

CHEHALIS CITY COUNCIL AGENDA
 CITY HALL
 350 N MARKET BLVD | CHEHALIS, WA 98532

Anthony E. Ketchum, Sr., District 3 Mayor		
Jerry Lord, District 1		Kate McDougall, Position at Large No. 1
Daryl J. Lund, District 2		Kevin Carns, Position at Large No. 2
Dr. Isaac S. Pope, District 4		Robert J. Spahr, Mayor Pro Tem, Position at Large No. 3

Regular Meeting of Monday, October 9, 2023
5:00 p.m.

To access this meeting via Zoom:

Meeting ID: 834 4212 6653

Pass Code: 674890

- | |
|---|
| <ol style="list-style-type: none"> 1. Call to Order (Mayor Ketchum) 2. Pledge of Allegiance (Mayor Ketchum) 3. Approval of Agenda (Mayor Ketchum) |
|---|

- | PRESENTATIONS/PROCLAMATIONS |
|--|
| <ol style="list-style-type: none"> 4. Employee Introductions 5. Proclamation: Fire Prevention Week (Mayor Ketchum) 6. Exceptional Service Award (Fire Chief) 7. Port of Chehalis Update (Lindsey Senter) |

CONSENT CALENDAR	ADMINISTRATION RECOMMENDATION	PAGE
8. Minutes of the Special Meeting September 18, 2023 (City Clerk)	APPROVE	1
9. Vouchers and Transfers- Accounts Payable in the Amount of \$580,564.67 (Finance Director)	APPROVE	3
10. Vouchers and Transfers-Payroll in the Amount of \$1,012,780.47 (Finance Director)	APPROVE	5
11. Debt Management and Post-Issuance Compliance Update- FY 2022 (Finance Director)	INFORMATION ONLY	7
12. Contract Award to Cole Electric for Stan Hedwall RV Park Electrical Panels (Facilities Manager)	APPROVE	35
13. Budgeted Purchase of Fuel for Resale (Airport Director)	APPROVE	37
14. Consider Approval of Sales Tax to Previously Authorized Turbocompressor Purchase for Wastewater (Wastewater Superintendent)	APPROVE	39

Amended to add Item #18 on 10/9/2023

PUBLIC HEARINGS	ADMINISTRATION RECOMMENDATION	PAGE
There is no public hearing to conduct.		

CITIZENS BUSINESS (PUBLIC COMMENT)
<p>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 Kassi Mackie at 360-345-1042 or at kmackie@ci.chehalis.wa.us. Public comments will be limited to five (5) minutes per person.</p>

UNFINISHED BUSINESS	ADMINISTRATION RECOMMENDATION	PAGE
15. <u>Lodging Tax Advisory Committee Recommendations for 2023 Tourism Funds</u> (City Manager)	CONSIDER	43

NEW BUSINESS	ADMINISTRATION RECOMMENDATION	PAGE
16. <u>First and Final Reading of Resolution No. 19-2023, Waving Competitive Bid Due to Special Market Conditions-Brush Engine</u> (Fire Chief)	APPROVE	49
17. <u>First and Final Reading of Ordinance No. 1075-B, Dedication of Right-of-Way, Arkansas Way</u> (City Manager/City Attorney)	APPROVE	57
18. <u>Consider Policy Change to Municipal Code: 12.04.080 Changes to Standards and 12.04.110 Requirements-Frontage Improvements</u> (City Manager)	APPROVE	

ADMINISTRATION AND CITY COUNCIL REPORTS	ADMINISTRATION RECOMMENDATION	PAGE
<p><u>Administration Reports</u></p> <ul style="list-style-type: none"> • City Manager Update <ul style="list-style-type: none"> ○ Floodplain Management Planning Annual Progress Report <p><u>Councilor Reports/Committee Updates</u> (City Council)</p>	INFORMATION ONLY	65

EXECUTIVE SESSION
There is no executive session scheduled.

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

NEXT REGULAR CITY COUNCIL MEETINGS

MONDAY, OCTOBER 23, 2023 -5:00 P.M.

MONDAY, NOVEMBER 13, 2023- 5:00 P.M.

Amended to add Item #18 on 10/9/2023

Chehalis City Council
Special Meeting Minutes
September 18, 2023
5:00 p.m.

Council Present: Mayor Ketchum, Mayor Pro-Tem Spahr, Councilor Lund, Councilor McDougall, Councilor Carns (virtual attendance), Councilor Lord, and Councilor Pope

Council Absent: None

Staff Present: Jill Anderson, City Manager; Susan Stayner, Administrative Assistant; Kassi Mackie, City Clerk; Lance Bunker, Public Works Director; Riley Bunnell, Water Superintendent; Fritz Bierle, Streets Superintendent; Celest Wilder, Engineering Tech III; Chun Saul, Financial Director;

Press Present: Owen Sexton, The Chronicle

1. **Call to Order:**

Mayor Ketchum called the meeting to order at 5:00 p.m.

2. **Review of Chehalis Municipal Code Title 12, Streets, Sidewalks and Public Places**

Celest Wilder, Engineering Technician III and Lance Bunker, Public Works Director presented options for frontage improvements. Council discussed the current deferral process and considered changes to requirements for specific properties. Ultimately the Council directed staff to allow variances and deferrals to be processed and to review roads to determine whether frontage improvements are necessary based on the location and zoning.

Spencer Boudreau provided public comment.

Aaron Fuller provided public comment.

Todd Chaput provided public comment.

ADJOURNMENT

Mayor Ketchum adjourned the meeting at 7:05 p.m.

Anthony Ketchum, Sr., Mayor

Attest: Kassi Mackie, City Clerk

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director
Clare Roberts, Accounting Tech III

MEETING OF: October 9, 2023

SUBJECT: 2023 Vouchers and Transfers – Accounts Payable in the Amount of \$580,564.67.

ISSUE

City Council approval is requested for 2023 Vouchers and Transfers dated September 29, 2023.

DISCUSSION

The September 29, 2023 Claim Vouchers have been reviewed by a committee of two councilors prior to the release of payments. The administration is requesting City Council approval for Claim Vouchers including Electronic Funds Transfer Checks No. 3142 - 3174, 122 - 124 and Voucher Checks No. 137468 - 137551 in the amount of \$580,564.67 dated September 29, 2023, which included the transfer of:

- \$ 168,872.33 from the General Fund
- \$ 129,134.02 from the Street Fund
- \$ 16,686.90 from the Transportation Benefit District Fund
- \$ 2,071.30 from the LEOFF 1 OPEB Reserve Fund
- \$ 65,159.50 from the G.O. Bond Fund
- \$ 30,904.73 from the Wastewater Fund
- \$ 25,061.06 from the Water Fund
- \$ 2,100.51 from the Storm & Surface Water Utility Fund
- \$ 36,939.42 from the Airport Fund
- \$ 33,390.12 from the Wastewater Capital Fund
- \$ 36,510.93 from the Water Capital Fund
- \$ 33,375.93 from the Stormwater Capital Fund

- \$ 228.92 from the Firemen's Pension Fund
- \$ 129.00 from the Custodial Other Agency Fund
- \$ 580,564.67 Total Vouchers for September 29, 2023

RECOMMENDATION

It is recommended that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. 3142 - 3174, 122 - 124 and Voucher Checks No. 137468 - 137551 in the amount of \$580,564.67.

SUGGESTED MOTION

I move that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. 3142 - 3174, 122 - 124 and Voucher Checks No. 137468 - 137551 in the amount of \$580,564.67.

**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: **October 9, 2023**

SUBJECT: Vouchers and Transfers – Payroll in the Amount of \$1,012,780.47

ISSUE

City Council approval is requested for Payroll Vouchers and Transfers dated September 29,2023.

DISCUSSION

The administration requests City Council approval for Payroll Vouchers No. 42323-42342, Direct Deposit Payroll Vouchers No. 16920-17066, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 532-539 dated September 29,2023, in the amount of \$1,012,780.47, which include the transfer of:

- \$659,228.24 from the General Fund
- \$46,935.06 from the Street Fund
- \$4,455.00 from the LEOFF1 OPEB Reserve Fund
- \$116,430.45 from the Wastewater Fund
- \$124,144.23 from the Water Fund
- \$25,575.45 from the Storm & Surface Water Utility Fund
- \$36,012.04 from the Airport Fund

RECOMMENDATION

It is recommended that the City Council approve the September 29,2023, Payroll Vouchers No. 42323-42342, Direct Deposit Payroll Vouchers No. 16920-17066, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 532-539 in the amount of \$1,012,780.47.

SUGGESTED MOTION

I move that the City Council approve the September 29,2023, Payroll Vouchers No. 42323-42342, Direct Deposit Payroll Vouchers No. 16920-17066, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 532-539 in the amount of \$1,012,780.47.

I, THE UNDERSIGNED, OF THE CITY OF CHEHALIS WASHINGTON DO HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE PAYROLL-RELATED SERVICES HAVE BEEN RENDERED OR THE LABOR PERFORMED AS DESCRIBED HEREIN AND THAT THE CLAIM IS A JUST, DUE AND UNPAID OBLIGATION AGAINST THE CITY OF CHEHALIS, AND THAT I AM AUTHORIZED TO AUTHENTICATE AND CERTIFY TO SAID CLAIM.

David J. Slack
PAYROLL OFFICER

Chun Saul
FINANCE DIRECTOR

CHECK NOS. 42323 THROUGH 42342, DIRECT DEPOSIT CHECK NOS. 16920 THROUGH 17066, ELECTRONIC FEDERAL TAX AND DRS PENSION/DEFERRED COMP PAYMENTS NOS. 532-539 ARE HEREBY APPROVED FOR PAYMENT IN THE TOTAL AMOUNT OF \$1,012,780.47 THIS 07th DAY OF October, 2023.

Andy A. Keith
MAYOR

001	GENERAL FUND	\$659,228.24
003	STREET FUND	46,935.06
115	LEOFF1 OPEB	4,455.00
404	WASTEWATER FUND	116,430.45
405	WATER FUND	124,144.23
406	STORM & SURFACE UTIL FUND	25,575.45
407	AIRPORT FUND	<u>36,012.04</u>
	TOTAL	\$1,012,780.47

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Manager

MEETING OF: October 9, 2023

SUBJECT: Debt Management and Post-Issuance Compliance Update – Fiscal Year 2022

ISSUE

The City is required to submit annual financial data and a timely notice of the occurrence of certain events to the Municipal Securities Rulemaking Board (MRSB) and then report to the City Council that the requirement has been fulfilled.

DISCUSSION

LTGO Bonds, 2011

As part of the issuance of the City of Chehalis' Limited Tax General Obligation (LTGO) Bonds, 2011, the City agreed to adhere to federal regulations (Rule 15c2-12) and the City's Post-Issuance Compliance (DMPI) Policy. The Bond Ordinance provides the deadline and the types of annual financial and operating data to be provided.

The deadline for submitting annual financial information is September 30th of each year per the Bond Ordinance. The following are the types of annual financial information and operating data the city is required to provide: 1) Annual Financial Statement; 2) Outstanding general obligation debt; 3) Assessed valuation; 4) Property taxes, rates, amounts levied, and percentage collected; and 5) General Fund revenues from other major tax sources.

The data for the fiscal year ended December 31, 2022, was submitted to Municipal Securities Rulemaking Board (MSRB) via their Electronic Municipal Market Access (EMMA) system on September 27, 2023. Confirmation of successful submission and the financial reports and other operating data submitted are attached.

LTGO Bonds, 2019 and LTGO Bonds, 2020

The City issued LTGO Bonds, 2019 to finance the Recreation Park improvement project and LTGO Bonds, 2020 to finance the acquisition of fire station property and temporary fire station project through a private placement. Although the City does not have the obligation of

continuing disclosure filing to MRSB on these bonds, the City still has the obligation to provide certain financial information to the registered Bond owners directly.

The registered Bond owner for the LTGO Bonds 2019 is Zions Bancorporation, N.A.
The registered Bond owner for the LTGO Bonds 2020 is JPMorgan Chase & Co.

The types of information required to be provided may include: 1) budgets, 2) annual financial reports, 3) issuance of additional debt obligations, and 4) amendments to financing documents for annual monitoring. The unaudited 2022 financial statement report was provided to Mr. Andrew Face, Vice President of Zions Bancorporation N.A. and to JPMorgan Chase & Co. on September 25, 2022.

The city's fiscal year 2022 audits have just begun and is anticipated the audits will complete by 12/31/2023. When the audited financial statements are ready, they will be submitted to the MSRB, Zions Bancorporation, and JPMorgan Chase Bank.

FISCAL IMPACT

None

RECOMMENDATION

No action is required; this update is informational only.

SUGGESTED MOTION

N/A

Submission ID: P11288524

Submission Date: 9/27/2023 5:36 PM

Status: PUBLISHED

Disclosure Categories

Rule 15c2-12 Disclosure

Annual Financial Information and Operating Data: City of Chehalis 2022 Financial Statements - Unaudited, for the year ended 12/31/2022

Document

File	Period Date
City of Chehalis 2022 Unaudited Financial Statemen	09/25/2023
City of Chehalis Additional Financial Information	09/25/2023
City of Chehalis Additional Financial Information	09/27/2023

Associated Securities

The following are associated with this continuing disclosure submission.

CUSIP-6	Issuer Name
163087	CITY OF CHEHALIS, WASHINGTON

Total CUSIPs associated with this submission: 5

The disclosure will be published for the following securities.

CUSIP-9	Issue Description	Dated Date	Maturity Date	Coupon (%)
163087AA7	LIMITED TAX GENERAL OBLIGATION BONDS, 2011	12/06/2011	12/01/2014	1.2
163087AB5	LIMITED TAX GENERAL OBLIGATION BONDS, 2011	12/06/2011	12/01/2017	2.5
163087AC3	LIMITED TAX GENERAL OBLIGATION BONDS, 2011	12/06/2011	12/01/2021	3.125
163087AD1	LIMITED TAX GENERAL OBLIGATION BONDS, 2011	12/06/2011	12/01/2024	3.75
163087AE9	LIMITED TAX GENERAL OBLIGATION BONDS, 2011	12/06/2011	12/01/2026	4

Submitter's Contact Information

City of Chehalis
Name: CHUN SAUL
Address: 1321 S. MARKET BLVD
City, State Zip: CHEHALIS, WA 98532
Phone Number: 3603453231
Email: csaul@ci.chehalis.wa.us

Issuer's Contact Information

City of Chehalis
Name: CHUN SAUL
Address: 1321 S. MARKET VLVD
City, State Zip: CHEHALIS, WA 98532
Phone Number: 3603453231
Email: csaul@ci.chehalis.wa.us

Obligated Person's Contact Information

City of Chehalis
Name: CHUN SAUL
Address: 1321 S. MARKET VLVD
City, State Zip: CHEHALIS, WA 98532
Phone Number: 3603453231
Email: csaul@ci.chehalis.wa.us

ANNUAL REPORT CERTIFICATION

City of Chehalis

(Official Name of Government)

0487

MCAG No.

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor’s Office

For the Fiscal Year Ended 12/31/2022

GOVERNMENT INFORMATION:

Official Mailing Address 1321 S Market Blvd
Chehalis, WA 98532

Official Website Address www.ci.chehalis.wa.us

Official E-mail Address csaul@ci.chehalis.wa.us

Official Phone Number 360-345-3231

AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title Sally Saxton Financial Analyst

Contact Phone Number 360-848-2129

Contact E-mail Address ssaxton@ci.chehalis.wa.us

I certify 25th day of May, 2023, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification. I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

Signatures

Sally Saxton (ssaxton@ci.chehalis.wa.us)

Unaudited

City of Chehalis
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Total for All Funds (Memo Only)	001 GENERAL FUND	102 ARTERIAL STREET FUND	103 TRANSPORTATI ON BENEFIT
Beginning Cash and Investments					
308	Beginning Cash and Investments	25,677,106	3,649,674	96,854	3,071,696
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	12,628,093	10,487,636	-	1,477,013
320	Licenses and Permits	572,383	572,383	-	-
330	Intergovernmental Revenues	3,447,886	591,480	-	982,622
340	Charges for Goods and Services	12,682,408	504,025	-	-
350	Fines and Penalties	195,835	87,853	-	-
360	Miscellaneous Revenues	703,336	334,911	-	44,503
Total Revenues:		<u>30,229,941</u>	<u>12,578,288</u>	<u>-</u>	<u>2,504,138</u>
Expenditures					
510	General Government	2,590,727	2,579,898	-	-
520	Public Safety	5,822,199	5,821,051	-	-
530	Utilities	6,287,092	-	-	-
540	Transportation	2,150,988	783,902	-	12,513
550	Natural/Economic Environment	771,320	630,656	-	-
560	Social Services	13,295	13,295	-	-
570	Culture and Recreation	865,379	865,379	-	-
Total Expenditures:		<u>18,501,000</u>	<u>10,694,181</u>	<u>-</u>	<u>12,513</u>
Excess (Deficiency) Revenues over Expenditures:		11,728,941	1,884,107	-	2,491,625
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	147,163	-	-	-
397	Transfers-In	1,325,631	361,115	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	273,042	96,969	-	-
Total Other Increases in Fund Resources:		<u>1,745,836</u>	<u>458,084</u>	<u>-</u>	<u>-</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	3,820,254	134,438	-	1,928,556
591-593, 599	Debt Service	2,572,757	126,437	-	-
597	Transfers-Out	1,325,631	509,419	90,828	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	142,981	5,428	-	-
Total Other Decreases in Fund Resources:		<u>7,861,623</u>	<u>775,722</u>	<u>90,828</u>	<u>1,928,556</u>
Increase (Decrease) in Cash and Investments:		<u>5,613,154</u>	<u>1,566,469</u>	<u>(90,828)</u>	<u>563,069</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	9,683,035	202,152	6,026	3,634,765
50841	Committed	2,494,780	1,905,615	-	-
50851	Assigned	16,526,158	522,089	-	-
50891	Unassigned	2,586,287	2,586,287	-	-
Total Ending Cash and Investments		<u>31,290,260</u>	<u>5,216,143</u>	<u>6,026</u>	<u>3,634,765</u>

The accompanying notes are an integral part of this statement.

Unaudited

City of Chehalis
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		107 TOURISM	195 1982-93 COMM DEVELOP BLK	197 HUD BLOCK GRANT	199 FEDERAL ADVANCE GRANT
Beginning Cash and Investments					
308	Beginning Cash and Investments	140,104	24,613	88,501	1,068,806
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	320,926	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	1,069,343
340	Charges for Goods and Services	-	828	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	2,930	357	1,268	26,297
Total Revenues:		323,856	1,185	1,268	1,095,640
Expenditures					
510	General Government	-	-	-	10,829
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	140,664	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		140,664	-	-	10,829
Excess (Deficiency) Revenues over Expenditures:		183,192	1,185	1,268	1,084,811
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	108,686	-	-	232,947
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		108,686	-	-	232,947
Increase (Decrease) in Cash and Investments:		74,506	1,185	1,268	851,864
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	214,610	25,798	89,769	1,920,670
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		214,610	25,798	89,769	1,920,670

The accompanying notes are an integral part of this statement.

Unaudited

City of Chehalis
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		200 G.O. BOND FUND	301 PUBLIC FACILITIES RESERVE	303 PARK IMPROVEMENT FUND	305 FIRST QUARTER PERCENT REET
Beginning Cash and Investments					
308	Beginning Cash and Investments	5	477,066	-	288,772
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	171,259
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	8,305	22,423	4,309
Total Revenues:		-	8,305	22,423	175,568
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	1,148	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	1,148	-	-
Excess (Deficiency) Revenues over Expenditures:		-	7,157	22,423	175,568
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	299,516	485,000	180,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		299,516	485,000	180,000	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	187,295	70,705	-
591-593, 599	Debt Service	299,458	-	-	-
597	Transfers-Out	-	180,000	-	130,494
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		299,458	367,295	70,705	130,494
Increase (Decrease) in Cash and Investments:		58	124,862	131,718	45,074
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	52,763	91,429	333,846
50841	Committed	-	549,165	40,000	-
50851	Assigned	63	-	289	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		63	601,928	131,718	333,846

The accompanying notes are an integral part of this statement.

Unaudited

City of Chehalis
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		306 SECOND QUARTER PERCENT REET	402 GARBAGE	404 WASTEWATER FUND	405 WATER FUND
Beginning Cash and Investments					
308	Beginning Cash and Investments	367,157	8,449	5,468,851	7,866,126
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	171,259	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	5,067	5,974,340	3,422,953
350	Fines and Penalties	-	-	56,662	41,613
360	Miscellaneous Revenues	6,261	132	69,845	122,955
Total Revenues:		<u>177,520</u>	<u>5,199</u>	<u>6,100,847</u>	<u>3,587,521</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	5,378	3,402,293	2,408,958
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>-</u>	<u>5,378</u>	<u>3,402,293</u>	<u>2,408,958</u>
Excess (Deficiency) Revenues over Expenditures:		<u>177,520</u>	<u>(179)</u>	<u>2,698,554</u>	<u>1,178,563</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	176,073
Total Other Increases in Fund Resources:		<u>-</u>	<u>-</u>	<u>-</u>	<u>176,073</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	44,244	585,899
591-593, 599	Debt Service	-	-	1,882,235	236,254
597	Transfers-Out	73,257	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	83,418
Total Other Decreases in Fund Resources:		<u>73,257</u>	<u>-</u>	<u>1,926,479</u>	<u>905,571</u>
Increase (Decrease) in Cash and Investments:		<u>104,263</u>	<u>(179)</u>	<u>772,075</u>	<u>449,065</u>
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	471,420	-	1,879,904	616,563
50841	Committed	-	-	-	-
50851	Assigned	-	8,270	4,361,022	7,698,628
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		<u>471,420</u>	<u>8,270</u>	<u>6,240,926</u>	<u>8,315,191</u>

The accompanying notes are an integral part of this statement.

Unaudited

City of Chehalis
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		406 STORM & SURFACE WATER UTILITY	407 AIRPORT FUND
Beginning Cash and Investments			
308	Beginning Cash and Investments	1,516,682	1,543,750
388 / 588	Net Adjustments	-	-
Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	804,441
340	Charges for Goods and Services	729,704	2,045,491
350	Fines and Penalties	9,707	-
360	Miscellaneous Revenues	24,557	34,283
	Total Revenues:	763,968	2,884,215
Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	470,463	-
540	Transportation	-	1,354,573
550	Natural/Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
	Total Expenditures:	470,463	1,354,573
	Excess (Deficiency) Revenues over Expenditures:	293,505	1,529,642
Other Increases in Fund Resources			
391-393, 596	Debt Proceeds	-	147,163
397	Transfers-In	-	-
385	Special or Extraordinary Items	-	-
381, 382, 389, 395, 398	Other Resources	-	-
	Total Other Increases in Fund Resources:	-	147,163
Other Decreases in Fund Resources			
594-595	Capital Expenditures	44,343	824,774
591-593, 599	Debt Service	1,052	27,321
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	54,135
	Total Other Decreases in Fund Resources:	45,395	906,230
	Increase (Decrease) in Cash and Investments:	248,110	770,575
Ending Cash and Investments			
50821	Nonspendable	-	-
50831	Restricted	-	143,320
50841	Committed	-	-
50851	Assigned	1,764,792	2,171,005
50891	Unassigned	-	-
	Total Ending Cash and Investments	1,764,792	2,314,325

The accompanying notes are an integral part of this statement.

City of Chehalis
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Total for All Funds (Memo Only)	Pension/OPEB Trust Fund	Custodial
308	Beginning Cash and Investments	1,071,684	1,032,680	39,004
388 & 588	Net Adjustments	-	-	-
310-390	Additions	326,313	28,763	297,550
510-590	Deductions	340,166	3,721	336,445
	Net Increase (Decrease) in Cash and Investments:	(13,853)	25,042	(38,895)
508	Ending Cash and Investments	1,057,831	1,057,722	109

The accompanying notes are an integral part of this statement.

**CITY OF CHEHALIS
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Chehalis (the City) was incorporated on November 23, 1883 and operates under the laws of the State of Washington applicable to a non-charter code city with a Mayor-Council form of government. The City is a general-purpose government and provides public safety, fire prevention, parks and recreation activities, street maintenance and repairs, planning and zoning, judicial administration, water supply/treatment/distribution, sewage collection and treatment, storm & surface water collection, airport, and general administrative services.

The City of Chehalis reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System (BARS)* Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented rather than a focus on major funds.
- The *Schedule of Liabilities (Schedule 09)* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are presented using classifications that are similar to the ending balance classification in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues, and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES

General Fund

This fund is the primary operating fund of the City of Chehalis. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for revenue sources that are restricted or committed to expenditures for specified purposes of the government.

Debt Service Funds

These funds account for the financial resources which are restricted, committed, or assigned to expenditures for principal, interest, and related costs on general long-term debt.

Unaudited

Capital Project Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the public and are supported primarily through user charges.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others.

Pension (and Other Employee Benefit) Trust Funds

These funds are used to report fiduciary activities for pension and OPEB plans administered through trust. The City's Firemen's Pension Fund accumulates resources for pension benefit payments to qualified retired firefighters and qualified surviving spouses.

Custodial Funds

These funds are used to account for assets that the City holds on behalf of others in a custodial capacity. The City has two custodial funds – Court Revenue and Other Agency.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received, and expenditures are recognized when paid.

In accordance with state law the City also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous year.

C. Cash and Investments

See Note 3, Deposits and Investments.

D. Capital Assets

Capital assets are assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may accumulate up to 544 hours and is payable upon separation, retirement, or death. Maximum vacation accrual and cash-outs vary according to different union or employment agreements.

Sick leave may accumulate up to 1,440 hours. Upon separation, retirement, or death, employees receive payment for unused sick leave to a maximum of 720 hours if certain requirements are met. Maximum sick leave accruals and rules for cash-outs vary according to different union or employment agreements. Payments are recognized as expenditures when paid.

Unaudited

Compensatory time may accumulate up to 360 hours and is payable upon request or separation. Maximum accrual and rules for cash-outs vary according to different union or employment agreements.

Compensated Absences liabilities are reported on Schedule of Liabilities (Schedule 09).

F. Long-Term Debt

See Note 6 – Long-Term Debt.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the City Council. When expenditures that meet restrictions are incurred, the City intends to use the most restricted resources first.

Restrictions and commitments of ending cash and investments as of December 31, 2022, consist of the following:

Restricted Cash and Investments

Fund Name	Purpose	Authority	Balance 12/31/2022
General	JNET Drug Funds	RCW 69.50.505	\$ 161,075
General	Substance Abuse Investigation	Ord. No. 831B	29,591
General	Parks & Facilities Donations	Donor	680
General	Felony Confiscated/Forfeiture	RCW 10.105.010	167
General	Municipal Court Trust Account Bail Deposit		8,211
Total General Fund			199,724
Street	Path and Trails	RCW 47.30	2,428
Arterial Street	Streets, Roads and Highways	RCW 4724.040	6,026
Total Arterial Street Fund			8,454
TBD	Transportation Improvements	RCW 82.14.0455; 36.73	3,634,765
Tourism	Tourism Promotion	RCW 67.28.1815	214,610
CDBG	CDBG eligible activity	CDBG	25,798
HUD Grant	Housing & Urban Development related activity	HUD Grant	89,769
Federal Grant Control	American Rescue Plan Act (ARPA)/SLFRF	U.S. Treasury	1,920,670
Public Facilities Reserve	Recreation Park Project (Ballfields)	Donor	52,763
Park Improvement	Recreation Park Project	Donor	91,429
1st Quarter REET	CFP Capital Projects/Maintenance	RCW 82.46.010	333,846
2nd Quarter REET	CFP Capital Projects/Maintenance	RCW 82.46.035	471,420
Wastewater	Debt Service	Loan Agreement	1,879,904
Water	Customer Deposits		591,563
Water	Water Conservation Project	Donor	25,000
Airport	Lease Escrow Deposit	Lease Contract	143,320
Total Restricted			\$ 9,683,035

Unaudited

Committed Cash and Investments

Fund Name	Purpose	Authority	Balance 12/31/2022
General	Vehicle and Equipment Replacements	Ord. No. 1065-B	450,000
General	General Facilities Improvements	Ord. No. 1065-B	350,000
General	Compensated Absences	Ord. No. 1065-B	212,092
General	LEOFF 1 OPEB	Ord. No. 1065-B	150,554
General	Vehicle Replacement	Ord. No. 1065-B	492,969
General	Financial system upgrade	Ord. No. 1065-B	250,000
Total General Fund			1,905,615
Public Facilities Reserve	Permanent Fire Station Preliminary Design	Ord. No. 1065-B	200,000
Public Facilities Reserve	Police Evidence Garage	Ord. No. 1065-B	80,000
Public Facilities Reserve	Temporary Fire Station Commitments	Ord. No. 1065-B	95,600
Public Facilities Reserve	General Facilities Improvements	Ord. No. 1065-B	173,565
Park Improvement	Westside Park Improvements	Ord. No. 1065-B	20,000
Park Improvement	Lintott/Alexander Park Improvements	Ord. No. 1065-B	20,000
Total Pubic Facilities Reserve Fund			589,165
Total Committed			\$ 2,494,780

Assignment of ending cash and investments reported in the General Fund consists of the following:

General Fund (001) Assigned Cash and Investments

Fund Name	Purpose	Authority	Balance 12/31/2022
General Fund	Roads repairs & maintenance	Sub-fund (003)	\$ 469,690
General Fund	Building abatement costs	Sub-fund (004)	52,399
			\$ 522,089

NOTE 2 – BUDGET COMPLIANCES

The City of Chehalis adopts annual appropriated budgets for the general, special revenue, debt service, capital, enterprise, fiduciary, and pension trust funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end. Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follows:

Unaudited

Fund	Fund Name	2022 Original Budget	2022 Final Budget	2022 Actual Expenditures and Other Decreases in Funds Resources	Variance
City Funds:					
001	General Fund	\$ 11,909,220	\$ 13,483,067	\$ 11,903,844	\$ 1,579,223
003	Dedicated Street	1,057,976	1,079,576	906,570	173,006
004	Building Abatement	-	-	-	-
102	Arterial Street	90,828	90,828	90,828	-
103	Transportation Benefit District	3,700,000	3,242,300	1,941,070	1,301,230
107	Tourism	257,986	257,986	249,350	8,636
110	Compensated Absences Reserve Fund	61,700	61,700	38,110	23,590
115	LEOFF 1 OPEB Reserve Fund	156,700	156,700	131,135	25,565
195	Community Dev. Block Grant Fund	1,000	1,000	-	1,000
197	HUD Block Grant Fund	2,000	2,000	-	2,000
199	Federal Grant Control	420,000	430,830	243,776	187,054
200	G.O. Bond	299,515	299,515	299,458	57
301	Public Facilities Reserve Fund	310,000	605,000	368,443	236,557
302	Automotive/Equipment Reserve Fund	-	-	-	-
303	Parks Improvement Fund	-	114,850	70,705	44,145
305	First Quarter REET	130,494	130,494	130,494	-
306	Second Quarter REET	73,257	73,257	73,257	-
402	Garbage	7,000	7,000	5,378	1,622
404	Wastewater	7,532,194	7,682,794	7,443,465	239,329
414	Wastewater Capital Fund	542,000	542,000	31,606	510,394
405	Water	9,200,709	9,600,409	9,483,375	117,034
415	Water Capital Fund	841,000	999,500	582,754	416,746
406	Storm and Surface Water	1,876,020	2,010,720	1,901,216	109,504
416	Storm and Surface Water Capital Fund	57,900	70,805	44,343	26,462
407	Airport	2,997,923	3,372,423	3,259,030	113,393
417	Airport Capital Fund	76,500	682,210	824,774	(142,564)
Total City Funds (C4)		41,601,922	44,996,964	40,022,981	4,973,983
Fiduciary Funds:					
611	Firemen's Pension Fund	13,300	13,300	3,721	9,579
Total Fiduciary Funds (C5)		13,300	13,300	3,721	9,579
Total All Funds		\$ 41,615,222	\$ 45,010,264	\$ 40,026,702	\$ 4,983,562

Budgeted amounts are authorized to be transferred between departments within any fund or object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City's legislative body.

The City maintains separate sub-funds for the General Fund and for each Enterprise Fund for budget managerial purposes. Per the reporting standards prescribed by the Washington State *Budget, Accounting, and Reporting System* (BARS) Manual, these sub-funds are rolled into one General Fund and Enterprise Funds for each proprietary function for financial reporting purposes, which requires eliminating interfund transactions between the General Fund and each Enterprise Funds and their sub-funds. The following tables provides summation of the General Fund and each Proprietary Fund and their sub-funds, net of eliminated transactions:

Unaudited

Reconciling General Fund to the Financial Statements (sub-funds rolled into primary fund)

Fund	Fund Name	2022 Adopted Budget	2022 Final Budget	2022 Actual Expenditures and Other Decreases in Funds Resources	Variance
001	General Fund	\$ 11,909,220	\$ 13,483,067	\$ 11,903,844	\$ 1,579,223
Sub-funds:					
003	Dedicated Street	1,057,976	1,079,576	906,570	173,006
004	Building Abatement	-	-	-	-
110	Compensated Absences Reserve Fund	61,700	61,700	38,110	23,590
115	LEOFF 1 OPEB Reserve Fund	156,700	156,700	131,135	25,565
302	Automotive/Equipment	-	-	-	-
Total General Fund		13,185,596	14,781,043	12,979,659	1,801,384
Less: Interfund Transfers Eliminated		(991,800)	(1,477,800)	(1,509,756)	31,956
General Fund for Financial Statements		\$ 12,193,796	\$ 13,303,243	\$ 11,469,903	\$ 1,833,340

Reconciling Waste Water Fund to the Financial Statements (sub-fund rolled into primary fund)

Fund	Fund Name	2022 Adopted Budget	2022 Final Budget	2022 Actual Expenditures and Other Decreases in Funds Resources	Variance
404	Waste Water Fund	\$ 7,532,194	\$ 7,682,794	\$ 7,443,465	239,329
Sub-funds:					
414	Waste Water Capital Fund	542,000	542,000	313,606	228,394
Total Waste Water Fund		8,074,194	8,224,794	7,757,071	467,723
Less: Interfund Transfers Eliminated		(2,000,000)	(2,146,300)	(2,146,300)	-
Waste Water Fund for Financial Statements		\$ 6,074,194	\$ 6,078,494	\$ 5,610,771	\$ 467,723

Reconciling Water Fund to the Financial Statements (sub-fund rolled into primary fund)

Fund	Fund Name	2022 Adopted Budget	2022 Final Budget	2022 Actual Expenditures and Other Decreases in Funds Resources	Variance
405	Water Fund	\$ 9,200,709	\$ 9,600,409	\$ 9,483,375	117,034
Sub-funds:					
415	Water Capital Fund	841,000	999,500	582,754	-
Total Water Fund		10,041,709	10,599,909	10,066,129	117,034
Less: Interfund Transfers Eliminated		(6,400,000)	(6,751,600)	(6,751,600)	-
Water Fund for Financial Statements		\$ 3,641,709	\$ 3,848,309	\$ 3,314,529	\$ 117,034

Reconciling Storm and Surface Water Fund to the Financial Statements (sub-fund rolled into primary fund)

Fund	Fund Name	2022 Adopted Budget	2022 Final Budget	2022 Actual Expenditures and Other Decreases in Funds Resources	Variance
406	Storm and Surface Water Fund	\$ 1,876,020	\$ 2,010,720	\$ 1,901,216	109,504
Sub-funds:					
416	Storm and Surface Water Capital Fund	57,900	70,805	44,343	26,462
Total General Fund		1,933,920	2,081,525	1,945,559	135,966
Less: Interfund Transfers Eliminated		(1,295,000)	(1,429,700)	(1,429,700)	-
Storm and Surface Water Fund for Financial S		\$ 638,920	\$ 651,825	\$ 515,859	\$ 135,966

Reconciling Airport Fund to the Financial Statements (sub-fund rolled into primary fund)

Fund	Fund Name	2022 Adopted Budget	2022 Final Budget	2022 Actual Expenditures and Other Decreases in Funds Resources	Variance
407	Airport Fund	\$ 2,997,923	\$ 3,372,423	\$ 3,259,030	113,393
Sub-funds:					
417	Airport Capital Fund	76,500	682,210	824,774	(142,564)
Total Airport Fund		3,074,423	4,054,633	4,083,804	(29,171)
Less: Interfund Transfers Eliminated		(1,534,000)	(1,823,000)	(1,823,000)	-
Airport Fund for Financial Statements		\$ 1,540,423	\$ 2,231,633	\$ 2,260,804	\$ (29,171)

NOTE 3 – DEPOSITS AND INVESTMENTS

It is the City's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Investments are reported at original costs. Deposits and investments by type as of December 31, 2022, are as follows:

Types of Deposits and Investments	Deposits and Investments held by City as custodian for other local governments, individuals, or private organizations		Total
	City's Own Deposits and Investment at Cost		
Cash and Deposits	\$ 3,214,426	\$ 9,300	\$ 3,223,726
Local Government Investment Pool	22,029,333	1,048,531	23,077,864
US Government Agency Securities	6,046,501	-	6,046,501
Total	\$ 31,290,260	\$ 1,057,831	\$ 32,348,091

Investments in the State Local Government Investment Pool (LGIP)

The City is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW.

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Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the City would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. All City's deposits are covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). All investments are insured, registered, or held by the City or City's agent in the City's name.

NOTE 4 – PROPERTY TAX

The Lewis County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by the City. Delinquent taxes are considered fully collectible because a lien affixes to the property after taxes are levied.

The City's regular levy rate for the year 2022 was \$1.778838039476 per \$1,000 on an assessed valuation of \$944,839,689 for a total regular levy of \$1,680,716.78.

The City also has a levy for Emergency Medical Services (EMS). The City's EMS rate for the year 2022 was \$0.491078587618 per \$1,000 on an assessed valuation of \$944,839,689 for a total EMS levy of \$463,990.54.

NOTE 5 – INTERFUND LOANS

The following table provides interfund loan activities during 2022:

Borrowing Fund	Lending Fund	Balance 1/1/2022	New Loans	Payments	Balance 12/31/2022
Airport Fund	Water Fund	\$ 54,135	\$ -	\$ 54,135	\$ -
Totals		\$ 54,135	\$ -	\$ 54,135	\$ -

The interfund loan between Water and Airport funds was made in 2018 to pay off a higher-interest bank loan and to shorten the repayment periods. In September 2018, the City's Ordinance No. 990-B authorized the interfund loan with interest rate at 2% per annum and to adjust to match the state investment pool rate if the rate rises above 2%. The Ordinance also adopted a definitive repayment schedule for the loan over a period of four years (48 monthly payments) and full repayment of the loan balance no later than September 30, 2022. The interest payment in 2022 was \$461.

NOTE 6 – LONG-TERM DEBT

The accompanying Schedule of Liabilities (Schedule 09) provides more details of the outstanding debt and liabilities of the City of Chehalis and summarizes the City's debt and liabilities transactions for the year ended December 31, 2022.

Unaudited

Bonds & Loans

The City's total debt service requirements for outstanding general obligation bonds and revenue bonds and other debt (which includes State Revolving Fund loans, Distressed County loans, and bank loans) are as follows:

Year	G.O. Debt			Revenue Debt			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 391,860	\$ 89,666	\$ 481,526	\$ 2,016,434	\$ 29,993	\$ 2,046,427	\$ 2,408,294	\$ 119,659	\$ 2,527,953
2024	401,838	68,891	470,729	1,916,604	24,697	1,941,301	2,318,442	93,588	2,412,030
2025	381,244	60,368	441,612	1,834,376	21,458	1,855,834	2,215,620	81,826	2,297,446
2026	395,645	51,678	447,323	1,834,807	18,831	1,853,638	2,230,452	70,509	2,300,961
2027	233,076	42,507	275,583	1,019,937	16,192	1,036,129	1,253,013	58,699	1,311,712
2028-2032	1,095,491	148,822	1,244,313	442,698	53,884	496,582	1,538,189	202,706	1,740,895
2033-2037	717,809	49,221	767,030	392,330	18,532	410,862	1,110,139	67,753	1,177,892
2038-2042	219,501	13,344	232,845	-	-	-	219,501	13,344	232,845
TOTALS	\$ 3,836,464	\$ 524,497	\$ 4,360,961	\$ 9,457,186	\$ 183,587	\$ 9,640,773	\$ 13,293,650	\$ 708,084	\$ 14,001,734

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

LEOFF 1 OPEB

The City administers a single-employer, defined benefit plan covering post-retirement healthcare and long-term care benefits in accordance with Washington Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Act (RCW 41.26.150) to its LEOFF 1 police and firefighter retirees who established membership in the LEOFF 1 plan retirement system on or before September 30, 1977. The Lewis County Law Enforcement and Firefighter Board (LEOFF Board), in conjunction with the City of Chehalis Human Resources department, administers the plan. The last employer of a retired LEOFF 1 member is responsible for the full cost of any post-retirement medical benefits.

The benefits include medical insurance premiums and premiums for Medicare Part B coverage. Additionally, the City reimburses all eligible out-of-pocket costs, including but not limited to, co-pays for doctor visits and medicines, as well as long-term care costs not covered by Medicare. Dental costs and dependents are not covered.

During 2022, the City paid \$131,135 in total benefits including \$85,605 in insurance premiums and \$45,530 in other out-of-pocket cost reimbursements.

These medical benefits for LEOFF 1 members are funded on a pay-as-you-go basis through the general fund and a portion of the general property tax levy. The City's 2022 Budget includes a property tax levy of \$0.225 per \$1,000 assessed value committed to provide the OPEB plan benefits. LEOFF 1 OPEB benefits are accounted for in the LEOFF 1 OPEB Reserve Fund which is a sub-fund of the general fund.

As of December 31, 2022, the City's LEOFF 1 OPEB plan had thirteen (13) members, all retirees.

The City's liability for post-retirement medical benefits (OPEB) was calculated utilizing the interactive GASB 75 Alternative Measurement Online Tool for LEOFF 1 provided by the Office of the State Actuary. Total OPEB liabilities for LEOFF 1 retirees as of December 31, 2022, is \$5,600,096, which is included in Schedule 09.

NOTE 8 – PENSION PLANS

A. State Sponsored Pension Plans

Substantially all City of Chehalis full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution

Unaudited

retirement plans: Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Plan 1 and 2; and Public Employees' Retirement Systems (PERS) Plans 1, 2 and 3.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

Also, the DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

On June 30, 2021 (the measurement date of the plans) the City's proportionate share of the collective net pension liabilities (assets), as reported on Schedule 09, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1 UAAL	\$ 152,878	0.024945%	\$ 694,560
PERS 2 & 3	\$ 261,774	0.032584%	\$ (1,208,469)
LEOFF 1	\$ -	0.025227%	\$ (723,665)
LEOFF 2	\$ 132,354	0.063930%	\$ (1,737,424)

Only the net pension liabilities are reported on Schedule 09.

LEOFF Plan 1

The City of Chehalis also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded, and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding the remaining liability will require new legislation. Starting July 1, 2000, employers and employees contribute zero percent.

LEOFF Plan 2

The City of Chehalis also participates in LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

B. Local Government Pension Plan

The City is the administrator of the Firemen's Pension Plan, which is a closed, single-employer, defined benefit pension plan that was established in conformance with the Revised Code of Washington (RCW) Chapters 14.16, 14.18 and 41.20. City of Chehalis Resolution No. 2-2001 created a firemen's pension board to recommend the uses of the firemen's pension fund. The plan is limited to full-time and fully compensated firefighters who were hired prior to the establishment of the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) on March 1, 1970. The plan provides supplemental pension benefits as outlined below.

Through the LEOFF Act, the State undertook to provide the bulk of police and fire pensions; however, the municipalities continue to be responsible for all or part of pension benefits for employees hired before March

Unaudited

1, 1970. Firefighters hired before, but not retired on March 1, 1970, received at retirement the greater of the pension benefit provided under the old pension laws and under the LEOFF Act. Any excess of the old benefit over the LEOFF benefit is provided by the City.

Pre-LEOFF supplemental pension payments are based upon formulas using the City's current compensation levels attached to the employee's rank at retirement. In the event the pension paid by the State falls short of what the retiree should receive based upon the formula, the City pays the difference. Should the retiree receive more from the State than would result from the application of the formula, no adjustments or paybacks are required.

Under State law, the Firemen's Pension Plan is funded from an allocation of the State of Washington fire insurance premium taxes, regular property tax levies at \$0.225 per \$1,000 assessed valuation, interest earnings, and City contributions required to meet projected future pension obligations.

The most recent actuarial review of the plan was done in October 2019 by Milliman, Inc. to determine the funding requirements as of January 1, 2019. As of that date, the actuarial present value of future benefits to be provided by the City was \$152,453. The actuarial valuation determined that no additional contributions from the property tax levy are required.

As of December 31, 2022, membership consisted of two (2) pre-LEOFF firefighter retirees.

In 2022, the Firemen's Pension Trust Fund received a total of \$28,763 contributions including fire insurance premium tax of \$13,871 and investment interest of \$14,892.

The Firemen's Pension Plan is shown as a pension trust fund in the financial statement of the City. The total cash and investment balance in the Firemen's Pension Fund available to pay pension benefits as of December 31, 2022, is \$1,057,722.

NOTE 9 – SELF-INSURANCE

As a government agency, the City has the option to pay unemployment taxes on a reimbursement basis to the State of Washington. In 2022, the City paid \$15,233.11 in unemployment benefit claims to the State for unemployment taxes.

NOTE 10 - HEALTH & WELFARE

The City of Chehalis is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal Agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014, when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2021, 262 cities/towns/non-city entities participate and have enrolled in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

Unaudited

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, Willamette Dental Group, and Vision Service Plan. Eligible members are cities and towns within the State of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2022, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of \$1.5 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's Office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

NOTE 11 - RISK MANAGEMENT

The City of Chehalis is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 166 members.

Unaudited

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to \$1 million and subject to member deductibles, sublimits, and a \$5 million pool aggregate. Premises pollution liability provides Members with a \$2 million incident limit and \$10 million pool aggregate subject to a \$100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance, and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day-to-day operations of WCIA.

NOTE 12 – LEASES

During the year ended December 31, 2022, the City adopted guidance for the presentation and disclosure of leases, as required by the Washington State Auditors Office *Budget, Accounting, and Reporting System* (BARS) Manual. The requirement resulted in the addition of a lease liability reported on Schedule 09.

The City leases 6 copiers from various vendors for \$1,875 a month under multiple 5-year lease agreements that cannot be cancelled.

The City leases 2 mailing systems from Pitney Bowes, Inc. for \$147.23 per month for multiple 5-year lease agreements.

The City leases a 15' x 15' space as a police and fire radio transmitter site from a landowner for \$125 per month with a 15-year agreement. The lease began July 1, 1997 for 15 years with the right to renew and extend for two (2) additional 15-year periods. The current 15-year period is due to end June 30, 2027.

Unaudited

The total amount paid for leases in 2022 was \$21,989.71. As of December 31, 2022, the future lease payments are as follows:

Year ended December 31	Governmental Fund	Proprietary Fund	Total Lease Payments
2023	\$ 17,071	\$ 7,617	\$ 24,688
2024	15,110	4,809	19,919
2025	12,571	878	13,449
2026	12,571	878	13,449
2027	9,966	659	10,625
Total	\$ 67,289	\$ 14,841	\$ 82,130

NOTE 13 –JOINT VENTURES

A. Chehalis – Centralia Airport

The Chehalis-Centralia Airport (the “Airport”) was jointly operated, maintained, and regulated by the cities of Chehalis, Centralia, and Lewis County pursuant to the Chehalis-Centralia Airport Operating Agreement (the “Operating Agreement”) between the two cities and the County. The City of Centralia and Lewis County withdrew from the Operating Agreement in August 2004 and January 2014, respectively, and transferred their interest in the real and personal property of the Airport to the City of Chehalis. The City assumes all the obligations of the Airport including the FAA grant agreements.

As a part of the transfer agreement, in the event of the closure of the Airport, the City agrees to grant and convey one-half of the future proceeds of the sale or other disposition of any real property and improvements contributed to the Airport or acquired during the time that the County and the City were joint owners of the Airport, after deduction of any interest of the City of Centralia in said proceeds pursuant to Chehalis Resolution 9-2004, Centralia Resolution 2432, and County Resolution 04-304. Such payment shall be made for the benefit of and applied exclusively toward the Lewis County Airport located near Toledo, Washington, as the replacement airport for the Chehalis-Centralia Airport, or to another suitable airport owned in whole or in part by the County should the airport near Toledo no longer be owned by the County.

NOTE 14 - OTHER DISCLOSURES

A. Construction Commitments

The City has active construction projects in progress as of December 31, 2022. The City’s projects and commitments with contractors are as follows:

Project Name	Contractor	Paid to Date 12/31/2022	Remaining Commitment	Funding Source
Above Ground Fuel Storage	Quigg Bros, Inc	717,993	34,786	Airport Fund
Above Ground Fuel Storage	Mascott Equipment Co	425,554	22,475	Airport Fund
NW Pacific Ave Reconstruction	Rognlin’s Inc	1,608,354	10,486	TBD/Water/Storm Funds
Chehalis Ave Reconstruction	Midway Underground LLC	1,517,090	722,978	TBD/Water/Storm Funds
Chehalis Ave Reconstruction	Gibbs & Olson, Inc	409,933	37,667	TBD/Water/Storm Funds
Main Street Improvements Phase 2	Gibbs & Olson, Inc	31,556	43,594	TIB
13th St Water Main Emergency Repair	Iversen and Sons Inc	-	61,377	Water Fund
Temporary Fire Station Steel Bldg	KBH Construction	348,624	16,891	General Fund
Total		\$ 5,059,104	\$ 950,254	

Unaudited

B. Environmental and Certain Asset Retirement Liabilities

The City has evaluated potential asset retirement obligations (ARO) associated with the retirement of tangible capital assets and has identified the following:

- Decommissioning of the Underground Fuel Storage Tanks
- Decommissioning of the Wastewater Treatment Facility

During 2022, the City replaced its two (2) underground fuel tanks at its Airport site with above ground fuel storage tanks. The above-ground fuel storage project started in 2021 and was completed in 2022. Under state law, the City was required to decommission the underground fuel tanks. The estimated costs included in the construction contract bid award for the above-ground fuel storage project associated with the decommissioning was \$60,000, which was reported on the Schedule 09 in 2021. The decommissioning of the underground fuel tanks was completed in 2022 and approved by the Department of Ecology. The total cost for the decommissioning work and disposal of contaminated soil was \$167,978.

The City's Regional Wastewater Treatment Facility is expected to be operated and maintained into perpetuity. There are no decommissioning requirements in the NPDES permit for this facility because everything is above ground and in containment. At the end of the WWTP service life, the City will take soil samples to determine how much topsoil will need to be removed, if it is deemed to be contaminated. This is unlikely at this facility because our biosolids are lime pasteurized class A biosolids. As the City cannot estimate the timing or extent of the obligation associated with this asset, a reasonable estimate of the obligation cannot be made. As such, ARO liabilities have not been recorded for retirement activities associated with this asset. An ARO will be recorded if future events warrant any changes.

**City of Chehalis
Schedule of Liabilities
For the Year Ended December 31, 2022**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	2011 LTGO Bond	12/1/2026	450,000	-	80,000	370,000
251.11	2019 LTGO Bond	8/1/2034	797,000	-	53,000	744,000
251.11	2020 LTGO Bond	10/1/2035	1,622,000	-	104,000	1,518,000
263.83	DWSRFL #5 (DOH)	10/1/2026	315,033	-	63,006	252,027
263.83	Washington State CARB Loan	10/1/2042	602,837	147,163	-	750,000
263.85	Distressed Counties Loan	12/1/2035	149,207	-	22,514	126,693
263.91	Fire Truck Loan	8/25/2022	67,265	-	67,265	-
263.91	Chip Spreader Loan	10/24/2024	115,058	-	39,314	75,744
263.51	Lease Purchases - Governmental		14,722	-	14,722	-
263.56	Leases - Governmental		16,157	63,605	13,874	65,888
Total General Obligation Debt/Liabilities:			4,149,279	210,768	457,695	3,902,352
Revenue and Other (non G.O.) Debt/Liabilities						
259.12	Compensated Absenses-Governmental		927,077	867,348	819,542	974,883
259.12	Compensated Absenses-Proprietary		256,035	248,940	312,643	192,332
263.52	Lease Purchases - Proprietary		3,079	-	3,079	-
263.57	Leases - Proprietary		18,186	4,392	6,336	16,242
263.84	SRFL #1 (DOE)	5/1/2024	407,117	-	161,018	246,099
263.84	SRFL #2 (DOE)	12/30/2023	38,590	-	19,150	19,440
263.84	SRFL #3A (DOE)	6/30/2027	8,968,427	-	1,630,626	7,337,801
263.84	SRFL 33B (DOE)	9/30/2028	276,818	-	39,546	237,272
263.84	SRFL I&I Loan	12/31/2036	294,747	-	16,426	278,321
263.84	DWSRF Loan (DOH)	10/1/2027	515,100	-	85,850	429,250
263.84	DWSRF Loan (DOH)	10/1/2037	969,600	-	60,600	909,000
263.93	Asset Retirement Obligation		60,000	-	60,000	-
264.30	Net Pension Liability		314,602	379,958	-	694,560
264.40	LEOFF1 OPEB Liability		6,828,259	-	1,228,163	5,600,096
Total Revenue and Other (non G.O.) Debt/Liabilities:			19,877,637	1,500,638	4,442,979	16,935,296
Total Liabilities:			24,026,916	1,711,406	4,900,674	20,837,648

**City of Chehalis, Washington
Additional Financial Information
For the Year Ended 12/31/2022**

1) GENERAL OBLIGATION DEBT OUTSTANDING AS OF 12/31/2022

Debt Description	Maturity Year	Balance	
		12/31/2022	
2011 LTGO Bond	2026	\$	370,000
2019 LTGO Bond	2034		744,000
2020 LTGO Bond	2035		1,518,000
State Revolving Fund Loan (Water Treatment Plant)	2026		252,027
Distressed Counties-Loan	2035		126,693
CARB/WSDOT Aviation # GCB 3334	2042		750,000
Chip Spreader Purchase Loan	2024		75,744
Total Outstanding General Obligation Debt		\$	<u>3,836,464</u>

2) THE CITY'S ASSESSED VALUATION

	Tax Year	Assessed Value	
Tax Levy Year	2022	\$	944,839,689

3) PROPERTY TAXES, RATES, AMOUNTS LEVIED AND PERCENT COLLECTED

Property Tax Levy	Levy Year	Regular Levy	EMS Levy	Total
Property Tax Levy Rate for 2022 (per \$1,000 Assessed Value)	2022	\$ 1.778838039	\$ 0.491078588	\$ 2.269916627
Property Taxes Levy for 2022	2022	\$ 1,680,717	\$ 463,991	\$ 2,144,707
2022 Property Tax Levy Collected in 2022	2022	\$ 1,668,918	\$ 460,256	\$ 2,129,174
Percentage 2022 Tax Levy Collected in 2022	2022	99.3%	99.2%	99.3%
Prior Year Property Tax Levy Collected in 2022	2021 & Prior	\$ 26,330	\$ 5,376	\$ 31,706
Total Tax Levy Collected in 2022	2021 & Prior	\$ 1,695,248	\$ 465,632	\$ 2,160,880

4) GENERAL FUND REVENUE FROM OTHER MAJOR TAX SOURCES

Tax Sources	2022 Revenues	
Retail Sales & Use Tax	\$	6,528,513
Business Taxes on Utilities		1,745,079
Leasehold Excise Taxes		53,163
Total General Fund Revenues from Other Major Tax Sources	\$	<u>8,326,755</u>

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Lilly Wall, Recreation Manager
Andrew Hunziker, Parks and Facility Manager

Meeting Date: October 9, 2023

SUBJECT: Contract Award to Cole Electric for Stan Hedwall RV Park Electrical Pedestal Replacement

ISSUE

The electrical panels located at Stan Hedwall RV Park that provide service to the RV park guests have been damaged by continued exposure to flood waters and need to be replaced.

Discussion

The RV Park located at Stan Hedwall Park has 29 RV electrical pedestals that are consistently submerged by flood waters each winter. The RV Park is in one of the lowest areas of the park and is impacted by even moderate increases in water levels. Each occurrence throughout the wet season increases the damage to the electrical panels.

Due to the flooding in 2022, FEMA has declared the event a disaster. Because of this designation, FEMA funding has become available to mitigate the damage to the electrical pedestals caused by flooding at the RV Park. The proposed plan is to raise the electrical panels from 24 inches off the ground to 72 inches off the ground. This will prevent annual moderate water levels from damaging the electrical panel placed on the higher pedestal.

BIDS RECEIVED FOR ANTICIPATED SCOPE OF WORK*	
TRAVERS ELECTRIC	\$76,405.43
WICHERT ELECTRIC	\$65,010.88
COLE ELECTRIC	\$61,117.21

*Updated bid pricing, current as of 10/04/2023

FISCAL IMPACT

We have received \$49,519.01 in Federal FEMA money for 90% of the estimated cost of \$55,021.12, which is held in reserves. This amount was based upon estimated costs of replacement, per bid provided in April of 2023, which is no longer accurate due to inflation.

Funding breakdown is below:

BID CONTRACT	\$61,117.21
SOURCE OF FUNDING	
FEMA FUNDING	\$49,519.01
STATE OF WASHINGTON PUBLIC ASSISTANCE (FEMA)	\$2,751.05
TOTAL FEMA	(\$52,270.06)
BALANCE – CITY FUNDS	\$8,847.15

A secondary request can be made to FEMA with the potential for funding to be received for the increased cost. However, if not awarded by FEMA, the remaining balance will be paid from City's Public Reserve Fund, where the estimated FEMA disaster related project cost is budgeted.

RECOMMENDATION

Staff recommends that the City Council award the contract to Cole Electrical Contracting in the amount of \$61,117.21 for the RV park electrical pedestal replacement and authorize the City Manager to sign all related documents.

SUGGESTED MOTION

I move that the City Council award the contract to Cole Electrical Contracting in the amount of \$61,117.21 for the RV park electrical pedestal replacement and authorize the City Manager to sign all related documents.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Brandon Rakes, Airport Director

MEETING OF: October 9, 2023

SUBJECT: Budgeted Purchase of Fuel for Resale

ISSUE

The recent invoice from Epic Aviation, LLC, for the purchase and delivery of Jet-A fuel, has a total purchase of \$46,945.63. The approved procurement policy for 2023 requires City Council approval of purchases over \$40,000, even if they are budgeted.

DISCUSSION

Last year, the Chehalis-Centralia Airport successfully completed the installation of new above-ground fuel storage tanks. The size of the new fuel system is twice that of the old system and can hold 12,000 gallons of fuel per tank. Due to this increase, the cost to fill these tanks will be greater than it was previously.

The adopted procurement policy put in place in 2023 revised limits on authorized purchase amounts. The newly revised limits, combined with the increased price of fuel, and the increased quantity of fuel purchased at one time, have resulted in a single fuel purchase for resale exceeding normal administrative purchase limits.

FISCAL IMPACT

The amount of this invoice totals \$46,945.63. This has been budgeted for in the 2023 budget for the purchase of fuel for resale.

RECOMMENDATION

It is recommended that the City Council authorize the Airport Director to approve payment of the invoice from Epic Aviation in the amount of \$46,945.63.

SUGGESTED MOTION

I move that the City Council authorize the Airport Director to approve payment of the invoice from Epic Aviation in the amount of \$46,945.63.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Justin Phelps, Wastewater Superintendent

MEETING OF: October 9, 2023

SUBJECT: Sales Tax inclusion in purchase of Wastewater Turbocompressor Blower

ISSUE

On September 11th, City Council approved the purchase of the HST 20-4500 Turbocompressors from the City of Pasco for \$85,000. There was an oversight identified after the council meeting, wherein the initial price quotation failed to account for the necessary sales tax. Consequently, the revised total now stands at \$92,565, representing an additional expenditure of \$7,565.

FISCAL IMPACT

This is an additional increase of \$7,565 and can be accommodated within the standard Wastewater Operating budget.

RECOMMENDATION

It is recommended that the City Council authorize the inclusion of an additional \$7,565 in the total amount of \$92,565 payable to the City of Pasco for the acquisition of the HST 20-4500 Turbocompressor, covering the sales tax component.

SUGGESTED MOTION

I move that the City Council approves the additional \$7,565 in the total amount of \$92,565 payable to the City of Pasco for the acquisition of the HST 20-4500 Turbocompressor, covering the sales tax component.

INVOICE DUE

Invoice Date: 09/25/2023

Invoice #: 9252023

Bill To:
City of Chehalis
Public Works Department
2007 NE Kresky Avenue
Chehalis, WA 98532

Attn: Justin Phelps, Wastewater Superintendent

ITEM DESCRIPTION	AMOUNT
Sultzer HST 20-450-1U150-48 blower package	\$ 85,000
TAX (8.9%)	\$ 7,565
TOTAL	\$ 92,565

Please address payment to:
City of Pasco

Please remit payment to:
City of Pasco
Attn: PW Operations
PO BOX 293
Pasco, WA 99301

**Chehalis City Council Meeting
Agenda Report**

TO: The Honorable Mayor and City Council

FROM: Lodging Tax Advisory Committee
Councilor Jerry Lord, Chair
Chip Duncan, Veterans Memorial Museum
Annalee Tobey, Experience Chehalis
Katie Blurton, Best Western Inn Plus Manager
Lilly Wall, City of Chehalis/Stan Hedwall RV Park

BY: Jill Anderson, City Manager
Susan Stayner, Administrative Assistant

MEETING OF: October 9, 2023

SUBJECT: Lodging Tax Advisory Committee Recommendations for 2023 Tourism Funds

INTRODUCTION

The Lodging Tax Advisory Committee (LTAC) reviews and makes funding recommendations to the City Council to fund various non-profit organizations or government entities for marketing and promotion, activities, operations, and expenditures designed to increase tourism in the City. A lodging tax is a special lodging charge within designated tourism promotion areas for the use in promoting tourism. Lodging businesses must collect the lodging charge from persons who purchase lodging. Lodging businesses with the Tourism Promotion Area are affected only if they have 40 or more units. (RCW 35.101).

BACKGROUND

The LTAC of Chehalis met on Tuesday, September 12, 2023, to review 8 requests/presentations from various organizations to receive tourism funding for calendar year 2024. Based on the application and presentations, the Committee prepared recommendations for City Council consideration at the City Council meeting of September 25. The City Council actions taken at that time failed to pass, so the information is being presented a second time to obtain specific information regarding the City Council’s preferred distribution of allocations. The City Council’s proposed changes must then be submitted to the LTAC for a forty-five day review period before final action is taken.

APPLICABLE LAW

If the City Council wishes to deviate from the amounts recommended by the LTAC it can do so only after following the procedural requirements of [RCW 67.28.1817](#). This interpretation is based on an informal Attorney General opinion issued in 2016 and summarized by Municipal Research and Services Center:

- What Does the Municipality Do with the LTAC's Recommendations? The legislative body "may choose only *recipients* from the list of candidates and recommended amounts provided by the local lodging tax advisory committee" (RCW 67.28.1816(2)(b)(ii), emphasis added). However, an informal opinion from the Attorney General's Office in 2016 states that the legislative body may award amounts different from the LTAC's recommended amounts, but only after satisfying the procedural requirements of RCW 67.28.1817(2). This requires the municipality to submit its proposed change(s) to the LTAC for review and comment at least forty-five days before final action is taken. For more details, see our blog post on Informal AG Opinion Clarifies Lodging Tax Awards.

ACTION OPTIONS

The City Council may: **1)** accept the recommendation or reject it without any further action once the required vote is obtained **OR 2)** If the City Council wants to change the amount awarded to a recommended recipient, it must refer the proposed changes to the LTAC for review and comment as stated above.

SUMMARY OF REQUESTS SUBMITTED TO CITY COUNCIL ON SEPTEMBER 25, 2023

With a projected beginning fund balance of \$178,616.00, plus projected tax revenue of \$330,000.00, the estimated revenue funds available for 2024 are \$508,616.00. This is approximately \$100,000 more than last year. The recommended fund balance reserve was set at \$50,000, consistent with past practice; and the dedicated Debt Service for Recreation was set at \$71,819. After these amounts were subtracted from the total funds available, the estimated revenue available for funding distribution to the various organizations for 2024 is \$386,797.

Projected Beginning Fund Balance	\$178,616.00
Estimated 2024 Tax Revenue*	\$330,000.00
Total Estimated Funds	\$508,616.00
Recommended Ending Balance	\$ 50, 000.00
Dedicated Debt Service for Recreation Park	\$ 71, 819.00
Total Estimated Available Revenue	\$386,797.00

City of Chehalis – Recreation Park Debt Service

Since 2019, a portion of the projected LTAC revenues is dedicated to assist in paying the annual debt service on bonds issued for funding the Recreation Park Improvement Project. This annual allocation has been previously approved by the City Council and the annual amount is not to exceed \$75,000. The allocated amount for 2024 is \$71,819.

City of Chehalis – Annual Allocation

Per Resolution 14-2022, which was approved by the City Council on September 26, 2022, 25% of the available revenues from tourism will be awarded to the City of Chehalis. In 2024, this amount would be \$96,700.00. From that amount, funds will be allocated to continue the maintenance and improvements of the Shaw Aquatic Center and the Sports Complex. (The Dedicated Fund)

The committee decided unanimously to make the following recommendations for funding of all organizations except for the Historical Museum amount, which was decided by a majority vote. (3 voted to recommend \$20,000 and 2 voted to recommend \$30,000.)

Organization	2024 Requests	2024 Recommendations
Chamber of Commerce	\$ 45,050.00	\$ 15,000.00
WA Assoc. of Culture and Arts (WACA)	\$ 75,000.00	\$ 0.00
Lewis County Economic Alliance	\$ 20,000.00	\$ 20,000.00
Chehalis-Centralia Railroad and Museum	\$ 50,000.00	\$ 50,000.00
Lewis County Historical Museum	\$ 45,000.00	\$ 20,000.00
Veterans Memorial Museum	\$ 45,000.00	\$ 45,000.00
Experience Chehalis	\$ 55,700.00	\$ 55,700.00
City of Chehalis (25% available revenue)	\$ 96,700.00	\$ 96,700.00
Grand Totals	\$ 432,450.00	\$ 302,400.00

After much discussion during the LTAC meeting, it was decided unanimously to recommend zero funds to WACA at this time due to their organization not meeting the requirements. (For more information, please see the minutes from the meeting which list those.) They were informed of this following their presentation and were encouraged to resubmit their application once all areas are verified in writing.

The committee decided to possibly re-open for a second application process in the first or second quarter of 2024 when WACA and/or any other organization would be allowed to present and request initial or additional funding.

It was also determined that the requested amount by the Chamber of Commerce was not warranted due to their organization’s primary focus being local businesses with a small

percentage being done in the community to bring in tourism. The funding which the Chamber received last year was partly to pay for a Saturday employee, however, because of the low number of visitors who have come on a Saturday (per the visitor log), the Saturday employee may not be needed. They reported that their Saturday employee has only been working for a short period of time.

The Committee has a concern about the lack of innovation and marketing that has been done during the year by the Lewis County Historical Museum. They also question the amount of money that the Museum requested of Lewis County in comparison to the City of Chehalis for their funding. For these reasons the committee has decided, after their vote, to recommend the amount of \$20,000 for 2024.

After the recommendations were added up, there was a surplus of \$84,397.00, which would be added to the \$50,000.00 LTAC reserve. These funds could be available for those organizations who meet the qualifications and show good potential for improving tourism in Chehalis during a possible second application process in 2024.

The LTAC has indicated that they plan to meet again in early 2024 and consider new applications for funding. This would allow agencies that were not fully funded to apply again. New applications would also be accepted.

AWARD PROCESS

As noted above, a municipality may award amounts differing from the LTAC recommendations, but only after satisfying procedural requirements of the state statute. A municipality must submit its proposed changes to the advisory committee for review and comment at least 45 days before final action on the proposal.

The attachments to this report include the draft minutes from the September 12, 2023, LTAC meeting and 2024 tourism fund projections and requests. Funding request applications are available for review upon request.

Upon City Council approval, all recipients must enter into an agreement with the City for use of the funds. The award recipients are required to submit quarterly reports to request reimbursement for eligible expenditures. All expenses are reviewed for accuracy before reimbursements are disseminated.

RECOMMENDATIONS FROM LTAC

The LTAC recommends that the City Council approve its recommendations individually and collectively for use of lodging tax funds for 2024, as follows:

Organization	2024 Requests	2024 Recommendations
Chamber of Commerce	\$ 45,050.00	\$ 15,000.00
Washington Assoc. of Culture and Arts (WACA)	\$ 75,000.00	\$ 0.00
Lewis County Economic Alliance	\$ 20,000.00	\$ 20,000.00
Chehalis-Centralia Railroad and Museum	\$ 50,000.00	\$ 50,000.00
Lewis County Historical Museum	\$ 45,000.00	\$ 20,000.00
Veterans Memorial Museum	\$ 45,000.00	\$ 45,000.00
Experience Chehalis	\$ 55,700.00	\$ 55,700.00
City of Chehalis (25% available revenue)	\$ 96,700.00	\$ 96,700.00
Grand Totals	\$ 432,450.00	\$ 302,400.00

The LTAC further recommends that the City Council approve the annual appropriation of 25% of available funds in the amount of \$96,700.00 to the City of Chehalis be utilized at the discretion of the City; to approve the annual debt service payment for the Recreation Park Improvement Project in the amount of \$71,819.00; and to approve the additional remaining funds(after awards have been made) to be added to the Fund Balance Reserve Account to be used for additional funding awards in 2024, subject to City Council approval.

MOTION OPTIONS

The City Council can approve the original LTAC recommendations, which are

- 1) Approve the funding amounts, both individually and collectively, of the Lodging Tax Advisory Committee for use of lodging tax funds for 2024 as set forth in the agenda report; and
- 2) Approve the annual debt service payment for the Recreation Park Improvement Project in the amount of \$71,819.00; and
- 3) Approve the additional \$84,397.00 be added to the LTAC Reserve account to be used in the future for award funding in 2024.

Alternatively, if the City Council wants to change the amounts awarded to a recommended recipient, the proposed changes need to be identified and referred to the LTAC for review and comment as stated above.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Adam Fulbright, Fire Chief

MEETING OF: October 9, 2023

SUBJECT: Resolution No. 19-2023, Waving Competitive Bid Due to Special Market Conditions – Brush Engine

ISSUE

The City staff seeks the City Council consent to waive competitive bidding, due to the special market conditions that exist with the purchase of used apparatus in the amount of \$45,000.00 to \$65,000.00. This is a 2023 budgeted purchase to add to the Fire Department fleet.

DISCUSSION

In 2019, the Fire Department began a project to build a Wildland Brush Engine. This apparatus would provide a rapid response vehicle for the community, and enhance our firefighter’s ability to swiftly access and engage in brush fires, extinguishing them quickly and or keeping them relatively small until additional resources arrive.

History and Status of Project

- Chief Cardinale purchased a small 200-gallon skid unit in 2019. A Skid Unit refers to a self-contained firefighting system made up of a water tank, hoses, pumps and a generator that can be mounted on the chassis of a commercially available vehicle. The skid unit purchased in 2019 is currently stored at the Chehalis Airport. The project was never completed prior to Chief Cardinale’s resignation from the City of Chehalis.
- The 2023 Capital Budget includes \$65,805 designated for a Fire Brush Truck F350 with communications equipment. However, Chief Hendershot did not continue the Brush Truck project during his tenure due to staff not having the appropriate training for wildland firefighting. The recommendation by Chief Hendershot was to instead put the budgeted \$65,000.00 towards the purchase of a chassis for an Ambulance build and submit an AFG grant application in 2022 for the remainder of the build. This grant was not approved and the \$65,805 remains in the 2023 budget.

Redirection of the Project:

Upon reviewing the needs of the community and department, the Wildland Engine is a project that is necessary to complete. The cost of a new Ambulance is approximately \$440,000.00. The \$65,000.00 being

redirected toward an Ambulance chassis does not save the City from having to access WA State Treasures Local Program to acquire the remaining funds to complete the Ambulance build.

However, we can complete the acquisition of, or build a Brush Engine with approval of one of the following options:

Option 1 (initial plan):

1. Purchase a Dodge 5500 or F550 Chassis in 2023 with the budgeted \$65,000.00.
2. Then propose \$35,000 to \$52,000 in the 2024 budget to purchase the necessary equipment to complete the build.
 - Lights/Siren \$10,000.00
 - Radio \$20,000.00
 - Decals \$2,000.00
 - Flat bed 14,000.00
 - Cost to professionally mount our existing skid approximately \$2,000.00
 - Hose, appliances, tools, and Shelters \$4,000.00

The projected total cost of this project using option #1 is \$117,000.00 and does not include the labor hours applied to the logistics and build phases of this apparatus.

Option 2

While researching the availability of a chassis for this project, the following vehicle became available and is comparable to the current build project, but is readily available. Acquisition of this 2020 Dodge 5500 would provide a long term benefit for the communities it would serve.

Available apparatus:

Chassis: 2020 Dodge 5500, 4X4 crew cab

Milage: 14,400

Engine: Hemi 6.4L

Water tank: 300 gallons+

Foam: 10 gallons

Radio: VHF included (Reprogrammable for our needs)

Emergency Light/Siren: included and already installed.

Hose Reel: included

Price \$120,000.00

This Brush Truck is located in Chelan, WA and could be delivered and in-service within a week of purchase.

Staff is proposing Option 2. The purchase of the Dodge 5500 available immediately from Chelan Fire and Rescue would provide the City with a viable apparatus quickly, and without the drawn out labor and logistics of building our own using the existing Skid. In addition, the Brush Truck being sold by Chelan Fire and Rescue is on the open market, making the waiving of a second reading critical to this project. Staff proposes the purchase of the used Dodge 5500 Wild land Engine for inclusion in the 2023 budget, completing the project immediately, and later surplusing the existing skid unit currently in storage. The current value of the existing Skid is approximately \$8,000.00, which once surplused could help to offset the cost to purchase the complete brush unit.

Option 1 FISCAL IMPACT 2023

Contractor	Pending availability of a chassis
Contract Amount	\$65,000.00
Budgeted Funds	\$65,000.00
BARS #	302.45.594.021.64.00
Budget Amendment Required?	No

Option 1 FISCAL IMPACT 2024

Contractor	Pending availability of a vendors
Contract Amount	\$52,000.00
Funds to be Budgeted in 2024	\$52,000.00
BARS #	302.45.594.021.64.00
Budget Amendment Required?	yes

Option 2 FISCAL IMPACT 2023

Contractor	Chelan Fire and Rescue
Contract Amount	\$120,000.00
Budgeted Funds	\$65,000.00
BARS #	302.45.594.021.64.00
Budget Amendment Required?	Yes \$55,000.00

RECOMMENDATION

It is recommended that the City Council authorize:

- 1) Pass Resolution No. 19-2023, waving competitive bidding and declaring that “Special Market Conditions” exist for the purchase of a used brush engine chassis for the use by the Fire Department.
- 2) Waive council rules and pass Resolution No. 19-2023 on first and final reading due to the time constraints and special market conditions.
- 3) Authorizing the City Manager award contract to Chelan Fire and Rescue a responsible vendor in the amount not to exceed \$120,000.00 which includes a budget amendment in the amount of \$55,000 for 2023, for the purchase of a used Brush Engine.

SUGGESTED MOTION

I move that the City Council:

- 1) Pass Resolution No. 19-2023 waving competitive bidding and declaring that “Special Market Conditions” exist for the purchase of a used brush engine chassis for the use by the Fire Department.
- 2) Waive council rules and pass Resolution No. 19-2023 on first and final reading due to the time constraints and special market conditions.
- 3) Authorizing the City Manager award contract to Chelan Fire and Rescue a responsible vendor in the amount not to exceed \$120,000.00 which includes a budget amendment in the amount of \$55,000 for 2023, for the purchase of a used Brush Engine.

RESOLUTION NO. 19-2023

A RESOLUTION OF THE CITY OF CHEHALIS, WASHINGTON WAIVING COMPETITIVE BIDDING, AND DECLARING THAT “SPECIAL MARKET CONDITIONS” EXIST FOR THE PURCHASE OF A BRUSH TRUCK/ TRUCK FOR THE USE OF A BRUSH TRUCK, FOR USE BY FIRE DEPARTMENT.

WHEREAS, pursuant to RCW 39.04.280(1)(b), competitive bidding requirements may be waived for purchases involving *special facilities or market conditions*; and

WHEREAS, pursuant to the City of Chehalis’s procurement policies and procedures, the special facilities and market condition exemption provided by RCW 39.04.280(1)(b) may be used by the City Manager to waive competitive bidding requirements if an opportunity arises to purchase favorably-priced equipment at auction, or supplies or used goods that will be sold before the City can conduct the customary competitive bidding process; and

WHEREAS, the City has an opportunity to purchase a pre-owned 2020 Dodge heavy-duty Wildland Engine (as more fully described in Exhibit A) for use by its fire department at a favorable price to the City; and

WHEREAS, the pre-owned 2020 Dodge heavy-duty Wildland Engine being considered for purchase is a *special vehicle* that is unique to the fire station’s current needs for a wildland Engine; and

WHEREAS, the vehicle being considered for purchase is currently at Chehlan Fire And Rescue in used but excellent condition which causes its purchase price to be favorable to the City and much more economical than comparable options due to the pre-owned condition, whereas the same vehicle in new condition would cost twice as the pre-owned option; and

WHEREAS, the City’s ability to consider purchasing the pre-owned 2020 Dodge heavy-duty Wildland Engine would result in a better readiness for wildland emergencies and better serve the community; and

WHEREAS, the above circumstances create a special market condition in which a 2020 Dodge heavy-duty Wildland Engine is available to the City at a favorable price and competitive bidding requirements should be waived so that the City may undertake negotiation for this purchase while this special market condition exists; and NOW, THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHEHALIS AS FOLLOWS:

1. Declaration of Special Market Condition and Waiver of Competitive Bidding. RCW 39.04.280 authorizes the City Council to waive standard competitive bidding requirements for the purchase of goods and equipment where “special market conditions” exist for procurement of the goods or items in question. To the extent any bidding requirements apply to the purchase of the goods in question, in light of the findings set forth herein, the City Council finds that a special market condition under RCW 39.04.280(b) exists and that all bidding requirements, if any, are hereby waived for the purchase of the pre-owned heavy-duty pickup described on Exhibit A.

2. Finding of Special Facility and Market Condition. The City Council hereby finds the following facts relating to the special facility and market condition specified for the purchase and waiver proposed and authorized herein:

- a) A Pre-owned 2020 Dodge heavy-duty Wildland Engine is available for purchase by the City of Chehalis.
- b) The pre-owned 2020 Dodge heavy-duty Wildland Engine meets the present needs for use by the fire department as a Wildland Emergency brush truck.
- c) The layout and nature of the Engine meets the unique and specific needs of the fire department.
- d) The pre-owned Wildland Engine is available to the City at a favorable price due to its pre owned condition which reduces the vehicle's cost.

e) For the aforementioned reasons, the Engine described in "Exhibit A" constitutes a *special facility* and *special market conditions* exist for the City's purchase of the pre-owned 2020 Dodge heavy-duty Wildland Engine

3. Authorization of the City Manager. The City Manager is authorized and directed to proceed with negotiation for the purchase of the pre-owned heavy-duty pickup described in Exhibit A with any and all applicable competitive bidding requirements waived.

4. Adoption/Incorporation of Recitals and Findings. Each and every recital set forth hereinabove is expressly adopted by this reference as a finding of fact in support of this resolution and the authorization provided hereunder.

5. No Contract or Offer. This resolution does not constitute a contract or offer to purchase.

ADOPTED and resolved by the City County of the City of Chehalis, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this _____ day of _____, 2023.

Mayor

Attest:

City Clerk

Approved as to form:

City Attorney

Exhibit A

Vehicle Chassis

Chassis: 2020 Dodge 5500, 4X4 crew cab

Milage: 14,400

Engine: Hemi 6.4L

Water tank: 300 gallons+

Foam: 10 gallons

Pump: Honda 20.0 V Twin 50 GMP

Radio: VHF included (Reprogrammable for our needs)

Emergency Light/Siren: included and already installed.

Hose Reel: included.





**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Lance Bunker, Public Works Director/ Celest Wilder, Engineering Tech III

MEETING OF: October 9, 2023

SUBJECT: First and Final Reading- Ordinance No. 1075-B, Dedication of Right of Way–
Arkansas Way

ISSUE

Undersized Right-of-way width along the north-eastern leg of Arkansas Way has created hazardous conditions for vehicular traffic.

DISCUSSION

On September 25, 2023, Council approved on second reading, the purchase of 3,695 square feet from HJP Investments, for the purpose of dedication as right-of-way during a regular City Council meeting, in order to create the minimum required right-of-way width to accommodate two way vehicular traffic.

This purchase has been recorded with the Lewis County Auditor under Auditor’s file numbers 35998997, and 3598998.

FISCAL IMPACT

There is no fiscal impact beyond staff time to record the necessary documents for dedication.

RECOMMENDATION

It is recommended that the City Council waive the rules and approve Ordinance No. 1075-B, dedicating 3,695 square feet of real property, purchased from HJP investments, as Arkansas Way, right-of-way on first reading.

SUGGESTED MOTION

I move that the City Council waive the rules and adopt Ordinance No. 1075-B, dedicating 3,695 square feet of real property purchased from HJP investments, as Arkansas Way right-of-way on first and final reading.

ORDINANCE NO. 1075-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,
PROVIDING FOR THE DEDICATION OF A PORTION OF
PARCEL NUMBER 021612011001.**

Whereas, the City of Chehalis, in fair and equitable consideration, purchased a 3,695 square foot portion of parcel number 021612011001 from HJP Investments and,

Whereas, the purchase of land from HJP Investments was approved through Resolution Number 17-2023, during a regular meeting of the Council, September 25, 2023, and,

Whereas, the portion of property acquired by the City of Chehalis from HJP Investments is intended to be dedicated as right-of-way for the purpose of creating minimum required right-of-way width for two way vehicular traffic.

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

Section 1.

The legal descriptions of parcel number 021612011001 from which the land was purchased as found in Exhibit A and for the portion of right of way being dedicated is described in Exhibit B with certified survey drawings as Exhibit C and summarized as follows:

- A portion of land, formerly part of parcel number 021612011001, east of Louisia Avenue containing an aread of 3,695 square feet or 0.084 acres

shall be, and the same hereby is, dedicated.

Section 2.

This ordinance shall become effective only upon the date that Exhibit A, Exhibit B, and Exhibit C have been recorded with the Lewis County Auditor.

PASSED by the City Council of the City of Chehalis, Washington, and **APPROVED** by its mayor this ____ day of _____, 2023.

Mayor

Attest:

City Clerk

Approved as to Form and Content:

City Attorney

EXHIBIT "A"

HJP INVESTMENTS, LLC
PIN: 021612011001

GRANTOR'S ENTIRE PARCEL:

LOT 1 OF CITY OF CHEHALIS BOUNDARY LINE ADJUSTMENT 17-002 RECORDED DECEMBER 15,
2017, UNDER AUDITOR'S FILE NO. 3476732.

EXHIBIT "B"

HJP INVESTMENTS, LLC
PIN: 021612011001

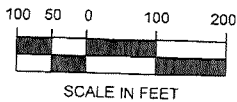
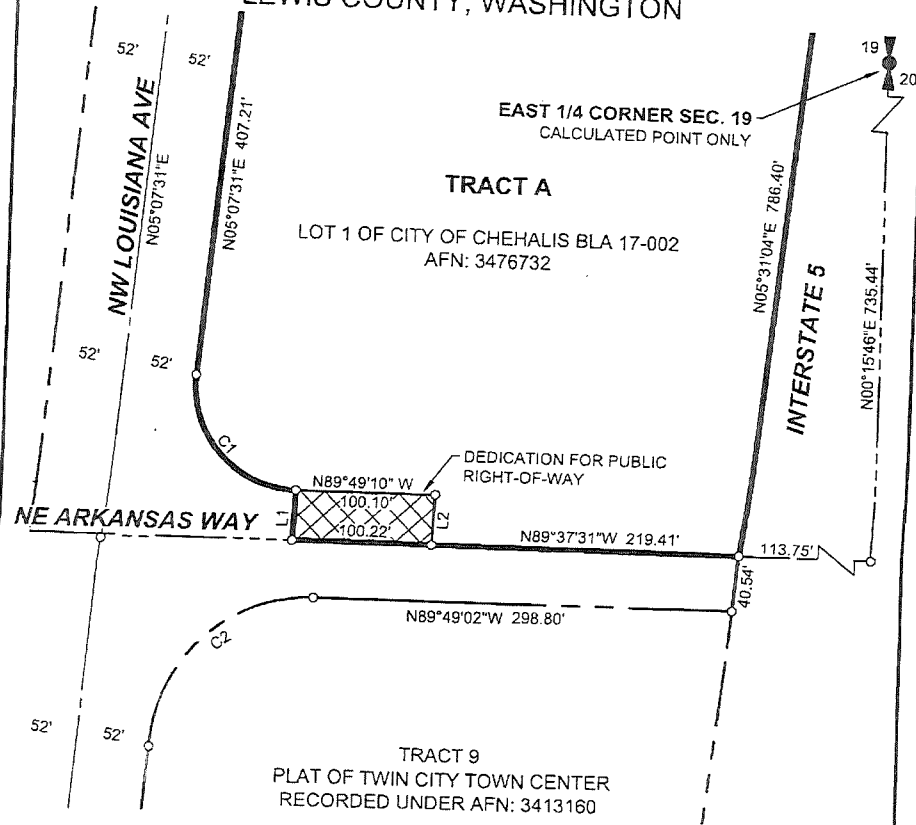
RIGHT-OF-WAY DEDICATION AREA:

THAT PORTION OF GRANTOR'S PARCEL, (DEFINED IN EXHIBIT A), DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF GRANTOR'S PARCEL, BEING ON THE WESTERLY MARGIN OF INTERSTATE NO. 5;
THENCE N89°37'31"W ALONG THE SOUTH LINE OF GRANTOR'S PARCEL A DISTANCE OF 219.41 FEET, TO THE **POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID SOUTH LINE N89°37'31"W A DISTANCE OF 100.22 FEET;
THENCE N00°22'26"E A DISTANCE OF 36.54 FEET;
THENCE S89°49'10"E A DISTANCE OF 100.10 FEET;
THENCE S00°10'58"W A DISTANCE OF 36.90 FEET TO THE **POINT OF BEGINNING**.

CONTAINING AN AREA OF 3,695 SQ. FEET OR 0.08 ACRES MORE OR LESS.


EXHIBIT C
RIGHT-OF-WAY DEDICATION
 PORTION OF THE NE 1/4 NE 1/4, SEC 19, T 14 N, R 2 W, W.M.
 LEWIS COUNTY, WASHINGTON



LINE AND CURVE DATA

LINE	BEARING	DISTANCE
L1	N00°22'26\"E	36.54'
L2	N00°10'58\"E	36.90'
L3	N89°37'31\"W	10.49'

LEGEND

- SECTION LINE
 - CENTERLINE
 - RIGHT-OF-WAY LINE
 - LOT LINE
 - SITE BOUNDARY/ PARENT PARCEL
 - SD ----- STORM DRAIN
-  DEDICATION AREA = 3,695 SQFT




FORESIGHT
SURVEYING, INC.
 PROFESSIONAL LAND SURVEYORS
 1583 N NATIONAL AVE
 CHEHALIS, WA 98532 OFFICE: (360) 748-4000

EXHIBIT C
 JOB NO: 5207 DATE: 08/08/2023
 CITY OF CHEHALIS, LEWIS COUNTY, WASHINGTON

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

Added to Agenda on Monday, October 9, 2023

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Lance Bunker, Public Works Director
Celest Wilder, Engineering Tech III

MEETING OF: October 9, 2023

SUBJECT: Policy Change to Municipal Code: 12.04.080 Changes to standards and, 12.04.110 Requirements (Frontage Improvements)

ISSUE

Existing municipal code language in section 12.04.080 offers broad latitude for the Public Works Director to change and approve engineering code updates without council approval and knowledge at any time, so long as the changes were discussed in an open public forum.

Section 12.04.110 contains conflicts within portions of its provisions. These proposed alterations are intended to bring greater clarity to discerning which projects trigger mandatory frontage improvements and which projects will have the option to apply for deferral.

DISCUSSION

The Growth Management Committee convened on October 2nd, 2023, to deliberate upon this proposal. The aim of these code amendments is to provide clarity regarding the procedures for both re-development and new development ventures that necessitate frontage improvements. Following thorough discussion, the committee reached a consensus on the proposed changes and decided to advance a recommendation to the City Council.

Proposed Changes to Chehalis Municipal Code are as follows:

• **Chehalis Municipal Code 12.04.080- Change to Standards**

Staff proposes to amend code 12.04.080. so that all code changes are presented to City Council for consideration during open and public, scheduled city council meetings.

Chehalis Municipal Code 12.04.080 currently reads:

“From time to time, changes may be needed to add, delete, or modify the provisions of these standards. These standards may be changed and, upon approval of the director of public works, will become effective and will be incorporated into the existing provisions. All changes to the standards will be presented and discussed in an open public forum.”
[Ord. 785B § 14 (1.04), 2005.]

Proposed Amendment:

“From time to time, changes may be needed to add, delete, or modify the provisions of these standards. These standards may be changed and, upon approval of ~~the director of public works~~ City Council, will be incorporated into the existing provisions. All changes to ~~the standards~~ engineering development standards will be presented for consideration and discussed during in an open ~~public forum~~, public, scheduled City Council meeting.”

• **Chehalis Municipal Code 12.04.110- Requirements**

Staff proposes to amend portions of code 12.04.110 to provide greater clarity where the installation of mandatory frontage improvements are required.

Chehalis Municipal Code 12.04.110(A)(2) currently reads:

“Select areas of the city are designated for the mandatory installation of frontage improvements with any development or redevelopment project. Other areas of the city have been identified for deferral of frontage improvements. These specific designations are identified below.”

Proposed Amendment:

“Select areas of ~~the city~~ are designated for the mandatory installation of frontage improvements with any development or redevelopment project. Other areas ~~of the city~~ have been identified for deferral of frontage improvements. These specific designations are identified below.”

Chehalis Municipal Code 12.04.110(B)(1) currently reads:

“The installation of sidewalk, curb and gutter will be required of all development projects on the following streets:

- a. Cascade Avenue
- b. Chamber of Commerce Way
- c. Interstate Avenue
- d. Louisiana Avenue
- e. Market Boulevard
- f. Mills Avenue
- g. Newaukum Avenue (from Riverside Drive to city limits)
- h. Parkland Drive
- i. Riverside Drive (from Highway 6 to Newaukum Avenue)
- j. State Avenue (from Parkland Drive to Market Boulevard)
- k. 13th St (from Parkland Drive to Market Boulevard)
- l. 20th Street

- m. National Avenue
- n. Kresky Avenue

Proposed Amendment:

The installation of sidewalk, curb and gutter will be required of all development projects on the following streets:

- a. Cascade Avenue
- b. Chamber of Commerce Way
- c. Interstate Avenue
- d. Louisiana Avenue
- e. Market Boulevard
- f. Mills Avenue
- g. Newaukum Avenue (from Riverside Drive to city limits)
- h. Parkland Drive
- i. Riverside Drive (from Highway 6 to Newaukum Avenue)
- j. State Avenue (from Parkland Drive to Market Boulevard)
- k. 13th St (from Parkland Drive to Market Boulevard)
- l. 20th Street
- m. National Avenue
- n. Kresky Avenue
- o. All WSDOT functionally classified Arterial and Collector roads

Roads currently mapped by WSDOT that do not appear on the list above are Bishop Road, Jackson Highway, Maurin Road, and Rush Road. As other roads are added to this map, they will be added to the mandatory frontage improvement list by default, as they are contained within CMC 12.04.110(B)(1)(o)

Chehalis Municipal Code 12.04.110(B)(3) currently reads:

“Sidewalk, curb and gutter installation will be deferred for development projects along all other streets in the city unless one of the following criteria exists:”

Proposed Amendment:

Sidewalk, curb and gutter installation ~~will~~ may be deferred for development projects along all other streets ~~in the city~~ unless one of the following criteria exists:

Chehalis Municipal Code 12.04.110(C)(1) currently reads:

“The installation of streetlights will be required of all development projects with frontage on the following streets:

- a. Chamber of Commerce Way
- b. Interstate Avenue
- c. Louisiana Avenue
- d. Main Street
- e. Market Boulevard

- f. Newaukum Avenue (from Riverside Drive to city limits)
- g. Parkland Drive
- h. Riverside Drive (from Highway 6 to Newaukum Avenue)
- i. State Avenue (from Chamber of Commerce way to West Street)
- j. 13th Street (from Parkland Drive to Market Boulevard)
- k. National Avenue
- l. Kresky Avenue

Proposed Amendment:

The installation of streetlights will be required of all development projects with frontage on the following streets:

- a. Chamber of Commerce Way
- b. Interstate Avenue
- c. Louisiana Avenue
- d. Main Street
- e. Market Boulevard
- f. Newaukum Avenue (from Riverside Drive to city limits)
- g. Parkland Drive
- h. Riverside Drive (from Highway 6 to Newaukum Avenue)
- i. State Avenue (from Chamber of Commerce way to West Street)
- j. 13th Street (from Parkland Drive to Market Boulevard)
- k. National Avenue
- l. Kresky Avenue
- m. All WSDOT functionally classified Arterial and Collector roads

Roads currently mapped by WSDOT that do not appear on the list above are Bishop Road, Jackson Highway, Maurin Road, and Rush Road. As other roads are added to this map, they will be added to the mandatory frontage improvement list by default, as they are contained within CMC 12.04.110(C)(1)(m).

FISCAL IMPACT

There is no cost to the changes recommended.

RECOMMENDATION

It is recommended that the City Council approve the proposed policy changes and direct staff to draft an ordinance codifying the changes for City Council Consideration on October 23. An alternative would be to conduct a special meeting on Monday, October 18 to consider the draft Ordinance.

SUGGESTED MOTION

I move that the City Council approve the proposed changes and direct staff to draft an ordinance codifying the changes for City Council Consideration on October 23.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Celest Wilder, Engineering Technician III

MEETING OF: October 9, 2023

SUBJECT: Floodplain Management Planning Annual Progress Report

ISSUE

As a requirement for Community Rating System (CRS) accreditation, an annual Floodplain Management Planning Progress Report is required to be submitted to the governing board, local media, and the state National Flood Insurance Program (NFIP) coordinating office.

DISCUSSION

The Lewis County Multi-Jurisdictional Hazard Mitigation Plan, adopted by the city on October 24, 2016, lists five specific goals in its mitigation strategy to:

1. **Reduce** the vulnerability of Lewis County communities to natural disasters;
2. **Optimize** allocation of hazard mitigation resources and sharing of information;
3. **Ensure** that our community is capable of initiating and sustaining emergency response operations during and after disasters;
4. **Maintain** continuity of public services during and after disasters; and
5. **Maximize** available resources for hazard mitigation activities and disaster recovery

Attached is a copy of the progress report prepared for the five goals, and a narrative of the aspects of each goal as they apply to flood hazard mitigation.

FISCAL IMPACT

There is no fiscal impact associated with this agenda item.

RECOMMENDATION

This report is for public information purposes only.

SUGGESTED MOTION

No action is required.



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www.ci.chehalis.wa.us email: comdev@ci.chehalis.wa.us

Floodplain Management Planning Annual Progress Report

The Lewis County Multi-Jurisdictional Hazard Mitigation Plan, adopted by the City of Chehalis on October 24, 2016, lists five specific goals in its mitigation strategy. Below are the goals listed, the progress completed to reach the goals outlined, and a plan for future tentative projects in order to complete the mitigation strategy.

Goal 1: Reduce the vulnerability of Lewis County communities to natural disasters

- **City Staff continue to develop and reasonably maintain cost-effective activities and programs to:**
 - **Maintain and update hazard and disaster data**
 - Updated hazard mapping with County GIS Staff
 - **Reduce impact to existing development, infrastructure and facilities.**
 - Inform and educate general public on methods of retrofitting flood protection controls
 - **Reduce vulnerability of new development through comprehensive land use planning**
 - All new development follows a comprehensive project review process to ensure that minimum required hazard mitigations are incorporated in to the planning and building process.
 - **Educate citizens, and both private and public sector organizations on flood hazards, techniques to reduce vulnerability, resources available, and disaster preparedness outreach.**
 - Correspondence sent four times annually to specific target audiences
 - **Monitor effectiveness of activities currently in place.**
 - Developing PPI program to enhance the effectiveness of current activities
 - **Update activities and programs as needed.**
 - Ongoing as needed.

Goal 2: Optimize allocation of hazard mitigation resources and sharing of information

- **Plan participants will coordinate local and regional activities/programs as appropriate to cost-effectively reduce disaster vulnerability for Lewis County communities.**
 - Maintain information available at various locations
 - City of Chehalis Community Development
 - Lewis County Public Services
 - Lewis County Emergency Management Office
 - Timberland Regional Library
 - City of Chehalis Website
 - Participate in the steering committee to update the plan when needed.

Goal 3: Ensure that our community is capable of initiating and sustaining emergency response operations during and after disasters

- **Plan participants will strive to**
 - **Develop and maintain the capability of emergency services organizations to detect emergency situations and promptly initiate emergency response operations.**
 - The city participates in ongoing training programs with Washington State Emergency Management, Lewis County Emergency Management, and other neighboring jurisdictional staff members.
 - **Cost-effectively protect critical public facilities from natural hazard impacts.**
 - Public critical facilities are assessed and monitored for compliance with natural hazard impact protection, and the appropriate action is taken if necessary to ensure their safety.
 - **Ensure that emergency services facilities and their associated utility and communications systems are capable of providing critical services.**
 - Monitored in conjunction with protection of the facilities themselves for natural hazard impact protection.
 - **Ensure access to key health care facilities and designated evacuation routes and shelters remain open and operable before, during, and after disaster events.**
 - Within the City of Chehalis, no key healthcare facilities are located within the SFHA.
 - Multi-jurisdictional effort to maintain access to nearest trauma center in neighboring jurisdiction.
 - **Retrofit and/or relocate shelters or structures for vehicles and equipment needed for emergency services operation to withstand disaster impacts.**

- City of Chehalis Fire Department personnel on duty, and all associated equipment needed for emergency services operation have been relocated out of the floodplain.

Goal 4: Maintain continuity of public services during and after disasters

- **Plan participants will strive to:**
 - **Prepare and maintain plans to guide decision-making, resource allocation, and re-establishment of operations before, during, and after a disaster.**
 - City staff members participate in ongoing training programs with Washington State Emergency Management, Lewis County Emergency Management, and other neighboring jurisdictional staff members.
 - **Protect important records, documents, and information systems from the impacts of disasters.**
 - Records archives, dedicated document storage areas, and information systems department are located outside of the SFHA.
 - **Reduce the disaster vulnerability of buildings and facilities used for routine operations.**
 - Vulnerability assessed in conjunction with essential critical facility assessments.

Goal 5: Maximize available resources for hazard mitigation activities and disaster recovery

- **Plan participants will:**
 - **Comply with state and federal requirements to ensure continued eligibility of participating jurisdictions for federal pre-disaster and disaster relief funding.**
 - Ongoing training and education with State and County Emergency Management to ensure requirements are met.
 - **Work cooperatively to identify and pursue hazard mitigation grant and funding opportunities.**
 - Actively participate in multi-jurisdictional training and education opportunities relating to mitigation grants and funding opportunities
 - **Share and disseminate information regarding hazard mitigation grant and funding opportunities with public agencies, not-for-profit organizations, business and industry.**
 - Multi-jurisdictional PPI committee is focusing on this subject. Plan is in draft stage and is anticipated to be adopted prior to the end of the year.
 - **Participants will develop community “neighborhood” preparedness plans.**

- Work with Emergency Management offices and personnel at the City, County, and State levels. to develop and implement.

This report will be updated annually as part of the City's ongoing efforts to maintain Community Rating System membership requirements.

Celest Wilder, CFM
Public Works Engineering Technician III