

# CHEHALIS CITY COUNCIL AGENDA

CITY HALL  
350 N MARKET BLVD | CHEHALIS, WA 98532

Dennis L. Dawes, Position at Large No. 1  
Mayor

Anthony E. Ketchum Sr., District 3  
Vacant, Position at Large No. 2  
Jerry Lord, District 1

Daryl J. Lund, District 2, Mayor Pro Tem  
Dr. Isaac S. Pope, District 4  
Robert J. Spahr, Position at Large No. 3

## Regular Meeting of Monday, December 13, 2021 5:00 pm

1. Call to Order. (Mayor Dawes)
2. Pledge of Allegiance. (Mayor Dawes)
3. Approval of Agenda. (Mayor Dawes)

### PROCLAMATIONS / PRESENTATIONS

4. Recognition of Mayor Dawes. (City Council)

### SPECIAL BUSINESS

5. Swearing in of Dale McBeth as Municipal Court Judge. (Mayor)
6. Chehalis Community Renaissance Team Update. (Annalee Tobey, Executive Director)

### CITIZENS BUSINESS (PUBLIC COMMENT)

Individuals 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 Citizens Business of this 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 Kiley Franz at 360-345-1042 or at [kfranz@ci.chehalis.wa.us](mailto:kfranz@ci.chehalis.wa.us). Public comments will be limited to five (5) minutes.

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7. <u>Minutes of the Regular City Council Meeting of November 22, 2021.</u> (City Clerk)	APPROVE	1
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9. <u>Vouchers and Transfers – Payroll in the Amount of \$811,071.54 Dated November 30, 2021.</u> (City Manager, Finance Director)	APPROVE	6
10. <u>Consider Cancelation of the December 27 City Council Meeting.</u> (City Manager)	APPROVE	7
11. <u>Project Close-out and Acceptance for the Emergency Temporary Fire Station Site Preparation Project.</u> (City Manager, Public Works Director)	APPROVE	8
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<b>NEW BUSINESS</b>		
13. <u>Vacant Position on the City Council.</u> (City Manager)	DIRECTION REQUESTED	11
14. <u>Temporary (Interim) Fire Station – Request for Additional Budget Authority for Project Completion.</u> (City Manager, Public Works Director)	APPROVE	13
15. <u>Bid Award – Relocation of Premanufactured Mobile Structure (for Temporary Fire Station) Project.</u> (City Manager, Public Works Director)	APPROVE	18
16. <u>Ordinance No. 1026-B, First and Final Reading – Amending the 2021 Budget.</u> (City Manager, Finance Director)	PASS	23

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<b>ADMINISTRATION AND CITY COUNCIL REPORTS</b>		
17. <u>Administration Reports.</u>	INFORMATION ONLY	- - -
a. City Manager Update. (City Manager)		
18. <u>Councilor Reports/Committee Updates.</u> (City Council)	INFORMATION ONLY	- - -

**THE CITY COUNCIL MAY ADD AND TAKE ACTION ON OTHER ITEMS NOT LISTED ON THIS AGENDA.  
NEXT REGULAR CITY COUNCIL MEETING IS MONDAY, JANUARY 10, 2021.**

**Chehalis City Council**  
Meeting Minutes  
November 22, 2021

The Chehalis City Council met in regular session on Monday, November 22, 2021. Mayor Dennis Dawes called the meeting to order at 5:00 pm with the following members present: Terry Harris, Tony Ketchum, and Bob Spahr. Councilors Daryl Lund and Dr. Isaac Pope participated via Zoom. Councilor Jerry Lord was absent, excused. Staff present included: Jill Anderson, City Manager; Tammy Baraconi, Planning and Building Manager; Kiley Franz, City Clerk; Cassie Frazier, City Manager's Administrative Assistant; Melody Guenther, Court Administrator; Erin Hillier, City Attorney; Andrew Hunziker, Facilities Manager; Randy Kaut, Police Chief; Trent Loughheed, Public Works Director (Zoom); Josh McDrummond, Permit Technician; Devlan Pool, Wastewater Superintendent; Brandon Rakes, Airport Operations Coordinator; Chun Saul, Finance Director; Amelia Schwartz, City Planner; Dave Vasilauskas, Water Superintendent; and Lilly Wall, Recreation Manager.

1. **Approval of Agenda.** A motion to approve the agenda as presented was made by Councilor Spahr. The motion was seconded by Councilor Ketchum and carried unanimously.

2. **Recognition of Bill Hillier, City Attorney.** Mayor Dawes expressed his gratitude to Bill Hillier for his time spent as the City Attorney.

3. **Citizens' Business.** Aaron Fuller of Fuller Designs informed the Council that he would like to discuss housing in Chehalis. He expressed frustration with the DRC process, delays due to inaccurate information, the lack of direction, and the length of time it has taken for permit processing. Mayor Dawes noted that many projects have been started and completed in the City this year; a substantial amount of building has affected the limited staffing in the planning and building department. Councilor Lund expressed frustration with the delays and his desire to find a solution to the issue.

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

- a. Minutes of the regular City Council meeting of November 8, 2021; and
- b. November 15, 2021 vouchers and transfers - accounts payable in the amount of \$1,974,287.40; and
- c. Confirmation and Reappointment of Dale McBeth as Municipal Court Judge; and
- d. Extension for Indigent Defense Services Contract; and
- e. Resolution No. 15-2021, First and Final Reading – Appointing City Attorney and Assistant City Attorneys;

The motion was seconded by Councilor Ketchum and carried unanimously.

5. **Public Hearing – Proposed 2022 Revenue Sources – Property Taxes and Levies – Second Hearing.** Mayor Dawes recessed the regular meeting and opened the public hearing at 5:29 pm. City Manager Anderson explained that a public hearing on this matter had been held on November 8, 2021 and no changes had been made since then. There being no public comment, the Mayor reopened the regular meeting at 5:31 pm.

6. **Public Hearing – Proposed 2022 Budget – Second Hearing.** Mayor Dawes recessed the regular meeting and opened the public hearing at 5:31 pm. City Manager Anderson explained that a public hearing on this matter had been held on November 8, 2021 and no changes had been made since then. City Manager Anderson added that the budget is available on the city's website at [www.ci.chehalis.wa.us](http://www.ci.chehalis.wa.us). There being no public comment, the Mayor reopened the regular meeting at 5:32 pm.

7. **Public Hearing – Proposed Chehalis Basin Comprehensive Flood Hazard Management Plan.** Mayor Dawes recessed the regular meeting and opened the public hearing at 5:32 pm. City Manager Anderson explained that Christina Wollman of Perit, which has been working with many organizations across Lewis County to create a comprehensive flood hazard management plan.

Christina explained that she had been working with Lewis County for approximately two years to create this plan. This plan addresses flood risk to people and property throughout Lewis County and identifies mitigation action to reduce that risk. The

last plan was created in 2009 after the major flood event of 2007; many things have changed since then and a new plan is necessary. A grant was received for this study, so it was created with no expense to the county.

The plan included many entities, stakeholders, and consultants. Flood patterns from the 1950's to present were reviewed for frequency and severity. Flood plains were analyzed for 10-year floods, 50-year floods, and 100-year floods; flood exposure and vulnerability of buildings in Chehalis were part of this analysis. Goals, policies, and mitigation actions were identified by this plan.

Councilor Ketchum asked if the plan was required; Christina explained that the plan was not regulatory. Mayor Dawes asked if this plan included the other flood agencies or authorities; Christina stated that it was. Councilor Harris explained that the Chehalis Basin Partnership was not contacted regarding this study; he expressed his appreciation for the facts being presented in a black and white fashion and not being opinion based. There being no public comment, the Mayor reopened the regular meeting at 5:52 pm.

**8. Ordinance No. 1023-B and Ordinance No. 1024-B, Second and Final Reading – Adoption of Property Tax Levies.** No changes have been made to the ordinances since the first reading. A motion to pass Ordinance No. 1023-B and Ordinance No. 1024-B on second and final reading was made by Councilor Spahr. The motion was seconded by Councilor Ketchum and carried four to one; Councilor Lund disapproved.

**9. Ordinance No. 1025-B, Second and Final Reading – Adopting the 2022 Proposed Budget.** No changes have been made to the ordinance since the first reading. A motion to pass Ordinance No. 1025-B on second and final reading was made by Councilor Spahr. The motion was seconded by Councilor Harris and carried four to one; Councilor Lund disapproved.

**10. Resolution No. 16-2021, First and Final Reading – Adopting the Chehalis Basin Comprehensive Flood Hazard Management Plan.** No additional information from what was presented during the public hearing was provided. A motion to pass Resolution No. 16-2021 on first and final reading was made by Councilor Harris. The motion was seconded by Councilor Ketchum and carried unanimously.

**11. Resolution No. 17-2021, First and Final Reading – Adoption of Revised Public Defense Standards.** City Manager Anderson explained that Melody Guenther, Court Administrator, would be providing information regarding items number 18 and 19 on the agenda (new public defense standards and the grant agreement for improved public defense services respectively). Melody Guenther explained that the Washington State Bar Association was responsible for setting public defense standards that must be followed by courts throughout the state. She explained that the intent of the new standards were to provide oversight to defense services, to provide the chance for no undue influence or conflicts of interest with judicial or political influence.

The new standards require that neither the judge nor court staff create the contract with public defense attorneys; in order to fund the required position, the Chehalis Municipal Court applied for and was awarded a grant for the improvement of public defense services. The grant funding awarded was \$29,000 to be paid out in two separate payments in 2022 and 2023. This funding can be used to establish the coordinator position, the administrative position, to continue paying the increased compensation for the indigent defense services contract, for interpreter services, or training costs.

Councilor Spahr asked whether the position for administrator would be an employee position or a contracted position. Ms. Guenther stated they were unsure at the moment. Councilor Ketchum expressed his frustration with the new state requirement.

A motion to pass Resolution No. 17-2021 on first and final reading was made by Councilor Ketchum. The motion was seconded by Councilor Spahr and carried unanimously.

**12. Consideration of Grant Agreement for Improvement of Public Defense Services.** A motion to accept the 2022-2023 RCW 10.101.080 Public Defense Improvement Grant and authorize the city manager to execute the grant agreement was made by Councilor Ketchum. The motion was seconded by Councilor Harris and carried unanimously.

**13. Administration Reports.**

- a. **City Manager Update.** City Manager Anderson acknowledged that the city is under enormous growth pressure and requested dates for a Growth Management Committee meeting. City Manager Anderson encouraged the Council and members of the public to sign up for Lewis County Alerts, which provides notifications of hazards, such as flooding, across the county. She thanked Councilor Harris and his family for their work on the gingerbread house.

She encouraged everyone to attend the reception for Mayor Dawes' last meeting on Monday, December 13<sup>th</sup> beginning at 4:00 pm. and she thanked Mayor Dawes for his support and years of service to the City.

14. **Councilor Reports/Committee Updates.**

- a. **Councilor Harris.** Councilor Harris thanked his family for their assistance with the gingerbread house.
- b. **Mayor Dawes.** Mayor Dawes informed the Council that he had attended the Business After Hours event and the ribbon cutting for Lewis County Coffee. Mayor Dawes informed the Council that once the election was certified, the at-large position number 2, currently filled by Councilor Harris, would likely once again become vacant due to Michael Bannan's ineligibility for the position due to his resident address. Since the application process had been completed twice within 2021, Mayor Dawes asked the Council if they would like to complete the process again. He expressed his belief that Councilor Harris would remain a strong choice for the position.

15. **Executive Session.** Mayor Dawes announced the council would take a short recess and then be in executive session pursuant to RCW 42.30.110(1)(i) – Litigation or Legal Risk and RCW 42.30.110(1)(c) – Sale/Lease of Real Estate, not to exceed 7:30 pm and there will be no action taken following conclusion of the executive session. Mayor Dawes closed the regular meeting at 6:24 pm. and the executive session began at 6:29 pm. Following conclusion of the executive session at 7:06 pm, the regular meeting was reopened and was immediately adjourned.

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Dennis L. Dawes, Mayor

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Kiley Franz, 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

**MEETING OF:** December 13, 2021

**SUBJECT:** Vouchers and Transfers – Accounts Payable in the Amount of \$1,259,031.52

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**ISSUE**

City Council approval is requested for Vouchers and Transfers dated November 30, 2021.

**DISCUSSION**

The November 30, 2021 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 Electronic Funds Transfer Check Nos. 1684 – 1708 and Normal Checks Nos. 132989 – 133081 (voided and reprinted on checks Nos. 1363082 – 133174) in the amount of \$1,259,031.52 dated November 30, 2021 which included the transfer of:

- \$ 50,144.46 from the General Fund
- \$ 2,376.66 from the Dedicated Street-4% Sales Tax Fund
- \$ 32,555.26 from the Transportation Benefit District Fund
- \$ 2,312.79 from the LEOFF 1 OPEB Reserve Fund
- \$ 7,892.99 from the Public Facilities Reserve Fund
- \$ 31,456.15 from the Automotive Equipment Reserve Fund
- \$ 87,524.87 from the Wastewater Fund
- \$ 53,502.83 from the Water Fund
- \$ 789.28 from the Storm & Surface Water Utility Fund
- \$ 990,174.76 from the Airport Fund
- \$ 301.47 from the Firemen’s Pension Fund

**RECOMMENDATION**

It is recommended that the City Council approve the November 30, 2021 Electronic Funds Transfer Checks Nos. 1684 – 1708 and Normal Checks Nos. 132989 – 133081 (voided and reprinted on checks Nos. 1363082 – 133174) in the amount of \$1,259,031.52.

**SUGGESTED MOTION**

I move that the City Council approve the November 30, 2021 Electronic Funds Transfer Check Nos. 1684 – 1708 and Normal Checks Nos. 132989 – 133081 (voided and reprinted on checks Nos. 1363082 – 133174) in the amount of \$1,259,031.52.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**BY:** Chun Saul, Finance Director  
Deri-Lyn Stack, Payroll Accounting

**MEETING OF:** December 13, 2021

**SUBJECT:** Vouchers and Transfers – Payroll in the Amount of \$811,071.54

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**ISSUE**

City Council approval is requested for Payroll Vouchers and Transfers dated November 30, 2021.

**DISCUSSION**

The administration requests City Council approval for Payroll Vouchers No. 41850-41875, Direct Deposit Payroll Vouchers No. 14168-14269, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 368-371 dated November 30, 2021, in the amount of \$811,071.54, which include the transfer of:

- \$562,625.39 from the General Fund
- \$3,162.50 from the Arterial Street Fund
- \$5,197.50 from the LEOFF1 OPEB Reserve Fund
- \$95,029.94 from the Wastewater Fund
- \$100,723.89 from the Water Fund
- \$13,809.64 from the Storm & Surface Water Utility Fund
- \$30,522.68 from the Airport Fund

**RECOMMENDATION**

It is recommended that the City Council approve the November 30, 2021 Payroll Vouchers No. 41850-41875, Direct Deposit Payroll Vouchers No. 14168-14269, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 368-371 in the amount of \$811,071.54.

**SUGGESTED MOTION**

I move that the City Council approve the November 30, 2021 Payroll Vouchers No. 41850-41875, Direct Deposit Payroll Vouchers No. 14168-14269, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 368-371 in the amount of \$811,071.54.



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council  
**FROM:** Jill Anderson, City Manager  
**BY:** Kiley Franz, City Clerk  
**MEETING OF:** December 13, 2021  
**SUBJECT:** Consider Cancellation of December 27 Council Meeting

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**ISSUE**

It is proposed that the City Council cancel the second meeting in December consistent with its tradition.

**DISCUSSION**

The City Council has historically cancelled the second meeting in December. In recognition of the City's tradition and the likelihood that most of the community will be focused on family and holiday festivities, the City Council is being asked to consider cancelling the December 27 meeting. In the event that there is a need for the City Council to take action on a matter that is not anticipated at this time, a special meeting can be convened with 24-hour notice to the public.

**FISCAL IMPACT**

There is no fiscal impact associated with the proposed meeting cancellation.

**RECOMMENDATION**

It is recommended that the City Council cancel the December 27, 2021 City Council meeting.

**SUGGESTED MOTION**

I move that the City Council cancel the December 27, 2021 City Council meeting.

**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:** December 13, 2021

**SUBJECT:** Project Close-out and Acceptance for the Emergency Temporary Fire Station Site Preparation Project

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**INTRODUCTION**

The construction of the Emergency Temporary Fire Station Site Preparation Project is complete. It is recommended that the City Council accept the project as complete and release the retainage to KBH Construction after all statutory requirements have been met.

**PROJECT SUMMARY**

The City contracted with KBH to prepare the Emergency Temporary Fire Station site (currently located on Arkansas Way between Home Depot and Walmart) when the City was notified that the cohabitation of District 6 was no longer a viable option while the City purchased and prepared the permanent site for a long-term temporary fire station at the southeast corner of Chamber Way and State Avenue. This contract was executed under the Declaration of Emergency the Council approved in order to have interim housing for the fire department.

The scope of work included:

- Clearing and Grubbing of the Site
- Excavation of site to prepare for new pavement section
- Installation of driveway approaches and sidewalk
- Installation of subgrade, stormwater system, pavement section, and concrete curb
- Installation of water and sewer services
- Installation of power conduits for service
- Final grade non-paved areas for mobile structure installation
- Connection of utilities to structures
- Pavement markings, signage, and site clean-up

**FISCAL IMPACT**

The total cost of the project was \$199,073.47, including \$15,086.90 sales tax. The project retainage is \$9,199.33 and may be released upon Council approval and when all other statutory requirements are met.

**RECOMMENDATION/COUNCIL ACTION DESIRED**

It is recommended that the Council accept the Emergency Temporary Fire Station Site Preparation Project as complete and release the retainage to KBH Construction after all statutory requirements have been met.

**SUGGESTED MOTION**

I move that the Council accept the Emergency Temporary Fire Station Site Preparation Project as complete and release the retainage to KBH Construction after all statutory requirements have been met.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**BY:** Tammy Baraconi, Planning and Building Manager

**MEETING OF:** December 13, 2021

**SUBJECT:** Appointment of Gladis Mendez, Melissa Cox, and Jessica Armistead to the Planning Commission

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**ISSUE**

The Planning Commission currently has five (5) vacancies. Gladis Mendez, Melissa Cox, and Jessica Armistead have applied to fill three (3) of these vacancies.

**DISCUSSION**

Due to one member of the Commission moving out of the area and three terms expiring, the Planning Commission currently has only two (2) active members. All three of these applicants have a heart for our community and would find it an honor to serve in such a meaningful way.

The Mayor and staff have met with all of the applicants and find them to be very willing and able to commit to the work necessary for these appointments. Applications are kept with the City Clerk and may be reviewed upon request.

**FISCAL IMPACT**

No fiscal impact.

**RECOMMENDATION**

The Mayor has met with Gladis Mendez, Melissa Cox, and Jessica Armistead and recommends approval of all three appointments.

**SUGGESTED MOTION**

I move that the City Council appoint Gladis Mendez, Melissa Cox, and Jessica Armistead to the Planning Commission.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**MEETING OF:** December 13, 2021

**SUBJECT:** **Vacant City Council Seat - Vacant Position on the City Council**

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**INTRODUCTION**

This agenda item has been scheduled to provide the City Council the opportunity to determine the preferred method for filling the vacancy of At-Large Position No. 2, which exists because Michael Bannan who was elected to the position in the November 2, 2021 election no longer lives in the City and is, therefore, ineligible to serve on the City Council. As of December 9, 2021, Michael Bannan has officially declined this position.

**DISCUSSION**

After the resignation of Michael Bannan in September, the City Council appointed Terry Harris to fill the remainder of the term, which ends on the date of certification by the County, which was November 23, 2021. The vacancy became effective on November 23 instead of January 1, 2022 because the Mr. Harris was appointed, rather than elected, to complete the term.

Therefore, the At-Large No. 2 position is again vacant as of November 23, 2021 because Michael Bannan received the most votes for the position in the November 2, 2021 election. Mr. Bannan does not meet the residency requirement to serve the four-year term to which he was elected and has declined the position.

Eligibility to hold a City Council position is addressed in Chehalis Municipal Code 2.08.050, which requires that an individual has been a registered voter and resident of Chehalis for at least one year. State statute provides that the vacancy be filled by the remaining members of the governing body and that the person elected to fill a vacancy shall hold office for the remainder of the unexpired term or the next general election at which there is usually a council seat on the ballot. In this case, the person appointed to fill the At-Large Position No. 2 would serve until the City Council meeting following the certification of the November 2023 general election results by Lewis County.

**OPTIONS**

The City Council has discretion in how an appointment to the City Council is made and is not required to use a specific process. When Michael Bannan was appointed in March 2021 and Terry Harris was appointed in October 2021, the City Council invited applications from eligible and interested individuals; conducted interviews; and then made the appointment. Five individuals participated in the first process and three in the second. Councilor-Elect McDougall and former Councilor Harris applied for consideration during each process. Mr. Harris was appointed to the Council in the October process and Ms. McDougall was elected to fill At-Large Position No. 1 with a term that begins on January 1, 2021.

The options available to the City Council include, but are not limited to: invite applications from interested applicants and conduct interviews to make an appointment; appoint a previous applicant without an interview process; or appoint a person that has not participated in the process previously.

**STATE LAWS AND GENERAL GUIDANCE**

Consistent with state law, all interviews, nominations, and votes shall be conducted by the City Council in open session. During the process of evaluating the qualifications of the candidates in executive session, MRSC (Municipal Research & Services Center) cautions that a City Council must take care not to take any kind of preliminary votes (even if it is a non-binding straw vote) or narrow the field of candidates.

The City Council has 90 days from the date of the vacancy to make the appointment of a new councilmember, which would be Tuesday, February 21, 2022. If the appointment does not occur by then, the City Council loses its authority to fill the seat. If that occurs, the County legislative authority, the Lewis County Board of County Commissioners, has the authority to make the appointment within 180 days of the vacancy's occurrence. If the County Board of Commissioners does not make the appointment within that period, the governor may be petitioned by the City Council or the County Board of Commissioners to do so.

**FISCAL IMPACT**

There is no fiscal impact related to the filling of this City Council member vacancy.

**RECOMMENDATION**

It is requested that the City Council determine how it would like to fill the At-Large Position No. 2 vacancy on the City Council and provide direction to staff as needed.

**SUGGESTED MOTION**

There is no suggested motion.

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

**TO:** The Honorable Mayor and City Council

**FROM:** Jill Anderson, City Manager

**BY:** Trent Lougheed, Public Works Director  
Chun Saul, Finance Director

**MEETING OF:** December 13, 2021

**SUBJECT:** Temporary (Interim) Fire Station– Request for Additional Budget Authority for Project Completion

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**INTRODUCTION**

The City continues to make progress on the development of a Temporary Fire Station on a parcel that is a part of the property that was purchased in late 2020 to be used for a permanent fire station at Chamber Way and State Avenue. The site preparation work has been completed and the building that will serve as a temporary apparatus bay is under construction.

While significant progress has been made, the project has been challenging. The plan to develop a temporary fire station for a period of approximately 5 years required construction to meet the higher standards associated with permanent essential services buildings. As a result, the budget for the project was increased in August 2021 and additional budget authority in the amount of \$329,010 is being requested to complete the work in a manner that meets building and fire code requirements, and to make the temporary fire station as functional as possible for the Chehalis Fire Department. While not approved to be spent, the expenditure of the additional \$329,010 is included in the proposed 2021 Budget Amendment #3.

**BACKGROUND**

Below is a brief history of the efforts taken to acquire property and relocate the temporary fire station from the Airport property to the property acquired for the new Headquarters Fire Station located at the southeast corner of the intersection of Chamber Way and State Street:

- On 3/2/2020, the City Council approved the selection of the Architectural firm Rice Fergus Miller to provide the design and professional construction services for the new Headquarters Fire Station. The scope of services was expanded for site analysis during the due diligence period for the desired site, and site design for the temporary fire station improvements.
- On 7/27/2020, the City Council approved a bond ordinance to not to exceed \$1,725,000 for funding the land purchase, which included for purchase of a mobile structure for use as temporary crew quarters and the purchase and installation of a pre-engineered metal building for use as an apparatus bay.

- On 11/23/2020, the City Council awarded the contract for construction of the site improvements to Barcott Construction in the amount of \$257,278.18 (including sales tax and contingency). This amount includes the improvements to Sitka, which is funded by the TBD fund.
- On 12/14/2020, the City Council authorized the City Manager to purchase the existing mobile home from Cascade Trader and relocate the structure from its current location, and associated footings and modifications in the amount of \$63,650.
- On 08/09/21 the City Council authorized an additional \$191,825.24 for the site preparation work, including work on Sitka Avenue which is funded with Transportation Benefit District Dollars. This was largely due to the need for additional excavation and fill on the site, as well as work to bring electrical to the parcel that is part of the larger property, but a separate parcel. The City Council also authorized an additional \$143,355.68 for the Apparatus Bay, which included \$80,000 for a concrete slab.

**SUMMARY OF CURRENT PROJECT BUDGET STATUS**

There is remaining budget authority for the project in the amount of \$93,025 and there are additional estimated costs to complete the project of \$422,035, so additional budget authority of \$329,010 is needed to complete the project. This amount includes \$100,000 for the move of the mobile structure from its existing location and installation as a permanent structure, so it can meet the applicable building and fire code requirements. There is a separate agenda item that requests the City Council to consider the award of a bid for that work. The other major items include \$75,000 for additional electrical and HVAC work on the temporary apparatus bay, \$77,830 for additional site work costs; and \$20,000 for additional costs related to engineering and construction administration.

The estimated costs are included in the 3<sup>rd</sup> and final 2021 Budget Amendment that is also scheduled for consideration at the December 13, 2021 City Council Meeting.

<i>Temporary Fire Station Budget Status</i>		
Remaining Estimated Expenses	\$422,035	
Previous Budget Authority Remaining	(93,025)	
<b>Request for Additional Budget Authority to Complete Project</b>	<b>\$329,010</b>	<b>Included in 2021 Proposed Budget Amendment #3</b>

**COST COMPONENTS**

The components of the request for additional budget authority are summarized below by category.

**Realtor Fees**

The City had a contract with Greg Lund to represent it in the transaction for the purchase of property for the permanent structure. The fees associated with that contract were paid in 2021 in the amount of \$3,125.



### **Relocation and Installation of the Mobile Structure**

The City requested bids for the work to move and install the mobile structure three separate times. There was only one response less than \$100,000. This report is for overall project budget authority. There is a separate agenda item requesting City Council approval of the bid award and approval of costs associated with the relocation and installation of the mobile structure for use by the Fire Department as crew quarters and administrative offices.

### **Apparatus Bay**

As the construction of the apparatus bay continues, additional work to prepare the building has been identified, including additional electrical installations specific to the Fire Department's needs; increase in insulation costs; and the installation of HVAC units. The budget request is for an additional \$138,240, which includes \$75,000 for additional electrical work and the procurement and installation of HVAC units. Sales tax of \$32,330 is also included in the budget for this component of the budget.

### **Site Preparation Work**

**Contractor Costs:** The contractor has completed the site work; however, the final invoice submitted for the project includes costs that the City has not received sufficient documentation for or were not a part of the specifications. The amount requested for this work is just under \$78,000; however, the final amount may be lower if it is determined that the full payment cannot be justified.

**Architectural/Engineering and Construction Administration:** The City had approved a contract with Rice Fergus Miller to provide architectural and engineering services for the property validation as part of the City's due diligence prior to purchase as well as fire station needs assessment and preliminary design of the permanent fire station. The original contract was approved in March of 2020 when it was anticipated that the City's Fire Department would operate from Lewis County Fire District #6 Station until the permanent fire station could be built. When District 6 ended the lease with the City, the plans changed. Rice Fergus Miller became involved in the development of the plans for the site development work for the Temporary Fire Station using Gibbs and Olson Engineering and other professional services; however, at the time, they were not involved in construction administration.

As the challenges associated with the site construction developed and staffing shortages in the City's Public Works Department continued, there was a need to have additional construction administration services from Rice Fergus Miller which have included: evaluating, preparing, and submitting change orders; reviewing the paving submittal; construction inspection of site paving; and reviewing pay estimates, preparing correspondence to the contractor in the evaluation of the submitted pay estimates and evaluating the pay estimates against the engineering plans and specifications; and corresponding with contractor on punch list items.

Each pay estimate has required thorough review, detailed requests for more information, and significant back and forth with the contractor to determine the actual amount due. The final pay estimate is currently being evaluated and the contractor has been provided a written request for additional information to explain the amount due. Therefore, there is a need for additional budget authority to pay Rice Fergus Miller for the work being done by its subcontractor, Gibbs and Olson Engineering, to close out the work with the contractor for the site preparation as well as some additional hourly work related to the apparatus bay pay estimates and completion of the project. There is an additional \$20,000 requested for this work in the project budget request.

**Miscellaneous Fees:** In previous reports, the focus was on the site improvement costs and the apparatus bay. There are other costs associated with the project that have been tracked and charged to the project, including fees for City of Chehalis building permits, utility connections, and legal services that are included in the category of Site Plan Engineering Services and Construction. These fees represent approximately \$33,000 in the total project budget.

**FISCAL IMPACT**

The table below summarizes the Additional Costs Needed to Complete the Temporary Fire as included in the proposed 2021 Budget Amendment #3, which is presented as a separate agenda item

<b>Temporary Fire Station Budget Summary</b>			
<b>Expenditure Category</b>	<b>Current Budget Through Budget Amendment #2</b>	<b>Request Included in Proposed Budget Amendment #3</b>	<b>Proposed 2021 Final Budget</b>
2020 Realtor Fees Paid in 2021	\$ --	\$ 3,125	\$ 3,125
Lease/Rent of Mobile Home and Leasehold Tax and Other	13,280	(2,030)	11,250
Site Plan Engineering Svc and Construction	425,221	109,675	534,896
Mobile Home Purchase and Apparatus Building	327,856	138,240	466,096
Relocation of the Mobile Home	20,000	80,000	100,000
<b>Total for Temporary Fire Station Project Budget</b>	<b>\$786,357</b>	<b>\$329,010</b>	<b>\$1,115,367</b>

The 2021 Budget Amendment #3 includes the expenses presented in this report and \$420,000 in transfers in funding from the General Fund to the Public Facilities Reserve Fund to provide the cash flow. The General Fund budget does have sufficient resources to fund the additional project costs due to a decrease in general fund expenditures and an increase in sales tax revenues. If the 2021 Budget Amendment #3 is approved, the City’s General Fund ending fund balance for 2021 is estimated to be \$2,038,970 or 18% of the revenue.

**BUDGET COMMITTEE REVIEW**

The City Council Budget Committee reviewed the request for additional funds and the status of the project, as well as the proposed Budget Amendment on Tuesday, December 6. The Committee expressed its frustration regarding the high cost of the temporary fire station and disappointment that it has taken so long to build it; however, the Committee is recommending that the City Council increase the project budget so that the temporary fire station can be completed, which is needed to improve Fire Department operations.

**RECOMMENDATION**

It is recommended that the City Council:

- Approve an additional appropriation of \$329,010 to complete the temporary fire station; including costs associated with realtor fees; leases and taxes; site plan engineering and construction; the mobile home and apparatus building; and relocation of the mobile structure.

- Authorize the City Manager to sign project related documents, including pay authorizations and contract amendments for services provided to complete the project not exceeding the authorized project budget.

**SUGGESTED MOTION**

I move that the City Council:

- Approve an additional appropriation of \$329,010 to complete the temporary fire station; including costs associated with realtor fees; leases and taxes; site plan engineering and construction; the mobile home and apparatus building; and relocation of the mobile structure.
- Authorize the City Manager to sign project related documents, including pay authorizations and contract amendments for services provided to complete the project not exceeding the authorized project budget.

**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:** December 13, 2021

**SUBJECT:** Bid Award – Relocation of Premanufactured Mobile Structure (for Temporary Fire Station) Project

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**INTRODUCTION**

Relocation of the existing mobile structure at the permanent fire station property for use as interim living quarters and office space is needed to use the site as a Temporary Fire Station.

**BACKGROUND**

The City plans to relocate the Emergency Temporary Fire Station (currently located on Arkansas Way between Home Depot and Walmart) to the property the City recently purchased late last year (2020) for a new permanent fire station at the southeast corner of Chamber Way and State Avenue for long-term interim use until the permanent station can be built.

On November 23, 2020, the City Council awarded a contract to Barcott construction to prepare the site for a metal building to serve as apparatus bay and a mobile home which will serve as the office and living quarters for the Department until a new permanent station can be built. The metal building is under construction and the Site work has been completed by Barcott construction. The next step in the process is to relocate the mobile structure and the City requested proposals for the relocation of the mobile structure utilizing the Small Works Roster.

There were no responses to the first request for proposals. There were three responses to the second request for proposal, all of which were over a hundred thousand dollars. There were two requests for proposals to the third attempt, which are presented as a part of this agenda report.

**SCOPE OF WORK**

The Scope of Work for the relocation and installation of the mobile structure includes:

- Relocate existing manufactured building to new location as shown on the site plan provided with the request for proposals. Work will include excavation of dirt and gravel at new site.
- Install a foundation per bid drawings, set building per minimum setup requirements. Tie

downs to foundation required per drawing.

- Foundation skirting will have fill backfilled against it so will need to be structurally adequate for the application per the plans provided.
- Rear deck currently on structure to be relocated and attached when finished.
- Finish floor height of building will determine size and slope of concrete landing and ramp on north side of building to meet with new sidewalks. Max slope is 1:12 of new ramp. Landing size minimum is 6' long x 5' wide.
- Utilities are located under or near new location; utilities will need to be connected to structure.
- Small interior remodel of the Manufactured Building. The permit will be through the City of Chehalis Building Department. Using plans provided by City.
- Final grading, front landing, sidewalk ramp and all requirements to meet City of Chehalis adopted code.

### **FISCAL IMPACT**

The most recent Request for Proposals resulted in the City receiving two bids on December 1, 2021. The bids received are as follows (which include sales tax):

- FinePolo Construction and Renovation = \$69,345.80
- Nova Construction = \$123,348.00

As is the City's practice, it is recommended that an additional amount, in this case 25% (or \$17,336.45), be added as a contingency for unanticipated change orders. The reason for requesting a slightly larger contingency than typical construction projects is due to the age of the structure and not knowing exactly what may be encountered when the structure is disassembled for transport.

The City will also need to install a fire sprinkler system in the mobile structure prior to occupancy to meet the requirements of the Fire Code. The estimated cost for this work is \$7,000. Therefore, the total budget authority requested is \$93,682.25. While the cost to move and install the mobile structure is more than anticipated, the total cost, including purchase of the mobile structure, is significantly lower than the new models considered for purchase last year.

<i>Item</i>	<i>Amount</i>
FinePolo Construction	\$69,345.80
Contingency	\$17,336.45
Fire Sprinkler System	\$7,000.00
<b><u>TOTAL</u></b>	<b><u>\$93,682.25</u></b>

The funding for this project is included in the proposed budget amendment scheduled for consideration as a separate item on the City Council agenda for the meeting scheduled for December 13, 2021.

**RECOMMENDATION**

It is recommended that the City Council:

- Award the Relocation of Premanufactured Mobile Structure Project in the amount of \$69,345.80 to FinePolo Construction
- Authorize an additional 25% contingency budget in the amount of \$17,336.45
- Authorize the expenditure of \$7,000 for the installation of a fire sprinkler system in the mobile structure
- Authorize the City Manager to execute the contract documents and change orders that do not exceed the total project budget of \$93,682.25 for the relocation and installation of the mobile structure

**SUGGESTED MOTION**

I move that the City Council:

- Award the Relocation of Premanufactured Mobile Structure Project in the amount of \$69,345.80
- Authorize an additional 25% contingency budget in the amount of \$17,336.45
- Authorize the expenditure of \$7,000 for the installation of a fire sprinkler system in the mobile structure
- Authorize the City Manager to execute the contract documents and change orders that do not exceed the total project budget of \$93,682.25 for the relocation and installation of the mobile structure



## ***CONTRACT AGREEMENT***

### **RELOCATION OF PREMANUFACTURED MOBILE STRUCTURE**

**THIS CONTRACT AGREEMENT** dated the 13th day of December, 2021, by and between the **CITY OF CHEHALIS, WASHINGTON**, (hereinafter called **OWNER**) and **FINEPOLO CONSTRUCTION & RESTORATION** (hereinafter called **CONTRACTOR**). **OWNER** and **CONTRACTOR**, in consideration of the mutual covenants hereinafter set forth, agree as follows:

#### **Article 1. WORK.**

**CONTRACTOR** shall complete all Work as specified or indicated. The Scope of Work is generally described as follows:

- Relocate existing manufactured building to new location as shown on site plan. Work will include excavation of dirt and gravel at new site.
- Install a foundation per bid drawings, set building per minimum setup requirements. Tie downs to foundation required per drawing.
- Foundation skirting will have fill backfilled against it so will need to be structurally adequate for the application per plans attached.
- Rear deck currently on structure to be relocated and attached when finished.
- Finish floor height of building will determine size and slope of concrete landing and ramp on north side of building to meet with new sidewalks. Max slope is 1:12 of new ramp. Landing size minimum is 6' long x 5' wide.
- Utilities are located under or near new location; utilities will need to be connected to structure.
- Small interior remodel of the Manufactured Building. The permit will be through the City of Chehalis Building Department. Using plans provided by City.
- Final grading, front landing, sidewalk ramp and all requirements to meet City of Chehalis adopted code.

Specific tasking includes:

1. Submit for Building Permit, obtain the permit (permit issued at no cost to contractor), and have approved construction plans on-site.
2. Excavate site/location for the new office, site per staked layout from Gibbs & Olson (City's engineering consultant).
3. Expose utility lines for future connection.
4. Form foundation footings per approved building plans, install hold-down ties, and place concrete.
5. Detach rear deck and cover from structure, detach front deck and cover.
6. Remove existing skirting from around the structure.
7. Remove siding from the exterior center of both halves to allow the contractor to split the unit into length way halves.
8. Bolt-on axels and wheels on each half of the structure to allow it to move to the new site.
9. Relocate each half to new existing foundation runners and bolt both halves back together. Level and block each halve to manufactured specifications. Start the kitchen remodel.
10. Install earthquake tie-downs and install utility lines, Sewer and Water, and Electrical and any Communication lines.

11. Repair siding on both ends, install new block skirting with vents around the structure, back fill, and landscape to finish.
12. Relocate rear deck, reset and reattach to structure.
13. Install a new sidewalk from the rear deck to drive and reinstall the sidewalk and front landing to the main door.
14. Refinish the marriage line inside of the structure to "as new" and finish the kitchen remodel.
15. Final clean-up and punch list.
16. Call for final inspection.

**Article 2. PREVAILING WAGE REQUIREMENT.**

**This is a public works project and requires that prevailing wage be paid as governed by Chapter 39.12 RCW – Prevailing Wages on Public Works, regardless of the contract amount.**

Each individual contractor and subcontractor on a public works project must individually file a “Statement of Intent to Pay Prevailing Wages and an Affidavit of Wages Paid” with the Washington State Department of Labor and Industries for each contract. **CONTRACTOR** and subcontractor must provide **OWNER** with compliance documentation.

**Article 3. CONTRACT AGREEMENT PRICE.**

**OWNER** shall pay **CONTRACTOR** for completion of the Work in accordance with the Contract Agreement equal to the amounts determined:

<b>Bid/Quote Amount</b>	<u>\$63,620.00</u>
<b><u>Sales Tax</u></b>	<u>\$5,725.80</u>
<b>TOTAL</b>	<u>\$69,345.80</u>

**CONTRACTOR ACCEPTANCE**

**By:** \_\_\_\_\_  
**Title:** \_\_\_\_\_  
**Date:** \_\_\_\_\_

**CITY OF CHEHALIS**

**By:** \_\_\_\_\_  
**Title:** City Manager  
**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 DATE:** December 13, 2021

**SUBJECT:** Ordinance No. 1026-B, First and Final Reading – Amending the 2021 Budget

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**ISSUE**

Ordinance No. 1026-B amending the 2021 Budget, is hereby submitted to reflect the changes in estimates and actual activities of the City since the adoption of the 2021 Budget. This is the third amendment to the 2021 Budget.

Throughout the year, adjustments to the budget become necessary as a result of City Council actions, changes in estimates, activity levels that were not anticipated during budget development, and grant awards or other receipts of outside funding. Historically, the budget has been amended two or three times per year prior to the adoption of the next year’s budget.

**DISCUSSION**

A summary for the proposed amendment, including updated beginning fund balances, revenues, transfers in, expenditures, transfers out, and estimated ending fund balances and a detailed list of proposed budget amendment items are attached to the proposed Ordinance No. 1026-B as Exhibit “A” and Exhibit “A-1”.

The proposed budget amendments by fund are summarized as follows:

**General Fund**

The proposed budget amendment increases the General Fund’s revenues by \$128,225, decreases appropriations by \$523,815, and increases transfers out by \$445,530, resulting in a net increase in fund balance by \$206,510.

Total revenue budget increase of \$128,225 is to reflect actual revenues received through November and new estimates for December 2021, which includes but not limited to the following:

- Sales tax projection increase by \$187,200
- Utility tax projection increase by \$47,980
- Building permit & plan review fee revenue increase by \$157,620
- State RCO grant budget decrease by \$186,515
- Recreation program and facility rental fee revenue decrease by \$76,920
- Other decrease \$1,140

Total expenditure budget decrease of \$521,815 is to reflect actual expenditures through November and new estimates for December 2021, which consists of the following:

- \$327,500 decrease in personnel budget (salaries, overtime, and benefits) due to several staffing changes and temporary vacancies due to gaps for filling vacated positions, and variances between position budget and actual salaries and benefits levels for new hires.
  - Police \$150,700, Fire \$70,000, and all other departments \$106,800
- \$186,515 decrease in professional services budget for Flood Storage Master Plan.
  - Grant expired on 6/30/2021 and an extension to 2022 is most likely.
- \$25,000 decrease in Municipal Court Indigent Defense Attorney budget to reflect more to actual.
- Other net increases \$17,200

Transfers out budget increase of \$445,530 consists of the following:

- \$420,000 transfer to Public Facilities Reserve Fund for temporary fire station project
  - *(Replaces a \$335,181 transfer of ARPA funds previous approved by City Council)*
- \$25,530 transfer to Dedicated Street Fund (due to increase in local sales tax projection x 2.5%)

Local Sales Tax revenue received through November 2021 is about 97% of current 2021 revenue projection. If estimating December 2021 local sale tax at about 90% of December 2019 actual sales tax, the estimated 2021 year-end local sales is projected to be about \$5,693,200, which exceeds the current budget by \$200,000 or 3.6%. The new projected 2021 local sales tax is about 11.9% or \$605,314 increase when compared with 2020 actual revenues and about 15.7% or \$774,405 increase when compared with 2019 actual revenues.

Whereas the 2021 brokered natural gas sales tax revenue budget is to be decreased by \$30,800 due to the original projection was much higher than year-to-date actual revenues. Criminal Justice sales tax revenue is projected to exceed the current budget by \$18,000. The net total increase in total sales tax revenue projection is \$187,200.

Net total decrease in appropriations (decrease by \$521,815) and transfers out (increase by \$445,530) is \$76,285 and consists of the following:

<b>General Fund Budget Amendment Request by Department</b>				
General Fund Department	2021 Current Budget	Amendment	Proposed Final 2021 Budget	Amendment Reasons
		Request #3 Increase (Decrease)		
City Council	94,430	(32,000)	62,430	Benefits & srategic planning
Municipal Court	428,316	(25,000)	403,316	Indigent Defense Attorney
City Manager	228,215	(22,200)	206,015	Salaries & Benefit
Finance	286,635	19,000	305,635	Cash outs
City Clerk	100,176	(34,400)	65,776	Salaries & Benefit
Legal Services	79,700	15,000	94,700	Potential litigation
Facilities and Parks	1,302,886	4,800	1,307,686	Parking lot Preliminary Engineering
Non-Departmental	974,887	453,030	1,427,917	Transfers \$445,530; IT service \$7,500
Human Resources	123,750	(24,000)	99,750	Salaries & Benefit
Police	3,425,310	(150,700)	3,274,610	Salaries & Benefits
Fire	2,374,715	(55,900)	2,318,815	Salaries & Benefit and Rents
Street	606,257	-	606,257	
Planning and Building	1,031,455	(221,115)	810,340	Prof. Service and Salaries & Benefits
Parks and Recreation	386,350	(4,800)	381,550	Transfer to Facilities and Parks
<b>Total Expenditures &amp; Transfers Out</b>	<b>11,443,082</b>	<b>(78,285)</b>	<b>11,364,797</b>	

A summary of proposed amendment to the 2021 budget for the General Fund is provided below:

<b>General Fund</b>	2021 Current Budget	Amendment Request #3 Increase (Decrease)	Proposed Final 2021 Budget
Revenues	\$ 11,034,803	\$ 128,225	\$ 11,163,028
Transfers In	-	-	-
Expenditures	10,695,238	(523,815)	10,171,423
Transfers Out	747,844	445,530	1,193,374
Net Revenues Over (Under) Expenditures	\$ (408,279)	\$ 206,510	\$ (201,769)
Beginning Fund Balance	2,240,739	-	2,240,739
Estimated Ending Fund Balance	\$ 1,832,460	\$ 206,510	\$ 2,038,970
Estimated Ending Fund Balance % of Revenue	16.6%		18.3%

### **All Other Funds**

A summary of proposed amendment to the 2021 budget by funds is provided below:

#### **Summary of Third and Final 2021 Budget Amendment Requests**

Fund Name	Revenues Increase (Decrease)	Transfers In Increase (Decrease)	Expenditures Increase (Decrease)	Transfers Out Increase (Decrease)	Net Change in Fund Balance
General Fund	\$ 128,225	\$ -	\$ (523,815)	\$ 445,530	\$ 206,510
Dedicated Street - 4% Sales Tax	-	25,530	-	-	25,530
Transportation Benefit District Fund	98,924	-	120,000	-	(21,076)
Tourism Fund	47,600	-	3,550	-	44,050
Federal Grant Control Fund	2,372	-	25,000	(335,181)	312,553
Public Facilities Reserve Fund	5,495	84,819	329,010	-	(238,696)
1st Quarter Percent REET Fund	60,460	-	-	-	60,460
2nd Quarter Percent REET Fund	64,960	-	-	-	64,960
Water Fund	-	-	129,200	-	(129,200)
<b>Total</b>	<b>\$ 408,036</b>	<b>\$ 110,349</b>	<b>\$ 82,945</b>	<b>\$ 110,349</b>	<b>\$ 325,091</b>

### **Dedicated Street Fund**

The proposed budget amendment increases the Dedicated Street fund's transfers in by \$25,530 which is a 2.5% of local sales tax projection changes from the original adopted budget.

### **Transportation Benefit District Fund**

The proposed budget amendment increases the Transportation Benefit District Fund's revenues by \$98,924 and increases appropriations by \$120,000.

Revenue increase includes a \$83,000 in public transportation sales tax projection increase and a \$15,924 grant reimbursements received that was not in the current budget. Public transportation sales tax revenue received through November 2021 exceeds the eleven-month target by 5.9% or \$76,224. Estimating December 2021 public transportation sales tax at 90% of December 2019 actual revenue, the 2021 year-end TBD tax revenue is projected to be \$1,369,000. This new projection is about 14.4% or \$172,800 increase when compared with the 2020 actual revenue and about 18.7% or \$215,300 increase when compared with the actual 2019 TBD tax revenue.

The appropriations increase of \$120,000 includes a \$75,000 for purchase of supplies for annual street improvements and a \$45,000 for Sitka Avenue improvement project.

### **Tourism Fund**

The proposed budget amendment increases the Tourism Fund’s hotel/motel tax revenue projections by \$47,600 and increases appropriations by \$3,550 for the additional and final LTAC award approved after the 2021 budget adoption.

### **Federal Grant Control Fund**

This fund is used to account for the State and Local Fiscal Recovery Funds (SLFRF) received under the American Rescue Plan Act of 2021 (ARPA). This budget amendment increases the Federal Grant Control Fund’s revenues by \$2,372 which reflect \$2,000 additional ARPA funds received in July 2021 and \$372 investment interest earnings, increases appropriations by \$25,000 for testing services and expenditures in the event that COVID19 testing becomes a mandate, and decreases transfers out by \$335,181.

With the adoption of the second budget amendment on September 13, 2021, the City Council approved transfers out of \$335,181 ARPA funds to the Public Facilities Reserve Fund for the temporary fire station project. However, this budget amendment proposes using the General Fund for the temporary fire station project and keep the ARPA funds in the Federal Grant Control Fund for other eligible future expenditures.

### **Public Facilities Reserve Fund**

The proposed budget amendment increases the Public Facilities Reserve Fund’s revenues by \$5,495, increases transfers in by \$84,819, and increases appropriations by \$329,010, resulting in a net decrease in fund balance by \$238,696.

Increase in appropriations is for the estimated remaining costs and contracts to complete the temporary fire station project. A summary of the 2021 proposed amended budget for the Public Facilities Reserve Fund is provided below:

	2021 Current Budget	Amendment #3 Request Increase (Decrease)	Proposed Final 2021 Budget
<b>Public Facilities Reserve Fund</b>			
Revenues	\$ 336,801	\$ 5,495	\$ 342,296
Transfers In	375,181	84,819	460,000
Expenditures	1,260,185	329,010	1,589,195
Transfers Out	-	-	-
Net Revenues Over (Under) Expenditures	\$ (548,203)	\$ (238,696)	\$ (786,899)
Beginning Fund Balance	958,474		958,474
Estimated Ending Fund Balance	\$ 410,271	\$ (238,696)	\$ 171,575

The estimated ending fund balance is substantially all restricted funds from donations that are to be used for Recreation Park capital improvements.

### **First Quarter Percent REET and Second Quarter Percent REET Funds**

The proposed budget amendment increases the First Quarter and the Second Quarter Percent REET Funds’ revenues by \$60,460 and \$64,960, respectively. This increase is to reflect actual REET tax revenues received through November 2021.

### **Water Fund**

The proposed budget amendment increases the Water Fund’s appropriations by \$129,200. This increase includes a \$91,000 for water rights legal services and a \$38,000 refunds of latecomer fees that were not included in the current budget.

**City-Wide Summary**

The proposed budget amendment revises the budgeted amount by a combined net total of \$325,091 and a total estimated ending fund balance to \$24,879,759 as provided below:

	2021 Current Budget	Amendment Request #3 Increase (Decrease)	Proposed Final 2021 Budget
<b>City-wide (All Funds)</b>			
Revenues	\$ 28,821,768	\$ 408,036	\$ 29,229,804
Transfers-In	1,359,915	110,349	1,470,264
Expenditures	29,412,178	82,945	29,495,123
Transfers-out	1,359,915	110,349	1,470,264
Net Revenues Over (Under) Expenditures	\$ (590,410)	\$ 325,091	\$ (265,319)
Beginning Fund Balance^	25,145,078	-	25,145,078
Estimated Ending Fund Balance	\$ 24,554,668	\$ 325,091	\$ 24,879,759

**RECOMMENDATION**

It is recommended that the City Council:

- Waive its own rules requiring two readings for an Ordinance
- Adopt Ordinance No. 1026-B on first and final reading.

**SUGGESTED MOTION**

I move that the City Council:

- Waive its own rules requiring two readings for an Ordinance
- Adopt Ordinance No. 1026-B on first and final reading

Fund No. and Name	Account Name	Reason for Amendment	2021 Current Budget	Revenue Increase (Decrease)	Transfers In	Expenditures Increase (Decrease)	Transfers Out	Ending Fund Balance Increase (Decrease)	Proposed Amended Budget
<b>Fund 001 - General Fund</b>									
<b>Revenues:</b>									
001.313.011.00	Local Sales Tax	Increase projection to reflect more to actual	5,493,200	200,000				200,000	5,693,200
001.313.061.00	Brokered Natural Gas	To reflect more to actual	76,300	(30,800)				(30,800)	45,500
001.313.071.00	Criminal Justice Funding	To reflect more to actual	148,600	18,000				18,000	166,600
001.316.041.00	Utility Tax - Electric	To reflect more to actual	584,900	70,040				70,040	654,940
001.316.043.00	Utility Tax - Gas	To reflect more to actual	137,800	14,700				14,700	152,500
001.316.045.00	Utility Tax - Sold waste	To reflect more to actual	78,700	14,270				14,270	92,970
001.316.046.01	Utility Tax - Cable	To reflect more to actual	101,200	1,470				1,470	102,670
001.316.047.00	Utility Tax - Telephone	To reflect more to actual	201,500	(52,500)				(52,500)	149,000
001.321.091.02	Franchise Tax - Comcast	To reflect more to actual	80,400	3,280				3,280	83,680
001.321.099.00	Business Licenses & Permits	To reflect more to actual	30,000	2,070				2,070	32,070
001.322.010.00	Building Permits	To reflect more to actual	205,400	56,640				56,640	262,040
001.334.002.70	ST Grant - RCO	Grant expired 6/30/21. May be extended in 2022.Adj to 2021 exp	233,425	(186,515)				(186,515)	46,910
001.336.000.98	City Assistance	To reflect more to actual	23,120	22,610				22,610	45,730
001.336.006.20	Criminal Justice High Crime	To reflect more to actual	29,100	(29,100)				(29,100)	-
001.345.083.00	Plan Check Fees	To reflect more to actual	107,000	100,980				100,980	207,980
001.347.030.01	Open Swim/Pool Admission	To reflect more to actual	96,900	(18,150)				(18,150)	78,750
001.347.030.02	Pool Rental	To reflect more to actual	7,800	(7,500)				(7,500)	300
001.347.060.01	Program Fees/Swim Lessons	To reflect more to actual	30,900	(3,120)				(3,120)	27,780
001.347.060.02	Rec Tourney/Leagues/Events	To reflect more to actual	15,600	(15,600)				(15,600)	-
001.354.009.00	Parking Infractions	To reflect more to actual	7,800	(3,500)				(3,500)	4,300
001.355.080.00	Other Criminal Traffic	To reflect more to actual	22,300	(4,500)				(4,500)	17,800
001.361.040.01	D/M Court Interest Income	To reflect more to actual	14,700	(8,500)				(8,500)	6,200
001.362.040.00	Space & Facility Rentals	To reflect more to actual	38,900	(15,000)				(15,000)	23,900
001.362.040.01	Space & Facility Rentals - RV Park	To reflect more to actual	24,300	(24,000)				(24,000)	300
001.362.040.02	Rec Park Field Rental	To reflect more to actual	1,100	(800)				(800)	300
001.362.040.03	Rec Park Field Rental	To reflect more to actual	-	17,740				17,740	17,740
001.362.040.04	Rec Park Field Rentals - Youth NPO	To reflect more to actual	-	1,770				1,770	1,770
001.362.040.06	Hedwall Field Rentals - Youth NPO	To reflect more to actual	-	2,240				2,240	2,240
001.362.040.07	Rental/Lease - Concession Stand (LET)	To reflect more to actual	-	2,000				2,000	2,000
<b>Total General Fund Revenues &amp; Transfers In</b>			<b>11,034,803</b>	<b>128,225</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,225</b>	<b>11,163,028</b>
<b>Expenditures:</b>									
001.B1.511.060.21.00	Personnel Benefits	Reflect more to actual	89,400			(20,000)		(20,000)	69,400
001.B1.511.060.41.01	Prof Svc - Strategic Planning	Cancel session in 2021 due to COVID	12,000			(12,000)		(12,000)	-
<b>subtotal for City Council</b>			<b>94,430</b>	<b>-</b>	<b>-</b>	<b>(32,000)</b>	<b>-</b>	<b>(32,000)</b>	<b>62,430</b>
001.C1.515.091.41.00	Professional Svc - Indigent Defense	Reflect more to actual	90,000			(25,000)		(25,000)	65,000
<b>subtotal for Municipal Court</b>			<b>428,316</b>	<b>-</b>	<b>-</b>	<b>(25,000)</b>	<b>-</b>	<b>(25,000)</b>	<b>403,316</b>
001.D1.513.010.11.00	Salaries and Wages - CM	Reflect more to actual	152,300			3,000		3,000	155,300
001.D1.513.010.11.02	Salaries and Wages - Admin	Reflect more to actual - due to temp vacancy	49,000			(20,000)		(20,000)	29,000
001.D1.513.010.21.02	Personnel Benefits - Admin	Reflect more to actual - due to temp vacancy	21,200			(5,200)		(5,200)	16,000
<b>subtotal for City Manager</b>			<b>228,215</b>	<b>-</b>	<b>-</b>	<b>(22,200)</b>	<b>-</b>	<b>(22,200)</b>	<b>206,015</b>
Reflect more to actual: Multiple staffing changes including temporary vacancies, unbudgeted accrual cash outs upon resignation, new employee budget vs actual etc.									
001.E1.514.023.11.00	Salaries and Wages	Changes in staffing	245,700			22,000		22,000	267,700
001.E1.514.023.21.00	Personnel Benefits	Changes in staffing	98,700			(3,000)		(3,000)	95,700
<b>subtotal for Finance</b>			<b>286,635</b>	<b>-</b>	<b>-</b>	<b>19,000</b>	<b>-</b>	<b>19,000</b>	<b>305,635</b>
001.E4.514.020.11.00	Salaries and Wages	Reflect more to actual - staffing changes in 2021	79,000			(17,000)		(17,000)	62,000
001.E4.514.020.21.00	Personnel Benefits	Reflect more to actual - staffing changes in 2021	38,600			(18,500)		(18,500)	20,100
001.E4.514.020.35.00	Small Tools & Minor Equipment	Purchase of surface pro	-			1,100		1,100	1,100
<b>subtotal for City Clerk</b>			<b>100,176</b>	<b>-</b>	<b>-</b>	<b>(34,400)</b>	<b>-</b>	<b>(34,400)</b>	<b>65,776</b>
001.F1.515.041.41.32	Professional Services - Litigation	Potential litigation - temp fire station site work contract issue	8,000			15,000		15,000	23,000
<b>subtotal for Legal Services</b>			<b>79,700</b>	<b>-</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>15,000</b>	<b>94,700</b>

Fund No. and Name	Account Name	Reason for Amendment	2021 Current Budget	Revenue Increase (Decrease)	Transfers In	Expenditures Increase (Decrease)	Transfers Out	Ending Fund	
								Balance Increase (Decrease)	Proposed Amended Budget
001.F2.518.030.11.00	Salaries and Wages	Reflect more to actual - recreation staff allocations	222,900			(7,000)		(7,000)	215,900
001.F2.518.030.11.05	Salaries and Wages - PT	Reflect more to actual	61,000			(5,000)		(5,000)	56,000
001.F2.576.020.11.00	Salaries and Wages	Reflect more to actual - recreation staff allocations	-			12,000		12,000	12,000
001.F2.576.080.41.00	Professional Services		10,000			4,800		4,800	14,800
		<b>subtotal for Facilities and Parks</b>	<b>1,302,886</b>	-	-	<b>4,800</b>	-	<b>4,800</b>	<b>1,307,686</b>
001.G1.518.080.48.02	Repair & Maint - IT Software/Hardware	Reflect more to actual	34,400			7,500		7,500	41,900
001.G1.597.000.05.03	Transfer Out - Fund 003	Adjust to new projection - 2.5% local sales tax	116,800				25,530	25,530	142,330
001.G1.597.000.05.31	Transfer Out - Fund 301	Increase for Funding for Temporary Fire Station Project Costs	40,000				420,000	420,000	460,000
		<b>subtotal for Non-Departmental</b>	<b>974,887</b>	-	-	<b>7,500</b>	<b>445,530</b>	<b>453,030</b>	<b>1,427,917</b>
001.G2.518.010.11.00	Salaries and Wages	Reflect more to actual - changes in staffing	108,800			(13,000)		(13,000)	95,800
001.G2.518.010.21.00	Personnel Benefits	Reflect more to actual - changes in staffing	41,800			(11,000)		(11,000)	30,800
		<b>subtotal for Human Resources</b>	<b>123,750</b>	-	-	<b>(24,000)</b>	-	<b>(24,000)</b>	<b>99,750</b>
001.H1.521.010.11.00	Salaries and Wages	Reflect more to actual - staffing changes & temporary vacancies	230,700			(96,000)		(96,000)	134,700
001.H1.521.010.11.00	Salaries and Wages	Reflect more to actual - staffing changes & temporary vacancies	275,800			(41,800)		(41,800)	234,000
001.H1.521.010.10.00	Overtime	Reflect more to actual - staffing changes & temporary vacancies	16,300			17,700		17,700	34,000
001.H1.522.010.11.00	Salaries and Wages	Reflect more to actual - staffing changes & temporary vacancies	1,037,700			(37,700)		(37,700)	1,000,000
001.H1.522.010.12.00	Overtime	Reflect more to actual - staffing changes & temporary vacancies	84,300			50,700		50,700	135,000
001.H1.521.010.21.00	Personnel Benefits	Reflect more to actual - staffing changes & temporary vacancies	79,000			(31,000)		(31,000)	48,000
001.H1.521.021.11.00	Personnel Benefits	Reflect more to actual - staffing changes & temporary vacancies	127,600			(12,600)		(12,600)	115,000
		<b>subtotal for Police</b>	<b>3,425,310</b>	-	-	<b>(150,700)</b>	-	<b>(150,700)</b>	<b>3,274,610</b>
001.I1.522.010.11.00	Salaries and Wages	Reflect more to actual - staffing changes & temporary vacancies	120,500			(14,000)		(14,000)	106,500
001.I1.522.010.11.02	Salaries and Wages	Reflect more to actual - staffing changes & temporary vacancies	53,700			(10,000)		(10,000)	43,700
001.I1.522.020.11.00	Salaries and Wages	Reflect more to actual - staffing changes & temporary vacancies	217,800			(55,000)		(55,000)	162,800
001.I1.522.020.12.00	Overtime	Reflect more to actual - staffing changes & temporary vacancies	110,000			(47,000)		(47,000)	63,000
001.I1.522.028.11.00	Salaries and Wages	Reflect more to actual - staffing changes & temporary vacancies	634,000			11,000		11,000	645,000
001.I1.522.028.12.00	Overtime	Reflect more to actual - staffing changes & temporary vacancies	150,000			95,000		95,000	245,000
001.I1.522.010.21.00	Personnel Benefits	Reflect more to actual - staffing changes & temporary vacancies	35,600			(5,000)		(5,000)	30,600
001.I1.522.010.21.02	Personnel Benefits	Reflect more to actual - staffing changes & temporary vacancies	20,200			(5,000)		(5,000)	15,200
001.I1.522.020.24.00	Uniforms & Clothing	Reflect more to actual - staffing changes & temporary vacancies	42,150			(15,000)		(15,000)	27,150
001.I1.522.028.21.00	Personnel Benefits	Reflect more to actual - staffing changes & temporary vacancies	316,600			(25,000)		(25,000)	291,600
001.I1.522.050.45.00	Rentals - Space	Temp Fire Station not complete, additional rental for mobile home & s	63,000			14,100		14,100	77,100
		<b>subtotal for Fire</b>	<b>2,374,715</b>	-	-	<b>(55,900)</b>	-	<b>(55,900)</b>	<b>2,318,815</b>
001.K1.542.030.11.00	Salaries and Wages	Reflect more to actual - staffing changes & temporary vacancies	56,600			45,000		45,000	101,600
001.K1.543.010.11.00	Salaries and Wages	Reflect more to actual - staffing changes & temporary vacancies	61,700			(31,200)		(31,200)	30,500
001.K1.542.030.21.00	Personnel Benefits	Reflect more to actual - staffing changes & temporary vacancies	29,000			11,000		11,000	40,000
001.K1.543.010.21.00	Personnel Benefits	Reflect more to actual - staffing changes & temporary vacancies	27,400			(14,300)		(14,300)	13,100
001.K1.542.030.47.00	Public Utility Service	Reflect more to actual	5,250			(5,000)		(5,000)	250
001.K1.542.064.41.00	Professional Services	Reflect more to actual	15,000			(5,500)		(5,500)	9,500
		<b>subtotal for Street</b>	<b>606,257</b>	-	-	-	-	-	<b>606,257</b>
001.P2.524.011.11.00	Salaries and Wages	Reflect more to actual - changes in staffing - budget vs. actual	-			47,000		47,000	47,000
001.P2.524.011.11.05	Salaries and Wages-PT	Reflect more to actual - changes in staffing - budget vs. actual	60,300			(27,000)		(27,000)	33,300
001.P2.558.060.11.00	Salaries and Wages	Reflect more to actual - changes in staffing - budget vs. actual	132,300			(67,300)		(67,300)	65,000
001.P2.558.060.11.05	Salaries and Wages-PT	Reflect more to actual - changes in staffing - budget vs. actual	-			20,500		20,500	20,500
001.P2.524.011.21.00	Personnel Benefits	Reflect more to actual - changes in staffing - budget vs. actual	-			39,000		39,000	39,000
001.P2.558.060.21.00	Personnel Benefits	Reflect more to actual - changes in staffing - budget vs. actual	87,900			(55,900)		(55,900)	32,000
001.P2.558.060.21.05	Personnel Benefits - PT	Reflect more to actual	-			2,000		2,000	2,000
001.P2.558.060.21.07	Personnel Benefits - UI TAX	Reflect more to actual	-			7,100		7,100	7,100
001.P2.553.030.41.00	Prof Svc-Flood Storage Mater Plan	Grant expired 6/30. May be extended in 2022. Reflect YTD exp	233,425			(186,515)		(186,515)	46,910
		<b>subtotal for Planning &amp; Building</b>	<b>1,031,455</b>	-	-	<b>(221,115)</b>	-	<b>(221,115)</b>	<b>810,340</b>
001.R1.571.011.11.00	Salaries and Wages	Increase for special assignment pay	96,700			11,700		11,700	108,400
001.R1.571.022.11.00	Salaries and Wages-PT	Reflect more to actual	97,900			(11,700)		(11,700)	86,200
001.R1.571.020.41.00	Professional Services	Move to Facilities for Prem A&E for Rec Park parking lot proposal	62,700			(4,800)		(4,800)	57,900
		<b>subtotal for Recreation</b>	<b>386,350</b>	-	-	<b>(4,800)</b>	-	<b>(4,800)</b>	<b>381,550</b>
<b>Total General Fund Expenditures &amp; Transfers Out</b>			<b>11,443,082</b>	-	-	<b>(523,815)</b>	<b>445,530</b>	<b>(78,285)</b>	<b>11,364,797</b>
<b>Total for General Fund</b>				<b>128,225</b>	-	<b>(523,815)</b>	<b>445,530</b>	<b>206,510</b>	

Fund No. and Name	Account Name	Reason for Amendment	2021 Current Budget	Revenue Increase (Decrease)	Transfers In	Expenditures Increase (Decrease)	Transfers Out	Ending Fund Balance Increase (Decrease)	Proposed Amended Budget
<b>Fund 003 - Dedicated Street Fund</b>									
<b>Revenues:</b>									
003.397.000.01	Transfer in- Fund 001 - Sales Tax	Adjust to new projection - 2.5% local sales tax	116,800		25,530			25,530	142,330
<b>Total Dedicated Street Fund Revenues &amp; Transfers In</b>			<b>116,950</b>	<b>-</b>	<b>25,530</b>	<b>-</b>	<b>-</b>	<b>25,530</b>	<b>142,480</b>
<b>Total for Dedicated Street Fund</b>					<b>25,530</b>			<b>25,530</b>	
<b>Fund 103 - Transportation Benefit District Fund</b>									
<b>Revenues:</b>									
103.313.021.00	Public Transportation Tax - TBD	Increase projection to reflect more to actual	1,286,000	83,000				83,000	1,369,000
103.333.020.20	DOT/Federal Hwy Admin	Kresky Ave 2020 project cost reimbursement in 2021	-	15,924				15,924	15,924
<b>Total Transportation Benefit District Fund Revenues &amp; Transfers In</b>			<b>1,751,740</b>	<b>98,924</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98,924</b>	<b>1,850,664</b>
<b>Expenditures:</b>									
103.03.542.030.31.00	Office & Operating Supplies	Supplies for annual safety improvements (signs, LED lights, etc.)	-			75,000		75,000	75,000
103.03.595.030.65.30	Construction Projects - Roads	Sitka Avenue Improvements	879,750			45,000		45,000	924,750
<b>Total Transportation Benefit District Fund Expenditures &amp; Transfers Out</b>			<b>1,637,650</b>	<b>-</b>	<b>-</b>	<b>120,000</b>	<b>-</b>	<b>120,000</b>	<b>1,757,650</b>
<b>Total for Transportation Benefit District Fund</b>				<b>98,924</b>	<b>-</b>	<b>120,000</b>	<b>-</b>	<b>(21,076)</b>	
<b>Fund 107- Tourism Fund</b>									
<b>Revenues:</b>									
107.313.031.00	Hotel/Motel Tax	Reflect more to actual	219,500	47,600				47,600	267,100
<b>Total Tourism Fund Revenues &amp; Transfers In</b>			<b>219,500</b>	<b>47,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,600</b>	<b>267,100</b>
<b>Expenditures:</b>									
107.05.557.030.41.06	Veteran's Memorial Museum	Revised allocation approved after the budget adoption	25,000			3,550		3,550	28,550
<b>Total Tourism Fund Expenditures &amp; Transfers Out</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>3,550</b>	<b>-</b>	<b>3,550</b>	<b>3,550</b>
<b>Total for Tourism Fund</b>				<b>47,600</b>	<b>-</b>	<b>3,550</b>	<b>-</b>	<b>44,050</b>	
<b>Total for LEOFF 1 OPEB Reserve Fund</b>									
<b>Fund 199 - Federal Grant Control Fund</b>									
<b>Revenues:</b>									
199.331.021.02	US Treasury Grant - ARPA	Additional Funds received	1,066,299	2,000				2,000	1,068,299
199.361.011.00	Interest Earnings	Reflect to actual	-	372				372	372
<b>Total Federal Advance Grant Control Fund Revenues &amp; Transfers In</b>			<b>1,066,299</b>	<b>2,372</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,372</b>	<b>1,068,671</b>
<b>Expenditures:</b>									
199.48.518.010.41.03	Professional Service-COVID Testing	Set a side for potential COVID testing mandate for employees	-			25,000		25,000	25,000
199.48.597.000.05.31	Transfer Out - Fund 301	Reverse BA#2. Fire Station project costs	335,181				(335,181)	(335,181)	-
<b>Total Federal Advance Grant Control Fund Expenditures &amp; Transfers Out</b>			<b>335,181</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>(335,181)</b>	<b>(310,181)</b>	<b>25,000</b>
<b>Total for Federal Grant Control Fund</b>				<b>2,372</b>	<b>-</b>	<b>25,000</b>	<b>(335,181)</b>	<b>312,553</b>	
<b>Fund 301 - Public Facilities Reserve Fund</b>									
<b>Revenues:</b>									
301.362.000.00	Rents & Leases	Post occupancy lease value to final actual (temp fire station site)	19,850	(2,505)				(2,505)	17,345
301.367.011.71	Donations - Rec Park Ballfields	Donations received not in the budget	-	8,000				8,000	8,000
301.397.000.01	Transfer In - Fund 001	Fire Station Project	40,000		420,000			420,000	460,000
301.397.000.19	Transfer In - Fund 199	Reverse #2. ARPA funds for Temp. Fire Station Project	335,181		(335,181)			(335,181)	-



Fund No. and Name	Account Name	Reason for Amendment	2021 Current Budget	Revenue Increase (Decrease)	Transfers In	Expenditures Increase (Decrease)	Transfers Out	Ending Fund Balance Increase (Decrease)	Proposed Amended Budget
	Total Public Facilities Reserve Fund Revenues & Transfers In		711,982	5,495	84,819	-	-	90,314	802,296

Fund No. and Name	Account Name	Reason for Amendment	2021 Current Budget	Revenue Increase (Decrease)	Transfers In	Expenditures Increase (Decrease)	Transfers Out	Ending Fund Balance Increase (Decrease)	Proposed Amended Budget
<b>Expenditures:</b>									
301.44.594.022.61.01	Land (Fire Station)	Realtor fees paid in 2021 \$3,125; Remaining estimated service agreement with RiceFergusMiller \$43,140; Addition budget for site improvement construction \$66,535				112,800		112,800	112,800
301.44.594.022.62.00	Bldgs./Structures (Fire Station)	Additional budget for metal building \$138,240; additional budget for mobile home relocation and preparation \$80,000				218,240		218,240	218,240
301.44.522.050.45.00	Rents & Lease	Lease value of Cascade mobile home on site to actual final agreement				(2,030)		(2,030)	(2,030)
<b>Total Public Facilities Reserve Fund Expenditures &amp; Transfers Out</b>			<b>1,260,185</b>	<b>-</b>	<b>-</b>	<b>329,010</b>	<b>-</b>	<b>329,010</b>	<b>1,589,195</b>
<b>Total for Public Facilities Reserve Fund</b>				<b>5,495</b>	<b>84,819</b>	<b>329,010</b>	<b>-</b>	<b>(238,696)</b>	
<b>Fund 305 - First Quarter Percent REET Fund</b>									
<b>Revenues:</b>									
305.318.034.00	REET 1st Qtr. Tax	Reflect more to actual	114,700	60,460				60,460	175,160
<b>Total First Quarter Percent REET Fund Revenues &amp; Transfers In</b>			<b>115,100</b>	<b>60,460</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,460</b>	<b>175,560</b>
<b>Total First Quarter Percent REET Fund</b>				<b>60,460</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,460</b>	
<b>Fund 306 - Second Quarter Percent REET Fund</b>									
<b>Revenues:</b>									
306.318.035.00	REET 2nd Qtr. Tax	Reflect more to actual	110,200	64,960				64,960	175,160
<b>Total Second Quarter Percent REET Fund Revenues &amp; Transfers In</b>			<b>110,700</b>	<b>64,960</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,960</b>	<b>175,660</b>
<b>Total Second Quarter Percent REET Fund</b>				<b>64,960</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,960</b>	
<b>Fund 405 - Water Fund</b>									
<b>Expenditures:</b>									
405.10.534.010.41.00	Professional Services	Did not budget for Water Rights Legal Services	1,980			91,000		91,000	92,980
405.10.582.010.06.00	Latecomer Fee Reimbursement	2021 refunds of fees collected in 2020 not budgeted	-			38,200		38,200	38,200
405.14.534.050.48.00	Repair Maint - Facility	Budget transfer to 48.01	53,000			(39,200)		(39,200)	13,800
405.14.534.050.48.01	Repair Maint - Equipment	WFP, Pump stations and Intake Equipment Repairs	1,000			39,200		39,200	40,200
<b>Total Water Fund Expenditures</b>			<b>3,918,107</b>	<b>-</b>	<b>-</b>	<b>129,200</b>	<b>-</b>	<b>129,200</b>	<b>4,047,307</b>
<b>Total for Water Fund</b>				<b>-</b>	<b>-</b>	<b>129,200</b>	<b>-</b>	<b>(129,200)</b>	
<b>Total Amendment for City-wide All Funds</b>				<b>408,036</b>	<b>110,349</b>	<b>82,945</b>	<b>110,349</b>	<b>325,091</b>	

**CITY OF CHEHALIS "THIRD " AMENDED 2021 BUDGET  
2021 BUDGET SUMMARY REVISED WITH ORDINANCE NO. 1026-B**

FUND NO.	FUND NAME	ACTUAL BEGINNING FUND BALANCE 01/01/2021		TRANSFERS		ESTIMATED ENDING FUND BALANCE 12/31/2021	INCREASE (DECREASE) IN FUND BALANCE	% CHANGE	
		REVENUES	IN	EXPENDITURES	OUT				
001	General Fund (Current Expense)	\$ 2,240,739	\$ 11,163,028	\$ -	\$ 10,171,423	\$ 1,193,374	\$ 2,038,970	\$ (201,769)	-9.0%
003	Dedicated Street	188,475	150	142,330	184,520	-	146,435	(42,040)	-22.3%
004	Building Abatement	51,614	100	-	-	-	51,714	100	0.2%
102	Arterial Street	98,528	160,600	-	168,300	-	90,828	(7,700)	-7.8%
103	Transportation Benefit District	3,105,160	1,850,664	-	1,757,650	-	3,198,174	93,014	3.0%
107	Tourism	110,053	267,100	-	188,550	71,563	117,040	6,987	6.3%
110	Compensated Absences Reserve	198,020	400	200,000	151,000	-	247,420	49,400	24.9%
115	LEOFF 1 OPEB Reserve	33,607	100	166,000	168,300	-	31,407	(2,200)	-6.5%
195	Community Development Block Grant	24,592	50	-	1,000	-	23,642	(950)	-3.9%
197	HUD Block Grant	88,424	180	-	2,000	-	86,604	(1,820)	-2.1%
199	Federal Grant Control	-	1,068,671	-	25,000	-	1,043,671	1,043,671	0.0%
200	General Obligation Bond	5	-	301,934	301,934	-	5	-	0.0%
301	Public Facilities Reserve	958,474	342,296	460,000	1,589,195	-	171,575	(786,899)	-82.1%
302	Automotive/Equipment Reserve	108,178	6,514	200,000	46,500	-	268,192	160,014	147.9%
305	First Quarter REET	217,375	175,560	-	-	130,196	262,739	45,364	20.9%
306	Second Quarter REET	240,627	175,660	-	-	75,131	341,156	100,529	41.8%
402	Garbage	8,318	6,115	-	6,100	-	8,333	15	0.2%
404	Wastewater	5,368,364	5,531,711	-	5,812,570	-	5,087,505	(280,859)	-5.2%
405	Water	7,990,124	3,238,597	-	4,047,307	-	7,181,414	(808,710)	-10.1%
406	Storm and Surface Water	1,699,119	709,765	-	948,100	-	1,460,784	(238,335)	-14.0%
407	Airport	1,391,726	4,206,458	-	3,601,769	-	1,996,415	604,689	43.4%
611	Firemen's Pension	1,023,556	15,480	-	13,300	-	1,025,736	2,180	0.2%
633*	Custodial Court Fund	-	103,800	-	103,800	-	-	-	0.0%
634*	Custodial Other Agency Fund	-	206,805	-	206,805	-	-	-	0.0%
<b>TOTALS</b>		<b>\$ 25,145,078</b>	<b>\$ 29,229,804</b>	<b>\$ 1,470,264</b>	<b>\$ 29,495,123</b>	<b>\$ 1,470,264</b>	<b>\$ 24,879,759</b>	<b>\$ (265,319)</b>	<b>-1.1%</b>

\*Funds 633 and 634 are custodial funds which the city holds funds as a custodian for a period of time. This money does not belong to the City.

Original Budget	19,560,947	23,329,542	662,734	24,587,576	662,734	18,302,913	(1,258,034)
<i>Changes from Amendment #1</i>	<i>5,584,131</i>	<i>2,868,359</i>	<i>400,000</i>	<i>4,103,754</i>	<i>400,000</i>	<i>4,348,736</i>	<i>(1,235,395)</i>
Amended Budget #1	25,145,078	26,197,901	1,062,734	28,691,330	1,062,734	22,651,649	(2,493,429)
<i>Changes from Amendment #2</i>	<i>-</i>	<i>3,031,903</i>	<i>407,530</i>	<i>803,793</i>	<i>407,530</i>	<i>2,228,110</i>	<i>2,228,110</i>
Amended Budget #2	25,145,078	28,821,768	1,359,915	29,412,178	1,359,915	24,554,668	(590,410)
<i>Changes from Amendment #3</i>	<i>-</i>	<i>408,036</i>	<i>110,349</i>	<i>82,945</i>	<i>110,349</i>	<i>325,091</i>	<i>325,091</i>

**ORDINANCE NO. 1026-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING THE 2021 FISCAL YEAR BUDGET ADOPTED BY ORDINANCE NO. 1013-B BY REVISING THE BUDGETED AMOUNTS BY A COMBINED TOTAL OF THREE HUNDRED TWENTY-FIVE THOUSAND NINETY-ONE DOLLARS (\$325,091) FOR THE GENERAL FUND, DEDICATED STREET FUND, TRANSPORTATION BENEFIT DISTRICT FUND, TOURISM FUND, FEDERAL GRANT CONTROL FUND, PUBIC FACILITIES RESERVE FUND, FIRST QUARTER PERCENT REET FUND, SECOND QUARTER PERCENT REET FUND, AND WATER FUND AND DIRECTING THE FINANCE DIRECTOR TO EFFECT THE BUDGET AMENDMENTS HEREIN PROVIDED.**

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

**Section 1.** The annual budget of the city for the calendar year 2021 shall be, and the same hereby is, amended so as to increase the General Fund's revenues by \$128,225, decrease appropriations by \$521,815, and increase transfers out by \$445,530.

**Section 2.** The annual budget of the city for the calendar year 2021 shall be, and the same hereby is, amended so as to increase the Dedicated Street Fund's transfers in by \$25,530.

**Section 3.** The annual budget of the city for the calendar year 2021 shall be, and the same hereby is, amended so as to increase the Transportation Benefit District Fund's revenues by \$98,924 and increase appropriations by \$120,000.

**Section 4.** The annual budget of the city for the calendar year 2021 shall be, and the same hereby is, amended so as to increase the Tourism Fund's revenues by \$47,600 and increase appropriations by \$3,550.

**Section 5.** The annual budget of the city for the calendar year 2021 shall be, and the same hereby is, amended so as to increase the Federal Grant Control Fund's revenues by \$2,372, increase appropriations by \$25,000, and decrease transfers out by \$335,181.

**Section 6.** The annual budget of the city for the calendar year 2021 shall be, and the same hereby is, amended so as to increase the Public Facilities Reserve Fund's revenues by \$5,495, increase transfers in by \$84,819, and increase appropriations by \$329,010.

**Section 7.** The annual budget of the city for the calendar year 2021 shall be, and the same hereby is, amended so as to increase the Frist Quarter Percent REET Fund's revenues by \$60,460.

**Section 8.** The annual budget of the city for the calendar year 2021 shall be, and the same hereby is, amended so as to increase the Second Quarter Percent REET Fund's revenues by \$64,960.

**Section 9.** The annual budget of the city for the calendar year 2021 shall be, and the same hereby is, amended so as to increase the Water Fund’s appropriations by \$129,200.

**Section 10.** Attached hereto and identified as Exhibit A, in summary form, is the total of estimated revenues, transfers in, expenditures, and transfers out for each separate fund and the aggregate totals for all such funds combined for the city for the amended 2021 budget which shows a total estimated ending fund balance of \$24,879,759.

**PASSED** by the City Council of the City of Chehalis, Washington, and **APPROVED** on its first reading at a regularly scheduled open public meeting thereof this \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

Approved as to form and content:

\_\_\_\_\_  
City Attorney