. 1008-B is presented for consideration by the City Council. The Bond Ordinance has been prepared for issuance and sale of a Limited Tax General Obligation (“LTGO” or “council-manic”) Bond, 2020 for purchase of land for a new fire station and preparing a long-term temporary fire station.

BACKGROUND

On July 13, 2020, the City Council authorized staff to move forward with preparations for a councilmanic debt issue not to exceed \$1.525 million, for a maximum maturity term of 15 years through a private placement, to finance the new fire station land purchase and preparing temporary fire station project (the “Project”).

However, the City Administration is requesting that the bond issue amount to be increased by \$200,000 to \$1.725 million. The \$1.525 million bond issue that was proposed on July 27 did not include the anticipated costs to prepare the portion of the new permanent fire station property once the land purchase is completed. The additional funds would be used to prepare the portion of the site for the placement of the long-term temporary structures which will serve as the City’s fire station while the permanent fire station can be designed, funded, and constructed. The estimated cost for preparing the site is \$200,000.

The additional \$200,000 bond principle amount for a 15-year maturity term is estimated to increase the average annual debt service payment about \$16,000. It is proposed that the \$200,000 for site preparation costs be included in the bond issuance to reduce the need to use General Fund reserves at a time when the full economic impacts of COVID-19 are not known and the low interest rates potentially available to the City at this time.

15-year term, Private Placement, Estimates	Average Annual Debt Service (Par \$1.525 Million)	Average Annual Debt Service (Par \$1.725 Million)	Increase in Average Annual Debt Service
Interest Rate 2.0%	\$118,680	\$134,504	\$15,824
Interest Rate 2.5%	\$123,135	\$139,281	\$16,146

The attached Bond Ordinance is prepared for the bond issue amount not to exceed \$1.725 million.

TERMS OF THE BOND ORDINANCE

The proposed Bond Ordinance appoints the City Manager, or the Finance Director in absence of the City Manager, as the designated representative of the City and delegates the authority to approve the final terms of the Bond sales as the designated representative deems advisable and authorizes the issuance and sale of a limited tax general obligation bond, within the following parameters:

- Principal Amount: Not to exceed \$1.725 million
- Issuance Date: No later than December 2020
- Interest Rate: Not to exceed 4.0%
- Final Maturity: No later than 15 years
- Bond Project: Purchase of land for a new fire station, preparing a temporary fire station, which may include site preparation and other project-related costs, and other capital improvements.

The purchase of the land was approved by the City Council on July 13. At that time, the City Council authorized the City Manager to negotiate closing terms, pay the earnest money, and execute the purchase documents. At the time this report was written (Thursday, July 24, 2020), the documents that had been reviewed by the City’s special legal counsel and signed by the City Manager were being circulated for signature by the buyer.

The purchase agreement anticipates that the close of the sale would be Monday, October 5, 2020. As of July 23, 2020, the estimated bond closing date is October 1, 2020 and funds will be available on the day of the bond closing, so the City should be able to fund the purchase just prior to closing if the City Council suspends its rules requiring two readings of this proposed ordinance today, July 27, 2020.

PROJECT BUDGET

The below table provides the estimated project costs and funding status as of July 23, 2020:

	Amount
<u>Estimated Costs</u>	
Site Preparation at Arkansas Way	\$ 205,000
Temporary Fire Station Set Up	\$ 30,000
Purchase Apparatus Building and Tents	\$ 190,000
Site Feasibility Assessment & Preparing Preliminary A&E Document	\$ 45,000
Land Purchase - Earnest Deposit & Final Pay	\$ 1,200,000
Purchase Mobile Home Units	\$ 150,000
Site Preparation at new permanent fire station site	\$ 200,000
Bond Issuance Costs	\$ 25,000
Total Project Budget As of 7/23/2020	<u>\$ 2,045,000</u>
 <u>Funding Sources:</u>	
<u>Available funds:</u>	
Airport Fund	\$ 205,000
General Fund	\$ 30,000
Public Facilities Reserve Fund	\$ 85,000
Total available funds	\$ 320,000
Funding to be provided with bond issue	\$ 1,725,000
Total Funding Sources	<u>\$ 2,045,000</u>

The site preparation at 710 Arkansas Way is being paid for by the Airport Fund as site improvement investment that can be utilized by future tenants.

The costs of a temporary fire station set up at the Airport property, including lease of mobile home units, utility connections, and other operating expenses are paid by the General Fund.

\$85,000 is provided by Public Facilities Reserve Fund with funds earmarked for future fire station to cover the costs for feasibility and environmental assessment of the land, preparing for preliminary Architectural and Engineering (A&E) document, and a portion of costs related to a temporary fire station.

A bond issue in the amount of \$1,725,000 is needed to provide funding for the remaining project costs, including purchase price of the land (\$1.2 million), purchase of temporary fire station buildings (mobile home unit and fire apparatus bay building), site preparation of the permanent site to be suitable for a temporary fire station until the City can construct a permanent fire station, and \$25,000 for estimated bond issuance costs.

FISCAL IMPACT

The Bond constitutes a general indebtedness of the City and is payable from tax revenues of the City and such other money as is lawfully available and pledged by the City for payment of principal and interest on the Bond, including real estate excise taxes (REET).

Annual Debt service payment is proposed to be paid with REET funds (mostly with REET 1 funds). In the event that REET funds are not sufficient to pay annual debt service payments, the City's General Fund would be obligated to pay the difference.

The bond price, interest rate, and required annual debt service payments will be determined upon bond closing.

RECOMMENDATION

It is recommended that the City Council:

- 1) Suspend the rules requiring two reading of an ordinance.
- 2) Pass Bond Ordinance No. 1008-B on first and final reading.

SUGGESTED MOTION

First Motion: I move that the City Council suspend the rules requiring two readings of an ordinance.

Second Motion: I move that the City Council pass Bond Ordinance No. 1008-B on first and final reading.

CITY OF CHEHALIS, WASHINGTON

ORDINANCE NO. 1008-B

AN ORDINANCE of the City of Chehalis, Washington, providing for the issuance and sale of a limited tax general obligation bond in the principal amount of not to exceed \$1,725,000 to be used to finance the purchase of land for a new fire station, preparing a temporary fire station, and other capital improvements; fixing or setting parameters with respect to certain terms and covenants of the bond; appointing the City's designated representative to approve the final terms of the sale of the bond; and providing for other related matters.

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

Section 1. Definitions. As used in this ordinance, the following capitalized terms shall have the following meanings:

(a) “*Bond*” means the “City of Chehalis, Washington Limited Tax General Obligation Bond, 2020” authorized by this ordinance.

(b) “*Bond Fund*” means the debt service fund of the City created for the payment of the principal of and interest on the Bond.

(c) “*Bond Register*” means the registration records for the Bond maintained by the Bond Registrar.

(d) “*Bond Registrar*” means the City Finance Director, whose duties include registering and authenticating the Bond, maintaining the Bond Register, transferring ownership of the Bond, and paying the principal of and interest on the Bond.

(e) “*City*” means the City of Chehalis, Washington, a municipal corporation duly organized and existing under the laws of the State of Washington.

(f) “*City Council*” means the legislative authority of the City, as duly and regularly constituted from time to time.

(g) “*Code*” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

(h) “*Designated Representative*” means the officer of the City appointed in Section 4 of this ordinance to serve as the City's designated representative in accordance with RCW 39.46.040(2).

(i) “*Issue Date*” means the date of the delivery of the Bond to the Purchaser.

(j) “*Project*” means the purchase of land for a new fire station, preparing a temporary fire station, which may include site preparation and other project-related costs, and other capital improvements.

(k) “*Project Fund*” means the fund or account designated or created by the City for the purposes of carrying out the Project.

(l) “*Purchaser*” means the corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser for the Bond.

Section 2. Findings and Determinations. The City takes note of the following facts and makes the following findings and determinations:

(a) *Authority and Description of the Project.* The City is in need of financing the purchase of land for a new fire station, preparing a temporary fire station, which may include site preparation and other project-related costs, and other capital improvements. The City Council therefore finds that it is in the best interests of the City to carry out the Project.

(b) *Plan of Financing.* Pursuant to applicable law, including without limitation chapters 35.37, 39.36, 39.44, 39.46 and 39.52 RCW, the City is authorized to issue general obligation bonds for the purpose of financing the Project. The total expected cost of the Project is approximately \$1,700,000, which is expected to be made up of proceeds of the Bond and other available money of the City.

(c) *Debt Capacity.* The maximum amount of indebtedness authorized by this ordinance is \$1,725,000. Based on the following facts, this amount is to be issued within the amount permitted to be issued by the City for general municipal purposes without a vote:

(1) The assessed valuation of the taxable property within the City as ascertained by the last preceding assessment for City purposes for collection in the calendar year 2020 is \$769,615,890.

(2) As of June 30, 2020, the City had limited tax general obligation indebtedness, consisting of bonds and loans outstanding in the principal amount of \$2,657,468, which is incurred within the limit of up to 1½% of the value of the taxable property within the City permitted for general municipal purposes without a vote.

(3) As of June 30, 2020, the City had no unlimited tax general obligation indebtedness outstanding.

(d) *The Bond.* For the purpose of providing the funds necessary to carry out the Project and to pay the costs of issuance and sale of the Bond, the City Council finds that it is in the best interests of the City and its taxpayers to issue the Bond consistent with this ordinance.

Section 3. Authorization of the Bond. The City is authorized to borrow money on the credit of the City and issue a limited tax general obligation bond evidencing indebtedness in

the aggregate principal amount not to exceed \$1,725,000 to provide funds necessary to finance the Project and to pay the costs of issuance and sale of the Bond.

Section 4. Description of the Bond; Appointment of the Designated Representative. The City Manager, or the Finance Director in the absence of the City Manager, is appointed as the Designated Representative of the City and is authorized and directed to approve the final terms of the Bond, with such additional terms and covenants as the Designated Representative deems advisable, within the following parameters.

(a) *Principal Amount.* The Bond shall not exceed the aggregate principal amount of \$1,725,000.

(b) *Date.* The Bond shall be dated as of its date of delivery to the Purchaser, which date may not be later than December 31, 2020.

(c) *Interest Rate(s).* The Bond shall bear interest at a fixed rate or rates per annum as acceptable to the Designated Representative, which rate shall not exceed 4.00%.

(d) *Payment Dates.* Interest will be payable at the rate(s) and on such dates as are acceptable to the Designated Representative. Principal payments will be payable and shall commence on such payment date acceptable to the Designated Representative.

(e) *Final Maturity.* The Bond shall mature no later than 15 years from the Issue Date.

(f) *Price.* The purchase price for the Bond may be in an amount as is acceptable to the Designated Representative.

(g) *Other Terms and Conditions.*

(1) The Bond may not be issued if it would cause the indebtedness of the City to exceed the City's legal debt capacity on the Issue Date.

(2) The Bond may be sold in accordance with Section 13 of this ordinance.

(3) The Designated Representative may accept such additional terms, conditions and covenants as she or he may determine are in the best interests of the City, consistent with this ordinance.

Section 5. Bond Registrar; Registration and Transfer of the Bond. Pursuant to RCW 39.46.030(4) the City's Finance Director shall serve as initial fiscal agent for the City (the "Bond Registrar") with respect to the Bond and is authorized, on behalf of the City, to authenticate and deliver the Bond in accordance with the provisions of the Bond and this ordinance. The Bond shall be issued only in registered form as to both principal and interest and shall be recorded on books or records maintained by the Bond Registrar (the "Bond Register"). The Bond Register shall contain the name and mailing address of the owner of the Bond.

Upon a determination by the Finance Director that maintenance of the duties of the Bond Registrar is no longer convenient, the fiscal agent of the State of Washington shall act as Bond Registrar.

The Bond Registrar shall keep, or cause to be kept, at its office, sufficient books for the registration, assignment or transfer of the Bond, which books shall be open to inspection by the City at all times. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Bond transferred or exchanged in accordance with the provisions of the Bond and this ordinance, to serve as the City's paying agent for the Bond and to carry out all of the Bond Registrar's powers and duties under this ordinance.

The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on the Bond.

The Bond may be assigned or transferred only in whole by the Purchaser to a single investor that is a financial institution or an entity reasonably believed to be a qualified institutional buyer within the meaning of the applicable federal securities laws. Any transfer shall be without cost to the owner or transferee, except for governmental charges imposed on any such transfer or exchange. The Bond Registrar shall not be obligated to exchange or transfer the Bond during the 15 days preceding any payment or prepayment date. When the Bond has been paid in full, both principal and interest, the Bond shall be surrendered to the Bond Registrar, who shall cancel the Bond.

Section 6. Form and Execution of the Bond.

(a) *Form of the Bond; Signatures and Seal.* The Bond shall be prepared in a form consistent with the provisions of this ordinance and Washington law. The Bond shall be signed by the Mayor and the City Clerk, either or both of whose signatures may be manual or in facsimile, and the seal of the City or a facsimile reproduction thereof shall be impressed or printed thereon. If any officer whose manual or facsimile signature appears on the Bond ceases to be an officer of the City authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is authenticated by the Bond Registrar, or issued or delivered by the City, the Bond nevertheless may be authenticated, issued and delivered and, when authenticated, issued and delivered, shall be as binding on the City as though that person had continued to be an officer of the City authorized to sign bonds. The Bond also may be signed on behalf of the City by any person who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds, although he or she did not hold the required office on its Issue Date.

(b) *Authentication.* Only the Bond bearing a Certificate of Authentication in substantially the following form, manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance: "Certificate of Authentication. This Bond is the fully registered City of Chehalis, Washington, Limited Tax General Obligation Bond, 2020, described in the Bond Ordinance." The authorized signing of a Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered and is entitled to the benefits of this ordinance.

Section 7. Payment of the Bond. Both principal of and interest on the Bond shall be payable in lawful money of the United States of America and shall be paid by electronic transfer, unless payment by check or draft of the Bond Registrar is permitted by the Purchaser, and sent to the Purchaser so that the Purchaser receives said payments when due at the address appearing on the Bond Register. The Bond is not subject to acceleration under any circumstances.

Upon receipt of the final payment of principal of and interest on the Bond, whether at maturity or upon prepayment, the Purchaser shall present and surrender the Bond to the Bond Registrar to be destroyed or cancelled in accordance with law. The City and the Bond Registrar may deem and treat the Purchaser as the absolute owner of the Bond for the purpose of receiving payment of principal and interest and for all other purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary other than proper notice of assignment or transfer.

Section 8. Funds and Accounts; Deposit of Bond Proceeds.

(a) *Bond Fund.* The Bond Fund of the City is created for the sole purpose of paying principal of and interest on the Bond. All amounts allocated to the payment of the principal of and interest on the Bond shall be accounted for separately and shall be deposited in the Bond Fund as necessary for the timely payment of amounts due with respect to the Bond. The principal of and interest on the Bond shall be paid out of the Bond Fund. Until needed for that purpose, the City may invest money in the Bond Fund temporarily in any legal investment, and the investment earnings shall be retained in the Bond Fund and used for the purposes of that fund.

(b) *Project Fund.* The Project Fund is a fund of the City to be used to pay the costs of the Project. Proceeds received from the sale and delivery of the Bond shall be deposited into the Project Fund and used to pay the costs of the Project and costs of issuance of the Bond. Until needed to pay such costs, the City may invest those proceeds temporarily in any legal investment, and the investment earnings shall be retained in the Project Fund and used for the purposes of that fund, except that earnings subject to a federal tax or rebate requirement (if applicable) may be withdrawn from the Project Fund and used for those tax or rebate purposes.

Section 9. Prepayment. The City may prepay the Bond upon such terms as is acceptable to the Designated Representative.

Section 10. Failure to Pay the Bond. If any payment of the Bond is not paid when due, the City shall be obligated to pay interest on the Bond at the same rate provided in the Bond from and after its maturity or date fixed for prepayment until the Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Purchaser.

Section 11. Pledge of Taxes. The Bond constitutes a general indebtedness of the City and is payable from tax revenues of the City and such other money as is lawfully available and pledged by the City for the payment of principal of and interest on the Bond. For as long as the Bond is outstanding, the City irrevocably pledges that it shall, in the manner provided by law

within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bond as the same become due. The full faith, credit and resources of the City are pledged irrevocably for the prompt payment of the principal of and interest on the Bond and such pledge shall be enforceable in mandamus against the City.

Section 12. Tax Covenants.

(a) *Preservation of Tax Exemption for Interest on the Bond.* The City covenants that it will take all actions necessary to prevent interest on the Bond from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the Bond or other funds of the City treated as proceeds of the Bond that will cause interest on the Bond to be included in gross income for federal income tax purposes. The City also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the Bond, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the Bond.

(b) *Post-Issuance Compliance.* The Finance Director is authorized and directed to review and update, if necessary, the City's written procedures to facilitate compliance by the City with the covenants in this ordinance and the applicable requirements of the Code that must be satisfied after the Issue Date to prevent interest on the Bond from being included in gross income for federal tax purposes.

(c) *Designation of the Bond as a "Qualified Tax-Exempt Obligation."* The City designates the Bond as a "qualified tax-exempt obligation" for the purposes of Section 265(b)(3) of the Code, and makes the following findings and determinations:

(1) the Bond does not constitute a "private activity bond" within the meaning of Section 141 of the Code;

(2) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the City and any entity subordinate to the City (including any entity that the City controls, that derives its authority to issue tax-exempt obligations from the City, or that issues tax-exempt obligations on behalf of the City) will issue during the calendar year in which the Bond is issued will not exceed \$10,000,000; and

(3) the amount of tax-exempt obligations, including the Bond, designated by the City as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Bond is issued does not exceed \$10,000,000.

Section 13. Sale of the Bond. The Designated Representative shall request bids for the purchase of the Bond under or within the terms of this ordinance. A pricing certificate shall set forth the final terms of the Bond. The Designated Representative is authorized to execute the pricing certificate on behalf of the City, so long as the terms provided therein are consistent with the terms of this ordinance.

Section 14. Reporting Requirements. While the Bond is outstanding, the City shall submit to the Purchaser its annual financial reports within 30 days after receipt of such annual financial report from the Washington State Auditor and such additional information as the Purchaser may reasonably request.

Section 15. Default. The following events shall constitute a default under the Bond:

- (a) a failure to pay principal or interest on the Bond when due,
- (b) a failure by the City to comply with any of its obligations, or to perform any of its duties, under this ordinance, which failure continues and is not cured for a period of more than 60 days after the Purchaser has made written demand on the City to cure such failure, or
- (c) a material misrepresentation to the Purchaser by the City in the purchase of the Bond, as reasonably concluded by the Purchaser after investigation and discussion with the City.

If any default occurs as delineated in this section, the interest rate may be increased to a default interest rate (if any) acceptable to the Designated Representative and will be described in the pricing certificate, and the Purchaser may pursue any other remedies to which it is entitled under the Bond and this ordinance, at law or in equity.

Section 16. Governing Law; Waiver of Jury Trial. The Bond shall be governed and interpreted according to the laws of Washington. The City hereby irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding relating to this ordinance.

Section 17. General Authorization and Ratification. The Mayor, City Manager, Finance Director, City Clerk and other appropriate officers of the City are severally authorized to take such actions and to execute such documents as in their judgment may be necessary or desirable to carry out the transactions contemplated in connection with this ordinance, and to do everything necessary for the prompt delivery of the Bond to the Purchaser thereof and for the proper application, use and investment of the proceeds of the Bond. All actions taken prior to the effective date of this ordinance in furtherance of the purposes described in this ordinance and not inconsistent with the terms of this ordinance are ratified and confirmed in all respects.

Section 18. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 19. Effective Date of Ordinance. This ordinance shall take effect and be in force from and after its passage and five days following its publication as required by law.

PASSED by the City Council of the City of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this _____ day of _____, 2020.

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney

CERTIFICATION

I, the undersigned, City Clerk of the City of Chehalis, Washington (the "City"), hereby certify as follows:

1. The attached copy of Ordinance No. 1008-B (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on July 27, 2020, as that ordinance appears on the minute book of the City.

2. That in accordance with Proclamation 20-28, et. seq. made by the Governor of the State of Washington on March 24, 2020, as extended, and acts of the legislative leadership of the State of Washington, (a) such meeting was not conducted in person, and (b) one or more options were provided for the public to attend the such meeting remotely, including by telephone access, which mean(s) of access provided the ability for all persons attending the meeting remotely to hear each other at the same time; and

3. A quorum of the members of the City Council was present throughout the meeting and a majority of the members voted in the proper manner for the passage of the Ordinance.

4. That all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

5. The Ordinance will be in full force and effect five days after publication in the City's official newspaper, which publication date is expected to be Thursday, July 30, 2020.

Dated: July 27, 2020.

CITY OF CHEHALIS, WASHINGTON

City Clerk

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Jill Anderson, City Manager
BY: Trent Lougheed, Public Works Director
MEETING OF: July 27, 2020
SUBJECT: Inter-Local Agreement with Lewis County for Flood Warning System Cost Sharing

ISSUE

On October 20, 2014, the City entered into an Inter-Local Agreement with Lewis County for Cost Sharing of the Flood Warning System, which is administered by the Chehalis River Basin Flood Authority. This agreement needs to be renewed. A new agreement for 2020 through 2025 has been prepared for your consideration.

DISCUSSION

Lewis County serves as the Fiscal Agent for the Chehalis River Basin Flood Authority, and is responsible for a certain percentage of the annual cost of operating and maintaining the Chehalis River Basin Flood Warning System ("Flood Warning System"), including certain identified river/stream/precipitation gages located in Lewis County.

The City, as beneficiary of the Flood Warning System, had agreed to pay the County a percentage of the annual maintenance cost assessed by the County on behalf of the Flood Authority for operating and maintaining the Flood Warning System. These costs include, but are not limited to, acquisition, installation, and maintenance of certain river and precipitation gages, operational support, parts, operation and maintenance of the flood warning website, consultant fees, and other expenses directly related to the Flood Warning System, as authorized and approved by the Chehalis River Basin Flood Authority.

The cost allocation model used was approved in 2013 to determine the fees charged to each jurisdiction. It is based on (1) a basin-wide population charge, and (2) a historic flood damage-based charge.

FISCAL IMPACT

The estimated annual costs for the term of the proposed agreement are as follows:

2020	\$ 4,933.70
2021	\$ 5,488.45
2022	\$ 5,580.40
2023	\$ 5,674.17
2024/2025	TBD

RECOMMENDATION

The administration recommends that the City Council authorize the City Manager to execute the Inter-Local Agreement with Lewis County for Flood Warning System Cost Sharing.

SUGGESTED MOTION

I move that the City Council authorize the City Manager to execute the Inter-Local Agreement with Lewis County for Flood Warning System Cost Sharing.

**INTER-LOCAL AGREEMENT
FLOOD WARNING SYSTEM COST SHARING**

This Inter-local Agreement (AGREEMENT), is made and entered into pursuant to R.C.W. 39.34.080 and in conformance with R.C.W. 43.09.210 this ____ day of _____, 20____, by and between Lewis County (“County”) and the City of Chehalis (“City”), both political subdivisions of the State of Washington and members of the Chehalis River Basin Flood Authority (collectively “Parties”).

WHEREAS, the County serves as the Fiscal Agent for the Chehalis River Basin Flood Control Authority (“Flood Authority”); and

WHEREAS, the Flood Authority has approved the Parties’ agreement that the County shall bear a certain percentage of the annual cost of operating and maintaining the Chehalis River Basin Flood Warning System (“Flood Warning System”), including certain identified river/stream/precipitation gages located in Lewis County; and

WHEREAS, the City, as beneficiary of the Flood Warning System, has agreed to pay the County respectively for the annual maintenance cost assessed by the County on behalf of the Flood Authority for operating and maintaining the Flood Warning System; and

WHEREAS, the County and the City wish to memorialize the terms and conditions of their agreement in an inter-local agreement.

NOW, THEREFORE, THE PARTIES COVENANT AND AGREE as follows:

1. **CITY’S PURPOSE AND UNDERTAKING.** The City agrees to pay the County annually¹ for operation and maintenance of the Flood Warning System. These payments are intended to defray a portion of the Flood Authority’s annual assessment to Lewis County for the cost of the Flood Warning System. These costs include, but are not limited to, acquisition, installation, and maintenance of certain river and precipitation gages, operational support, parts, operation and maintenance of the flood warning website, consultant fees and other expenses directly related to the Flood Warning System, as authorized and approved by the Chehalis River Basin Flood Authority. The County will remit to the City an invoice on a biannual basis, the City agrees to reimburse the County within thirty (30) days of receiving payment request.
2. **COUNTY’S UNDERTAKING.** The County agrees to pay the Flood Authority’s approved contractor the amount duly approved and assessed each year by the Flood Authority to the County as the County’s share of the cost of the Flood Warning System. While Fiscal Agent for the Flood Authority and as duly directed by the Flood Authority, the County also will continue to collect and disburse to the appropriate contractor all contributions by other members of the Flood Authority toward the operation and maintenance cost of the Flood Warning System.
3. **NO SEPARATE ENTITY.** The Parties are not forming a separate entity as part of this Agreement. This Agreement shall not be deemed or construed to create a separate legal

entity or to create a joint venture or partnership among the Parties. Each Party represents and warrants that it has the authority to enter into this Agreement.

4. DURATION. This Agreement shall expire on December 31, 2025, unless terminated earlier pursuant to the provisions of this Agreement. Each Party may terminate its participation in this Agreement by depositing in the U. S. Mail, first class postage prepaid, or providing in person a written notice of termination addressed to the contact persons for each non-terminating Party as identified herein and at the address stated herein. The termination shall become effective thirty (30) days after it is postmarked or is hand-delivered to the non-terminating Party at the following addresses or as such addresses are amended by written Notice of Change of Address signed by the City Manager or Chair of the Board of County Commissioners, as applicable:
 - a. Lewis County: Chair of the Lewis County Board of County Commissioners, 351 NW North Street, Chehalis, WA 98532
 - b. City of Chehalis: City Manager, City of Chehalis, 350 N. Market Blvd., Room 101, Chehalis, WA 98532
6. AMENDMENT. With the exception of a change in notification address, this Agreement may be amended, altered or changed only by a written memorandum of agreement approved by the governing bodies of the parties and signed by the respective city managers and commissioners.
7. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington, and venue for any dispute arising hereunder shall be in the Superior Court for the State of Washington in Lewis County.

EXECUTED IN DUPLICATE and effective as of the date and year first above written.

APPROVED AS TO FORM:

City of Chehalis

By: Erin Hillier, City Attorney

Jill Anderson, City Manager

APPROVED AS TO FORM:
Jonathan Meyer, Prosecuting Attorney

BOARD OF COUNTY COMMISSIONERS
LEWIS COUNTY, WASHINGTON

By: Deputy Prosecuting Attorney

Gary Stamper, Chair

ATTEST:

Edna J Fund, Vice Chair

Rieva Lester, Clerk of the Board

Robert C. Jackson, Commissioner

Estimated Annual Cost	2020	2021	2022	2023	2024	2025
City of Chehalis	\$4,933.70	\$5,488.45	\$5,580.40	\$5,674.17	TBD	TBD



Executive Action, 11/01/2019:

1. 2020 annual costs and reimbursement rates approved by Executive Committee (Commissioners Raines, Fund and Menser).
2. Lewis County, as Flood Authority fiscal agent, directed to begin collecting payments.

November 1, 2019

TO: Flood Authority Executive Committee Members
FROM: Scott Boettcher, Staff
SUBJECT: 2020 Flood Warning System Budget and County Shares

Purpose of this memo is to discuss and allocate 2020 Flood Warning System annual costs (www.chehalisriverflood.com). This will be done via conference call this Friday, 11/01/2019, at 2:30. We walk through the following attachments to this memo:

- Attachment A – Breakdown and Comparison of Annual O & M Costs (2014 through 2023)
- Attachment B – Staff Recommendation
- Attachment C – Draft Outreach Content
- Attachment D – Flood Warning System Usage

Please feel free contact me with any questions (360/480-6600, scottb@sbgh-partners.com).

**Attachment A
Breakdown and Comparison of Annual O & M Costs (2014 through 2023)**

ORIGINAL O&M (showing 2% annual WEST cost-increase starting 2018)							ADDITIONAL O&M (outlined in red)					
Breakdown of Annual O & M Costs		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
WEST Consultants	<i>Gage maintenance</i> -- 10 gages (including 2 stream gages) located across basin.	\$ 38,438	\$ 38,438	\$ 38,438	\$ 38,438	\$ 39,206.76	\$ 39,991	\$ 40,791	\$ 41,607	\$ 42,439	\$ 43,287	
	<i>Gage maintenance</i> -- 2 additional stream gages.							\$ 5,600	\$ 11,424	\$ 11,652	\$ 11,886	
WEST Consultants	<i>Operational support</i> -- On-going support for website monitoring and updates for both routine operations and during potential flood events.	\$ 11,336	\$ 11,336	\$ 11,336	\$ 11,336	\$ 11,563	\$ 11,794	\$ 12,030	\$ 12,270	\$ 12,516	\$ 12,766	
WEST Consultants	<i>Spare parts inventory</i> -- Extra parts in event of broken or malfunctioning gages.	\$ -	\$ 6,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	
	<i>Spare parts inventory</i> -- 2 additional stream gages.							\$ -	\$ 1,000	\$ 1,000	\$ 1,000	
Blu Telecomm	<i>Webcam cell fees</i> -- 3 cell data plans (\$125/month).							\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	
OneRain	<i>Webcam subscription fees</i> -- 3 subscriptions (\$105/month).							\$ 1,260	\$ 1,260	\$ 1,260	\$ 1,260	
OneRain	<i>Website</i> -- One-rain annual subscription (260 sensors in and near Chehalis Basin).	\$ 3,811	\$ 3,811	\$ 5,261	\$ 5,261	\$ 5,500	\$ 5,877	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	
WEST Consultants	<i>Removal</i> -- Removal of gage, webcam infrastructure TBD at time of request.							\$ -	\$ -	\$ -	\$ -	
Lewis County	<i>Billing and processing.</i>	\$ -	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	
Total --> (Existing)		\$ 53,585	\$ 60,485	\$ 57,935	\$ 57,935	\$ 59,169	\$ 60,562	\$ 61,721	\$ 62,777	\$ 63,855	\$ 64,954	
								Total --> (New)	\$ 70,081	\$ 77,961	\$ 79,267	\$ 80,599
								Difference (Additional)	\$ 8,360	\$ 15,184	\$ 15,412	\$ 15,646
<p>Note 1 -- ADDITIONAL O&M = 3 new webcams (2019), 2 new stream gages (2017). Note 2 -- O&M projection for 2020 to 2023 based on 2 additional stream gages being installed summer 2017. State Capitol Budget pays for installation and calibration through June 2020. Flood Authority pays for O&M starting July 2020. 2020 cost will be for half the year. First full year of O&M for 2 additional stream gages will be 2021. See 2017 Flood Authority memo at following link: https://www.ezview.wa.gov/Portals/1492/images/Staff%20memo%20--%20New%20gages%20%20--%2020152017(1).pdf</p>												

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**Attachment B
Staff Recommendation**

I. Recap of 2014-2019 Allocation Approach

Annual cost for 2014, 2015, 2016, 2017, 2018 and 2019 were allocated among Flood Authority counties as follows:

- o Grays Harbor County -- 22%.
- o Lewis County -- 64%.
- o Thurston County -- 14%.

The method behind this allocation was as follows:

- o 50% of the allocation was based on populations of communities prone to flooding.
- o 50% was based on historic FEMA flood insurance payments.

This allocation approach was unanimously supported by Flood Authority beginning in 2014 (see [here](#)).

II. Staff Recommendation

Flood Authority agrees to use the same allocation approach as last year (see [here](#)) on the basis that relatively not a lot has changed in the Basin in terms of population shifts and/or exposure to flood risk, i.e., Lewis County still has largest population and risk exposure in the Basin.

2020 annual costs are proposed in the same manner as 2019 with Grays Harbor County paying 22% of costs, Lewis County paying 64% of costs, and Thurston County paying 14% of costs. 2020 costs are:

	2019	2020	Difference (increase)
Grays Harbor County (22%)	\$13,323.73	\$15,417.72	\$2,093.99
Lewis County (64%)	\$38,759.94	\$44,851.56	\$6,091.62
Thurston County (14%)	\$8,478.74	\$9,811.28	\$1,332.54

Increased costs are due to increased O&M from recent Flood Authority approved expansions to Flood Warning System (new gages, new webcams). Costs are warranted, especially given consistently increasing usage of system (discussed further in Attachments C and D).

Staff and Lewis County (as fiscal agent) are directed to implement and prepare payment schedules (1st half due 3/31/2020; 2nd half due 7/31/2020).

Note: Lewis County, acting as fiscal agent for the Flood Authority, has historically handled billing and processing for payments associated with the Flood Warning System. It is assumed this practice will continue for 2020. It should be noted however that Lewis County's role could be modified/adjusted as further thought and consideration is put into ownership, operation and maintenance of the Flood Warning System in light of the Office of Chehalis Basin and Lewis County Flood Control Zone District assuming more prominent roles.

**Attachment C
Draft Outreach Content**

I. Flood Warning System Usage (1)

Increasing annual O&M costs are warranted when Flood Warning System usage increases. One measure of usage is email gage alert sign-ups. As alert sign-ups increase, per capita costs decrease.

Flood Season	Gage Alert Sign-Ups	Annual O&M Cost	Per Sign-Up Cost
2013/14	n/a	\$ 53,585	
2014/15	379	\$ 60,485	\$ 159.59
2015/16	845	\$ 57,935	\$ 68.56
2016/17	951	\$ 57,935	\$ 60.92
2017/18	984	\$ 59,169	\$ 60.13
2018/19	1037	\$ 60,562	\$ 58.40
2019/20	1500	\$ 70,081	\$ 46.72
2020/21	1600	\$ 77,961	\$ 48.73
2021/22	1700	\$ 79,267	\$ 46.63
2022/23	1800	\$ 80,599	\$ 44.78

II. Draft Outreach Content (for letter or email)

To continue to increase gage alert sign-ups, as (1) an inexpensive way to keep citizens, businesses, first-responders, etc. informed of changing river conditions and (2) a way of continuing to lower per capita costs, a targeted outreach campaign for the month of November 2019 is planned. First on the order is outreach to churches and faith communities in the Basin to increase gage alert sign-ups.

DRAFT email outreach content . . .
<p>Dear **name**:</p> <p>My name is Scott Boettcher. I am staff to the Chehalis River Basin Flood Authority.</p> <p>I am contacting you to raise your awareness of the Chehalis River Basin Flood Warning System (www.chehalisriverflood.com) and would like to ask that you share the attached with your congregation.</p> <p>The Chehalis River Basin Flood Warning System provides an email alert flood notification program. The email alert flood notification program allows individuals and organizations to sign-up to receive automatic email alerts from select river gages once those river gages reach elevated and potentially threatening flood levels. The Chehalis River Basin Flood Warning System is one way the Chehalis River Basin Flood Authority is working to ensure Basin residents are flood aware and flood prepared.</p> <p>Here are some additional resources:</p>

- 2019-20 Flood Alert Sign-Up Information --> Click [here](#).
- Interactive Gage Alerts map --> Click [here](#).
- Flood Warning System icon for posting to your website --> Click [here](#) (option 1), [here](#) (option 2).

Thank you for your consideration and feel free to contact me to discuss further.

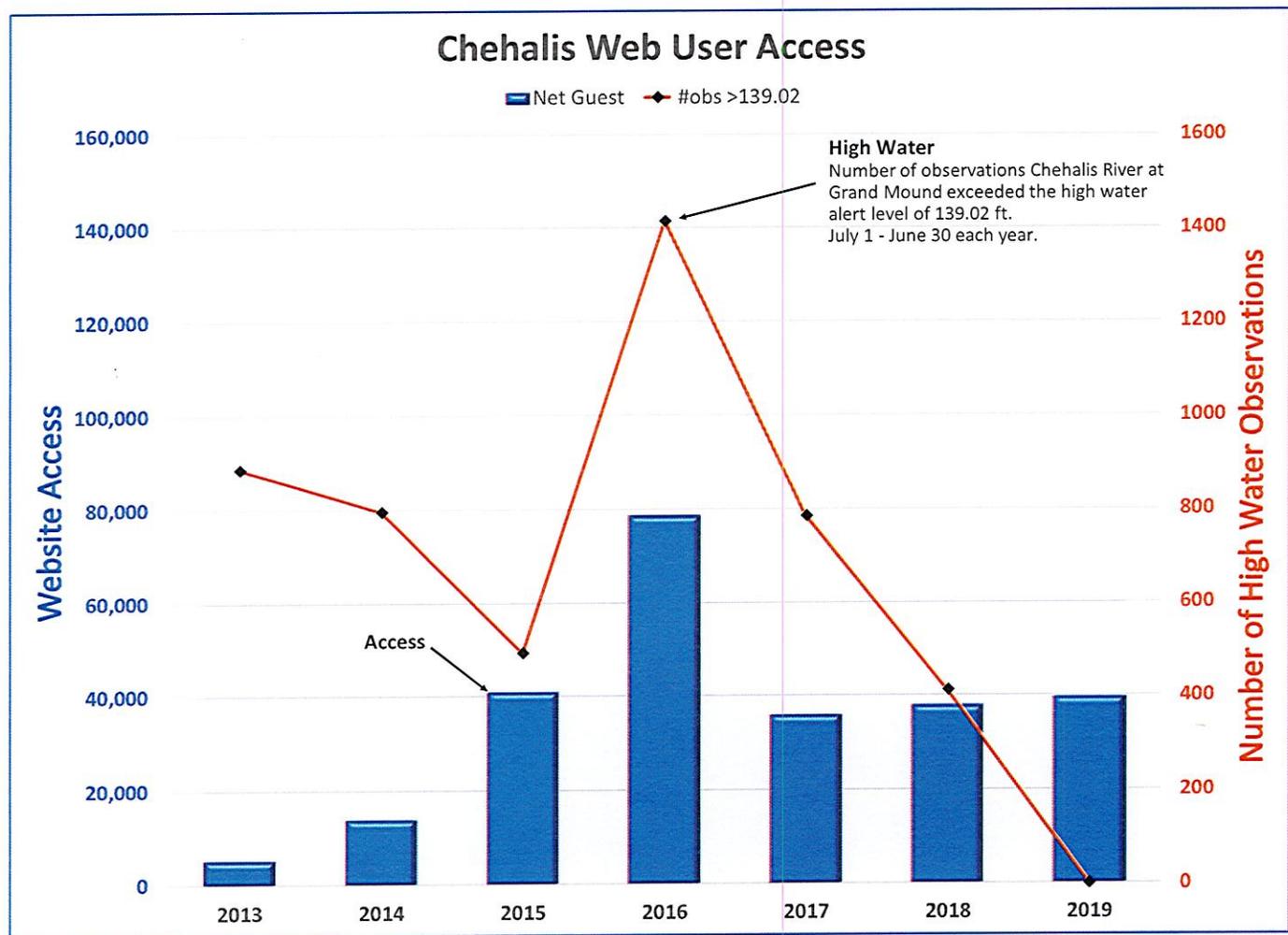
Scott

Be Aware, Be Prepared.

Scott Boettcher, Staff
Chehalis River Basin Flood Authority
360/480-6600
scottb@sbgh-partners.com

Attachment D Flood Warning System Usage (2)

As river levels rise (orange), Flood Warning System website usage rises (blue). Usage has been steady to slightly growing, even with recent drier flood seasons. Website usage appears to be becoming in-grained in the community.



- ✓ 2013 -2015 -- Initial growth as website awareness spreads.
- ✓ 2016 – Usage spiked as high-water observations spiked.
- ✓ 2017-2019 – Slow, steady growth in usage despite drop in high-water observations.

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**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Jill Anderson, City Manager
BY: Chun Saul, Finance Director
MEETING OF: July 27, 2020
SUBJECT: 2020 Second Quarter Financial Status Report

DISCUSSION

This document provides a summary review of the City’s financial activities and status for the second quarter 2020.

The part of the report provides a summary of all City funds with their beginning cash balances, total revenues and transfers in, total expenditures and transfers out, changes in fund balances during the year, and estimated ending cash balances. The second part of the report provides two-year comparative financial data of year-to-date (YTD) actual revenues and expenditures compared to the budget for the General Fund and the major enterprise funds.

The reports have been formatted to be consistent with the budget for ease of comparison and review of information. Comparisons and variances shown are based on straight line projections. **The YTD target for June is 50% (6 of 12 months).**

CITY-WIDE OVERVIEW

Overall, on a city-wide basis, the city has received \$12,573,540 or 48.6% of the 2020 revenue budget (including transfers-in) and has expensed \$11,842,221 or 40.4% of the 2020 expenditures budget (including transfers-out) through June.

Chehalis City-Wide, All Funds	2020 Budget	2020 YTD 6/30/2020	YTD % of Budget	Budget to Actual Variance Positive (Negative)
Revs. & Transfers In	\$ 25,881,487	\$ 12,573,540	48.6%	\$ (367,204)
Exps. & Transfers Out	29,291,890	11,842,221	40.4%	2,803,724
Increase (Decrease) in Fund Balance	(3,410,403)	731,319	-21.4%	\$ 2,436,520
Beginning Fund Balance	23,401,490	23,401,491	100.0%	11,700,746
Ending Fund Balance	\$ 19,991,087	\$ 24,132,810	120.7%	\$ 14,137,266

Total YTD revenues received is 1.4% or \$367,204 below the YTD target amount. Sales tax, state grant, and recreation program revenues are the key factors for this variance, which is explained in more detail in the General Fund revenues section below.

Total YTD expenditures is 9.6% or \$2,803,724 below the YTD target amount and consisted of the following expenditure categories: Salaries and benefits \$478,560; supplies \$103,360; services \$446,154, capital outlays \$1,530,335, and debt service and other \$245,315.

YTD payroll expenditures is 4.2% or \$478,560 below the YTD target amount. This variance is due to certain positions that were budgeted but are currently vacant and reduced staffing level for part-time employees. About 50% of the variance is for General Fund positions. Due to the revenue lost due to the COVID-19 pandemic and anticipated ongoing losses related to the pandemic, the administration will leave most of the vacant positions unfilled for the remainder of the year.

YTD capital outlay expenditures is 28.8% of the 2020 budget and is \$1,530,335 below the six-month target. Most of this variance is for transportation and water utility infrastructure projects.

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

GENERAL FUND OVERVIEW

The General Fund’s YTD total revenue is \$316,673 below the six-month target amount. Total YTD expenditures is \$573,930 below the six-month target amount. YTD total revenues exceeded the total expenditures by \$64,847. The fund balance as of June 30, 2020 is \$1,526,971, which is about 14.8% of the General Fund revenue budget.

	2020 Budget	YTD Actual 6/30/2020	YTD Actual % of Budget	Actual vs. Target Positive (Negative)
Chehalis General Fund				
Revenues & Transfers-In	\$ 10,294,652	\$ 4,830,654	46.9%	\$ (316,673)
Expenditures & Transfers-Out	10,679,474	4,765,807	44.6%	573,930
Revenues Over (Under) Expenditures	(384,822)	64,847	-16.9%	257,257
Beginning Fund Balance	1,490,637	1,462,124		
Ending Fund Balance	\$ 1,105,815	\$ 1,526,971		
Ending Fund Balance % of Revenue Budget		14.8%		

General Fund Revenues:

Total YTD tax revenues received is \$4,268,238 or 48.9% of the 2020 budget. This is \$95,835 below the YTD target amount. Some of this variance is explained below:

Property Tax: YTD received is \$1,074,345 or 55.4% of the 2020 budget. This is \$105,424 ahead of the six-month target. This is the normal trend for this time of the year.

Sales Tax: YTD revenue received is \$2,333,371 or 45.3% of the 2020 budget. This is \$240,379 below the six-month target amount and a \$217,313 or 8.5% decline from a year ago. This total includes local sales and use tax, Brokered Natural Gas sales tax, and Criminal Justice sales tax.

Sales taxes from motor vehicle and parts dealer groups decreased by \$119,912 or 21.3% from a year ago. Whereas, sales tax from general merchandise stores and building material and garden supplies stores increased by \$31,307 (7.8%) and \$31,088 (12.0%) from a year ago, respectively. Sales taxes from

construction groups declined by \$63,401 (or 36.2%), and sales taxes from non-construction groups also declined by \$115,114 (or 5.2%) from a year ago.

Sales tax received in the first half of 2020 is for sales from November 2019 through April 2020. Due to the COVID-19 pandemic and the Governor's Stay Home, Stay Safe order that went into effect on March 23, 2020, sales activities in March and April were impacted greatly. In addition, businesses that are affected by COVID-19 pandemic can request an extension for filing tax returns and/or paying the taxes until July 2020. It is hard to know at this time how much of March and April sales tax decline is due to the tax payment deferrals and how much is due to actual sales decline.

Sales taxes for January and February sales increased slightly from a year ago. However, March 2020 sales tax revenues distributed to the City through June is about \$153,000 (or 35%) less than last year. April sales taxes distributed to the City through June is about \$38,200 (or 9.8%) less than last April.

We are anticipating substantial sales tax revenue decline in 2020 due to the COVID-19 pandemic and the Governor's stay home order and social distancing measures in place. The length of time these measures are in place and the full extent of the financial impact on the City of Chehalis is unknown at this time; however, current projections for sales tax revenue loss in 2020 is estimated to be about 10.5% to 12.5% decline from 2019, which is ranging from \$516,000 to \$619,000. Sales tax revenue trend will be closely monitored for the next few months and the revenue loss projections for 2020 and 2021 will be updated as we receive new information. We will have a better idea of the extent of the revenue loss in or about August.

Utility Tax: YTD received is \$830,432 or 52.1% of the 2020 budgeted amount and is \$34,114 ahead of the YTD target. Electricity and gas utility tax revenues are ahead of the YTD target; whereas, cable, telephone, water and wastewater utility tax revenues are slightly below the six-month target.

Non-tax revenues include licenses and permit fees, charges for goods and services, recreation program fees, fines, and other miscellaneous revenues. YTD non-tax revenue received is 36.0% of the 2020 budget. This is about \$197,925 below the six-month target amount. Intergovernmental revenues and recreation program revenues are two of the key contributing factors for YTD revenues falling behind the six-month target amount. Intergovernmental revenue budget includes a \$316,676 reimbursement grant related to the flood storage mitigation project, which has not been started. Recreation program revenue is budgeted for \$202,650; however, only \$11,509 or 5.7% has been received. Typically, a substantial amount of recreation program revenue is received during the summer months. However, due to the COVID-19 impacts, it is anticipated that the City may lose about \$121,500 or 60% of recreation program revenues in 2020.

General Fund Expenditures and Transfers-out

Total expenditures and transfers-out for the first quarter is \$4,765,807 or 44.6% of the 2020 budget. This is \$573,935 below the six-month target amount and consisted of the following expenditure categories: Salaries and benefits \$240,499; Supplies \$80,337; Services \$307,194; and all other (\$54,097).

Expenditures by Departments:

YTD expenditures for most departments are within the six-month target amount. City Manager and Legal Services departments slightly exceeded the six-month target amounts.

Planning and Building department has used 23.1% of the 2020 budget. This is \$167,497 below the six-month target amount. One of the key factors for this variance is the \$316,676 appropriated budget for professional services for grant funded flood storage master plan that has not been expensed.

Recreation department has expensed 31.9% of the 2020 budget. The department budget includes part-time pool staff wages and benefits, which has not been spent as of June. Due to the COVID-19 impacts, it is expected that a significant portion of the part-time payroll and professional services budgets will not be used in 2020.

YTD expenditures for public safety (police and fire) is \$2,836,227 and makes up about 60.0% of the total general fund expenditures. YTD expenditures for public works streets and facilities/parks is \$792,594 and make up about 17.0% of the total general fund expenditures.

Expenditures by Category:

Payroll: YTD payroll expenditures totaled \$3,523,224 or 46.8% of the 2020 budget and makes up about 73.9% of the total General Fund expenditures through June. The YTD expended is \$240,499 below the six-month target. This budget savings is attributable to not filling certain budgeted positions, including one police officer, one part-time parking enforcement officer, and three firefighters (one vacant position from the beginning of 2020, one resigned in March, and one retired at the end of June). In addition, departments are holding off or reducing hiring of part-time staff in an effort to mitigate the anticipated revenue losses due to the COVID-19 pandemic.

Supplies: Overall YTD expenditures for supplies is \$164,441 or 33.6% of the 2020 budget. This is about \$80,337 below the six-month target. This category includes office supplies, parts and supplies for public works operations, and minor tools and equipment.

Services: Overall YTD expenditures for services is \$949,823 or 37.8% of the 2020 budget. This is about \$307,191 below the six-month target. This category includes insurance, professional services, repairs and maintenance of facilities, computer software & hardware maintenance, utilities, phone service, and intergovernmental services. As mentioned in the Planning and Building department budget section, about \$158,340 of this variance is related to professional services budget for flood storage master plan study that has not yet been used.

Bottom Line: Overall, the general fund operated within the budget parameters.

ENTERPRISE FUNDS OVERVIEW

WASTEWATER FUND

YTD operating revenues received is \$2,792,792 or 50.1% of the 2020 budget. This is \$2,814 ahead of six-month target amount. YTD charges for wastewater services is 51.4% of the budget and is \$68,566 ahead of the six-month target. YTD operating expenditures is \$1,471,419 or 46.5% of the 2020 budget. This is about \$110,694 below the six-month target. YTD capital expenditures is \$436,279 or 72.5% of the 2020 budget. YTD total expenditures exceeded total revenues by \$56,544.

WATER FUND

YTD operating revenues received is \$1,302,976 or 41.5% of the 2020 budget. This is \$266,394 below the six-month target amount. YTD charges for water services is 42.8% of the 2020 budget and is \$205,911

below the six-month target amount. However, this is the normal trend for this time of year. Historically, water consumptions go up during the summer and fall months. Utility hookup and connection fee revenue is budgeted for \$131,770, but only \$20,573 or 15.6% has been realized through June. YTD operating expenditures is \$1,080,317 or 46.1% of the 2020 budget. This is \$90,709 below the six-month target. YTD total revenues exceeded total expenditures by \$88,626.

STORM AND SURFACE WATER FUND

YTD operating revenues received is \$374,753 or 50.9% of the 2020 budget. This is \$6,905 ahead of the six-month target amount. YTD operating expenditures is \$270,241 or 53.2% of the 2020 budget. YTD expenditures for wages paid is 58.0 % of the 2020 budget and is \$19,747 ahead of the six-month target amount. This is attributable to accrual cash outs for retired employees. YTD total revenues exceeded total expenditures by \$100,540.

AIRPORT FUND

YTD operating revenues received is \$924,009 or 55.0% of the 2020 budget. This is \$83,312 ahead of the six-month target amount. Fuel sales revenue exceeded the six-month target by \$98,208 or 18.4% of the 2020 fuel sales budget. Whereas, rent and lease revenue is 48.2% of the 2020 budget and \$20,340 below the six-month target amount. This variance is due to a combination of a refund issued to one of the tenants and the timing of receipts (June lease payments received in early July).

YTD operating expenditures is \$650,736 or 56.3% of the 2020 budget. This exceeds the six-month target by \$72,359. This variance is due to increase in fuel purchased for resale. YTD fuel purchased for resale is 66.7% of the 2020 budget and exceeds the six-month target amount by \$73,505. YTD total revenues exceeded total expenditures by \$401,604.

TREASURER’S REPORT – CASH AND INVESTMENTS

The city’s total cash, deposits, and investments as of June 30, 2020 is \$24,132,810. About 85 % or \$20,595,072 of the city’s cash is invested and earns interests. The remaining 15% or \$3,637,738 is deposited in non-interest-bearing checking accounts to cover on-going operational cash flow needs. A summary of cash funds and investment types are as follows:

City of Chehalis Cash, Deposits & Investment - Total Combined All Funds		
Account Type	Balance 6/30/2020	% of Total
Checking & Revolving Cash Fund	3,637,738	15.1%
Money Market & Savings	187,499	0.8%
Local Government Investment Pool (LGIP)	19,305,961	80.0%
US Govt Agency Securities (Bonds)	1,001,612	4.2%
Total	\$ 24,132,810	100.0%

Only 6.3% or \$1,526,971 of the total cash and investments belongs to the General Fund. Other than the General Fund, all other funds are restricted or committed funds which account for specific revenues or resources that are legally restricted or designated to finance particular activities of the city, such as utilities and Airport.

Total YTD investment interest earnings through June 30, 2020 totaled \$144,501. The LGIP average net earnings rate for the first six-months in 2020 and 2019 were 1.0625% and 2.5117%, respectively. The LGIP net earnings rate has declined from 1.7225% from the beginning of 2020 to 0.3698% at the end of June 2020. Total YTD interest earnings in 2020 declined by \$276,644 from a year ago.

FISCAL IMPACT

As shown.

RECOMMENDATION

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

SUGGESTED MOTION

N/A

City of Chehalis



Quarterly Council Financial Report Second Quarter 2020

For the Period Ending
June 30, 2020
(January through June)

The City of Chehalis, Washington

City of Chehalis
 Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
 2020 Second Quarter Financial Statements - All Funds
 As of June 30, 2020

Fund Type/Name	Beginning Fund Balance		Revenues & Transfers			Expenditures & Transfers			Changes in Fund Balance		Ending Fund Balance	
	2020 Amended Budget	Actual 1/1/2020	2020 Amended Budget	YTD 6/30/2020 Actual	YTD % of Budget	2020 Amended Budget	YTD 6/30/2020 Actual	YTD % of Budget	2020 Amended Budget	YTD 6/30/2020 Actual	2020 Amended Budget	Actual 6/30/2020
General Funds:												
General Fund	\$ 1,490,637	\$ 1,462,124	\$ 10,294,652	\$ 4,830,654	46.9%	\$ 10,679,474	\$ 4,765,807	44.6%	\$ (384,822)	\$ 64,847	1,105,815	\$ 1,526,971
Dedicated Street Fund	222,014	222,014	52,580	23,327	44.4%	201,520	36,746	18.2%	(148,940)	(13,419)	73,074	208,595
Building Abatement Fund	103,032	103,032	1,600	487	30.4%	45,000	-	0.0%	(43,400)	487	59,632	103,519
Compensated Absences Fund	196,908	196,908	3,640	929	25.5%	71,488	-	0.0%	(67,848)	929	129,060	197,837
Total General Funds	2,012,591	1,984,078	10,352,472	4,855,397	46.9%	10,997,482	4,802,553	43.7%	(645,010)	52,844	1,367,581	2,036,922
Special Revenue Funds:												
Arterial Street Fund	121,703	121,703	162,399	66,544	41.0%	166,019	39,438	23.8%	(3,620)	27,106	118,083	148,809
Transportation Benefit Dist. Fund	2,166,644	2,166,644	1,882,495	535,779	28.5%	2,354,545	167,999	7.1%	(472,050)	367,780	1,694,594	2,534,424
Tourism Fund	420,501	420,501	243,630	85,570	35.1%	562,483	130,946	23.3%	(318,853)	(45,376)	101,648	375,125
Community Block Grant Fund	24,454	24,454	480	115	24.0%	1,000	-	0.0%	(520)	115	23,934	24,569
HUD Block Grant Fund	87,927	87,927	1,720	415	24.1%	2,000	-	0.0%	(280)	415	87,647	88,342
LEOFF 1 OPEB Reserve Fund			233,549	162,567	69.6%	223,500	71,209	31.9%	10,049	91,358	10,049	91,358
Total Special Revenue Funds	2,821,229	2,821,229	2,524,273	850,990	33.7%	3,309,547	409,592	12.4%	(785,274)	441,398	2,035,955	3,262,627
Debt Service Funds:												
2011 G.O. Bond Fund	1	1	160,914	160,914	100.0%	160,915	41,303	25.7%	(1)	119,611	-	119,612
Total Debt Service Fund	1	1	160,914	160,914	100.0%	160,915	41,303	25.7%	(1)	119,611	-	119,612
Capital Project Funds:												
Public Facilities Reserve Fund	1,036,190	1,066,995	800,824	755,221	94.3%	1,586,356	1,108,895	69.9%	(785,532)	(353,674)	250,658	713,321
Automotive/Equip. Reserve Fund	240,631	240,631	3,640	1,090	29.9%	202,083	33,015	16.3%	(198,443)	(31,925)	42,188	208,706
First Quarter REET Fund	136,249	136,249	112,980	50,170	44.4%	39,982	39,982	100.0%	72,998	10,188	209,247	146,437
Second Quarter REET Fund	152,571	152,571	113,300	50,251	44.4%	33,156	33,155	100.0%	80,144	17,096	232,715	169,667
Total Capital Project Funds	1,565,641	1,596,446	1,030,744	856,732	83.1%	1,861,577	1,215,047	65.3%	(830,833)	(358,315)	734,808	1,238,131
Proprietary Funds:												
Garbage Fund	8,002	8,002	6,730	4,681	69.6%	6,610	1,110	16.8%	120	3,571	8,122	11,573
Wastewater Fund	5,377,922	5,374,992	5,580,395	2,793,272	50.1%	5,649,514	2,849,816	50.4%	(69,119)	(56,544)	5,308,803	5,318,448
Water Fund	7,967,277	7,967,916	3,208,280	1,348,761	42.0%	4,672,394	1,260,135	27.0%	(1,464,114)	88,626	6,503,163	8,056,542
Storm & Surface Water Fund	1,460,054	1,460,054	735,695	374,753	50.9%	682,833	274,213	40.2%	52,862	100,540	1,512,916	1,560,594
Airport Fund	1,169,630	1,169,630	1,975,594	1,216,587	61.6%	1,598,238	814,983	51.0%	377,356	401,604	1,546,986	1,571,234
Total Proprietary Funds	15,982,885	15,980,594	11,506,694	5,738,054	49.9%	12,609,589	5,200,257	41.2%	(1,102,895)	537,797	14,879,990	16,518,391
Fiduciary Funds:												
Firemen's' Pension Fund	1,013,143	1,013,143	31,050	4,456	14.4%	80,270	72,393	90.2%	(49,220)	(67,937)	963,923	945,206
City Agency Fund	6,000	6,000	275,340	106,997	38.9%	272,510	101,076	37.1%	2,830	5,921	8,830	11,921
Total Fiduciary Funds	1,019,143	1,019,143	306,390	111,453	36.4%	352,780	173,469	49.2%	(46,390)	(62,016)	972,753	957,127
TOTAL ALL CITY FUNDS	\$ 23,401,490	\$ 23,401,491	\$ 25,881,487	\$ 12,573,540	48.6%	\$ 29,291,890	\$ 11,842,221	40.4%	\$ (3,410,403)	\$ 731,319	\$ 19,991,087	\$ 24,132,810

Note: May contain rounding differences of +/-1

City of Chehalis
Comparative Revenues, Expenditures, and Fund Balances - Budget to Actual
June 2019 and 2020
General Fund

GENERAL FUND (#001)	2019		2019 YTD % of	2020		YTD Target % *	2020 YTD % of Budget	Variance YTD Target vs. Actual	Change YTD Actual 2019-2020
	Amended Budget	YTD Actual 6/30/2019		Amended Budget	YTD Actual 6/30/2020	50.00%			
Revenues:									
Taxes:									
Property Taxes	\$ 1,926,749	\$ 999,773	51.9%	\$ 1,937,842	\$ 1,074,345	55.4%	\$ 105,424	\$ 74,572	
Sales and Use Taxes	5,142,110	2,550,684	49.6%	5,147,500	2,333,371	45.3%	(240,379)	(217,313)	
Utility Taxes	1,576,490	807,314	51.2%	1,592,635	830,432	52.1%	34,114	23,118	
Other Taxes	46,670	30,138	64.6%	50,168	30,090	60.0%	5,006	(48)	
Total Taxes	8,692,019	4,387,909	50.5%	8,728,145	4,268,238	48.9%	(95,835)	(119,671)	
Non-Tax Revenues:									
Licenses and Permits	200,575	110,794	55.2%	199,780	99,488	49.8%	(402)	(11,306)	
Intergovernmental Revenues	361,521	124,471	34.4%	606,442	193,917	32.0%	(109,304)	69,446	
Charges for Goods & Services:									
General Government	14,350	5,304	37.0%	13,450	5,618	41.8%	(1,107)	314	
Public Safety	121,862	37,211	30.5%	64,090	46,324	72.3%	14,279	9,113	
Economic Development	91,710	34,437	37.5%	51,760	22,156	42.8%	(3,724)	(12,281)	
Culture & Recreation	193,900	56,567	29.2%	202,650	11,509	5.7%	(89,816)	(45,058)	
Physical Environment	215	-	0.0%	430	-	0.0%	(215)	-	
Total for Charges for Goods & Services	422,037	133,519	31.6%	332,380	85,607	25.8%	(80,583)	(47,912)	
Fines and Forfeitures	120,110	61,656	51.3%	120,190	59,111	49.2%	(984)	(2,545)	
Miscellaneous	157,995	93,373	59.1%	155,690	71,193	45.7%	(6,652)	(22,180)	
Total Non-Tax Revenues	1,262,238	523,813	41.5%	1,414,482	509,316	36.0%	(197,925)	(14,497)	
Other Fund Sources:									
Custodial Activity	104,405	54,051	51.8%	107,025	53,100	49.6%	(413)	(951)	
Transfers-in	80,000	80,000	100.0%	45,000	-	0.0%	(22,500)	(80,000)	
Total Other Fund Sources	184,405	134,051	72.7%	152,025	53,100	34.9%	(22,913)	(80,951)	
Total Revenues	\$ 10,138,662	\$ 5,045,773	49.8%	\$ 10,294,652	\$ 4,830,654	46.9%	\$ (316,673)	\$ (215,119)	
Expenditures									
Expenditures by Department:									
City Council	\$ 97,825	\$ 44,871	45.9%	\$ 98,801	\$ 37,836	38.3%	\$ 11,565	\$ (7,035)	
Municipal Court	497,978	231,078	46.4%	501,538	234,726	46.8%	16,043	3,648	
City Manager	201,348	92,448	45.9%	194,331	104,342	53.7%	(7,177)	11,894	
Finance	299,503	140,575	46.9%	316,578	133,325	42.1%	24,964	(7,250)	
City Clerk	86,347	36,198	41.9%	85,367	41,190	48.3%	1,494	4,992	
Legal Service	78,183	33,286	42.6%	74,633	38,063	51.0%	(747)	4,777	
Facilities and Parks	1,173,217	558,109	47.6%	1,163,272	541,049	46.5%	40,587	(17,060)	
Non-Departmental	1,373,097	838,669	61.1%	441,245	181,731	41.2%	38,892	(656,938)	
Human Resources	202,578	70,734	34.9%	127,761	62,125	48.6%	1,756	(8,609)	
Police	3,305,621	1,598,743	48.4%	3,476,132	1,628,796	46.9%	109,270	30,053	
Fire	2,362,379	1,180,475	50.0%	2,462,667	1,207,431	49.0%	23,903	26,956	
Public Works - Streets	616,810	268,144	43.5%	613,687	251,545	41.0%	55,299	(16,599)	
Planning & Building	391,443	201,511	51.5%	622,837	143,922	23.1%	167,497	(57,589)	
Recreation	482,879	202,811	42.0%	500,625	159,726	31.9%	90,587	(43,085)	
Total Expenditures	11,169,208	5,497,652	49.2%	10,679,474	4,765,807	44.6%	573,930	(731,845)	
Excess (Deficiency) Revenues Over (Under) Expenditures	\$ (1,030,546)	\$ (451,879)	43.8%	\$ (384,822)	\$ 64,847	-16.9%	257,257	\$ 516,726	
Beginning Fund Balance	1,804,262	1,804,262	100.0%	1,490,637	1,462,124	98.1%	-	(342,138)	
Ending Fund Balance	\$ 773,716	\$ 1,352,383	174.8%	\$ 1,105,815	\$ 1,526,971	138.1%	\$ 257,257	\$ 174,588	

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City of Chehalis
Expenditures by Category - Budget to Actual
June 2019 and 2020
General Fund

GENERAL FUND (#001)	2019		2019 YTD % of	2020		YTD Target % *	2020 YTD % of Budget	Variance YTD Target vs. Actual	Change YTD Actual 2019- 2020
	Amended Budget	YTD Actual 6/30/2019		Amended Budget	YTD Actual 6/30/2020	50.00%			
Expenditures by Category:									
Salaries	\$ 5,059,205	\$ 2,416,051	47.8%	\$ 5,165,676	\$ 2,466,561	47.7%	\$	116,277	\$ 50,510
Benefits	2,619,740	1,195,815	45.6%	2,361,769	1,056,663	44.7%		124,222	(139,152)
Total Payroll	7,678,945	3,611,866	47.0%	7,527,445	3,523,224	46.8%		240,499	(88,642)
Supplies	410,433	180,790	44.0%	489,556	164,441	33.6%		80,337	(16,349)
Services	2,386,342	1,082,798	45.4%	2,514,027	949,823	37.8%		307,191	(132,975)
Capital Outlay	18,412	13,559	73.6%	98,255	78,102	79.5%		(28,975)	64,543
Debt Service	114,432	57,215	50.0%	127,648	71,179	55.8%		(7,355)	13,964
Custodial Activity	104,415	43,071	41.2%	106,125	46,291	43.6%		6,772	3,220
Transfers-out	870,554	748,038	85.9%	239,959	141,503	59.0%		(21,524)	(606,535)
Inferfund Charges	(414,325)	(239,685)	57.8%	(423,541)	(208,756)	49.3%		(3,015)	30,929
Total Expenditures	11,169,208	5,497,652	49.2%	10,679,474	4,765,807	44.6%		573,930	(731,845)

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City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
June 2019 and 2020
Wastewater Fund

	2019		2019 YTD % of Budget	2020		YTD Target % *	50.00%	Variance YTD Target vs. Actual Variance^	Change YTD Actual 2019-2020 YTD Actual
	Amended Budget	YTD Actual 6/30/2019 Actual		Amended Budget	YTD Actual 6/30/2020 Actual	% of Budget	2020 YTD % of Budget		
Wastewater Fund (#404)									
Revenues:									
Operating Revenues:									
Charges for Services	\$ 5,068,094	\$ 2,566,826	50.6%	\$ 5,056,865	\$ 2,596,999	51.4%	\$	68,566	\$ 30,173
Hookup/Connection Fee	99,000	13,635	13.8%	107,920	23,086	21.4%		(30,874)	9,451
Capacity Charge (Cost Share)	277,378	138,689	50.0%	277,380	104,017	37.5%		(34,673)	(34,672)
Late Payment Fees	42,910	26,691	62.2%	50,450	14,377	28.5%		(10,848)	(12,314)
Interest Earnings	104,130	54,565	52.4%	82,250	50,462	61.4%		9,337	(4,103)
Rental Income	4,140	3,545	85.6%	3,550	3,545	99.9%		1,770	-
Miscellaneous Other	1,550	315	20.3%	1,540	306	19.9%		(464)	(9)
Total Operating Revenues	5,597,202	2,804,266	50.1%	5,579,955	2,792,792	50.1%		2,814	(11,474)
Other Fund Sources:									
Custodial Activities	660	481	72.9%	440	480	109.1%		260	(1)
Debt Proceeds	-	-	0.0%	-	-	0.0%		-	-
Total Other Fund Source	660	481	72.9%	440	480	109.1%		260	(1)
Total Revenues & Fund Sources	\$ 5,597,862	\$ 2,804,747	50.1%	\$ 5,580,395	\$ 2,793,272	50.1%	\$	3,074	\$ (11,475)
Expenditures:									
Operating Expenditures:									
Wages	\$ 1,007,949	\$ 478,415	47.5%	\$ 1,077,547	\$ 468,836	43.5%	\$	69,938	\$ (9,579)
Benefits	511,882	245,633	48.0%	552,350	235,369	42.6%		40,806	(10,264)
Supplies	457,486	224,797	49.1%	438,652	245,743	56.0%		(26,417)	20,946
Services	1,146,597	570,752	49.8%	1,095,676	521,471	47.6%		26,367	(49,281)
Total Operating Expenditures:	3,123,914	1,519,597	48.6%	3,164,225	1,471,419	46.5%		110,694	(48,178)
Other Expenditures:									
Capital Outlay	890,294	30,659	3.4%	601,886	436,279	72.5%		(135,336)	405,620
Debt Service	1,880,055	939,991	50.0%	1,882,803	941,642	50.0%		(240)	1,651
Custodial Activities	600	481	80.2%	600	476	79.3%		(176)	(5)
Interfund Loan Disbursements	-	-	0.0%	-	-	0.0%		-	-
Total Other Expenditures	2,770,949	971,131	35.0%	2,485,289	1,378,397	55.5%		(135,752)	407,266
Total Expenditures	\$ 5,894,863	\$ 2,490,728	42.3%	\$ 5,649,514	\$ 2,849,816	50.4%	\$	(25,058)	\$ 359,088
Changes in Fund Balance	\$ (297,001)	\$ 314,019	-105.7%	\$ (69,119)	\$ (56,544)	81.8%	\$	(21,984)	\$ (370,563)
Beginning Fund Balance	5,112,880	5,112,880	100.0%	5,377,922	5,374,992	99.9%		-	262,112
Ending Fund Balance	\$ 4,815,879	\$ 5,426,899	112.7%	\$ 5,308,803	\$ 5,318,448	100.2%	\$	(21,984)	\$ (108,451)
<i>Operating Income (deficit)</i>	<i>\$ 2,473,288</i>	<i>\$ 1,284,669</i>	<i>51.9%</i>	<i>\$ 2,415,730</i>	<i>\$ 1,321,373</i>	<i>54.7%</i>	<i>\$</i>	<i>113,508</i>	<i>\$ 36,704</i>

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City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
June 2019 and 2020
Water Fund

	2019			YTD Target % *		50.00%	Variance YTD Target vs. Actual Variance^	Change YTD Actual 2019- 2020 YTD Actual
	Amended Budget	YTD Actual 6/30/2019 Actual	2019 YTD % of Budget	2020 Amended Budget	YTD Actual 6/30/2020 Actual	2020 YTD % of Budget		
WATER FUND (#405)								
Revenues:								
Operating Revenues:								
Charges for Services	\$ 2,648,500	\$ 1,221,929	46.1%	\$ 2,864,810	\$ 1,226,494	42.8%	\$ (205,911)	\$ 4,565
Hookup/Connectoin Fee	136,640	35,207	25.8%	131,770	20,573	15.6%	(45,312)	(14,634)
Late Payment Fees	27,720	14,914	53.8%	32,820	7,023	21.4%	(9,387)	(7,891)
Interest Earnings	144,176	75,795	52.6%	109,110	48,886	44.8%	(5,669)	(26,909)
Other Misc. Revenues	1,220	-	0.0%	230	-	0.0%	(115)	-
Total Operating Revenues	2,958,256	1,347,845	45.6%	3,138,740	1,302,976	41.5%	(266,394)	(44,869)
Other Funding Source								
Inerfund Loan Repayment	68,095	33,250	48.8%	69,490	34,582	49.8%	(163)	1,332
Custodial Activities	270	-	0.0%	50	-	0.0%	(25)	-
Other Resources	-	-	0.0%	-	11,203	0.0%	11,203	11,203
Total Other Fund Source	68,365	33,250	48.6%	69,540	45,785	65.8%	11,015	12,535
Total Revenues & Fund Sources	\$ 3,026,621	\$ 1,381,095	45.6%	\$ 3,208,280	\$ 1,348,761	42.0%	\$ (255,379)	\$ (32,334)
Expenditures								
Operating Expenditures								
Wages	\$ 980,324	\$ 446,761	45.6%	\$ 848,476	\$ 395,510	46.6%	28,728	(51,251)
Benefits	490,492	196,762	40.1%	430,881	186,469	43.3%	28,972	(10,293)
Supplies	335,689	131,658	39.2%	344,456	158,250	45.9%	13,978	26,592
Services	709,188	277,214	39.1%	718,238	340,088	47.4%	19,031	62,874
Total Operating Expenditures	2,515,693	1,052,395	41.8%	2,342,051	1,080,317	46.1%	90,709	27,922
Other Expenditures								
Capital Expenditures	1,464,300	28,237	1.9%	2,041,000	178,088	8.7%	842,412	149,851
Debt Service	321,662	12,792	4.0%	289,243	1,730	0.6%	142,892	(11,062)
Custodial Activities	100	-	0.0%	100	-	0.0%	50	-
Total Other Expenditures	1,786,062	41,029	2.3%	2,330,343	179,818	7.7%	985,354	138,789
Total Expenditures	\$ 4,301,755	\$ 1,093,424	25.4%	\$ 4,672,394	\$ 1,260,135	27.0%	\$ 1,076,063	\$ 166,711
Change in Fund Balance	\$ (1,275,134)	\$ 287,671	-22.6%	\$ (1,464,114)	\$ 88,626	-6.1%	\$ 820,684	\$ (199,045)
Beginning Fund Balance	7,437,091	7,437,091	100.0%	7,967,277	7,967,916	100.0%	-	530,825
Ending Fund Balance	\$ 6,161,957	\$ 7,724,762	125.4%	\$ 6,503,163	\$ 8,056,542	123.9%	\$ 820,684	\$ 331,780
<i>Operating Income (deficit)</i>	<i>\$ 442,563</i>	<i>\$ 295,450</i>	<i>66.8%</i>	<i>\$ 796,689</i>	<i>\$ 222,659</i>	<i>27.9%</i>	<i>\$ (357,103)</i>	<i>\$ (72,791)</i>

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City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
June 2019 and 2020
Storm and Surface Water Fund

	2019			YTD Target % * 2020			Variance YTD Target vs. Actual Variance^	Change YTD Actual 2019- 2020 YTD Actual
	Amended Budget	YTD Actual 6/30/2019 Actual	2019 YTD % of Budget	Amended Budget	YTD Actual 6/30/2020 Actual	50.00% 2020 YTD % of Budget		
Storm Water Fund (#406)								
Revenues:								
Operating Revenues:								
Charges for Goods & Services	\$ 704,070	\$ 349,471	49.6%	\$ 677,015	\$ 364,025	53.8%	\$ 25,517	\$ 14,554
Hookup/Connection Fee	8,000	7,042	88.0%	29,750	1,516	5.1%	(13,359)	(5,526)
Intergovernmental Revenue	-	-	0.0%	-	-	0.0%	-	-
Fines and Forfeitures	5,000	2,758	55.2%	6,700	2,060	30.7%	(1,290)	(698)
Interest Earnings	26,570	13,537	50.9%	22,230	7,152	32.2%	(3,963)	(6,385)
Other Misc. Revenues	-	542	0.0%	-	-	0.0%	-	(542)
Total Operating Revenues	743,640	373,350	50.2%	735,695	374,753	50.9%	6,905	1,403
Other Fund Sources:								
Custodial Activities	30	44	146.7%	-	-	0.0%	-	(44)
Total Other Fund Sources	30	44	146.7%	-	-	0.0%	-	(44)
Total Revenues & Fund Sources	\$ 743,670	\$ 373,394	50.2%	\$ 735,695	\$ 374,753	50.9%	\$ 6,905	\$ 1,359
Expenditures:								
Operating Expenditures:								
Wages	\$ 287,387	\$ 138,171	48.1%	\$ 248,351	\$ 143,923	58.0%	\$ (19,747)	\$ 5,752
Benefits	148,679	71,869	48.3%	135,830	66,260	48.8%	1,655	(5,609)
Supplies	61,662	15,601	25.3%	60,852	30,236	49.7%	190	14,635
Services	63,358	29,883	47.2%	62,550	29,822	47.7%	1,453	(61)
Total Operating Expenditures	561,086	255,524	45.5%	507,583	270,241	53.2%	(16,449)	14,717
Other Expenditures:								
Capital Expenditures	240,800	12,010	5.0%	175,000	3,854	2.2%	83,646	(8,156)
Debt Service	-	-	0.0%	200	118	59.0%	(18)	118
Custodial Activities	50	44	88.0%	50	-	0.0%	25	(44)
Total Other Expenditures	240,850	12,054	5.0%	175,250	3,972	2.3%	83,653	(8,082)
Total Expenditures	801,936	267,578	33.4%	682,833	274,213	40.2%	67,204	6,635
Changes in Fund Balance	\$ (58,266)	\$ 105,816	-181.6%	\$ 52,862	\$ 100,540	190.2%	\$ 74,109	\$ (5,276)
Beginning Fund Balance	1,264,662	1,264,662	100.0%	1,460,054	1,460,054	100.0%	-	195,392
Ending Fund Balance	\$ 1,206,396	\$ 1,370,478	113.6%	\$ 1,512,916	\$ 1,560,594	103.2%	\$ 74,109	\$ 190,116
<i>Operating Income (deficit)</i>	<i>\$ 182,554</i>	<i>\$ 117,826</i>	<i>64.5%</i>	<i>\$ 228,112</i>	<i>\$ 104,512</i>	<i>45.8%</i>	<i>\$ (9,544)</i>	<i>\$ (13,314)</i>

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City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
June 2019 and 2020
Airport Fund

Airport Fund (#407)	2019	YTD Actual	2019	YTD Target % *		50.00%	Variance	Change YTD
	Amended	6/30/2019	YTD %	2020	YTD Actual	2020 YTD		
	Budget	Actual	Budget	Amended	6/30/2020	% of	YTD Target	Actual 2019-
				Budget	Actual	Budget	Variance^	YTD Actual
Revenues:								
Operating Revenues:								
Fuel sales	\$ 620,073	\$ 284,559	45.9%	\$ 535,000	\$ 365,708	68.4%	\$ 98,208	\$ 81,149
Other Misc. Revenues	1,375	2,045	148.7%	1,300	175	13.5%	(475)	(1,870)
Late Payment Fees	-	14	0.0%	-	89	0.0%	89	75
Interest Earnings	24,140	12,746	52.8%	1,750	6,705	383.1%	5,830	(6,041)
Rents & Leases	1,121,347	558,595	49.8%	1,143,344	551,332	48.2%	(20,340)	(7,263)
Total Operating Revenues	1,766,935	857,959	48.6%	1,681,394	924,009	55.0%	83,312	66,050
Other Fund Sources:								
Intergovernmental - Capital Grants	2,644,795	110,812	4.2%	103,500	176,531	170.6%	124,781	65,719
Custodial Activities	194,743	94,253	48.4%	190,700	116,047	60.9%	20,697	21,794
Proceeds from Sale of Capital Asset	-	945	0.0%	-	-	0.0%	-	(945)
Total Other Fund Sources	2,839,538	206,010	7.3%	294,200	292,578	99.4%	145,478	86,568
Total Revenues & Fund Sources	\$ 4,606,473	\$ 1,063,969	23.1%	\$ 1,975,594	\$ 1,216,587	61.6%	\$ 228,790	\$ 152,618
Expenditures:								
Wages	\$ 301,651	\$ 150,575	49.9%	\$ 312,092	\$ 150,139	48.1%	\$ 5,907	\$ (436)
Benefits	178,416	87,528	49.1%	179,291	81,049	45.2%	8,597	(6,479)
Supplies	439,380	251,333	57.2%	487,480	308,793	63.3%	(65,053)	57,460
Services	257,580	82,591	32.1%	177,890	110,755	62.3%	(21,810)	28,164
Total Operating Expenditures	1,177,027	572,027	48.6%	1,156,753	650,736	56.3%	(72,359)	78,709
Other Expenditures:								
Capital Expenditures	2,973,678	54,665	1.8%	150,500	57,840	38.4%	17,410	3,175
Debt Service	32,151	16,485	51.3%	30,795	15,152	49.2%	246	(1,333)
Custodial Activities	195,359	54,637	28.0%	190,700	56,673	29.7%	38,677	2,036
Interfund Loan Payment	68,095	33,250	48.8%	69,490	34,582	49.8%	163	1,332
Total Other Expenditures	3,269,283	159,037	4.9%	441,485	164,247	37.2%	56,496	5,210
Total Expenditures	\$ 4,446,310	\$ 731,064	16.4%	\$ 1,598,238	\$ 814,983	51.0%	\$ (15,863)	\$ 83,919
Changes in Fund Balance	\$ 160,163	\$ 332,905	207.9%	\$ 377,356	\$ 401,604	106.4%	\$ 212,927	\$ 68,699
Beginning Fund Balance	1,051,418	1,051,418	100.0%	1,169,630	1,169,630	100.0%	-	118,212
Ending Fund Balance	\$ 1,211,581	\$ 1,384,323	114.3%	\$ 1,546,986	\$ 1,571,234	101.6%	\$ 212,927	\$ 186,911
<i>Operating Income (deficit)</i>	<i>\$ 589,908</i>	<i>\$ 285,932</i>	<i>48.5%</i>	<i>\$ 524,641</i>	<i>\$ 273,273</i>	<i>52.1%</i>	<i>\$ 10,953</i>	<i>\$ (12,659)</i>

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