

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

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

Regular Meeting of Monday, October 23, 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) |
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- | PRESENTATIONS/PROCLAMATIONS |
|--|
| <ol style="list-style-type: none"> 4. Recognition of Councilor Lord 5. Swearing in of Fire Captains (Fire Chief) 6. Proclamation: First Responders Day (Mayor Ketchum) |

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

CITIZENS BUSINESS (PUBLIC COMMENT)

Individuals wishing to provide public comments in general and on agenda items should submit comments by 4:00 pm on the day of the meeting. All comments received will be acknowledged by the Mayor under Citizens Business of this meeting agenda. Please use the following form to submit comments – <https://www.ci.chehalis.wa.us/contact>. If you do not have computer access or would prefer to submit a comment verbally, please contact City Clerk Kassi Mackie at 360-345-1042 or at kmackie@ci.chehalis.wa.us. Public comments will be limited to five (5) minutes per person.

UNFINISHED BUSINESS	ADMINISTRATION RECOMMENDATION	PAGE

NEW BUSINESS	ADMINISTRATION RECOMMENDATION	PAGE
12. <u>Council Member Vacancy Process</u> (City Clerk)	APPROVE	15
13. <u>First Reading of Ordinance No. 1071-B, Establishing Guidelines for Cost Recovery of Fire Department Services</u> (Fire Chief)	APPROVE	21
14. <u>First and Final Reading of Ordinance No. 1076-B, Right of Way Dedication for NW Arkansas Way</u> (City Manager/City Attorney)	APPROVE	49
15. <u>First Reading of Ordinance No. 1078-B, Authorizing Establishment of a Fund Named LEOFF-1 OPEB Trust (or Reserve) Fund</u> (Finance Director)	APPROVE	57

ADMINISTRATION AND CITY COUNCIL REPORTS	ADMINISTRATION RECOMMENDATION	PAGE
<u>Administration Reports</u> <ul style="list-style-type: none"> • City Manager Update Q3 FY2023 Financial Report <u>Councilor Reports/Committee Updates</u> (City Council)	INFORMATION ONLY	63

EXECUTIVE SESSION
<ul style="list-style-type: none"> • RCW: 42.30.110(1)(g) -Evaluate Qualifications of Applicant for Public Employment or Review Performance of a Public Employee

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

NEXT REGULAR CITY COUNCIL MEETINGS

MONDAY, NOVEMBER 13, 2023- 5:00 P.M.
 MONDAY, NOVEMBER 27, 2023 -5:00 P.M.

NEXT SPECIAL CITY COUNCIL MEETINGS

THURSDAY, OCTOBER 26, 2023-4:00 P.M.- DISCUSSION OF REVENUE OPTIONS FOR FY2024

Chehalis City Council
Regular Meeting Minutes
September 25, 2023
5:00 p.m.

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

Council Absent: None

Staff Present: Jill Anderson, City Manager; Kevin Nelson, City Attorney; Lance Bunker, Public Works Director; Riley Bunnell, Water Superintendent; Justin Phelps, Wastewater Superintendent; Lilly Wall, Parks, and Recreation Director; Chun Saul, Financial Director; Randy Kaut, Police Chief; Brandon Rakes, Airport Director; Cassie Frazier, Airport Administrative Assistant; Susan Stayner, Administrative Assistant to the City Manager; Madisen Lester, Court Administrator; Tyler Hampson, Court Clerk

Press Present: Owen Sexton, The Chronicle

1. **Call to Order:**
Mayor Ketchum called the meeting to order at 5:00 p.m.
2. **Pledge of Allegiance**
Councilor Carns led the flag salute.
3. **Approval of Agenda**
A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Lund, to approve the agenda as presented. Motion carried unanimously.

PRESENTATIONS

4. **Employee Introductions**
Municipal Court Administrator Madisen Lester introduced Court Clerk Tyler Hampson.
5. **Chehalis-Centralia Airport Master Plan Update** (Airport Director)
Leah Whitfield and Justin Heid of Aviation Planning Group presented.

CONSENT CALENDAR

6. **Minutes of the Special City Council Meeting of September 11, 2023** (City Clerk)
7. **Vouchers and Transfers- Accounts Payable in the Amount of \$663,869.95** (Finance Director)
8. **Addition of the Community Development Director to the Salary Schedule** (HR/Risk Manager)
9. **Resolution No. 18-2023, Surplus Property-Police** (City Clerk)

A motion was duly made and passed approving the remaining items on the Consent Calendar as though acted on individually.

PUBLIC HEARINGS

There were no public hearings to conduct.

CITIZENS BUSINESS

Ryan Barrett, Lewis County Manager, was present to introduce himself.

UNFINISHED BUSINESS

10. Second Reading of Ordinance No. 1074-B, Second Amendment to the 2023 Budget (Finance Director)

A motion was made by Councilor Lund, seconded by Councilor Pope to adopt Ordinance No. 1074-B. The motion carried unanimously.

11. Second Reading of Resolution No. 17-2023, Authorizing the Purchase of Property to Dedicate as Right-Of-Way to Achieve Code Compliant Right-Of-Way Width (City Manager and City Attorney)

A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Lund to adopt Resolution No. 17-2023 on second and final reading. The motion carried unanimously.

NEW BUSINESS

12. Lodging Tax Advisory Committee Recommendations for 2024 (Councilor Lord and Administrative Assistant)

The Council deliberated on the amounts and dedication of funds to each entity and the justification behind each.

Chip Duncan of the Veteran's Museum provided a background on the applications received.

A motion was made by Councilor Lord, seconded by Councilor Carns to 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 approve the annual debt service payment for the Recreation Park Improvement Project in the amount of \$71,819.00; and approve the additional \$84,397.00 to be added to the LTAC Reserve account to be used in the future for award funding in 2024.

An amendment to the motion was made by Councilor McDougall, seconded by Councilor Lund to amend the amount awarded to the Lewis County Historical Museum to \$45,000. The amendment failed 4-3.

The main motion failed 3-3.

This item was referred to the Lodging Tax Advisory Committee to consider updated amounts.

13. **Appointment of City Councilors to the Sewer Operating Board** (Wastewater Superintendent)
Mayor Pro Tem Spahr and Councilor Pope are currently serving on the Sewer Operating Board.

Justin Phelps has met with Lewis County Sewer District #4 to discuss terms of the expired agreement and will bring a final proposed contract to Council for consideration at an upcoming meeting.

No final action was taken.

14. **Procurement of a Tracked Remote-Control Mower for the Chehalis-Centralia Airport** (Airport Director)

A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Lund to approve the procurement of the Tracked 60-inch R-60 RC Mower from Owen Equipment Company, the sole source supplier of RC Mower products in the State of Washington and authorize the City Manager to approve payment of the invoice from Owens Equipment in the amount of \$78,859.41 which includes all freight and tax charges. The motion was carried with Mayor Ketchum opposing.

ADMINISTRATION AND CITY COUNCIL REPORTS

City Manager Update

City Manager Anderson updated the Council on the Airport Master Plan event.

Lance Bunker provided a brief update on the progress on the frontage improvement requirements in the South UGA.

Councilor Reports/Committee Updates

Councilor Lund commended the Fire Chief on moving forward with the volunteer firefighter program.

Councilor McDougall reported attendance at the Flying Saucer Event.

Councilor Carns commented on the ongoing graffiti concerns.

Mayor Ketchum reported attendance at the Lewis County Shelter meeting, Lewis County Historical Museum meeting and attendance at the Honda Grant Opening Event.

EXECUTIVE SESSION

Pursuant to RCW 42.30.110(1)(c)-Sale/Lease of Real Estate

Mayor Ketchum adjourned the regular meeting and convened the executive session for 20 minutes or until 6:40 p.m.

Mayor Ketchum adjourned the executive session and reconvened the regular meeting at 6:39 p.m.

ADJOURNMENT

Mayor Ketchum adjourned the meeting at 6:40 p.m.

Anthony Ketchum, Sr., Mayor

Attest: Kassi Mackie, City Clerk

Chehalis City Council
Regular Meeting Minutes
October 09, 2023
5:00 p.m.

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

Council Absent: Councilor Pope

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; Justin Phelps, Wastewater Superintendent; Adam Fulbright, Fire Chief; Randy Kaut, Police Chief; Gina Copas, Fire Administrative Assistant; Sally Saxton, Financial Analyst

Press Present: Owen Sexton, The Chronicle

1. **Call to Order:**

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

2. **Pledge of Allegiance**

Councilor Lord led the flag salute.

3. **Approval of Agenda**

The agenda was amended to remove item #4 and add item #18, Policy Change to Municipal Code 12.04.080, Changes to Standards and 12.04.110 Requirements-Frontage Improvements.

A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Lord, to approve the agenda as amended. Motion carried unanimously.

PRESENTATIONS

~~4. **Employee Introductions**~~

5. **Proclamation: Fire Prevention Week** (Mayor Ketchum)

Mayor Ketchum presented the proclamation for Fire Week to Fire Chief Adam Fulbright.

6. **Exceptional Service Award** (Fire Chief)

Fire Chief Adam Fulbright presented the award for exceptional service to Adam Miller, Firefighter.

7. **Port of Chehalis Update** (Lindsey Senter)

Lindsey Senter of the Port of Chehalis provided a presentation on upcoming and past projects.

CONSENT CALENDAR

8. **Minutes of the Special City Council Meeting of September 18, 2023** (City Clerk)

9. **Vouchers and Transfers- Accounts Payable in the Amount of \$580,564.67** (Finance Director)
10. **Vouchers and Transfers- Payroll in the Amount of \$1,012,780.47** (Finance Director)
11. **Debt Management and Post-Issuance Compliance Update-FY2022** (Finance Director)
12. **Contract Award to Cole Electric for Stan Hedwall RV Park Electrical Panels** (Facilities Manager)
13. **Budgeted Purchase of Fuel for Resale** (Airport Director)
14. **Consider Approval of Sales Tax to Previously Authorized Turbocompressor Purchase for Wastewater** (Wastewater Superintendent)

A motion was duly made and passed approving the items on the Consent Calendar as though acted on individually.

PUBLIC HEARINGS

There were no public hearings to conduct.

CITIZENS BUSINESS

Bob Russell of Chehalis provided public comment.

UNFINISHED BUSINESS

15. **Lodging Tax Advisory Committee Recommendations for 2024** (Councilor Lord and Administrative Assistant)

A motion was made by Councilor Lord, seconded by Councilor Carns to approve the original LTAC recommendation to 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 approve the annual debt service payment for the Recreation Park Improvement Project in the amount of \$71,819.00; and approve the additional \$84,397.00 be added to the LTAC Reserve account to be used both LTAC Reserve account to be used in the future for award funding in 2024. The main motion failed 3-2.

A motion was made by Councilor Carns, seconded by Councilor Lund to approve the annual debt service payment for the Recreation Park Improvement Project in the amount of \$71,819.00. The motion carried unanimously.

A motion was made by Councilor Lord, seconded by Councilor Carns to 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 approve the additional \$84,397.00 be added to the LTAC Reserve account to be used in the future for award funding in 2024. The motion was carried with Councilor McDougall in opposition.

NEW BUSINESS

16. **First and Final Reading of Resolution No. 19-2023, Waiving Competitive Bid Due to Special Market Conditions- Brush Engine** (Fire Chief)
Fire Chief Adam Fulbright presented.

A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Lord to waive council rules and approve Resolution No. 19-2023 on first and final reading due to the time constraints and market conditions and authorize the City Manager award the 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. The motion carried unanimously.

17. **First and Final Reading of Ordinance No. 1075-B, Dedication of Right-of-Way, Arkansas Way** (City Manager/City Attorney)

A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Lord to waive the Council 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. The motion carried unanimously.

18. **Consider Policy Change to Municipal Code 12.04.080, Changes to Standards and 12.04.110, Requirements-Frontage Improvements** (City Manager)
Engineering Tech II Celest Wilder presented.

A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Lord to approve the proposed policy changes and direct staff to draft an ordinance codifying the changes for City Council consideration on October 23. The motion was carried with Councilor Carns opposing.

ADMINISTRATION AND CITY COUNCIL REPORTS

City Manager Update

City Manager Anderson acknowledged Celest Wilder for her work on multiple projects in the last few months, and Administrative Clerk Susan Stayner for her time with the City of Chehalis.

Celest Wilder presented the Floodplain Management Planning Annual Progress Report.

Councilor Reports/Committee Updates

Councilor Lord submitted his resignation effective the end of October.

Councilor McDougall attended the Public Health and Social Services Advisory Board meeting and Economic Alliance Meeting.

Mayor Ketchum attended the Twin Transit Board meeting, Discover Lewis County meeting, Downtown Rejuvenation Project presentations and the Lewis County Shelter meeting.

ADJOURNMENT

Mayor Ketchum adjourned the meeting at 7:15 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 23, 2023

SUBJECT: 2023 Vouchers and Transfers – Accounts Payable in the Amount of \$786,682.45.

ISSUE

City Council approval is requested for 2023 Vouchers and Transfers dated October 13, 2023.

DISCUSSION

The October 13, 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. 3175 - 3209, 125 and Voucher Checks No. 137552 - 137649 in the amount of \$787,593.72 dated October 13, 2023, and Voided Checks No. 130506 and 137525 for the net total of \$786,682.45 as follows:

- \$ 242,236.28 from the General Fund
- \$ 19,170.53 from the Street Fund
- \$ 62,435.00 from the Transportation Benefit District Fund
- \$ 1,845.75 from the LEOFF 1 OPEB Reserve Fund
- \$ 492.97 from the Garbage Fund
- \$ 175,426.43 from the Wastewater Fund
- \$ 27,349.15 from the Water Fund
- \$ 5,989.00 from the Storm & Surface Water Utility Fund
- \$ 92,879.86 from the Airport Fund
- \$ 93,062.76 from the Wastewater Capital Fund
- \$ 5,781.76 from the Water Capital Fund
- \$ 497.74 from the Stormwater Capital Fund

- \$ 4,284.49 from the Custodial Court Fund
- \$ 56,142.00 from the Custodial Other Agency Fund
- \$ 787,593.72 Total Vouchers for October 13, 2023
- \$<911.27> Voided Checks for October 11, 2023
- \$ 786,682.45 Net Total Transfers

RECOMMENDATION

It is recommended that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. . 3175 - 3209, 125 and Voucher Checks No. 137552 - 137649 in the amount of \$787,593.72 dated October 13, 2023, and Voided Checks No. 130506 and 137525 for the net total of \$786,682.45.

SUGGESTED MOTION

I move that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. . 3175 - 3209, 125 and Voucher Checks No. 137552 - 137649 in the amount of \$787,593.72 dated October 13, 2023, and Voided Checks No. 130506 and 137525 for the net total of \$786,682.45.

**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 23, 2023

SUBJECT: Budgeted Purchase of Fuel for Resale

ISSUE

The recent invoice from Epic Aviation, LLC, for purchasing and delivering AVGAS 100 LL fuel, has a total purchase of \$60,326.48. 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 \$60,326.48. 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 City Manager to approve payment of the invoice from Epic Aviation in the amount of \$60,326.48.

SUGGESTED MOTION

I move that the City Council authorize the City Manager to approve payment of the invoice from Epic Aviation in the amount of \$60,326.48.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Lance Bunker, Public Works Director/ Riley Bunnell, Water Superintendent

MEETING OF: October 23, 2023

SUBJECT: Drinking Water State Revolving Fund (DWSRF) Preconstruction Loan Application for the Market Street Water Main Replacement Project (11th to 21st Street)

ISSUE

The S Market Blvd SW 11th to SW 21st water line is currently undersized and causing water capacity issues in the South UGA. The City is currently working to address this issue by upsizing the 8" water main from S Market Blvd SW 11th to 21st to a 16" water main to allow adequate flow capacity.

DISCUSSION

The Drinking Water State Revolving Fund (DWSRF) program is currently offering a Preconstruction loan opportunity with a maximum loan amount of \$500,000 to help assist with projects like the Market Street Water Main Replacement. The loan has a zero (0) percent interest rate and a two (2) percent non-refundable loan fee. If the loan application was approved by DWSRF the City of Chehalis could acquire a loan of \$510,000 in total. The loan must be repaid over a ten-year period with loan repayments to start in October of the first year of loan contract execution.

Due to the need to replace the S Market Blvd 11th to 21st water main for future growth in the South UGA this program will help to fund a portion of the costs associated with the project. The overall engineering, permitting, and administrative costs for the project are estimated to be \$1,217,000.

FISCAL IMPACT

Upon approval by the City Council, the City would obtain a \$510,000 loan with a 0 percent interest rate that would be required to be paid back over the next 10 years. Therefore, the City's Water Department would fund the \$51,000 annual payment.

Use of the DWSRF allows the City to borrow money for only the cost of the loan fee and preserve the Water Capital Reserve Fund, which is currently earning interest.

RECOMMENDATION

It is recommended that the City Council authorize the submittal of the Drinking Water State Revolving Fund (DWSRF) Preconstruction Loan Application in the amount of \$510,000.

SUGGESTED MOTION

I move that the City Council authorize the submittal of the DWSRF Loan Application and authorize the City Manager to execute the loan documents.

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Kassi Mackie, City Clerk

MEETING OF: October 23, 2023

SUBJECT: Council Member Vacancy Process

ISSUE

Due to the resignation of Councilor Gerald Lord, effective November 6, 2023, the Chehalis City Council has one vacancy. This report provides an opportunity for the City Council to discuss how it would like to fill the vacancy.

BACKGROUND

At the City Council meeting on October 9th Councilor Lord submitted his verbal resignation, which he has since provided in writing with an effective date of November 6, 2023. Councilor Lord's membership on the City Council filled the District 1 position with a term that expires on December 31, 2023. State statute provides that the vacancy be filled by an appointment by the remaining members of the governing body and that the person appointed to fill a vacancy shall hold office for the remainder of the unexpired term or the certified election of an individual at the next municipal election, which is scheduled for November 2025.

Eligibility to hold a position on the City Council is addressed in Chehalis Municipal Code 2.08.050, which requires that an individual has been a registered voter and resident of the city for at least one year. RCW 42.12 includes additional provisions regarding the filling of vacancies of elected city officials, establishing that a vacancy on an elected nonpartisan governing body shall be filled by the remaining members of the governing body. The City Council has ninety (90) days from the date of the vacancy to make an appointment. Ninety days from Monday, November 6, 2023 is Sunday, February 4, 2024. If an appointment does not occur by then, the City Council loses its authority to fill the seat. According to RCW 42.12.070(4), the County's legislative body would then have the authority to make the appointment within 180 days of the vacancy's occurrence.

PROPOSED PROCESS

The process used to fill a vacancy in the recent past included an application process followed by interviews at a special meeting of the City Council. It is proposed that the City Council consider using a similar process in filling the current vacancy. The following timeline for filling the vacancy is proposed for City Council's consideration:

- Notice of vacancy published in official newspaper by: Thursday, October 26
- Applications due: Thursday, January 11
- City Council conducts interviews at a Special meeting: Thursday, January 18

- What is the preferred time: 4:00 p.m. or 5:00 p.m.?
- New Councilmember sworn in at regular City Council meeting Monday, January 22

The above timeline would allow the City Council person elected to fill the seat currently held by Councilor Pope to vote on the appointment during the special meeting for interviews. It also allows an extended time for interested individuals to apply, which could make it more convenient with the fast approaching Holiday season.

A copy of the City Council District Map and a draft of an application for interested individuals to complete to be considered for the vacancy are attached for City Council review and comment.

DISCUSSION

If the proposed schedule is acceptable to the City Council, applications will be delivered to each City Council member for review prior to the special meeting proposed for Thursday, January 18, 2024. The City Council has used the following process in previous candidate interviews and can follow the outline below or adjust it as desired.

- Introduction of candidates.
- Conduct interviews: Each Council member would be able to ask each candidate a question.
- City Council comments on the candidates, if desired.
- City Council will convene into executive session to discuss qualifications of applicants.
- Regular meeting reconvened.
- Nominations from Council members. If more than one candidate is nominated, a vote will be conducted in the order of which candidates were nominated. Votes will continue until an individual receives a majority vote (4).

The person selected to fill the vacancy would then be sworn into office at the City Council's regular meeting of January 22, 2024.

It should be noted that the City Council is not obligated to appoint a person based on this process and has discretion regarding how it selects a person to fill a vacancy.

FISCAL IMPACT

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

RECOMMENDATION

It is requested that the City Council review the proposed process for interviewing applicants and suggest changes as needed to provide direction to staff.

SUGGESTED MOTION

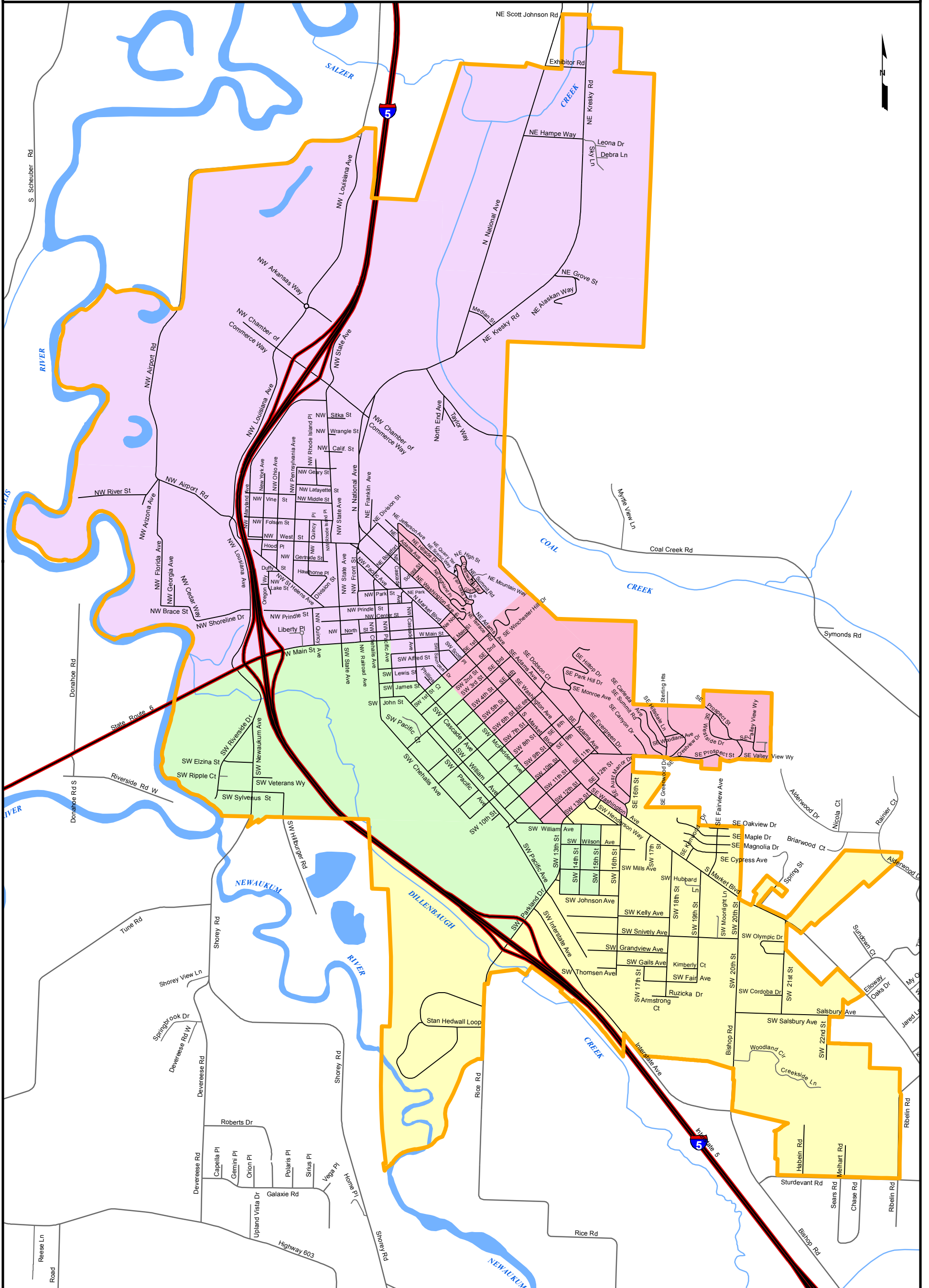
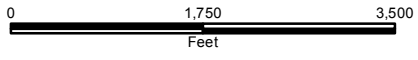
City Council direction is being requested, so there is no suggested motion.

Chehalis City Council Districts

Lewis County, Washington



- District 1
- District 2
- District 3
- District 4





City of Chehalis

Application for City Council

District #1 Position

(Two-Year Term: January 2024 – December 2025)

Applications are due by 5:00 PM Thursday, January 11, 2024

Name: _____

Physical Address: _____

Mailing Address: _____

Home Phone: _____ Cell Phone: _____

Email: _____

Years lived in the City of Chehalis: _____

Have you been a registered voter in the City of Chehalis for at least a year? _____

Current Employer: _____

Please answer the following questions using the area provided or on a separate piece of paper or digital document.

1) Why are you interested in serving as a member of the City Council? _____

2) What is your understanding of the role and responsibilities of a City Councilor? _____

3) What do you think are the strengths of the City? _____

4) How do you think the City can improve? _____

5) Please describe your qualifications and experience that have prepared you for service as a City Councilor: _____

Thank you for applying to be considered to serve as a City Councilor for the City of Chehalis. Applications will be accepted in person, by mail, or via email at kmackie@ci.chehalis.wa.us. Applications must be submitted to the City Clerk's Office at Chehalis City Hall no later than 5:00 PM on Thursday, January 11, 2024. The City Clerk's office can be reached by phone at 360-345-1042, ext. 201 and is located at City Hall, 350 N. Market Street, Chehalis, WA 98532. The City Council will conduct interviews at a special meeting on _____

Reminder:

***All applications must be received by
5:00 PM on Thursday, January 11, 2024, to be considered.***

**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 23, 2023

SUBJECT: First Reading of Ordinance No. 1071-B, Establishing Guidelines for Cost Recovery of Fire Department Services.

ISSUE

State legislation provides the City Council the authority to establish a program that would enable Chehalis Fire Department to recover costs associated with emergency response by billing responsible third parties, primarily insurance companies.

EMERGENCY SERVICE COST RECOVERY

For decades the Fire Department has responded to many incidents that have been caused by third parties that are residents and non-residents of the City of Chehalis. The City has provided these services at zero cost to the third parties that caused the incident without seeking recovery for these costs. These services include the provisions of suppression, motor vehicle accidents, hazardous material and technical rescue services.

For years the City has absorbed these costs because legislation did not provide a means to recover the cost and third-party caused incidents were relatively low. As third-party incidents have increased substantially, staff is recommending adoption of a cost recovery program within the Chehalis Municipal Code. The proposed ordinance is presented for first reading to establish a method for recovering costs and expenses for certain services provided by the City's Fire Department.

THIRD PARTIES

The definition of a third party is:

“Any individual, firm, corporation, association, partnership, commercial entity, consortium, joint venture, government entity, or other legal entity that (1) receives Emergency Services or whose employee or agent receives Emergency Services;(2) is contractually required to indemnify a person or legal entity for charges related to Emergency Services, such as an insurance company; (3) any owner, tenant occupant or party in control of real and personal property from which, onto which, or related to which there is an Emergency Incident and their

heirs, estates, successors and assigns and (4) any owner, tenant occupant or party in control of real and personal property that benefits from Emergency Services and their heirs, estates, successors and assigns.”

COST RECOVERY CHARGES

If the proposed ordinance is approved, the City may be able to recover all assessable costs in connection with emergency services rendered by the City from any or all responsible parties jointly or severally. Emergency Services include, the following responses or conditions, but not limited to:

- Any Department response to a fire, whether ignited accidentally or intentionally, and includes but is not necessarily limited to the following:
 - A. Department containment and/or suppression of the fire in part or whole
Stabilization of the incident by Department resources
 - B. Activities resulting in damage or destruction of Department equipment beyond normal wear and tear.
 - C. Any Department response to an incident caused by a criminal act including but not limited to, DUI, intentional false alarm, or arson.
 - D. Any Department response requiring containment, abatements, or any safety measure in connection with any hazardous or toxic material release. Charges in such case shall be made to the person responsible for the release, whether the release occurs on the property of the responsible party. The responsibility for the release includes releases caused by the person as well as any release from any vehicle, building, or other instrumentality, owned, occupied, or utilized by the person, regardless of fault.
 - E. Any Department response to a vehicle accident or traffic incident, including but not limited to the control of fires, spills, debris clean up, assistance to injured persons or ambulance crews, or the extrication of vehicle occupants using specialized tools or techniques.
 - F. Any Department response for a Hazardous Materials Incident or other hazardous condition requiring Department oversight and deployment of personnel and/or equipment to maintain public health and safety.
 - G. Any Department response to a false alarm due to system malfunction or maintenance issue in excess of three (3) alarms in any consecutive twelve (12) month period.
 - H. The provision of Department equipment or personnel for the purpose of providing standby fire, rescue, or emergency medical services necessary to support a non- emergency event/situation hosted by a for-profit

organization. The Fire Chief and or City Manager may reduce or waive any charges for such services.

- I. The providing of medical care and/or transport by the Department to a medical care facility.
- J. Any Department response for a specialized rescue, disentanglement, or body recovery requiring Department oversight and/or deployment of Department personnel or equipment and the use of specialized tools, apparatus, or techniques for handling the specific incident. This includes high and low angle environments, confined spaces, below grade or trench incidents, heavy equipment or machinery, outside searches lasting longer than one (1) hour, ice or water rescue or recovery, and structural collapse.

A schedule of charges, to be known as the Cost Recovery Schedule, is included in the proposed Ordinance.

EXEMPTIONS

The following properties and services are exempt from charges authorized by the ordinance.

- False alarms due to system malfunctions or maintenance issues not exceeding three (3) alarms in any consecutive twelve (12) month period.
- Fire involving City buildings, grounds and/or property when the fire is not caused by the act or omission of an employee or agent of the City.
- Fire or other emergency service performed outside the jurisdiction of the City for which a signed Mutual or Automatic Aid Agreement is in place, unless the municipality in which assistance is rendered has adopted an ordinance to impose or authorize the collection of fees for fire and emergency services as authorized by law.

PROPOSED COST RECOVERY RATE SCHEDULE

Preparedness fee **\$250.00**

- 20-minute response minimum (round up to one hour for cleaning and restocking)
- Hourly rates represent full-time employee cost of compensation / additional consideration given to call back of personnel to back fill on overtime rates.

Full Time personnel: Hourly rate charge in 30-minute blocks

Fire Chief	\$68.00
Captain	\$44.00
Firefighter/Driver/EMT	\$37.00

Call personnel:

Company Officer	\$67.00
Firefighter/ Driver / EMT	\$55.00

Apparatus:

Command Vehicles:

Chief	\$50.00
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EMS Units:

A-48	\$66.00
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Platform Aerial:

Ladder 48	\$208.00
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Structural Engine:

Engine 48-1, 48-2, 48-3, 48-4	\$133.00
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Jaws of Life	\$50.00
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Consumables

K-12 Cutting Disk	\$10.00
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Plug-N-Dike	\$10.00
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Gloves	\$3.00
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Amerizorb T&G	\$18.00
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Road Flares	\$4.00
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Firefighting Foam	\$92.00
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FM 186-2	\$15.00
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Lewis County Dispatch Charge	\$50.00
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Absorbent pads/tubes	\$15.00
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BILLING AND COLLECTION OF ASSESSABLE COST

If the City Council adopts the proposed ordinance, it is recommended the City Council authorize the City Manager to enter into an agreement with EF Recovery to administer the process needed to bill insurance companies and document services related to emergency response.

EF Recovery will prepare and mail an itemized invoice to an appropriate insurance company or authorized agent acting on behalf of a responsible party or an insurer of a responsible party.

As indicated on Page 9 of the agreement Billing options will be set as follows.

1. Residents of Chehalis: Bill insurance company, if not paid, close claim.
2. Non-Resident: Bill insurance company, if not paid, close claim.

APPEAL PROCEDURE

Non-resident responsible parties who receive an invoice for assessable cost shall have an opportunity to meet with the City Fire Chief or designee to request a modification of the assessable cost.

FISCAL IMPACT

Cost recovery agreement discuss fees on page 10 Exhibit B. However, the actual fiscal impact on the city will be none for the following reasons:

1. **Processing Cost:** Ef recovery has the authority to submit on their own behalf the processing fees at \$50.00 or 22% of the total claim to the Insurance company. Therefore, they will not need to bill the City of Chehalis for processing fees.
2. **Uncollected Claim Cost:** Ef Recovery agreed to waive this fee.
3. **Training Fee:** One time Charge of \$295.00 is taken out of the first claim submitted by Chehalis Fire.

RECOMMENDATION

It is recommended that the City Council:

- 1) Approve Ordinance No. 1071-B on first reading, establishing a cost recovery program and setting a fee schedule and conduct the second and final reading at the November 13, 2023, City Council Meeting; and
- 2) Authorize the City Manager to execute the related documents, including an agreement with EF Recovery contingent upon the final approval of Ordinance #1071-B on second reading.

SUGGESTED MOTION

I move that the City Council:

- 1) Approve Ordinance No. 1071-B on first reading, establishing a cost recovery program and setting a fee schedule and conduct the second and final reading at the November 13, 2023, City Council Meeting; and

- 2) Authorize the City Manager to execute the related documents, including an agreement with EF Recovery contingent upon the final approval of Ordinance #1071-B on second reading.

ORDINANCE 1071-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON ESTABLISHING A NEW SECTION OF THE CHEHALIS MUNICIPAL CODE, 2.30.055, IMPLEMENTING A PROGRAM TO CHARGE MITIGATION RATES FOR THE DEPLOYMENT OF EMERGENCY AND NON-EMERGENCY SERVICES BY THE FIRE DEPARTMENT

WHEREAS, the emergency and non-emergency services response activity to incidents continues to increase each year in the form of Environmental Protection requirements involving equipment and training, and Homeland Security regulations involving equipment and training, all which create additional demands on all operational aspects of the fire department services; and

WHEREAS, the fire department has investigated different methods to maintain a high level of quality of emergency and non-emergency service capability throughout times of constantly increasing service demands, where maintaining an effective response by the fire department decreases the costs of incidents to insurance carriers, businesses, and individuals through timely and effective management of emergency situations, saving lives and reducing property and environmental damages; and

WHEREAS, raising real property tax to meet the increase in service demands would not be fair when the costs are more properly bourn by the uses and their insurers; and

WHEREAS, the City Council of Chehalis desires to implement a fair and equitable procedure by which to collect said mitigation rates and shall establish a billing system in accordance with applicable laws, regulations and guidelines;

NOW THEREFORE THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1: A new section of the Chehalis Municipal Code (“CMC”), Section 2.30.055 is hereby created.

Section 2: CMC 2.30.055 shall be captioned “Mitigation Rates Charged to End Users”.

Section 3: CMC 2.30.055 shall read as follows:

- A. End-users may be charged mitigation rates for the delivery of emergency and non-emergency services by the Chehalis Fire Department. “Services” for the purposes of this section shall include the actual rendering of service and any request whether or not services are actually required.
- B. The mitigation rates shall be based on actual costs of the services and that which is usual, customary, and reasonable (URC), which may include any services, personnel, supplies, equipment, and baselines costs established from time to time and as ratified by the City Council by resolution. In the event that at least one calendar year passes without any update to rates, the rates will be automatically increased by three percent (3%) over the prior year’s rate, effective January 1.
- C. The most current mitigation rates shall be available for inspection during regular business hours at the main office of the Chehalis Fire Department. The rates shall be deemed available if they are available either in-person or if posted on the website for the City of Chehalis.
- D. Where reasonable, the Chehalis Fire Department will work with the end-user to bill an appropriate insurance carrier or third-party payor.
- E. Billing under this section may be by the Chehalis Fire Department, another City department, or by a third-party, as selected by the Chief of the Chehalis Fire Department or designee.

F. Any end-user may request an appeal of any billing under this section to the Chief of the Chehalis Fire Department or designee.

G. The Chief of the Chehalis Fire Department or designee shall the responsibility to recommend the waiver of fees under this section in the interest of fairness after reasonable consideration of the individual’s ability to pay and/or other factors deemed relevant after assessing the totality of the circumstances. All waiver of fees must be approved by the City Manager.

Section 4: Exhibit A hereto shall constitute the initial rates contemplated by this Ordinance, and shall be made available at the Chehalis Fire Department and/or on the City’s website.

Section 5: This Ordinance shall take effect five (5) days from the date of adoption and publication, or as permitted otherwise by law.

PASSED this ____ day of October 2023

Anthony E. Ketchum, Mayor

ATTEST:

Kassie Mackie, City Clerk

APPROVED AS TO FORM AND CONTENT:

Kevin T. Nelson, City Attorney

EXHIBIT A
MITIGATION RATES
BASED ON PER HOUR

The mitigation rates below are average “cost recovery/billing levels”, and are typical for the incident responses listed, however, when claim is submitted, it will be itemized and based on the actual services provided.

COST RECOVERY RATE SCHEDULE

Preparedness fee

\$250.00, 20-minute response minimum (round up to one hour for cleaning and restocking)

Hourly rates represent full-time employee cost of compensation / additional consideration given to call back of personnel to back fill on overtime rates.

Full Time personnel: Hourly rate charge in 30-minute blocks

Fire Chief	\$68.00
Captain	\$44.00
Firefighter/Driver/EMT	\$37.00

Call personnel:

Company Officer	\$67.00
Firefighter/ Driver / EMT	\$55.00

Apparatus:

Command Vehicles:

Chief	\$50.00
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EMS Units:

A-48	\$66.00
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Platform Aerial:

Ladder 48 or comparable unit \$208.00

Structural Engine:

Engine 48-1, 48-2, 48-3, 48-4 or comparable unit \$133.00

Jaws of Life \$50.00

Consumables

K-12 Cutting Disk \$10.00

Plug-N-Dike \$10.00

Gloves \$3.00

Amerizorb T&G \$18.00

Road Flares \$4.00

Firefighting Foam \$92.00

FM 186-2 \$15.00

Lewis County Dispatch Charge \$50.00

Absorbent pads/tubes \$15.00

Other items (per unit) Actual Cost + 10%

EF RECOVERY

Welcome Aboard!

We are very excited to have you as a new Cost Recovery customer and look forward to recovering your incident response and mitigation costs.

Here's all you need to do to complete your contract.

Page 7	Please complete the signature block
Page 9	Exhibit A, Section 7: Please choose a billing option and collection agency information, if applicable Please be sure to complete Sections 6 and 7. This is very important information to help us complete the setup of your account in our system.
Authorization To Bill Letter	Please sign your name at the bottom
Business Associate Agreement	Please complete the signature block

Thank you again for becoming an EF Recovery customer!

‘ENHANCED PROGRAM’ COST RECOVERY AGREEMENT

This Cost Recovery Agreement (“Agreement”) is made as of the date shown below and between the following parties:

EF Recovery LLC
P.O. Box 590
Gig Harbor, WA 98335
 (“EFR”)

City of Chehalis Fire Department
500 NW Sitka St
Chehalis, WA, 98532
 (“Customer”)

Effective Date: April 21, 2023

and is subject to EFR’s Privacy Policy that can be found by visiting <https://www.efrecovery.com/privacy>.

In consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. **DEFINITIONS.** As used herein, the following terms shall have the following meanings. In additions, other terms are defined elsewhere in the Agreement, in the context in which they arise.
 - 1.1 **“Liabe Party” or “Liabe Parties”** means negligent parties or their insurer(s).
 - 1.2 **“Services”** means, collectively, the services listed in Exhibit A attached hereto and incorporated herein by this reference
 - 1.3 **“Total Claim Amount”** means the total of all Customer charges for equipment, labor, consumables, administrative costs, processing costs and other costs outlined, defined, and/or authorized by Customer’s jurisdictional law, code, resolution or ordinance, as set forth on Customer reimbursement cost schedule.
 - 1.4 **“Mobile Application”** means a program developed by EFR to collect on-scene incident information for use in billing a claim.
 - 1.5 **“Device”** means a compatible mobile telephone, tablet computer or on-board computers that Customer uses to operate the Mobile Application.
 - 1.6 **“Executable Code”** means the fully compiled version of a software program that can be executed by a computer, mobile telephone or tablet computer and used by an end user without further compilation.
 - 1.7 **“Software”** means the Mobile Application, plus any modified, updated or enhanced versions of programs that EFR may provide to customer hereunder in Executable Code in its sole discretion from time to time.
 - 1.8 **“Documentation”** means the user manuals provided to Customer along with the Software.
 - 1.9 **“Intellectual Property Rights”** means all existing and future worldwide copyrights, trademarks, service marks, trade secrets, patents, patent applications, moral rights, contract rights and other proprietary rights.
2. **SERVICES.** Customer retains EFR as its billing contractor to perform the billing for services from any cost recovery order as directed by Customer and as allowed by law, code, resolution or ordinance to a Liabe Party or Liabe Parties). Customer also retains EFR to perform the Services in accordance with the terms of this Agreement. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the EFR and Customer with respect to the subject matter hereof, and any such prior agreements are hereby terminated.
3. **COMPENSATION TO EFR.** For each claim that EFR provides any Services, Customer shall pay EFR the Processing Cost or the Uncollected Claim Cost as defined in Exhibit B, plus any additional costs as defined in this Agreement.
4. **COLLECTED FUNDS / TERMS OF PAYMENT.** EFR will deposit all collected funds into a bank account administered solely by EFR. All recovered funds, less the Processing Costs, Uncollected Claim Costs, and/or Training Fees, as defined in Exhibit B, will be submitted to Customer along with a detailed accounting of funded claims within forty-five (45) days after the funds have been received by EFR. EFR shall not be responsible for the payment of any billings that a responsible party/entity denies or refuses to pay. Customer’s obligations hereunder are absolute and

unconditional and not subject to set-off, delay, counterclaim, or termination of performance. Customer shall notify EFR of any disputed billings within fourteen (14) days of receipt, but such dispute shall not serve as a basis for withholding of any sums due under this Agreement.

5. **TERM OF AGREEMENT.** The term of this Agreement shall commence on the date set forth above and shall continue until the first anniversary of such date (the "Initial Term"). Thereafter, the Term shall be automatically renewed for succeeding terms of one year each (the "Renewal Term"), unless it is sooner terminated for cause pursuant to Section 6 of this Agreement. Either party may elect to not renew this Agreement by informing the other, in writing, of its intent not to renew; PROVIDED, HOWEVER, that such notice shall be delivered in accordance with this Agreement no later than sixty (60) days prior to the anniversary date of the Agreement. While this Agreement is in effect, Customer shall not retain any individual or entity other than EFR to perform the Services.
6. **TERMINATION FOR BREACH.** Except as otherwise set forth in this Agreement, either party may terminate this Agreement if the other party materially breaches this Agreement and does not cure such material breach within thirty (30) days after receiving written notice thereof from the non-breaching party; PROVIDED, HOWEVER, that such notice shall describe the claimed breach in reasonable detail and afford the breaching party an opportunity to cure the default prior to the expiration of such 30 day period. EFR may suspend the Services (or any portion thereof) upon notice to Customer in the case of any breach or threatened breach by Customer. In addition to such termination right, the non-breaching party shall have all rights and remedies available for such breach under applicable law/equity.
7. **OBLIGATIONS UPON TERMINATION.** Upon termination or expiration of this Agreement for any reason, the following provisions shall apply.
 - 7.1 **Termination of Services and Obligations.** Neither party shall be under any further obligation or liability under this Agreement to the other from and after the date of termination, except as specifically set forth in this Section. Furthermore, EFR will terminate all Services.
 - 7.2 **Obligation to Satisfy Payment of Fees.** Customer understands and expressly acknowledges that termination of this Agreement prior to the expiration of the Initial Term or the Renewal Term for any reason neither suspends, discontinues, diminishes, or in any way alters its continuing obligation to timely satisfy all invoices nor suspends, discontinues, diminishes, or in any way disallows EFR from collecting any Processing Cost, Uncollected Claim Cost, or Training Fee monies due to EFR through the final date of the Initial Term or Renewal Term and that such fees will be immediately due and payable.
 - 7.3 **Obligation to Satisfy Payment of Claims.** Upon termination of this Agreement, EFR agrees to pay Customer any claim recovery monies collected but not released to Customer, less any applicable Processing Cost, Uncollected Claim Cost and/or Training Fee monies owed EFR.
 - 7.4 **Copies of Data.** Upon payment of all such Fees, and upon the request of Customer, EFR will provide Customer with a single copy of all Customer's content on EFR's system as of the effective date of expiration or termination in PDF format. Copies of data in non-PDF format will be made available upon the request by Customer at EFR's then-current rates.
 - 7.5 **Return of Confidential Information.** Customer agrees to deliver or return to EFR, at EFR's request at any time or upon termination of this Agreement or as soon thereafter as possible, all documents, computer tapes and disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by EFR or prepared by EFR in the course of this Agreement and all other Confidential Information in Customer's possession. If, for any reason, such document, material, database, equipment, or software cannot be returned, Customer will destroy all the Confidential Information belonging to EFR and delete such Confidential Information from any memory devices, then confirm to EFR, in writing, that said Confidential Information has been destroyed. Customer will not be permitted to continue using the Confidential Information in any way after the Termination Date.
 - 7.6 **Return of Equipment.** All Hardware, if any, provided by EFR is and shall remain the property of EFR and will be returned in like new condition except for normal wear and tear upon termination of this agreement.
 - 7.7 **Survival Provisions.** The provisions of Section 1 Definitions, Section 12 Confidential Information, Section 14 Force Majeure, Section 15 Warranty Disclaimer, Section 16 Limitation of Liability, Section 17 Indemnification,

Section 18 Noninterference and Section 19 General Provisions shall survive the expiration or termination of this Agreement.

8. COLLECTION PROCESS. EFR agrees that it shall use only lawful means to effect collections and will comply with all provisions of the Fair Debt Collection Practices Act (“FDCPA”) and applicable state statutes in connection with these collections. EFR bills the responsible party and/or their insurance company once a month up to three (3) months or ninety (90) days. If the account has not been paid and depending on the selected billing options from Exhibit A by day one hundred eighty (180) after submission of the claim, at Customer’s discretion, EFR will either (a) cease collection activity or (b) turn over the account to a collections agency to be specified by Customer, and such account will be deemed uncollectible (the “Uncollectable Account”). EFR will make a “best effort” to collect funds from the Liable Party. EFR shall not be responsible for the payment of any billings that are deemed an Uncollected Claim Cost.

9. LICENSE GRANT.

9.1 License Grant. Subject to the terms and conditions of this Agreement, EFR hereby grants to Customer, only for the Term (as defined in Section 5), a non-exclusive, nontransferable license to (a) install the Software only for purposes of its internal use, and not to market and/or distribute the Software to any third party purposes of resale; (b) make one copy of the Software solely for backup or archival purposes; and (c) copy and reproduce any Documentation provided to Customer solely for the purposes of training Customer’s staff.

9.2 License Restrictions; Reservation of Rights. Except as expressly permitted by this Agreement or except with EFR’s prior written consent, Customer will not, and will not permit any third party, to: (a) reproduce, modify, adapt, alter, translate, or create derivative works from the Software or the Documentation; (b) merge the Software with other software; (c) sublicense, distribute, sell, use for service bureau use, lease, rent, loan, or otherwise transfer the Software or the Documentation to any third party; (d) reverse engineer, decompile, disassemble, or otherwise attempt to derive the Source Code for the Software, except and only to the extent that such activity is expressly permitted by applicable law notwithstanding this limitation; (e) remove, alter, cover or obfuscate any copyright notices or other proprietary rights notices included in the Software; or (f) otherwise use or copy the Software. The Software and Documentation and all worldwide Intellectual Property Rights therein, are the exclusive property of EFR and its suppliers. All rights not expressly granted to Customer in this Agreement are reserved by EFR.

9.3 No Restriction or Exclusivity. During the Term hereof, EFR may distribute, market, sell, or act as an agent or representative of any developer, publisher, or manufacturer, of online services or products that are functionally comparable or intended, by applicable marketing and promotional programs directed to such services or products, to compete directly with the Software.

10. DATA & REPORTING. Customer will make available to EFR, for use in performance of services under this Agreement, all available reports, studies or any other materials in its possession that Customer deems of use to EFR. All materials furnished by Customer will not be disclosed to any party, other than as required under the scope of the Agreement, without Customer's prior written approval. EFR shall provide Customer with status reports as set forth in Exhibit “A” and other reports as mutually agreed.

11. INDEPENDENT CONTRACTOR.

11.1 Status. EFR is and shall at all times remain an independent contractor of Customer.

11.2 Employees. EFR shall retain full control over the employment, direction, compensation and discharge of all persons employed by or assisting in the performance of service by EFR. EFR shall be fully responsible for all matters relating to payment of employees, including compliance with Social Security, withholding tax and all other laws and regulations governing such matters. EFR shall be responsible for its own acts and those of its agents and employees during the term of this Agreement.

11.3 Binding of Customer. EFR shall not incur or have the power to incur any debt, obligation or liability for or on behalf of Customer, or bind Customer in any manner, except as to matters specifically delegated in writing by Customer.

- 11.4 Claims.** Customer shall have no claim to the software, computer programs, other technology and/or work product developed/used by EFR in its performance of this Agreement. It is understood and agreed that Customer may use EFR proprietary software programs in providing the services set forth in this Agreement. Customer agrees that it shall not acquire any proprietary rights to such programs by virtue of this Agreement.
- 11.5 Benefits.** Unless otherwise expressly authorized by Customer, EFR will not participate in or receive any of the benefits which Customer extends to its employees, including, without limitation, vacation pay, sick leave and medical insurance. EFR agrees to waive all claims to such benefits.
- 11.6 Taxes, Etc.** EFR will be solely responsible for payment of all income taxes, self-employment taxes and other items due with respect to EFR's income hereunder. Except as provided otherwise in Exhibit A, EFR will be responsible for payment of any sums due to any persons hired by EFR to assist in the performance of the Services.

12. CONFIDENTIAL INFORMATION

- 12.1 Disclosure of Confidential Information.** Each party (the "Disclosing Party") may from time to time disclose to the other party (the "Recipient") certain information regarding the business of the Disclosing Party and its suppliers, including technical, marketing, financial, employee, planning, and other confidential or proprietary information that is marked or identified as confidential, or disclosed under circumstances that would lead a reasonable person to believe such information is confidential ("Confidential Information"). The Recipient will not use any Confidential Information of the Disclosing Party for any purpose not expressly permitted by this Agreement, and will disclose the Confidential Information of the Disclosing Party only to the employees or contractors of the Recipient who have a need to know such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than the Recipient's duty hereunder. The Recipient will protect the Disclosing Party's Confidential Information from unauthorized use, access, or disclosure in the same manner as the Recipient protects its own confidential or proprietary information of a similar nature and with no less than reasonable care. The Recipient will comply with any applicable state law, including the Public Records Act.
- 12.2 EFR Confidential Information.** The business practices including, but not limited to, financial information, staffing patterns, HIPAA protected information, business relationships, the Services and System, including without limitation any routines, subroutines, directories, tools, programs, or any other technology included therein, and all other business practices shall be considered EFR's Confidential Information.
- 12.3 Customer Confidential Information.** The business practices such as financial information, staffing patterns, client numbers, call center operations, HIPAA protected information, transport volumes, business relationships and all other business practices shall be considered Customer's Confidential Information.
- 12.4 Exceptions.** The Recipient's obligations under this Section with respect to any Confidential Information of the Disclosing Party will terminate if such information: (a) was already known to the Recipient at the time of disclosure by the Disclosing Party; (b) was disclosed to the Recipient by a third party who had the right to make such disclosure without any confidentiality restrictions; (c) is, or through no fault of the Recipient has become, generally available to the public; or (d) was independently developed by the Recipient without access to, or use of, the Disclosing Party's Confidential Information. In addition, the Recipient will be allowed to disclose Confidential Information of the Disclosing Party to the extent that such disclosure is: (i) approved in writing by the Disclosing Party; (ii) necessary for the Recipient to enforce its rights under this Agreement in connection with a legal proceeding; or (iii) required by law or by the order of a court of similar judicial or administrative body; provided that the Recipient notifies the Disclosing Party of such required disclosure promptly and in writing and cooperates with the Disclosing Party, at the Disclosing Party's request and expense, in any lawful action to contest or limit the scope of such required disclosure.
- 12.5 Authority to Disclose Confidential Information.** In making any disclosure to EFR of private patient information, you will comply with all applicable state and federal law regarding protected health care information. In making any disclosure to you of private patient information, EFR will comply with all applicable state and federal law regarding protected health care information as agreed to by way of a separately executed Business Associates Agreement (BAA).

13. NOTICES. Either party may notice the other by means of (a) electronic mail to the e-mail address on record, or (b) by written communication sent by nationally recognized overnight delivery service or first class mail to the address shown below, or (c) by letter sent by confirmed facsimile to EFR at the fax number shown below. Such notice shall be deemed to have been given upon the expiration of forty-eight (48) hours after mailing or posting (if sent by first class mail or pre-paid post) or twelve (12) hours after sending (if sent by email or fax). Notices will not be effective unless sent in accordance with the above requirements.

Notices to EFR:

EF Recovery LLC
P.O. Box 590
Gig Harbor, WA 98335
Fax: (253) 853-1340

Notices to Customer:

City of Chehalis Fire Department
500 NW Sitka St
Chehalis, WA, 98532

14. FORCE MAJEURE. Except for the obligation to pay for the Services, neither party shall be liable for delays in its performance, or failures to perform, hereunder due to strikes, riots, war, fire, acts of God, labor disputes, delays caused by the other party, weather, inability to secure labor or materials, revocation, suspension, denial or modifications of any necessary permit, license or approval or other matters beyond the reasonable control of the affected party as long as such party is taking steps to resume performance.

15. WARRANTY DISCLAIMER. EXCEPT AS MAY BE PROVIDED IN ANY SEPARATE WRITTEN AGREEMENTS SIGNED BY THE PARTIES, THE SERVICES ARE PROVIDED “AS-IS”, AND NEITHER WE NOR ANY OF OUR RESPECTIVE LICENSORS MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE SERVICES. EFR AND THEIR RESPECTIVE LICENSORS SPECIFICALLY DISCLAIM, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, RELATING TO THE SERVICES, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, COMPLETENESS, TIMELINESS, CORRECTNESS, NON-INFRINGEMENT, OR FITNESS FOR ANY PARTICULAR PURPOSE. EFR AND THEIR LICENSORS DO NOT REPRESENT OR WARRANT THAT THE SERVICES: (A) WILL BE SECURE, TIMELY, UNINTERRUPTED OR ERROR-FREE OR OPERATE IN COMBINATION WITH ANY OTHER HARDWARE, SOFTWARE, SYSTEM OR DATA, (B) WILL MEET YOUR REQUIREMENTS OR EXPECTATIONS, OR (C) WILL BE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS. THESE DISCLAIMERS CONSTITUTE AN ESSENTIAL PART OF THIS AGREEMENT. IF IMPLIED WARRANTIES MAY NOT BE DISCLAIMED UNDER APPLICABLE LAW, THEN ANY IMPLIED WARRANTIES ARE LIMITED IN DURATION TO THE PERIOD REQUIRED BY APPLICABLE LAW. SOME STATES OR JURISDICTIONS DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY MAY LAST, SO THE ABOVE LIMITATIONS MAY NOT APPLY TO CUSTOMER.

16. LIMITATION OF LIABILITY. IN NO EVENT SHALL EFR AND/OR THEIR LICENSORS BE LIABLE TO ANYONE FOR ANY INDIRECT, PUNITIVE, SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES OF ANY TYPE OR KIND (INCLUDING LOSS OF DATA, COSTS, DAMAGES, AND CLAIMS ARISING OUT OF OR RELATED TO DATA SECURITY INCIDENT(S), LOSS OF REVENUE, PROFITS, USE OR OTHER ECONOMIC ADVANTAGE) ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THE SERVICES, INCLUDING WITHOUT LIMITATION THE USE OR INABILITY TO USE THE SERVICES, OR FOR ANY CONTENT OBTAINED FROM OR THROUGH THE SERVICES, ANY INTERRUPTION, INACCURACY, ERROR OR OMISSION, REGARDLESS OF CAUSE, EVEN IF EFR OR THEIR LICENSORS HAVE BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL EFR’S AGGREGATE LIABILITY RELATED TO THIS AGREEMENT EXCEED THE AMOUNTS ACTUALLY PAID TO EFR BY CUSTOMER IN THE 12 MONTH PERIOD IMMEDIATELY PRECEDING THE DATE THE CLAIM AROSE.

17. INDEMNIFICATION.

17.1 BY EFR TO CUSTOMER. EFR agrees to defend and hold Customer, its officers, directors, shareholders, employees and agents harmless from any and all losses, costs, expenses (including reasonable attorney fees), causes of action, causes of suit, claims, demands, damages, awards and other liabilities which any such indemnitee may incur or which may be asserted against it as a result of EFR’s collections activity under this agreement; provided, however, that Customer warrants and guarantees that the information furnished to EFR is accurate and complies with all state and federal laws.

17.2 BY CUSTOMER TO EFR. Customer agrees defend and hold EFR, its officers, directors, shareholders, employees and agents harmless from any and all losses, costs, expenses (including reasonable attorney fees), causes of action, causes of suit, claims, demands, damages, awards and other liabilities which any such indemnitee may incur or which may be asserted against it related to all claims submitted to EFR, the accuracy of the information furnished to EFR and the use of the Software; provided, however, that EFR warrants and guarantees that the billing services provided on behalf of Customer comply with industry-standard best practices and comply with all state and federal laws.

18. NONINTERFERENCE. During this Agreement and for two (2) years thereafter, neither party will, without the express consent of the other party: (a) hire or use the services of any person who was an employee or independent contractor of either party while this Agreement is in effect, or encourage or counsel any such person to leave either party's employ; (b) provide any competing services to or solicit any competing business from any person or entity who was a customer of either party, or to whom either party has submitted any business proposal, while this Agreement is in effect; or (c) be an officer, director, employee or agent of, or own any interest in, or provide any advice or assistance to any person or entity that engages in any of the foregoing. The foregoing will not apply to any person or client once s/he or it has ceased to provide or receive services to or from either party for a period of one (1) year or longer, nor will it be deemed to prohibit either party from accepting employment with any customer of either party, provided such employment does not relate to any product or service provided by either party to such customer (or to the subject matter of such product or service).

19. GENERAL PROVISIONS.

19.1 Governing Law and Jurisdiction. This Agreement shall be construed under the laws of the State of Washington, without regard to its principles of conflicts of law. In the event any litigation arises out of this Agreement, the parties agree that such case shall be heard exclusively in the federal and state courts in Pierce County, Washington. Customer waives an objection on the basis of inconvenient forum or otherwise.

19.2 Relationship. This Agreement does not make either party the employee, franchisee, agent or legal representative of the other for any purpose whatsoever. Neither party is granted any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf of or in the name of the other party. In fulfilling its obligations pursuant to this Agreement each party shall be acting as an independent contractor.

19.3 Entire Agreement. This Agreement, along with the Exhibits attached and incorporated in this Agreement, constitutes the final, complete, and exclusive understanding between the parties, and replaces and supersedes all previous oral or written agreements, understandings, or arrangements between the parties with respect to the subject matter of this Agreement. This Agreement may not be modified or amended except in a writing signed by an authorized representative of each party to this Agreement.

19.4 Amendment. This Agreement shall not be deemed or construed to be modified, amended, rescinded, cancelled or waived, in whole or in part, except by written amendment signed by an authorized representative of each party to this agreement party hereto.

19.5 Assignment of Agreement. Customer shall not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of EFR. Any prohibited assignment shall be null and void. EFR may transfer its rights and obligations hereunder to any company or other legal entity that is controlled by, controls or is under common control with EFR. EFR may retain subcontractors to perform the Services.


19.6 Severability. In the event that any of the terms of this Agreement are in conflict with any applicable rule of law or statutory provision or otherwise unenforceable under applicable laws or regulations of any government or subdivision thereof, such terms shall be deemed stricken from this Agreement, but such invalidity or unenforceability shall not invalidate any of the other terms of this Agreement and this Agreement shall continue in force, unless the invalidity or unenforceability of any such provisions hereof does substantial violence to, or where the invalid or unenforceable provisions comprise an integral part of, or are otherwise inseparable from, the remainder of this Agreement.

- 19.7 **Counterparts.** This Agreement shall be executed in two or more counterparts, and each such counterpart shall be deemed an original hereof. Any translation of this Agreement into any other language shall be for convenience purposes only and shall not be binding on any party.
- 19.8 **Delay or Omission Not Waiver.** No delay or failure by either party to take any action or assert any right hereunder shall be deemed to be a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right.
- 19.9 **United Nations Convention of Contracts.** The application the United Nations Convention of Contracts for the International Sale of Goods is expressly excluded
- 19.10 **Controlling Language.** This Agreement is written in English (US), and English (US) is its controlling language
- 19.11 **Capitalized Terms.** Capitalized terms used in this Agreement will have the meanings given to them in this Agreement. Any capitalized terms not defined in this Agreement will have their plain English (US) meanings.
- 19.12 **Waiver of Breach.** The waiver of a breach of any provision of this Agreement will not operate or be interpreted as a waiver of any other or subsequent breach
- 19.13 **No Third Party Beneficiaries.** No entities not a party to this Agreement shall be deemed third party beneficiaries hereunder.
- 19.14 **Binding Effect.** The signatories to this Agreement each represent that each has the Authority to bind such party to the terms and conditions set forth herein. This Agreement shall inure to the benefit of and shall be binding on the successors and permitted assigns of the parties.
- 19.15 **Construction.** This Agreement shall not be construed for or against any Party, regardless of its drafter.
- 19.16 **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe the provisions.

THIS AGREEMENT is executed as of the day and year first above written.

EF RECOVERY LLC

CUSTOMER

Signature  _____
 Name Sam Wright
 Title General Manager
 Date April 21, 2023

Signature _____
 Name _____
 Title _____
 Date _____

EXHIBIT A
DESCRIPTION OF EF RECOVERY'S SERVICES, BILLING OPTIONS AND COSTS
"ENHANCED SERVICE PLAN"

1. **SERVICES.** The following represents the complete scope of services to be provided by Customer and EFR in connection with this Agreement.
 - Customer will give EFR access to its fire reporting system, if any.
 - Customer will install and use the CM Mobile Application or the EFR Billing Module of My Fire Rules or provide all required incident response information electronically or in writing to EFR.
 - EFR, utilizing information provided by customer will create a claim in its entirety, using a reimbursement cost schedule provided to EFR by Customer. EFR shall calculate an initial Total Claim Amount.
 - Customer will review each claim, make any corrections (including a change to the Total Claim Amount, if applicable) and approve claim using Internet-based software created by EFR.
 - If EFR determines that there is insufficient incident data such that reimbursement of a claim is unlikely, EFR will refer the incomplete claim back to the Customer with a request for additional information. If Customer does not provide the additional information within ninety (90) days after the claim is referred back, the claim will expire and will be removed from the claims management software.
 - Customer agrees to respond to EFR requests about incomplete claim information or action requests at a minimum of once per week.
 - If EFR determines that there is sufficient incident data that reimbursement is likely, EFR will submit the claim to the Liable Party and seek reimbursement per the contact method(s) specified in this Exhibit A.
 - EFR will make best efforts to seek reimbursement on each claim submitted to a Liable Party using methods and experience consistent with a billing agency. Customer expressly acknowledges and agrees that EFR is not a legal representative of Customer, is not trained to dispute claims on a legal basis and is not a collections agency. As such, EFR's actions with respect to denied claims specifically precludes legal arguments, aggressive follow-up or excessive number of collection attempts.
 - If a settlement offer is made by the Liable Party to pay less than the Total Claim Amount, Customer will determine, at its sole discretion, whether to accept the settlement offer.
 - EFR will submit funds to Customer pursuant to the terms of this Agreement.

2. **CLAIM INFORMATION REQUIRED FROM CUSTOMER.** Customer acknowledges and agrees to provide the following minimum information about each incident for which it seeks reimbursement.
 - The name, address and identification (driver license number, property owner, etc.) of individual(s) involved in the incident. The minimum information required is all information on one involved party.
 - Insurance information of individual(s) involved in the incident or the insurance information of the at fault party as determined by on-scene law enforcement. If insurance information is not provided, EFR will bill the individual(s) involved in the incident. Customer expressly acknowledges that collection rates for billing individual directly is significantly lower than collection rates for billing insurance carriers. The minimum information required is insurance information on one involved party. EFR will follow the Billing Options Customer selects in Section 7 of this Exhibit.
 - Identification of property involved in the incident (License plate number and state of all involved vehicles, address of property, etc.).
 - Date, time and incident location.
 - Provide EFR with fire reporting system incident number, if utilized.
 - A complete and descriptive narrative describing the details of the incident. EFR will provide guidance to Customer as to what constitutes a complete and descriptive narrative.

3. **PROCESSING COST.** Customer hereby agrees to pay EFR the Processing Cost, as defined in Exhibit B. The Processing Cost will be subtracted from the claim payment(s) received by EFR on behalf of Customer. Customer acknowledges that if it accepts a settlement offer on a claim, EFR remains entitled to collect the full Processing Cost, or a portion thereof, at its sole option.

4. **UNCOLLECTED CLAIM COST.** Customer hereby agrees to pay EFR the Uncollected Claim Cost, as defined in Exhibit B. The Uncollected Claim Cost will be subtracted from the claim payment(s) received by EFR on behalf of Customer. Reasons for considering a claim as uncollectible include, but are not limited to:
- Legitimate denial from an insurance company
 - A decision by Customer not to bill the Liable party or to write off the claim to charity
 - An exhaustion of all collection options
 - No liable party or a liability dispute
 - A non-responsive Liable Party who cannot be contacted via telephone pursuant to Customer’s policy
 - No known Liable Party address
5. **TRAINING FEE.** Customer hereby agrees to pay EFR the Training Fee, as defined in Exhibit B. The Training Fee will be subtracted from the claim payment(s) received by EFR on behalf of Customer.
6. **CONDITIONS.** The following conditions apply to all claims processed by EFR on behalf of Customer:
- A jurisdictional law, code, resolution or ordinance in Customer’s area of service authorizing cost recovery billing must be in place.
 - Customer will designate two (2) points of contact: a primary contact who will respond to EFR inquiries in a timely manner, and a secondary contact that will remain knowledgeable about the program.
7. **BILLING OPTIONS.** EFR will recover funds based on the collection option selected below. These options and their associated fees may be amended from time to time by written notice pursuant to the terms of this Agreement.
(Note: Select only one billing choice per column)

Residents		Non-Residents (Out of Area Residents)	
<input type="checkbox"/>	Do Not Bill	<input type="checkbox"/>	Do Not Bill
<input checked="" type="checkbox"/>	Bill insurance company If not paid, close claim	<input checked="" type="checkbox"/>	Bill insurance company If not paid, close claim
<input type="checkbox"/>	Bill insurance company If no insurance, bill liable party If not paid, close claim	<input type="checkbox"/>	Bill insurance company If no insurance, bill liable party If not paid, close claim
<input type="checkbox"/>	Bill insurance company If denied or no insurance, bill liable party If unpaid, take to next step- collections (see below)	<input type="checkbox"/>	Bill insurance company If denied or no insurance, bill liable party If unpaid, take to next step- collections (see below)
Collection Agency Processing			
<input type="checkbox"/>	Mark this box if you wish unpaid claims to be directly sent to a Collection. By choosing this option, you authorize EFR staff members to release information related to uncollected claims as requested by the Collection Agency Collection Agency Name: _____ Address: _____ _____ _____ Contact at Agency: _____ Email address: _____ Phone # _____		
<i>If we are billing residents and non-residents in your program, we recommend sending both to collections. Please mark both boxes. If you only want non-residents sent to collections, please mark just that box.</i>			

**EXHIBIT B
DEFINITIONS AND COSTS**

1. **“Processing Cost”** means fifty dollars (\$50.00) or twenty-two percent (22%) of the Total Claim Amount or the settlement offer accepted by Customer on a claim, whichever is greater, plus one hundred twenty-five dollars (\$125.00).
2. ~~“Uncollected Claim Cost” means as twenty-five dollars (\$25.00) for a claim deemed by EFR, at its sole discretion, as uncollectable from a Liab le Party or the Liab le Party’s insurance carrier.~~ *AF*
3. **“Training Fee”** means a one-time charge of two-hundred and ninety-five dollars (\$295.00) for training Customer on all procedures, software, mobile applications and other aspects of the program.

City of Chehalis Fire Department
500 NW Sitka St
Chehalis, WA, 98532

To Whom It May Concern:

Effective April 21, 2023, City of Chehalis Fire Department signed an agreement with EF Recovery LLC authorizing them to recover expenses incurred from emergency response activities, such as motor vehicle accident and hazardous materials response and mitigation and other emergency response incidents by this department.

This letter serves as acknowledgement of such authorization to all responsible parties, their insurance companies and all government and law enforcement agencies and directs them to provide information and reports and payments as requested by EF Recovery on our behalf.

Respectfully,

Adam Fulbright
Fire Chief
City of Chehalis Fire Department

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Agreement”) is made as of the date shown below and between the following parties:

EF Recovery LLC
P.O. Box 590
Gig Harbor, WA 98335
 (“EFR”)

City of Chehalis Fire Department
500 NW Sitka St
Chehalis, WA, 98532
(the “Customer”)

Agreement Date: April 21, 2023 (“Effective Date”)

This Business Associate Agreement (“Agreement”) between EFR and Customer is executed to ensure that EFR will appropriately safeguard protected health information (“PHI”) that is created, received, maintained, or transmitted on behalf of Customer in compliance with the applicable provisions of Public Law 104-191 of August 21, 1996, known as the Health Insurance Portability and Accountability Act of 1996, Subtitle F - Administrative Simplification, Sections 261, et seq., as amended (“HIPAA”), and with Public Law 111-5 of February 17, 2009, known as the American Recovery and Reinvestment Act of 2009, Title XII, Subtitle D - Privacy, Sections 13400, et seq., the Health Information Technology and Clinical Health Act, as amended (the “HITECH Act”).

A. GENERAL PROVISIONS

1. Meaning of Terms. The terms used in this Agreement shall have the same meaning as those terms defined in HIPAA.
2. Regulatory References. Any reference in this Agreement to a regulatory section means the section currently in effect or as amended.
3. Interpretation. Any ambiguity in this Agreement shall be interpreted to permit compliance with HIPAA.

B. OBLIGATIONS OF THE BUSINESS ASSOCIATE. EFR agrees that it will:

1. Not use or further disclose PHI other than as permitted or required by this Agreement or as required by law.
2. Use appropriate safeguards and comply, where applicable, with the HIPAA Security Rule with respect to electronic protected health information (“e-PHI”) and implement appropriate physical, technical and administrative safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement.
3. Report to Customer any use or disclosure of PHI not provided for by this Agreement of which it becomes aware, including any security incident (as defined in the HIPAA Security Rule) and any breaches of unsecured PHI as required by 45 CFR §164.410. Breaches of unsecured PHI shall be reported to Customer without unreasonable delay but in no case later than 60 days after discovery of the breach.
4. In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of EFR agree to the same restrictions, conditions, and requirements that apply to EFR with respect to such information.
5. Make PHI in a designated record set available to Customer and to an individual who has a right of access in a manner that satisfies Customer's obligations to provide access to PHI in accordance with 45 CFR §164.524 within 30 days of a request.
6. Make any amendment(s) to PHI in a designated record set as directed by Customer, or take other measures necessary to satisfy Customer's obligations under 45 CFR §164.526.
7. Maintain and make available information required to provide an accounting of disclosures to Customer or an individual who has a right to an accounting within 60 days and as necessary to satisfy Customer's obligations under 45 CFR §164.528.

8. To the extent that EFR is to carry out any of Customer's obligations under the HIPAA Privacy Rule, EFR shall comply with the requirements of the Privacy Rule that apply to Customer when it carries out that obligation.
9. Make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by EFR on behalf of Customer, available to the Secretary of the Department of Health and Human Services for purposes of determining EFR and Customer's compliance with HIPAA and the HITECH Act.
10. Restrict the use or disclosure of PHI if Customer notifies EFR of any restriction on the use or disclosure of PHI that Customer has agreed to or is required to abide by under 45 CFR §164.522.
11. If Customer is subject to the Red Flags Rule (found at 16 CFR §681.1 et seq.), EFR agrees to assist Customer in complying with its Red Flags Rule obligations by: (a) implementing policies and procedures to detect relevant Red Flags (as defined under 16 C.F.R. §681.2); (b) taking all steps necessary to comply with the policies and procedures of Customer's Identity Theft Prevention Program; (c) ensuring that any agent or third party who performs services on its behalf in connection with covered accounts of Customer agrees to implement reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft; and (d) alerting Customer of any Red Flag incident (as defined by the Red Flag Rules) of which it becomes aware, the steps it has taken to mitigate any potential harm that may have occurred, and provide a report to Customer of any threat of identity theft as a result of the incident.

C. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE. The specific uses and disclosures of PHI that may be made by EFR on behalf of Customer include:

1. The preparation of invoices to patients, carriers, insurers and others responsible for payment or reimbursement of the services provided by Customer to its patients.
2. Preparation of reminder notices and documents pertaining to collections of overdue accounts.
3. The submission of supporting documentation to carriers, insurers and other payers to substantiate the healthcare services provided by Customer to its patients or to appeal denials of payment for the same.
4. Other uses or disclosures of PHI as permitted by HIPAA necessary to perform the services that EFR has been engaged to perform on behalf of Customer.

D. TERM AND TERMINATION


1. The Term of this Agreement shall be effective as of the Effective Date and shall terminate on the date covered entity terminates for cause as authorized in paragraph 2 of this Section.
2. Customer may terminate this Agreement if Customer determines that EFR has violated a material term of the Agreement and EFR has been apprised of the violation in writing and has not cured the violation within thirty (30) days of said written notice.
3. If either party knows of a pattern of activity or practice of the other party that constitutes a material breach or violation of the other party's obligations under this Agreement, it shall notify the other party and that party shall take reasonable steps to cure the breach or end the violation, as applicable, and, if such steps are unsuccessful, terminate the Agreement if feasible.
4. Upon termination of this Agreement, EFR shall return to Customer or destroy all PHI received from Customer, or created, maintained, or received by EFR on behalf of Customer that EFR still maintains in any

form. EFR shall retain no copies of the PHI. If return or destruction is infeasible, the protections of this Agreement will extend to such PHI.

THIS AGREEMENT is executed as of the day and year first above written.

EF RECOVERY LLC

CUSTOMER

Signature  _____
Name Sam Wright
Title General Manager
Date April 21, 2023

Signature _____
Name _____
Title _____
Date _____

**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 Technician III

MEETING OF: October 23, 2023

SUBJECT: Ordinance No. 1076-B, Right-of-way Dedication for NW Arkansas Way, West of the Northern Arkansas/Louisiana Round-a-bout.

ISSUE

A portion of Arkansas Way is currently undeveloped. For master-planned development to continue in the Airport Commercial development area, completing the Arkansas Way loop to connect the southern and northern legs of NW Arkansas Way is paramount.

A portion of the northern leg of NW Arkansas Way, west of the round-a-bout at NW Louisiana (Across from I-5 Toyota and Interstate Honda) is undersized for the purpose of creating a code compliant, commercial access roadway.

DISCUSSION

The City of Chehalis owns the 56.05-acre site to the north of the undersized right-of-way. A survey of the area necessary to create adequate right-of-way for development was conducted and certified by a licensed surveyor September 27, 2023.

Dedicating this 24,205 square foot area of land currently a part of parcel number 021612001002, as NW Arkansas Way right-of-way, will provide for the opportunity to complete development of the NW Arkansas Way loop.

FISCAL IMPACT

A decrease in 0.56 acres of undeveloped real estate will have an indirect fiscal impact due to decreased land-owner acreage for the city.

Direct fiscal impact will come in the form of filing and recording fees of approximately \$500.00

RECOMMENDATION

It is recommended that the City Council adopt Ordinance No. 1076-B on first reading and conduct the second reading at the November 13, 2023, City Council meeting.

SUGGESTED MOTION

I move that the City Council adopt Ordinance No. 1076-B on first reading and conduct the second reading at the November 13, 2023, City Council meeting.

ORDINANCE NO. 1076-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,
PROVIDING FOR THE DEDICATION OF A PORTION OF
PARCEL NUMBER 021612001002.**

Whereas, the City of Chehalis is the owner of real property located at 3110 Airport Road, Chehalis, Washington. A 56.05-acre parcel of undeveloped land, recorded under tax parcel number 021612001002.

Whereas, the southern property line, running east to west at a bearing of N89°42'02"W for a distance of 694.48 linear feet lies adjacent to undeveloped right-of-way slated for future improvement as the NW Arkansas Way, loop.

Whereas, the undeveloped NW Arkansas Way right-of-way is currently under-sized at 42.6 feet wide for a distance of 694.48 linear feet.

Whereas, a 24,205 square foot portion of tax parcel number 021612001002, owned by the City of Chehalis, has been surveyed for dedication as right-of-way for the purpose of creating a 78 foot wide right-of-way intended for future road development.

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

Section 1:

The legal descriptions of parcel number 02162001002 from which the land is dedicated found in Exhibit A and for the portion of right-of-way being dedicated is described in Exhibit B with certified drawings as Exhibit C and summarized as follows:

- A portion of land, formerly part of parcel number 021612001002, west of Louisiana Avenue containing an area of 24,205 square feet or 0.65 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
PARCEL LEGAL DESCRIPTION

CITY OF CHEHALIS
PIN: 021612001002

GRANTOR'S ENTIRE PARCEL:

THAT PORTION OF GOVERNMENT LOT 5 OF SECTION 19, TOWNSHIP 14 NORTH, RANGE 2 WEST, W.M.; LEWIS COUNTY, WASHINGTON, LYING SOUTH AND EAST OF AIRPORT (FORMERLY L. LAWRENCE) COUNTY ROAD, AS DISCLOSED BY DEEDS RECORDED MARCH 19, 1940 UNDER AUDITOR'S FILE NO. 336922 AND RECORDED MAY 31, 1940 UNDER AUDITOR'S FILE NO. 339662.

EXCEPT THE WESTERLY 300 FEET THEREOF.

ALSO EXCEPT THAT PORTION OF SAID PREMISES INCLUDED IN THE BOUNDARIES OF THE SLOUGH OR LAKE KNOWN AS EMRICH LAKE AS DISCLOSED BY WARRANTY DEED RECORDED FEBRUARY 11, 1942 UNDER AUDITOR'S FILE NO. 364572.

ALSO

THAT PORTION OF THE NORTHWEST QUARTER OF THE EAST QUARTER OF SECTION 19, TOWNSHIP 14 NORTH, RANGE 2 WEST, W.M., LEWIS COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT 138.6 FEET EAST OF THE NORTHWEST CORNER OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; THENCE EAST 788.04 FEET ALONG THE NORTH LINE OF SAID SUBDIVISION; THENCE SOUTH 34' WEST 198 FEET; THENCE SOUTH 56°15' WEST 198 FEET; THENCE SOUTH 89° WEST 99 FEET; THENCE NORTH 66° WEST 264 FEET; THENCE NORTH 46° WEST 237.6 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION OF SAID PROPERTY LYING WITHIN THE WESTERLY 300 FEET OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER.

ALSO EXCEPT THAT PORTION OF SAID PROPERTY LYING WITHIN THE BOUNDARIES OF THE SLOUGH OR LAKE KNOWN AT EMRICH LAKE, AS DISCLOSED BY WARRANTY DEED RECORDED FEBRUARY 11, 1942 UNDER AUDITOR'S FILE NO. 364572.

ALSO

THAT PORTION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19, TOWNSHIP 14 NORTH, RANGE 2 WEST, W.M., LEWIS COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER; THENCE SOUTH 660 FEET ALONG THE EAST LINE OF SAID SUBDIVISION; THENCE NORTH 72°58' WEST 619.4 FEET; THENCE NORTH 71°52' EAST 70 FEET; THENCE NORTH 57°26' EAST 150 FEET; THENCE NORTH 50°54' EAST 120 FEET; THENCE NORTH 28°30' EAST 341.8 FEET TO THE NORTH LINE OF SAID SUBDIVISION; THENCE EAST 143 FEET TO THE **POINT OF BEGINNING**.

EXHIBIT A
CONTINUED PARCEL LEGAL DESCRIPTION

ALSO

THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 19, TOWNSHIP 14 NORTH, RANGE 2 WEST, W.M., LEWIS COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; THENCE NORTH 1316.04 FEET ALONG THE EAST LINE OF SAID SUBDIVISION; THENCE WEST 243.54 FEET; THENCE SOUTH 37°22' WEST 122.1 FEET; THENCE SOUTH 62°15' WEST 228.36 FEET; THENCE SOUTH 84°52' WEST 737.8 FEET; THENCE SOUTH 1046.1 FEET; THENCE EAST TO THE POINT OF BEGINNING. EXCEPT THAT PORTION OF SAID PROPERTY LYING NORTHERLY OF THE SOUTHERLY LINE OF AIRPORT (FORMERLY LAWRENCE) COUNTY ROAD AS DISCLOSED BY DEEDS RECORDED MARH 19, 1940 UNDER AUDITOR'S FILE NO. 336922 AND RECORDED MAY 31, 1940 UNDER AUDITOR'S FILE NO. 339662.

ALSO

THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19, TOWNSHIP 14 NORTH, RANGE 2 WEST, W.M., LEWIS COUNTY, WASHINGTON. EXCEPT THE SOUTH 575 FEET THEREOF. ALSO EXCEPT THE CITY OF TACOMA (FORMERLY C.M.S.T.P. & P.) RAILROAD WIGHT OF WAY. ALSO EXCEPT INTERSTATE HIGHWAY NO. 5 (FORMERLY PRIMARY STATE HIGHWAY NO. 1) AS DISCLOSED BY WARRANTY DEED RECORDED SEPTEMBER 7, 1950 UNDER AUDITOR'S FILE NO. 479529.

EXHIBIT B

CITY OF CHEHALIS
PIN: 021612001002

RIGHT-OF-WAY DEDICATION AREA:

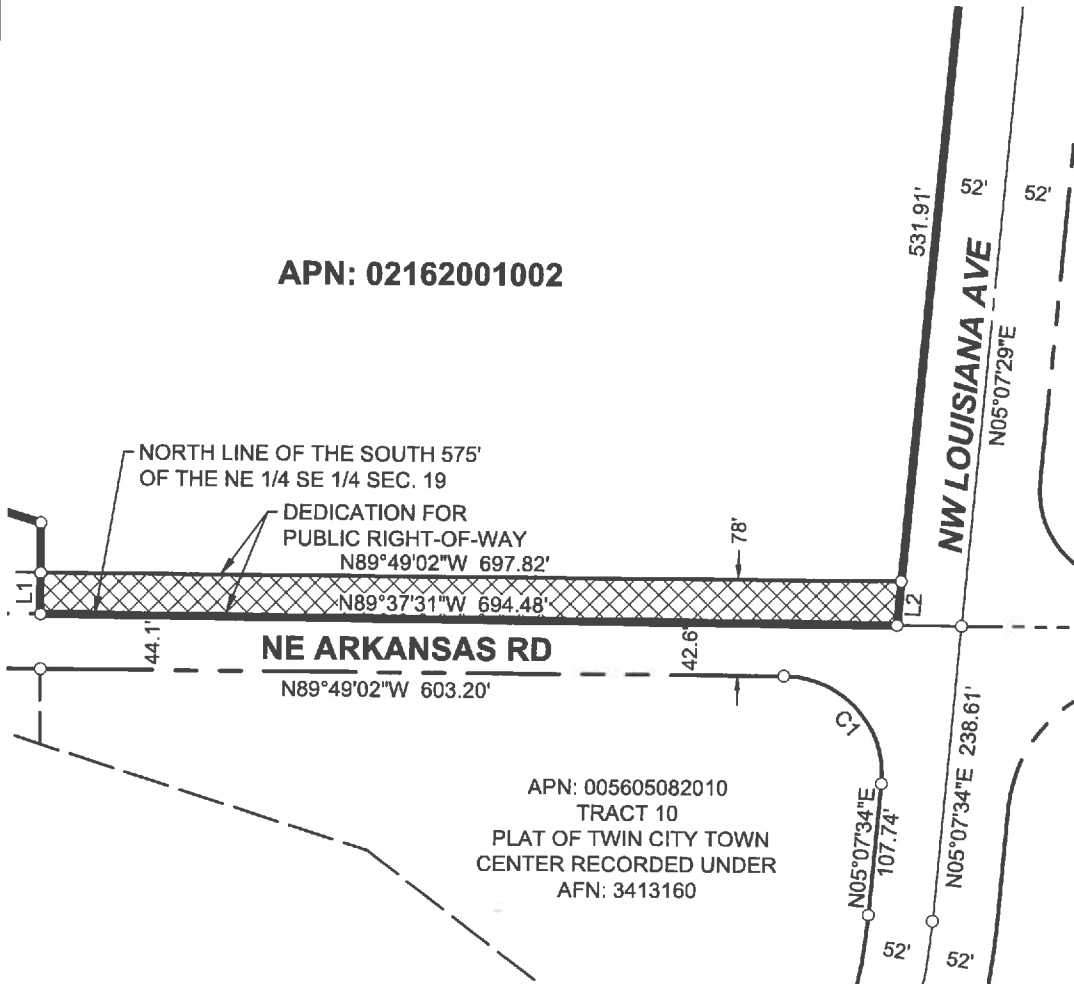
A PORTION OF THE GRANTORS PARCEL AS DEFINED IN EXHIBIT A, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE EAST LINE OF SECTION 19, TOWNSHIP 14 NORTH, RANGE 2 WEST, W.M. WHERE IT INTERSECTS WITH THE NORTH LINE OF THE SOUTH 575 FEET OF THE NORTHEAST QUARTER OF;
THENCE WESTERLY ALONG SAID NORTH LINE A DISTANCE OF 622.40 FEET TO THE INTERSECTION OF THE WESTERLY MARGIN OF NW LOUISIANA AVE A DISTANCE OF 52.00 FEET WESTERLY MEASURED AT RIGHT ANGLES FROM THE CENTERLINE THEREOF, BEING THE **POINT OF BEGINNING**;
THENCE CONTINUING WESTERLY ALONG SAID NORTH LINE A DISTANCE OF 694.48 FEET;
THENCE N00°12'56"E A DISTANCE OF 33.60 FEET;
THENCE S89°49'02"E A DISTANCE OF 697.82 FEET TO SAID WESTERLY MARGIN OF NW LOUISIANA AVE;
THENCE S05°07'29"W ALONG SAID WESTERLY MARGIN A DISTANCE OF 36.07 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 24,205 SQUARE FEET, 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

APN: 02162001002



APN: 005605082010
 TRACT 10
 PLAT OF TWIN CITY TOWN
 CENTER RECORDED UNDER
 AFN: 3413160



LINE AND CURVE DATA

LINE	BEARING	DISTANCE
L1	N00°12'56\"E	33.60'
L2	N05°07'29\"E	36.07'

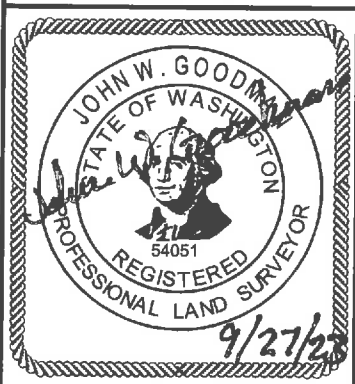
CURVE	DELTA	RADIUS	LENGTH
C1	94°56'36\"	80.00'	132.57'

LEGEND

- SECTION LINE
- - - CENTERLINE
- RIGHT-OF-WAY LINE
- LOT LINE
- SITE BOUNDARY/ PARENT PARCEL



DEDICATION AREA = 24,205 SQFT



FORESIGHT
SURVEYING, INC.
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EXHIBIT C
 JOB NO: 5207.1 DATE: 09/25/2023
 CITY OF CHEHALIS, LEWIS COUNTY, WASHINGTON

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director

Meeting Date: October 23, 2023

SUBJECT: First Reading of Ordinance 1078-B, Authorizing Establishment of a Fund Named LEOFF 1 OPEB Trust (or Reserve) Fund

ISSUE

The Firemen’s Pension Fund was set up to take care of pensions for firefighters that were hired before the Law Enforcement Officers’ and Firefighters’ Retirement System Plan 1 (LEOFF 1) was started on March 1, 1970. The obligations of the fund are to pay for the excess pension benefits of eligible retirees and/or survivors. As those obligations are nearing the end, it is proposed that the City Council approve an ordinance that would create a restricted fund for the purpose of paying the retiree medical benefits of eligible LEOFF 1 Firefighters and Police Officers that remain the responsibility of the City. These are not new benefits and only apply to Firefighters and Police Officers that are Pre LEOFF or LEOFF 1 Retirees. Current personnel are under the LEOFF 2 Retiree System.

DISCUSSION

Per the request of the city’s Firemen’s Pension Board, research into what actions the city can take to ensure that the excess funds in the city’s Firemen’s Pension Fund (FPF) and the funds in the LEOFF 1 Other Post Employment Benefits (OPEB) Reserve Fund will only be used to pay for LEOFF 1 retiree medical benefits until there are no beneficiaries remaining to receive the medical benefits under LEOFF 1 system.

Pursuant to RCW 41.26.040, the Firemen’s Pension Fund must pay the excess pension benefits for firefighters who were active on March 1, 1970, and later retired from the LEOFF 1 system. These members are entitled to pension benefits under either the FPF formular or the LEOFF formula, whichever is greater. The City currently has one retired firefighter and one eligible widow that receive this benefit. The city pays about \$4,000 - \$7,000 per year to cover these excess benefits.

As of 12/31/2022, the FMP had \$1,057,722 in the fund. In 2019, the city conducted an actuarial study and determined that the FPF had sufficient funds to pay all future excess pension benefits and can remain sustainable without any additional pension levy.

Additionally, the excess funds can (permitted but not mandatory) be used to pay for medical benefits for firefighters that have retired from or are currently active on the LEOFF 1 system. This is found in RCW 41.26.150. The city currently has six LEOFF 1 firefighter retirees who are eligible to receive these medical benefits. The 2019 actuarial study provided that the city can use the excess funds up to \$78,000 per year over the next ten years to pay for the LEOFF 1 firefighter retiree's medical benefits. The city paid for firefighter retiree medical benefits out from the FMP over the years but starting in 2020 the LEOFF 1 firefighter retiree medical benefits are paid by the LEOFF 1 OPEB Reserve Fund.

In July 2019, SSB 5894 was passed authorizing cities and towns to continue imposing the pension levy to fund medical benefits under LEOFF 1 (both law enforcement officers and firefighters) and other municipal purposes until the municipality no longer has any LEOFF 1 retirees receiving medical benefits. The proceeds of the pension levy must first be expended for payment of medical benefits under LEOFF 1 prior to being used for any other municipal purposes.

In 2020, the city created a LEOFF 1 OPEB Reserve Fund and began placing the pension levy into the LEOFF 1 OPEB Reserve Fund to pay for the medical benefits for all LEOFF 1 retirees and to build reserves for LEOFF1 OPEB liability. The city currently has eleven (11) total LEOFF 1 retirees: six (6) firefighters and five (5) police officers. Total estimated OPEB liabilities for those eleven members is about \$5.1 million (\$2.8 million for firefighters and \$2.3 million for police officers). This OPEB liability was calculated using the state actuary's interactive tool which used the healthcare trend rates detailed in the 2020 LEOFF 1 OPEB AVR and medical and long-term care costs projections from 6/30 2020 to 6/30/2022. The \$5.2 million is just a rough estimate for the purpose of this report and it can change significantly for the 2023 reporting year depending on the new actuarial data and assumptions being used by the state actuary.

Currently, the LEOFF 1 OPEB Reserve Fund is reported as a sub-fund of the General Fund and is rolled to the General Fund for financial statement reporting purposes, with the entire fund balance reported as "committed" per the City Council fund balance designation ordinance.

RECOMMENDATIONS:

It is proposed that the City Council approve an Ordinance to establish a fund named LEOFF 1 OPEB Trust (or Reserve) Fund to designate funding sources and to restrict the use of funds that are designated for LEOFF 1 firefighter and police retirees. The proposed funding sources and use restrictions are summarized below.

Funding Source:

- The city pursuant to SSB 5894 continues imposing the pension levy of 22.5 cents per \$1,000 assessed valuation and places those funds in the LEOFF 1 OPEB Trust Fund, unless a report by a qualified actuary establishes that all or any part of the pension levy is unnecessary to meet the estimated demands on the fund for the ensuing budget year.
- Interest on the investments of the funds

- Transfer of the excess funds (if any) from the city’s Firemen’s Pension Fund at the time there are no LEOFF 1 firefighter retirees and/or eligible survivors who are receiving the excess pension benefits.
- Any other funds designated by the City Council.

Use Restrictions:

- Must be used exclusively to pay benefits to the LEOFF 1 members (both police and fire), pursuant to RCW 41.26 and SSB 5894, until such time as there are no retirees eligible to receive benefits from the LEOFF 1 OPEB Trust Fund.
- Costs directly related to actuarial analysis and administrative functions of the LEOFF 1 OPEB Trust Fund can be charged to the LEOFF 1 OPEB Trust Fund.
- Only at the time there are no beneficiaries remaining, the remaining funds can be transferred to the General Fund of the city for other municipal purposes.

The state auditor’s office confirmed that by establishing the LEOFF 1 OPEB fund by an ordinance with the funding and use restrictions mentioned above, the funds in the LEOFF 1 OPEB Trust (or Reserve) Fund can be reported as a “restricted” fund balance of the General Fund for the financial statement reporting purposes. However, the LEOFF 1 OPEB Fund will still be rolled to the General Fund for financial statement reporting purposes.

An Ordinance to establish a fund named LEOFF 1 OPEB Trust (or Reserve) Fund which has been reviewed by the City Attorney, Kevin Nelson.

FISCAL IMPACT

The creation of the fund has no fiscal impact.

RECOMMENDATION

It is recommended that the City Council approve Ordinance No. 1078-B on first reading, authorizing the establishment of a LEOFF 1 OPEB Reserve Fund and conduct the second reading at the City Council meeting on November 13, 2023.

SUGGESTED MOTION

I move that the City Council approve Ordinance No. 1078-B on first reading, authorizing the establishment of a LEOFF 1 OPEB Reserve Fund and conduct the second reading at the City Council meeting on November 13, 2023.

ORDINANCE NO. 1078-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, ESTABLISHING A NEW FUND, THE LAW ENFORCEMENT OFFICERS' & FIREFIGHTERS' PLAN 1 (LEOFF 1) OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST FUND

WHEREAS, the City of Chehalis has retirees of the Law Enforcement Officers' and Firefighters' Retirement System Plan 1, and

WHEREAS, the city, pursuant to RCW 41.26, provides necessary medical services and long-term care coverage for LEOFF 1 retirees, as approved by the local LEOFF 1 Board, and

WHEREAS, the city has a Firemen's Pension Fund to pay the pension benefits for those eligible retirees and their spouse pursuant to RCW 41.16.050 and RCW 41.26.040, and

WHEREAS, the city's Firemen's Pension Fund, pursuant to RCW 41.26.150, may be used to pay for medical services and long-term care benefits for retired LEOFF 1 firefighters if the fund's assets exceed all future pension benefits, and

WHEREAS, the 2019 actuarial study on the city's Firemen's Pension reported that the city's Firemen's Pension Fund has sufficient assets to pay all future excess pension benefits without additional pension levy, and that a portion of the excess can be used to pay the medical and long-term care benefits for LEOFF 1 firefighters, and

WHEREAS, the SSB 5894 authorizes cities and towns to continue imposing the pension levy to fund medical benefits for LEOFF 1 firefighters and law enforcement officers and other municipal purposes until the municipality no longer has any LEOFF 1 retirees receiving medical benefits, and that the proceeds of the pension levy must first be expended for payment of medical benefits under LEOFF 1, prior to being used for any other municipal purpose, and

WHEREAS, the actuarial liability for LEOFF 1 OPEB exceeds the resources available in the Firemen's Pension Fund for the LEOFF 1 firefighter retirees, and

WHEREAS, in 2020 the city added a LEOFF 1 OPEB Trust Fund to its budget and began to place the pension levy to provide funds for LEOFF 1 OPEB liability, and

WHEREAS, the city would like to establish a fund by renaming the LEOFF 1 OPEB Reserve Fund to LEOFF 1 OPEB Trust Fund and to continue funding for the LEOFF 1 OPEB liability

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. There is established a city fund known as LEOFF 1 OPEB Trust Fund 115. The LEOFF 1 OPEB Trust Fund shall be used for the purpose of accounting for all monies received and expended for current LEOFF 1 retiree's necessary medical services and long-term care coverage.

Section 2. The sources of revenue for the fund shall consist of 1) 22.5 cents per \$1,000 assessed valuation pension levy, pursuant to SSB 5894, unless a report by a qualified actuary establishes that all or any part of the pension levy is unnecessary to meet the estimated demands of the fund for the ensuing budget year; 2) transfer of the excess funds, if any, from the city's Firemen's Pension Fund when the city no longer has any LEOFF 1 firefighters receiving the excess pension and medical and long-term care benefits; 3) interest on the investments of the fund; 4) any other funds as designated by the city council.

Section 3. The LEOFF 1 OPEB Trust Fund shall be used exclusively to pay benefits to the LEOFF 1 members, pursuant to RCW 41.26 and SSB 5894, until such time as there are no retirees legally eligible to receive benefits from the LEOFF 1 OPEB Trust Fund. In addition to the benefit payments, costs directly related to actuarial analysis and administrative functions of the LEOFF 1 OPEB Trust Fund should be charged to the LEOFF 1 OPEB Trust Fund.

Section 4. At the time there are no retirees legally eligible to receive benefits from the LEOFF 1 OPEB Trust Fund, any remaining funds shall be transferred to the General Fund of the city for other municipal purposes.

Section 5. That any previously enacted ordinance, or part thereof in conflict herewith be and the same hereby is repealed to the extent of such conflict.

Section 6. The effective date of this Ordinance shall be five days after its passage of and publications as required by law.

PASSED by the City Council of the City of Chehalis, Washington, **APPROVED** on its first reading on the ____ day of _____, 2023 and the second and final reading on the ____ day of _____, 2023.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director

MEETING OF: October 23, 2023

SUBJECT: **2023 Third Quarter Financial Report**

DISCUSSION

This document provides a summary review of the City’s financial activities and status for the quarter ending 9/30/2023.

The attached financial statements include 1) a City-wide summary of all city funds with beginning fund balances, revenues & transfers in, expenditures & transfers out, changes in fund balances, and estimated ending fund balances 2) two-year comparative financial statements for City-wide all funds combined and 3) two-year comparative financial statements for the General Fund and the major proprietary funds.

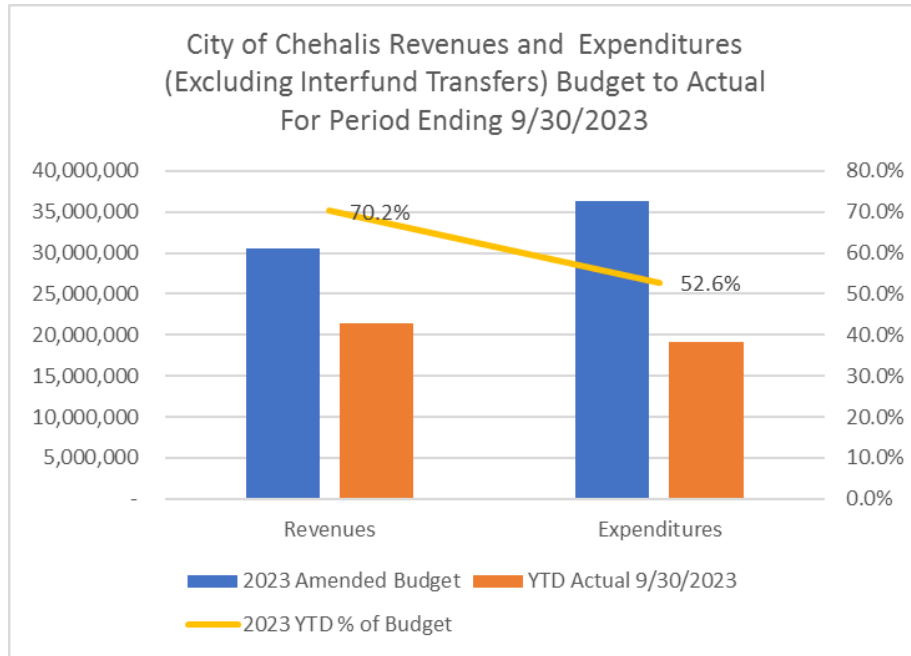
The financial statements have been formatted to be consistent with the budget for ease of comparison and review of information. Comparisons and variances shown are based on straight line projections. **The YTD target for September is 75% (9 of 12 months).**

CITY-WIDE OVERVIEW

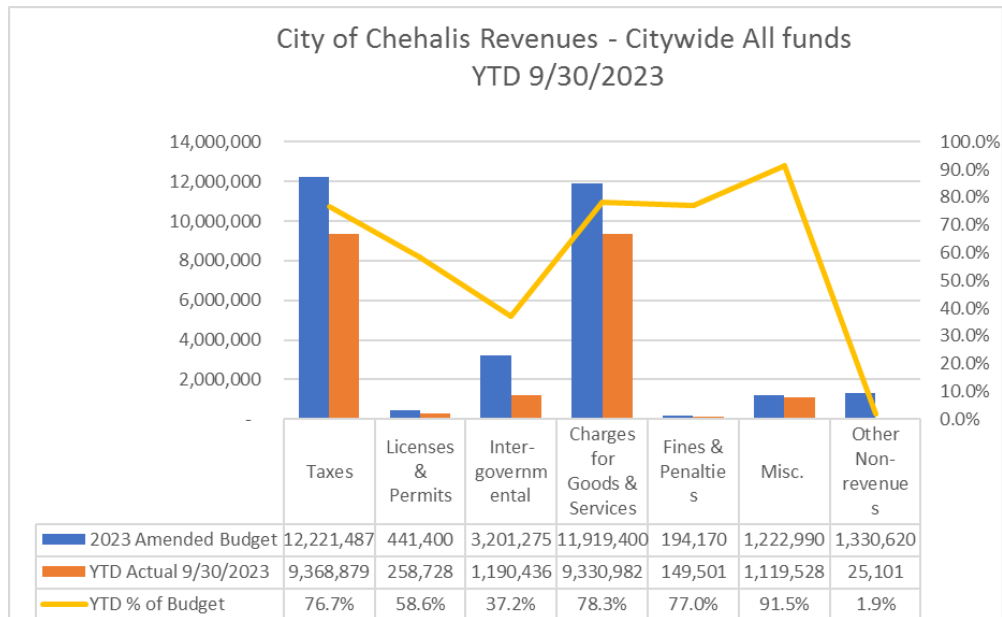
The below table provides the overview of the city-wide (all funds combined) financial status with the budget to actual comparison for the period ending September 30, 2023:

City-Wide, All Funds	2023 Amended Budget	YTD Actual 9/30/2023	2023 YTD % of Budget	Variance YTD vs. Target Positive (Negative)
Beginning Fund Balance	\$ 32,347,983	\$ 32,347,983	100.0%	\$ -
Revenues	30,531,342	21,443,155	70.2%	(1,455,348)
Transfers In	4,354,862	3,186,206	73.2%	(79,941)
Revenues and Transfers in	34,886,204	24,629,361	70.6%	(1,535,289)
Expenditures	36,255,773	19,076,770	52.6%	8,115,062
Transfers Out	4,354,862	3,186,206	73.2%	79,941
Expenditures and Transfers Out	40,610,635	22,262,976	54.8%	8,195,003
Revenues Over (Under) Expenditures	(5,724,431)	2,366,385	-41.3%	6,659,714
Ending Fund Balance	\$ 26,623,552	\$ 34,714,368	130.4%	\$ 6,659,714

Through September, the City has collected 70.2% of the 2023 revenue budget and has expensed 52.6% of the 2023 expenditure budget.

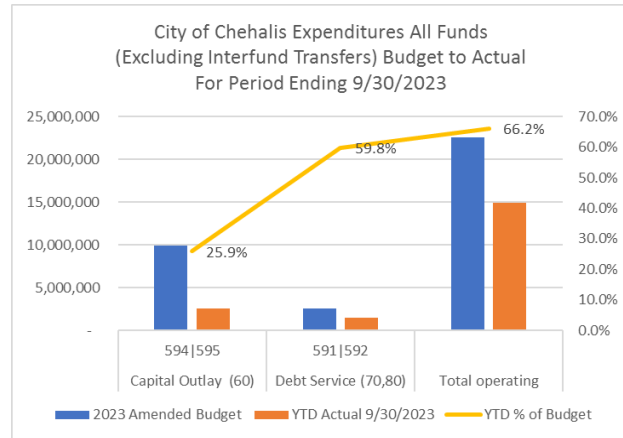


2023 YTD revenue (excluding transfers) is 4.8% or \$1,455,348 below the nine-month target. Intergovernmental revenue and other non-revenues are the key contributing factors for this variance. The 2023 budget includes \$1.46 million in federal grants but only 11.7% or \$170,869 has been received through September. Other non-revenues include the interfund advances to and from certain city funds that were budgeted to provide temporary funding for federal reimbursable grant projects, which has not begun as of 9/30/2023.



2023 YTD expenditures (excluding transfers) through September is 22.4% or \$8,115,062 below the nine-month target. Significant portion of this variance is attributable to capital outlays activities. YTD operating expenditures is 66.6% of the 2023 budget, whereas YTD capital expenditure is 25.9% of the 2023 budget.

About 90% of the total city's revenues and expenditures are from the General Fund and Proprietary funds.



Other than the General Fund, all other funds are restricted or reserved funds that are used to account for specific revenues or resources that are legally restricted or designated to finance particular activities of the city, such as transportation benefit district (TBD), lodging tax, utilities, and Airport funds.

Additional information on the revenue and expenditure variances for the General Fund and the major proprietary funds are explained in more detail in the fund overview section below.

Bottom Line: The City operated within normal budget parameters.

GENERAL FUND (CURRENT EXPENSE) OVERVIEW

2023 YTD revenues and expenditures compared to the budget and one prior year is provided below.

	2023 Amended Budget	YTD Actual 9/30/2023	^Variance		YTD Actual 09/30/2022	2023-2022	
			YTD % of Budget	YTD vs.Target Positive (Negative)		Incr. (Decr.)	% Change
General Fund Summary							
Beginning Fund Balance	\$ 3,586,011	\$ 3,586,011	100.0%	\$ -	\$ 2,713,504	\$ 872,507	32.2%
Revenues	12,181,398	9,279,911	76.2%	143,862	8,846,344	433,567	4.9%
Transfers-In	182,867	60,000	32.8%	(77,150)	190,775	(130,775)	-68.5%
Revenues and Transfers in	12,364,265	9,339,911	75.5%	66,712	9,037,119	302,792	3.4%
Expenditures	12,029,067	8,135,473	67.6%	886,328	7,396,927	738,546	10.0%
Transfers-out	1,880,226	1,592,061	84.7%	(181,891)	1,716,539	(124,478)	-7.3%
Expenditures and Transfers Out	13,909,293	9,727,534	69.9%	704,437	9,113,466	614,068	6.7%
Revenues Over (Under) Expenditures	(1,545,028)	(387,623)	25.1%	771,149	(76,347)	(311,276)	407.7%
Ending Fund Balance	\$ 2,040,983	\$ 3,198,388	156.7%	\$ 771,149	\$ 2,637,157	\$ 561,231	21.3%
Ending Fund Balance % of Revenue	16.5%	34.2%					

The General Fund's 2023 YTD total revenue and transfers is \$9,339,911. This is 0.5% or \$66,712 over the nine-month target amount. Total YTD expenditures is \$9,727,534. This is 5.1% or \$704,437 below the nine-month target amount. 2023 YTD expenditures exceeded the revenues by \$387,623. The fund balance as of September 30, 2023, is \$3,198,388, which is about 34.2% of the 2023 general fund revenue budget.

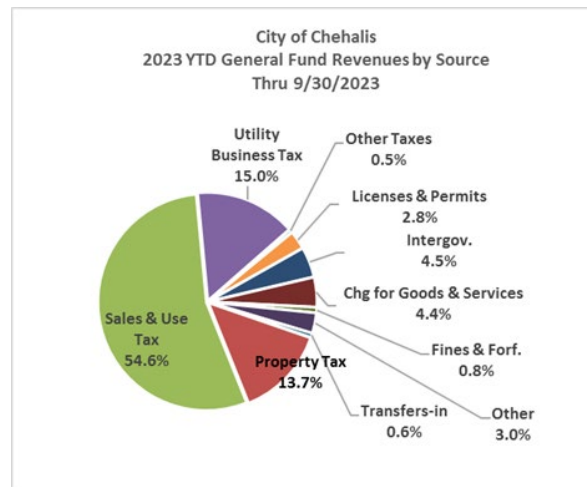
General Fund Revenues:

The below table provides summary information on the City's General Fund revenues by major source.

	2023		Variance				
	Amended Budget	YTD Actual 9/30/2023	YTD % of Budget	YTD Target vs. Actual	YTD Actual 09/30/2022	2023-2022 Incr. (Decr.)	% Change
General Fund Revenues							
Tax Revenues:							
Property Tax	\$ 2,182,487	\$ 1,275,608	58.4%	\$(361,257)	\$ 1,273,780	\$ 1,828	0.1%
Sales & Use Tax	6,332,100	5,096,068	80.5%	346,993	4,754,579	341,489	7.2%
Utility Business Tax	1,697,800	1,405,144	82.8%	131,794	1,244,665	160,479	12.9%
Other Taxes	56,600	46,555	82.3%	4,105	42,847	3,708	8.7%
Subtotal for Tax Revenues	10,268,987	7,823,375	76.2%	121,635	7,315,871	507,504	6.9%
Licenses & Permits	436,400	258,703	59.3%	(68,597)	419,123	(160,420)	-38.3%
Intergov.	474,311	423,281	89.2%	67,547	333,633	89,648	26.9%
Chg for Goods & Services	525,500	415,480	79.1%	21,355	409,822	5,658	1.4%
Fines & Forf.	115,900	76,269	65.8%	(10,656)	67,939	8,330	12.3%
Other	360,300	282,803	78.5%	12,578	299,956	(17,153)	-5.7%
Subtotal for Non-Tax Revenues	1,912,411	1,456,536	76.2%	22,227	1,530,473	(73,937)	-4.8%
Transfers-in	182,867	60,000	32.8%	(77,150)	190,775	(130,775)	-68.5%
Total Revenues	\$ 12,364,265	\$ 9,339,911	75.5%	\$ 66,712	\$ 9,037,119	\$ 302,792	3.4%
<i>Total excluding transfers in</i>	<i>\$ 12,181,398</i>	<i>\$ 9,279,911</i>	<i>76.2%</i>	<i>\$ 143,862</i>	<i>\$ 8,846,344</i>	<i>\$ 433,567</i>	<i>4.9%</i>

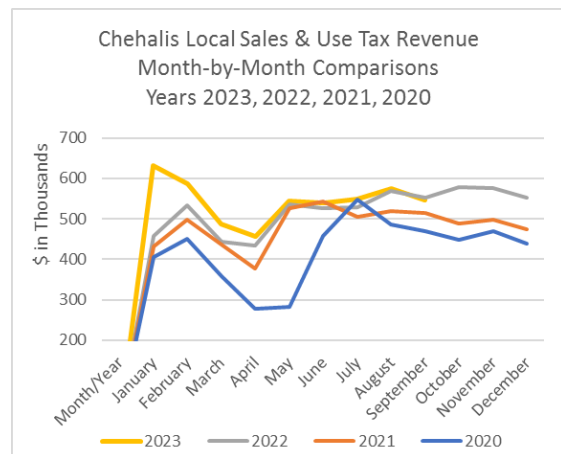
Total tax revenues make up about 84% of total General Fund revenues received through September 30, 2023. 2023 YTD total tax revenue received is an increase of \$507,504 or 6.9% when compared to September 2022.

Property Tax: YTD received is 58.4% of the 2023 budget. This is normal trend for this time of the year. The second half of property tax is due in October and will be received by the City in November. Property tax is the second largest revenue source for the General Fund. YTD property tax revenue makes up 13.7% of the total General Fund revenue.



Sales and Use Tax: YTD received is 80.5% of the 2023 budget. This is 5.5% or \$346,993 over the nine-month target amount. This total includes the 1.0% local regular and optional sales tax, 0.1% county imposed criminal justice sales tax that is shared with cities and brokered natural gas sales tax.

Sales tax is the City’s largest revenue source. YTD sales tax revenue makes up about 54.6% of the total general fund revenues. 2023 YTD sales tax received is an increase of \$341,489 or 7.2% from this time last year. About 49% or \$165,348 of the growth over last year is from the aggregated construction sector sales tax, which is not considered an ongoing sustainable revenue. 2023 YTD sales tax from construction sector makes up about 10% of the total local sales tax, whereas the average construction sales tax for the prior 10-years is about 6%.



The chart illustrates the month-to-month comparisons for Chehalis local sales tax revenues for years 2023, 2022, 2021, and 2020.

Utility Business Tax: YTD received is 82.8% of the 2023 budget and is \$131,794 over the nine-month target amount. Electric, gas, garbage, water, and sewer utility taxes collections exceed the nine-month target, whereas telephone and cable utility taxes are slightly below the nine-month target amount.

Licenses and Permits: YTD received is 59.3% of the 2023 budget and is \$68,597 or 15.7% below the nine-month target amount. This amount includes business licenses fees, franchise fees, building permit fees, and other permit fees. (i.e., animal licenses and gun permits). 2023 YTD business license fee revenue is 2.3% or \$2,632 over the nine-month target. However, YTD building permit fee revenue is 22.3% or \$71,229 below the nine-month target. 2023 YTD licenses and permit fees revenue is a decrease of \$160,420 or 38.3% when compared with 2022 YTD through September.

Intergovernmental Revenue: This category includes intergovernmental grants, state shared revenues, and the Main Street B&O Tax Credit. YTD total received is 89.2% of the 2023 budget and is \$67,547 over the nine-month target amount. Intergovernmental grant is the contributing factor for this positive variance. All grants budgeted in the General Fund were received to-date.

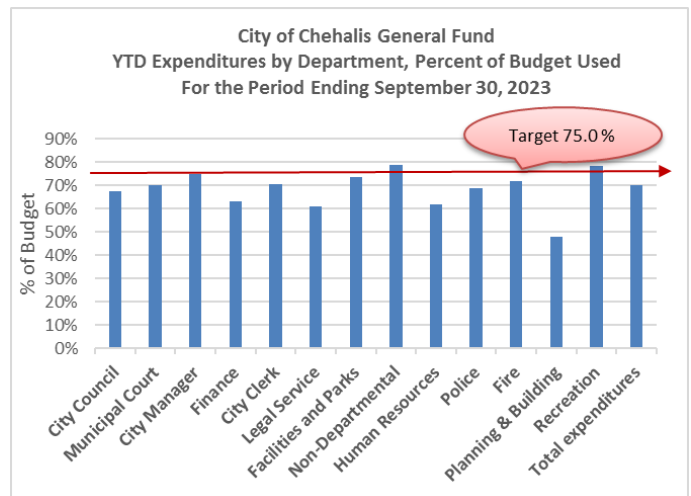
Charges for goods and services: YTD received is 79.1% of the 2023 budget. This category includes charges for fire and police services, plan check review fees, and recreation program fees. Recreation program fees make up about 53% of the 2023 budget in this category. YTD parks and recreation program revenue is 96.0% of the 2023 budget. A significant portion of the recreation program fee revenues are typically received during the summer months.

General Fund Expenditures and Transfers-out

2023 YTD expenditures and transfers-out through September is \$9,727,534 or 69.9% of the 2023 budget. All departments operated within the budget parameters and their YTD expenditures are below the nine-month target amount, except for Non-departmental and recreation departments.

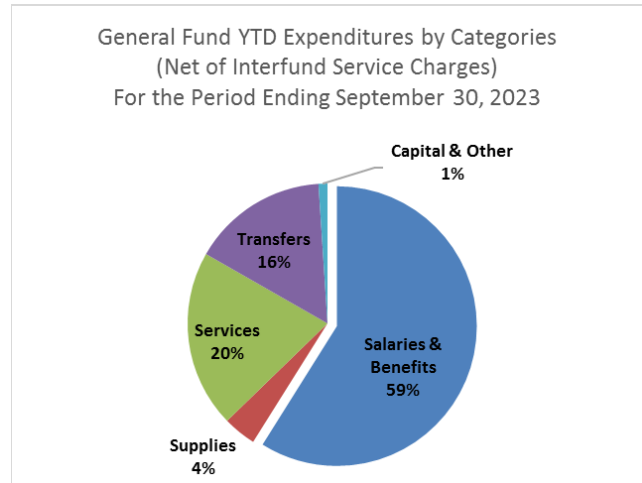
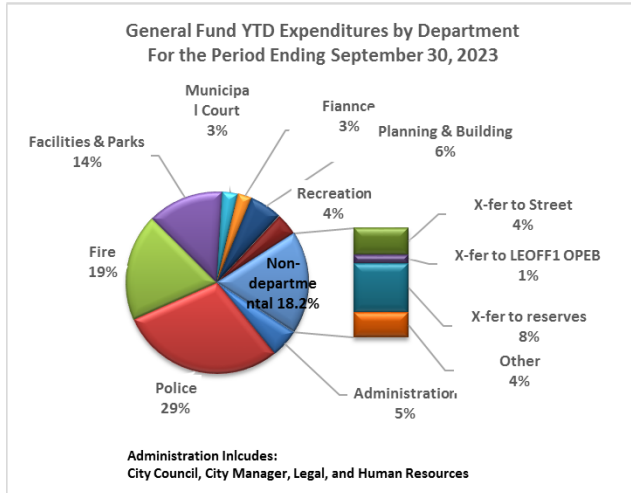
Non-departmental department’s YTD expenditure is 78.7% of the 2023 budget and is 3.7% or \$83,582 over the nine-month target amount. This is due to the \$800,000 transfers out to reserve funds budgeted were completed in the first half of the year.

- Recreation department’s YTD expenditure is 78.3% of the 2023 budget and is 3.3% or \$16,050 over the nine-month target amount. Expenditures for seasonal workers’ wages and supplies for the pool operations during the summer months are the contributing factors for this variance.
- Planning and Building department’s YTD expenditures is 48.1% of the 2023 budget and is 26.9% or \$312,597 below the nine-month target. A temporarily vacant position and contracted services are the key contributing factors for this variance. 2023 budget includes a total of \$543,800 in professional consultant services for inspection, comp plan update, and



other local planning. About 31.4% or \$373,050 of the budget has been spent through the end of September.

Police and fire makes up 48% of the General Fund’s YTD total expenditures and transfers. Facilities & Parks and Transfer to the Street Fund makes up 14.0% and 4.0% of the total General Fund’s YTD expenditures, respectively. Salaries and benefits makes up about 59% of the General Fund’s YTD total expenditures and transfers out.

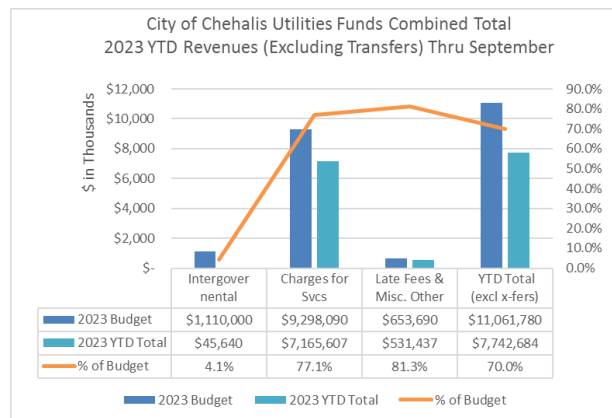
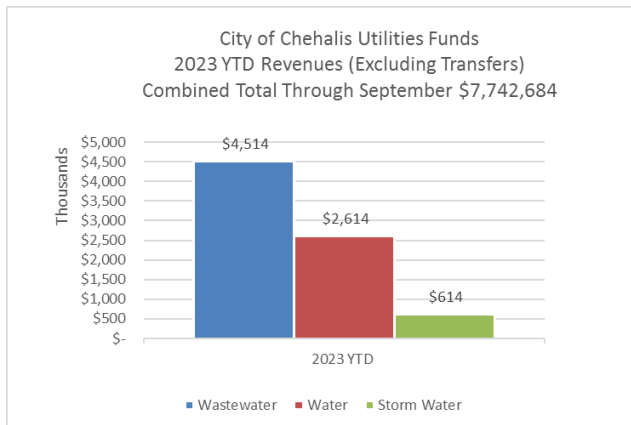


Bottom Line: Overall, the General Fund operated within the budget parameters.

PROPRIETARY FUND OVERVIEW

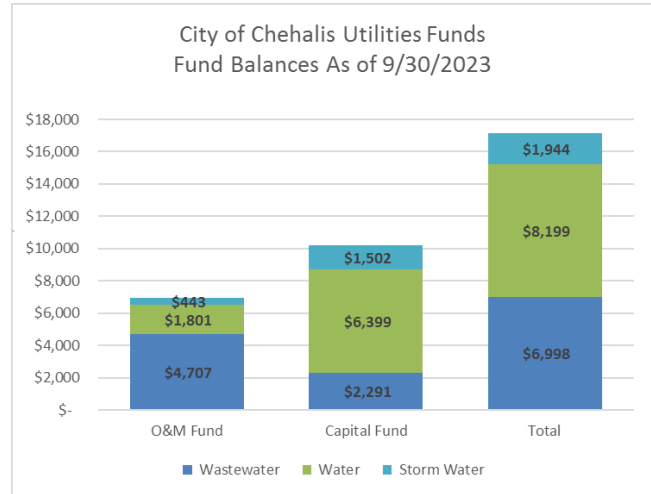
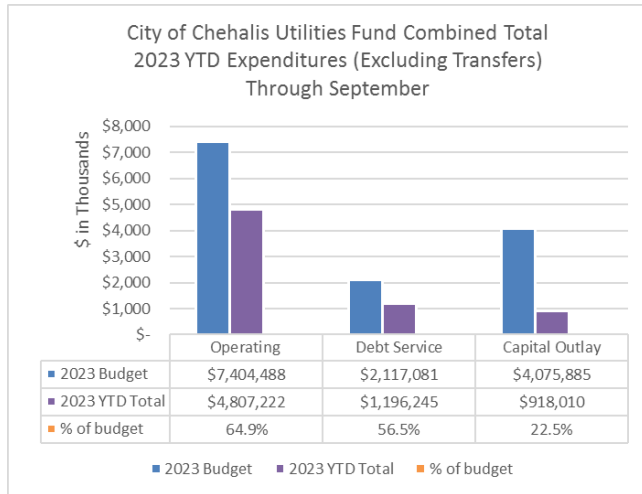
The combined totals for the city’s wastewater, water, and storm & surface water funds are summarized below:

2023 YTD combined total utility revenue (excluding interfund transfers) is \$7,742,684 which is 70.0% of the 2023 budget. 2023 YTD total utility revenues is made up of 58% Wastewater, 34% Water, and 8% Storm & Surface Water fund. While the charges for services revenues met the nine-month target, the intergovernmental revenue received through September is only 4.1% of the 2023 budget. The intergovernmental revenue budget includes \$1,091,000 is for the Bishop Road Watermain Loop project which is funded by the 0.09 distressed county grant



Total expenditures (excluding interfund transfers) is \$6,921,477 which is 50.9% of the 2023 budget. The capital outlay is the key contributing factor for the YTD expenditure being below the nine-month target.

Combined total fund balance for all three utility funds as of 9/30/2023 is \$17,142,116 which consist of \$6,950,363 in the O&M funds and \$10,191,753 in the Capital funds.



Additional information on each utility fund is provided below:

Wastewater Fund (O&M)

2023 YTD revenues received is \$4,477,413. This is \$217,788 or 3.8% over the nine-month target amount.

Charges for services is \$292,843 or 5.7% over the nine-month target amount, while the hookup/connection fee revenue is \$33,942 or 33.9% below the nine-month target.

Total YTD expenditures and transfers out is 62.7% of the 2023 Budget. YTD operating expenditures is 66.9% of the budget and is \$311,308 below the nine-month target amount. YTD debt service expenditure is 51.1% of the 2023 Budget.

Total YTD revenues exceed the total expenditures and transfers out by \$593,700. The ending fund balance as of September 30, 2023, is \$4,706,938.

Water Fund (O&M)

2023 YTD revenues received is \$2,459,796 or 73.9% of the 2023 Budget. This is \$36,962 below the nine-month target amount. Charges for services and hook up/connection fee revenues are 75.0% of the 2023 budget.

2023 YTD expenditures and transfers out is \$2,750,979 or 68.7% of the 2023 budget. YTD operating expenditure is 10.1% or \$285,619 below the nine-month target amount. YTD debt service expenditures is 100% of the 2023 budget.

Total YTD expenditures exceeds the revenues by \$291,183. The ending fund balance as of September 30, 2023, is \$1,800,767.

Storm & Surface Water Fund (O&M)

2023 YTD revenues received is \$565,658, which exceeds the nine-month target amount by \$11,955 or 1.6%.

YTD total expenditures and transfers out is \$484,034 or 59.8% of the 2023 budget.

Total revenues exceeded total expenditures and transfers out by \$81,624. The ending fund balance as of September 30, 2023, is \$442,658.

Wastewater Capital Fund (O&M)

2023 TYD total revenues is \$377,938 or 76.7% of the 2023 budget. Revenues includes transfers in from the Wastewater O & M Fund and investment interest earnings. 2023 capital expenditure budget is \$1,190,790 but only \$214,266 or 18.0% has been spent through September. Total ending fund balance as of September 30, 2023, is \$2,291,294.

Water Capital Fund

2023 TYD total revenues is \$805,562 or 38.4% of the 2023 budget. Revenue budget includes transfers in from the Water O & M Fund, investment interest earnings, and \$1.091 million 0.09 Distressed County grant for the Bishop Water Loop project. A total of \$19,497 grant has been received through September. 2023 YTD capital expenditures is \$630,142 or 24.7% of the 2023 Budget. Total ending fund balance as of September 30, 2023, is \$6,398,661.

Storm & Surface Water Capital Fund

2023 YTD total revenues is \$171,642 or 80.8% of the 2023 budget. Revenues include transfers in from the Storm & Surface Water O & M Fund and investment interest earnings. 2023 YTD capital expenditures is \$73,602 or 21.9% of the 2023 Budget. Total ending fund balance as of September 30, 2023, is \$1,501,798.

Airport Fund

2023 YTD operating revenues is \$1,743,430 or 67.6% of the 2023 Budget. YTD fuel sales exceeds the nine-month target amount by \$121,922 or 18.9%. YTD rents and leases revenue is 79.0% of the 2023 budget and is \$57,721 over the nine-month target amount.

2023 YTD expenditures is \$1,224,674 or 64.3% of the 2023 Budget. This is 10.7% or \$204,532 below the nine-month target amount. The key contributing factor for this variance is from professional services expenditure. 2023 budget includes \$502,000 for Airport Master Plan Study and about 36% or \$164,438 has been expensed through September.

Total YTD revenues exceed total expenditures by \$518,756. Ending fund balance as of September 30, 2023, is \$858,956.

Airport Capital Fund

2023 YTD total revenues is \$128,349 or 86.3% of the 2023 budget. Revenues include transfers in from the Airport O & M Fund and investment interest earnings. 2023 YTD capital expenditures is \$119,131 which is 56.5% of the 2023 Budget. Ending fund balance as of September 30, 2023, is \$1,983,343.

TREASURER’S REPORT – CASH AND INVESTMENTS

The City’s total cash, deposits, and investments as of September 30, 2023, is \$34,714,368. About 88.7% of the City’s cash is invested and earns interest. The remaining 11.3% is deposited in checking accounts to cover on-going cash flow needs.

Only 9.2% or \$3,198,388 of the city’s total cash and investment balance as of September30, 2023 belongs to the General Fund. Other than the General Fund, all other funds are restricted funds which account for specific revenues or resources that are legally restricted or designated to finance particular activities of the city, such as transportation benefit district, lodging tax, federal grant fund, utilities, and Airport funds.

A summary of cash funds and investment types are as follows:

City of Chehalis Cash, Deposits & Investments - Total Combined All City Funds		
Account Type	Balance 9/30/2023	% of Total
Checking & Revolving Cash Fund	\$ 3,922,261	11.30%
Local Government Investment Pool (LGIP)	24,745,606	71.28%
US Govt Agency Securities (Bonds)	6,046,501	17.42%
Total	\$ 34,714,368	100.00%

<i>Note: Other than the General Fund, all other funds are restricted or designated to finance particular activities of the City.</i>		

As of September 30, 2023, the City also holds an additional \$68,814 in the City’s checking account for custodial funds for moneys to be disbursed to other agencies (i.e., sales and leasehold taxes and state court revenues).

Total YTD investment interest earnings through September 30, 2023, totaled \$957,866. The average LGIP net earnings rate for the first nine months in 2023 is 4.970%.

FISCAL IMPACT

As shown.

RECOMMENDATION

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

SUGGESTED MOTION

N/A

City of Chehalis



Quarterly Council Financial Report Third Quarter 2023

For the Period Ending
September 30, 2023
(January through September)

The City of Chehalis, Washington

City of Chehalis
 Revenues, Expenditures, and Fund Balances - Budget to Actual Summary
 2023 Second Quarter Financial Statements - All Funds
 As of September 30, 2023

Fund Type/Name	Beginning Fund Balance		Revenues & Transfers			Expenditures & Transfers			Changes in Fund Balance		Ending Fund Balance	
	2023 Amended Budget	Actual 1/1/2023	2023 Amended Budget	YTD 9/30/2023 Actual	YTD % of Budget	2023 Amended Budget	YTD 9/30/2023 Actual	YTD % of Budget	2023 Amended Budget	YTD 9/30/2023 Actual	2023 Amended Budget	YTD 9/30/2023 Actual
	General Fund & Sub-Funds:											
General Fund	\$ 3,586,011	\$ 3,586,011	\$ 12,364,265	\$ 9,339,911	75.5%	\$ 13,909,293	\$ 9,727,534	69.9%	\$ (1,545,028)	\$ (387,623)	2,040,983	\$ 3,198,388
General Fund Sub-funds:												
Street Fund	472,118	472,118	1,238,644	796,954	64.3%	1,481,445	894,352	60.4%	(242,801)	(97,398)	229,317	374,720
Building Abatement Fund	52,399	52,399	50	1,773	3546.0%	-	-	0.0%	50	1,773	52,449	54,172
Compensated Absences Fund	212,092	212,092	7,500	6,238	83.2%	86,800	76,880	88.6%	(79,300)	(70,642)	132,792	141,450
LEOFF 1 OPEB Reserve Fund	150,554	150,554	242,098	151,203	62.5%	157,000	89,429	57.0%	85,098	61,774	235,652	212,328
Automotive/Equip. Reserve Fund	742,969	742,969	479,600	480,529	100.2%	431,100	65,462	15.2%	48,500	415,067	791,469	1,158,036
Total General Fund and Sub-Funds	5,216,143	5,216,143	14,332,157	10,776,608	3685.9%	16,065,638	10,853,657	130.3%	(1,733,481)	(77,049)	3,482,662	5,139,094
Special Revenue Funds:												
Arterial Street Fund	6,027	6,027	-	-	0.0%	6,027	6,027	100.0%	(6,027)	(6,027)	-	-
Transportation Benefit Dist. Fund	3,634,765	3,634,765	1,545,820	1,747,173	113.0%	1,841,310	1,187,666	64.5%	(295,490)	559,507	3,339,275	4,194,272
Tourism Fund	214,610	214,610	296,400	251,001	84.7%	332,394	228,684	68.8%	(35,994)	22,317	178,616	236,927
Community Block Grant Fund	25,798	25,798	400	873	218.3%	26,000	-	0.0%	(25,600)	873	198	26,671
HUD Block Grant Fund	89,769	89,769	1,700	3,037	178.6%	91,000	31,540	34.7%	(89,300)	(28,503)	469	61,266
Federal Advance Grant Fund	1,920,670	1,920,670	72,000	64,205	89.2%	1,961,317	5,000	0.3%	(1,889,317)	59,205	31,353	1,979,875
Total Special Revenue Funds	5,891,639	5,891,639	1,916,320	2,066,289	107.8%	4,258,048	1,458,917	34.3%	(2,341,728)	607,372	3,549,911	6,499,011
Debt Service Funds:												
2011 G.O. Bond Fund	63	63	301,529	209,040	69.3%	301,529	209,040	69.3%	-	-	63	63
Total Debt Service Fund	63	63	301,529	209,040	69.3%	301,529	209,040	69.3%	-	-	63	63
Capital Project Funds:												
Public Facilities Reserve Fund	601,928	601,928	783,935	445,407	56.8%	612,703	136,868	22.3%	171,232	308,539	773,160	910,467
Park Improvement Fund	131,718	131,718	1,405,863	172,777	12.3%	1,312,980	33,566	2.6%	92,883	139,211	224,601	270,929
First Quarter REET Fund	333,846	333,846	344,500	83,309	24.2%	350,760	130,759	37.3%	(6,260)	(47,450)	327,586	286,396
Second Quarter REET Fund	471,420	471,420	484,800	88,912	18.3%	494,675	52,187	10.5%	(9,875)	36,725	461,545	508,145
Total Capital Project Funds	1,538,912	1,538,912	3,019,098	790,405	26.2%	2,771,118	353,380	12.8%	247,980	437,025	1,786,892	1,975,937
Proprietary Funds:												
Garbage Fund	8,270	8,270	6,240	4,885	78.3%	6,240	3,342	53.6%	-	1,543	8,270	9,813
Wastewater Fund	4,113,238	4,113,238	5,679,500	4,477,413	78.8%	6,193,512	3,883,713	62.7%	(514,012)	593,700	3,599,226	4,706,938
Water Fund	2,091,950	2,091,950	3,329,010	2,459,796	73.9%	4,005,145	2,750,979	68.7%	(676,135)	(291,183)	1,415,815	1,800,767
Storm & Surface Water Fund	361,034	361,034	738,270	565,658	76.6%	810,012	484,034	59.8%	(71,742)	81,624	289,292	442,658
Airport Fund	340,200	340,200	2,579,680	1,743,430	67.6%	1,905,608	1,224,674	64.3%	674,072	518,756	1,014,272	858,956
Wastewater Capital Fund	2,127,688	2,127,688	492,500	377,938	76.7%	1,190,790	214,332	18.0%	(698,290)	163,606	1,429,398	2,291,294
Water Capital Fund	6,223,241	6,223,241	2,097,300	805,562	38.4%	2,548,455	630,142	24.7%	(451,155)	175,420	5,772,086	6,398,661
Storm & Surface Water Capital Fund	1,403,758	1,403,758	212,300	171,642	80.8%	336,640	73,602	21.9%	(124,340)	98,040	1,279,418	1,501,798
Airport Capital Fund	1,974,125	1,974,125	148,800	128,349	86.3%	210,900	119,132	56.5%	(62,100)	9,217	1,912,025	1,983,342
Total Proprietary Funds	18,643,504	18,643,504	15,283,600	10,734,673	70.2%	17,207,302	9,383,950	4	(1,923,702)	1,350,723	16,719,802	19,994,227
Fiduciary Funds: (Exclude Custodial Funds)												
Firemen's Pension Fund	1,057,722	1,057,722	33,500	52,346	156.3%	7,000	4,032	57.6%	26,500	48,314	1,084,222	1,106,036
Total Fiduciary Funds	1,057,722	1,057,722	33,500	52,346	156.3%	7,000	4,032	57.6%	26,500	48,314	1,084,222	1,106,036
TOTAL ALL CITY FUNDS	\$ 32,347,983	\$ 32,347,983	\$ 34,886,204	\$ 24,629,361	70.6%	\$ 40,610,635	\$ 22,262,976	54.8%	\$ (5,724,431)	\$ 2,366,385	\$ 26,623,552	\$ 34,714,368

Note: May contain rounding differences of +/-1

\$ - \$ - \$ -

City of Chehalis
Revenues, Expenditures, and Fund Balance - City-wide, All Funds Combined
For the Year Ending September 30, 2023 and 2022

City-wide All Funds	YTD Target		75%		Variance 2023			% Change
	2023 Amended Budget	YTD Actual 9/30/2023	YTD % of Budget	YTD vs. Target		YTD Actual 9/30/2022	Incr. (Decr.) 2023-2022	
				Positive (Negative)				
Beginning Cash and Investments	\$ 32,347,983	\$ 32,347,983	100.0%	-	\$ 26,709,786	\$ 5,638,197	21.1%	
Revenues								
<u>Taxes (310):</u>								
Property Taxes	2,182,487	1,275,608	58.4%	(361,257)	1,273,781	1,827	0.1%	
Retail Sales and Use Tax	6,332,100	5,096,068	80.5%	346,993	4,754,579	341,489	7.2%	
Public Transportation Sales Tax	1,434,900	1,156,243	80.6%	80,068	1,076,167	80,076	7.4%	
Hotel/Motel Tax	290,000	244,425	84.3%	26,925	224,827	19,598	8.7%	
Utility Tax	1,697,800	1,405,144	82.8%	131,794	1,244,665	160,479	12.9%	
Leasehold Tax	56,600	46,555	82.3%	4,105	42,847	3,708	8.7%	
REET	227,600	144,836	63.6%	(25,864)	237,240	(92,404)	-38.9%	
Total Taxes (310)	12,221,487	9,368,879	76.7%	202,764	8,854,106	514,773	5.8%	
<u>Licenses and Permits (320):</u>								
Business Licenses & Permits	116,600	90,082	77.3%	2,632	92,351	(2,269)	-2.5%	
Non-Business Licenses & Permits	324,800	168,646	51.9%	(74,954)	326,772	(158,126)	-48.4%	
Total Licenses and Permits (320)	441,400	258,728	58.6%	(72,322)	419,123	(160,395)	-38.3%	
<u>Intergovernmental Revenues (330):</u>								
Federal Grant	1,462,230	170,869	11.7%	(925,804)	1,859,769	(1,688,900)	-90.8%	
State Grant	192,130	657,117	342.0%	513,020	629,872	27,245	4.3%	
State Shared Revenues	455,715	342,828	75.2%	1,042	373,288	(30,460)	-8.2%	
Local Grants	1,091,200	19,622	1.8%	(798,778)	-	19,622	0.0%	
Total Intergovernmental (330)	3,201,275	1,190,436	37.2%	(1,210,520)	2,862,929	(1,672,493)	-58.4%	
<u>Charges for Goods & Services (340):</u>								
General Government	18,550	15,389	83.0%	1,477	14,784	605	4.1%	
Public Safety	87,300	56,318	64.5%	(9,157)	60,905	(4,587)	-7.5%	
Utilities	9,304,190	7,170,152	77.1%	192,010	7,184,014	(13,862)	-0.2%	
Transportation/Airport	2,088,710	1,745,350	83.6%	178,818	1,515,091	230,259	15.2%	
Economic Environment	191,500	124,639	65.1%	(18,986)	136,341	(11,702)	-8.6%	
Culture & Recreation	229,150	219,134	95.6%	47,272	197,692	21,442	10.8%	
Total Charges for Goods & Services (340)	11,919,400	9,330,982	78.3%	391,434	9,108,827	222,155	2.4%	
<u>Fines & Penalties (350):</u>								
Civil & Criminal Fines & Penalties	115,800	76,239	65.8%	(10,611)	67,849	8,390	12.4%	
Other Fines - Late Fees	78,370	73,262	93.5%	14,485	73,919	(657)	-0.9%	
Total Fines & Penalties (350)	194,170	149,501	77.0%	3,874	141,768	7,733	5.5%	
<u>Miscellaneous Revenues (360):</u>								
Interest Earnings	982,990	957,866	97.4%	220,624	191,484	766,382	400.2%	
Rents and Leases	169,200	132,043	78.0%	5,143	124,070	7,973	6.4%	
Contributions/Donations	10,000	2,220	22.2%	(5,280)	50,161	(47,941)	-95.6%	
Other Miscellaneous	60,800	27,399	45.1%	(18,201)	70,503	(43,104)	-61.1%	
Total Miscellaneous Revenues (360)	1,222,990	1,119,528	91.5%	202,286	436,218	683,310	156.6%	
<u>Non-Revenues (380):</u>								
Interfund Loan Payment	1,140,000	-	0.0%	(855,000)	54,135	(54,135)	-100.0%	
Refundable Deposits	189,620	10,145	5.4%	(132,070)	47,996	(37,851)	-78.9%	
Total Non-Revenues (380)	1,329,620	10,145	0.8%	(987,070)	102,131	(91,986)	-90.1%	
<u>Other Financing Source (390):</u>								
Proceeds of Long-Term Debt	-	-	0.0%	-	147,163	(147,163)	-100.0%	
Proceeds from Sale of Capital Assets	1,000	14,956	1495.6%	14,206	72,524	(57,568)	-79.4%	
Transfers-In	4,354,862	3,186,206	73.2%	(79,941)	13,682,238	(10,496,032)	-76.7%	
Total Other Financing Source (390)	4,355,862	3,201,162	73.5%	(65,735)	13,901,925	(10,700,763)	-77.0%	
Total Revenues	34,886,204	24,629,361	70.6%	(1,535,289)	35,827,027	(11,197,666)	-31.3%	
Expenditures								
General Government (510)	3,232,152	2,173,879	67.3%	250,235	1,967,525	206,354	10.5%	
Public Safety (520)	7,104,313	4,948,850	69.7%	379,385	4,364,852	583,998	13.4%	
Utilities (530)	7,342,382	4,785,018	65.2%	721,769	4,583,322	201,696	4.4%	
Transportation & Airport (540)	2,976,417	1,842,506	61.9%	389,807	1,632,142	210,364	12.9%	
Natural/Economic Environment (550)	1,038,401	468,149	45.1%	310,652	510,483	(42,334)	-8.3%	
Social Services (560)	12,640	3,937	31.1%	5,543	11,593	(7,656)	-66.0%	
Cultural & Recreation (570)	887,210	733,579	82.7%	(68,172)	688,241	45,338	6.6%	
Non-Expenditures (580)	1,228,346	42,937	3.5%	878,323	100,907	(57,970)	-57.4%	
Debt Service (591-593)	2,537,870	1,518,641	59.8%	384,762	1,464,345	54,296	3.7%	
Capital Expenditures (594-595)	9,896,042	2,559,274	25.9%	4,862,758	2,474,858	84,416	3.4%	
Transfers-Out (597)	4,354,862	3,186,206	73.2%	79,941	13,682,238	(10,496,032)	-76.7%	
Total Expenditures	40,610,635	22,262,976	54.8%	8,195,003	31,480,506	(9,217,530)	-29.3%	
Increase (Decrease) in Cash & Investments	(5,724,431)	2,366,385	-41.3%	6,659,714	4,346,521	(1,980,136)	-45.6%	
Ending Cash and Investments	\$ 26,623,552	\$ 34,714,368	130.4%	6,659,714	\$ 31,056,307	\$ 3,658,061	11.8%	

City of Chehalis
Comparative Revenues, Expenditures, and Fund Balances - Budget to Actual
Period Ending Through September 2023 and 2022
General Fund

YTD Target % * 75.0%

General Fund (001)				<u>^Variance</u>		Incr. (Decr.)
	<u>2023</u>	<u>YTD Actual</u>	<u>YTD % of</u>	<u>YTD</u>	<u>YTD Actual</u>	
	<u>Amended</u>	<u>9/30/2023</u>	<u>Budget</u>	<u>vs.Target</u>	<u>09/30/2022</u>	<u>2022-2023</u>
	<u>Budget</u>	<u>9/30/2023</u>	<u>Budget</u>	<u>Positive</u>	<u>09/30/2022</u>	<u>2022-2023</u>
				<u>(Negative)</u>		
Beginning Fund Balance	\$ 3,586,011	\$ 3,586,011	100.0%	\$ -	\$ 2,713,504	\$ 872,507
Revenues:						
Taxes:						
Property Taxes	\$ 2,182,487	\$ 1,275,608	58.4%	\$ (361,257)	\$ 1,273,780	\$ 1,828
Sales and Use Taxes	6,332,100	5,096,068	80.5%	346,993	4,754,579	341,489
Utility Taxes	1,697,800	1,405,144	82.8%	131,794	1,244,665	160,479
Other Taxes	\$56,600	\$46,555	82.3%	4,105	42,847	3,708
Total Taxes	10,268,987	7,823,375	76.2%	121,635	7,315,871	507,504
Non-Tax Revenues:						
Business Licenses and Permits	\$116,600	\$90,082	77.3%	2,632	\$92,351	(2,269)
Non-Business Licenses and Permits	319,800	168,621	52.7%	(71,229)	326,772	(158,151)
Intergovernmental Grants	\$170,410	\$188,921	110.9%	61,113	\$72,524	116,397
State Shared Revenues	303,901	234,360	77.1%	6,434	261,109	(26,749)
Charges for Goods & Services	525,500	415,480	79.1%	21,355	409,822	5,658
Fines and Forfeitures	115,900	76,269	65.8%	(10,656)	67,939	8,330
Interest Earnings	136,500	131,083	96.0%	28,708	25,959	105,124
Rents & Leases	164,200	126,048	76.8%	2,898	119,950	6,098
Misc. Other	59,600	25,672	43.1%	(19,028)	154,047	(128,375)
Total Non-Tax Revenues	1,912,411	1,456,536	76.2%	22,227	1,530,473	(73,937)
Transfers-in	182,867	60,000	32.8%	(77,150)	190,775	(130,775)
Total Revenues	\$ 12,364,265	\$ 9,339,911	75.5%	\$ 66,712	\$ 9,037,119	\$ 302,792
Expenditures						
City Council	\$ 95,570	\$ 64,579	67.6%	\$ 7,099	\$ 53,925	\$ 10,654
Municipal Court	381,239	268,051	70.3%	17,878	234,009	34,042
City Manager	221,129	165,671	74.9%	176	153,905	11,766
Finance	389,462	246,079	63.2%	46,018	210,863	35,216
City Clerk	121,195	85,628	70.7%	5,268	52,943	32,685
Legal Service	100,200	61,191	61.1%	13,959	51,042	10,149
Facilities and Parks	1,786,755	1,311,722	73.4%	28,344	1,124,680	187,042
Non-Departmental	2,251,789	1,772,424	78.7%	(83,582)	1,906,632	(134,208)
Human Resources	180,081	111,798	62.1%	23,263	112,194	(396)
Police	4,146,869	2,845,628	68.6%	264,524	2,341,904	503,724
Fire	2,586,307	1,854,787	71.7%	84,943	1,773,425	81,362
Planning & Building	1,159,914	557,339	48.1%	312,597	706,458	(149,119)
Recreation	488,783	382,637	78.3%	(16,050)	391,486	(8,849)
Total Expenditures	13,909,293	\$ 9,727,534	69.9%	704,437	9,113,466	614,068
Revenues Over (Under) Expenditures	\$ (1,545,028)	\$ (387,623)	25.1%	771,149	\$ (76,347)	\$ (311,276)
Ending Fund Balance	\$ 2,040,983	\$ 3,198,388	156.7%	\$ 771,149	\$ 2,637,157	\$ 561,231
			34.2%			

Foot Note:

* The target percentage of budget is calculated as the month of reporting (9 for September) divided by the number of months (12) in the year.

^ Variance from YTD actual vs.Target . Positive if YTD actual revenue>target amount and YTD actual expenditure<target amount.

City of Chehalis
Expenditures by Category - Budget to Actual
Period Ending Through September 2023 and 2022
General Fund

YTD Target % * 75.00%

GENERAL FUND (#001)					<u>^Variance</u>	
	<u>2023</u>	<u>YTD Actual</u>	<u>YTD % of</u>	<u>YTD</u>	<u>YTD Actual</u>	<u>Incr. (Decr.)</u>
	<u>Amended</u>	<u>9/30/2023</u>	<u>Budget</u>	<u>vs.Target</u>	<u>09/30/2022</u>	<u>2022-2023</u>
	<u>Budget</u>	<u>9/30/2023</u>	<u>Budget</u>	<u>Positive</u>	<u>09/30/2022</u>	<u>2022-2023</u>
				<u>(Negative)</u>		
Expenditures by Category:						
Salaries	\$ 5,903,997	\$ 4,200,481	71.1%	\$ 227,517	\$ 3,702,151	\$ 498,330
Benefits	2,445,520	1,771,581	72.4%	62,559	1,629,942	141,639
Subtotal for Payroll	8,349,517	5,972,062	71.5%	290,076	5,332,093	639,969
Supplies	555,145	388,041	69.9%	28,318	299,382	88,659
Services	3,423,278	2,079,622	60.7%	487,837	2,044,384	35,238
Capital Outlay	245,767	73,520	29.9%	110,805	38,758	34,762
Debt Service < Lease	17,710	14,008	79.1%	(725)	81,709	(67,701)
Non-expense (582.589.*.00)	20,000	17,391	87.0%	(2,391)	2,659	14,732
Transfers-out	1,880,226	1,592,061	84.7%	(181,891)	1,716,539	(124,478)
Interfund Charges	(582,350)	(409,171)	70.3%	(27,592)	(402,058)	(7,113)
Total Expenditures	13,909,293	\$ 9,727,534	69.9%	704,437	9,113,466	614,068

Foot Note:

* The target percentage of budget is calculated as the month of reporting (9 for September) divided by the number of months (12) in the year.

^ Variance from YTD actual vs.Target . Positive if YTD actual revenue>target amount and YTD actual expenditure<target amount.

City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through September 2023 and 2022
Wastewater Fund

YTD Target % * 75.0%

Wastewater Fund (404)	2023		YTD % of Budget	^Variance YTD vs.Target Positive (Negative)	YTD Actual 09/30/2022	Incr. (Decr.) 2022-2023
	Amended Budget	YTD Actual 9/30/2023				
Beginning Fund Balance	\$ 4,113,238	\$ 4,113,238	100.0%	\$ -	\$ 5,468,851	\$(1,355,613)
Revenues:						
Intergovernmental Revenues	\$ 19,000	\$ 8,543	45.0%	\$ (5,707)	\$ -	\$ 8,543
Charges for Goods & Services:						
Charges for Services	5,117,900	4,131,268	80.7%	292,843	4,072,954	58,314
Hookup/Connection -CFC Fee	100,200	41,208	41.1%	(33,942)	146,440	(105,232)
Capacity Charge (Cost Share)	277,400	138,689	50.0%	(69,361)	173,361	(34,672)
Total Charges for Goods & Services	5,495,500	4,311,165	78.4%	189,540	4,392,755	(81,590)
Late Payment Fees	42,200	42,178	99.9%	10,528	41,980	198
Miscellaneous:						
Interest Earnings	118,500	110,985	93.7%	22,110	29,736	81,249
Miscellaneous other	4,300	4,542	105.6%	1,317	4,635	(93)
Total Miscellaneous Revenues	122,800	115,527	94.1%	23,427	34,371	81,156
Total Operating Revenues	5,679,500	4,477,413	78.8%	217,788	4,469,106	8,307
Other Fund Sources:						
Debt Issue Proceeds	-	-	0.0%	-	-	-
Other Proceeds	-	-	0.0%	-	-	-
Total Other Fund Source	-	-	0.0%	-	-	-
Total Revenues & Fund Sources	\$ 5,679,500	\$ 4,477,413	78.8%	\$ 217,788	\$ 4,469,106	\$ 8,307
Expenditures:						
Operating Expenditures:						
Wages	\$ 1,153,276	\$ 799,505	69.3%	\$ 65,452	\$ 720,634	\$ 78,871
Benefits	568,660	387,972	68.2%	38,523	351,401	36,571
Supplies	516,217	358,112	69.4%	29,051	406,772	(48,660)
Services	1,617,968	1,035,194	64.0%	178,282	982,317	52,877
Total Operating Expenditures:	3,856,121	2,580,783	66.9%	311,308	2,461,124	119,659
Other Expenditures:						
Capital Outlays	-	-	0.0%	-	39,135	(39,135)
Debt Service & Long-Term Lease	1,882,891	962,055	51.1%	450,113	961,329	726
Total Other Expenditures	1,882,891	962,055	51.1%	450,113	1,000,464	(38,409)
Other Funding Use						
Interfund Transfers Out to Capital	454,500	340,875	75.0%	-	2,000,000	(1,659,125)
Total Other Funding Use	454,500	340,875	75.0%	-	2,000,000	(1,659,125)
Total Expenditures	\$ 6,193,512	\$ 3,883,713	62.7%	\$ 761,421	\$ 5,461,588	\$(1,577,875)
Revenues Over (Under) Expenditures	\$ (514,012)	\$ 593,700	-115.5%	\$ 979,209	\$ (992,482)	\$ 1,586,182
Ending Fund Balance	\$ 3,599,226	\$ 4,706,938	130.8%	\$ 979,209	\$ 4,476,369	\$ 230,569

Foot Note:

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^ Variance from YTD actual vs.Target . Positive if YTD actual revenue>target amount and YTD actual expenditure<target amount.

City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through September 2023 and 2022
Water Fund

YTD Target % * 75.0%

Water Fund (405)	2023		YTD % of Budget	^Variance	YTD Actual	Incr. (Decr.)
	Amended Budget	YTD Actual 9/30/2023		vs.Target Positive (Negative)		
Beginning Fund Balance	\$ 2,091,950	\$ 2,091,950	100.0%	\$ -	\$ 7,866,126	\$ (5,774,176)
Revenues:						
Intergovernmental Revenues	\$ -	\$ 14,498	0.0%	\$ 14,498	\$ -	\$ 14,498
Charges for Goods & Services:						
Charges for Services	\$ 2,975,190	\$ 2,230,802	75.0%	\$ (591)	\$ 2,079,880	\$ 150,922
Hookup/Connection-CFC Fee	109,200	82,002	75.1%	102	156,003	(74,001)
Total Charges for Goods & Services	3,084,390	2,312,804	75.0%	(489)	2,235,883	76,921
Late Payment Fees	30,000	24,110	80.4%	1,610	25,857	(1,747)
Miscellaneous Revenues:						
Interest Earnings	77,000	68,261	88.7%	10,511	25,468	42,793
Miscellaneous other	2,000	550	27.5%	(950)	25,000	(24,450)
Total Miscellaneous Revenues	79,000	68,811	87.1%	9,561	50,468	18,343
Total Operating Revenues	3,193,390	2,420,223	75.8%	25,180	2,312,208	108,015
Other Funding Source						
Customer Deposits	134,620	25,546	19.0%	(75,419)	46,859	(21,313)
Interfund Loan Repayment	-	-	0.0%	-	54,135	(54,135)
Debt Issue Proceeds	-	-	0.0%	-	-	-
Other Proceeds	1,000	14,027	1402.7%	13,277	715	13,312
Total Other Fund Source	135,620	39,573	29.2%	(62,142)	101,709	(62,136)
Total Revenues & Fund Sources	\$ 3,329,010	\$ 2,459,796	73.9%	\$ (36,962)	\$ 2,413,917	\$ 45,879
Operating Expenditures						
Wages	\$ 955,503	\$ 650,216	68.0%	66,411	\$ 650,829	(613)
Benefits	469,609	322,764	68.7%	29,443	322,320	444
Supplies	435,149	231,200	53.1%	95,162	234,420	(3,220)
Services	974,468	636,248	65.3%	94,603	562,441	73,807
Total Operating Expenditures	2,834,729	1,840,428	64.9%	285,619	1,770,010	70,418
Other Expenditures						
Debt Service & Long-Term Lease	233,770	233,780	100.0%	(58,452)	234,908	(1,128)
Total Other Expenditures	233,770	233,780	100.0%	(58,452)	234,908	(1,128)
Other Funding Use						
Refunds of Customer Deposits	68,346	25,546	37.4%	25,714	44,113	(18,567)
Interfund Transfers Out to Capital	868,300	651,225	75.0%	-	6,400,000	(5,748,775)
Total Other Funding Use	936,646	676,771	72.3%	25,714	6,444,113	(5,767,342)
Total Expenditures	\$ 4,005,145	\$ 2,750,979	68.7%	\$ 252,881	\$ 8,449,031	\$ (5,698,052)
Revenues Over (Under) Expenditures	\$ (676,135)	\$ (291,183)	43.1%	\$ (289,843)	\$ (6,035,114)	\$ 5,743,931
Ending Fund Balance	\$ 1,415,815	\$ 1,800,767	127.2%	\$ (289,843)	\$ 1,831,012	\$ (30,245)

Foot Note:

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^ Variance from YTD actual vs. Target . Positive if YTD actual revenue>target amount and YTD actual expenditure<target amount.

City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through September 2023 and 2022
Storm & Surface Water Fund

YTD Target % * 75.0%

Storm Water Fund (406)	2023		YTD % of Budget	Variance YTD vs. Target		YTD Actual 09/30/2022	Incr. (Decr.) 2022-2023
	Amended Budget	YTD Actual 9/30/2023		Positive (Negative)	YTD Actual		
Beginning Fund Balance	\$ 361,034	\$ 361,034	100.0%	\$ -	\$ 1,516,682	\$(1,155,648)	
Revenues:							
Intergovernmental Revenue	\$ -	\$ 3,102	0.0%	\$ 3,102	\$ -	\$ 3,102	
Charges for Goods & Services:							
Charges for Services	\$704,100	\$540,562	76.8%	\$12,487	\$547,520	-\$6,958	
Hookup/Connection Fee	14,100	1,076	7.6%	(9,499)	2,836	(1,760)	
Total Charges for Goods & Services	\$718,200	541,638	75.4%	2,988	550,356	(8,718)	
Late Payment Fees	6,070	6,944	114.4%	2,391	5,992	952	
Miscellaneous Revenues:							
Interest Earnings	14,000	13,974	99.8%	3,474	2,655	11,319	
Miscellaneous other	-	-	0.0%	-	-	-	
Total Miscellaneous Revenues	14,000	13,974	99.8%	3,474	2,655	11,319	
Total Operating Revenues	738,270	565,658	76.6%	11,955	559,003	6,655	
Other Fund Sources:							
Debt Issue Proceeds	-	-	0.0%	-	-	-	
Other Proceeds	-	-	0.0%	-	-	-	
Total Other Fund Sources	-	-	0.0%	-	-	-	
Total Revenues & Fund Sources	\$ 738,270	\$ 565,658	76.6%	\$ 11,955	\$ 559,003	\$ 6,655	
Expenditures:							
Operating Expenditures:							
Wages	\$ 266,496	\$ 161,211	60.5%	\$ 38,661	\$ 175,913	\$ (14,702)	
Benefits	140,768	90,279	64.1%	15,297	93,825	(3,546)	
Supplies	87,052	19,561	22.5%	45,728	19,770	(209)	
Services	150,976	89,348	59.2%	23,884	58,183	31,165	
Total Operating Expenditures	645,292	360,399	55.9%	123,570	347,691	12,708	
Other Expenditures:							
Debt Service & Long-Term Lease	420	410	97.6%	(95)	965	(555)	
Total Other Expenditures	420	410	97.6%	(95)	965	(555)	
Other Funding Use							
Interfund Transfers Out to Capital	164,300	123,225	75.0%	-	1,295,000	(1,171,775)	
Total Other Funding Use	164,300	123,225	75.0%	-	1,295,000	(1,171,775)	
Total Expenditures	\$ 810,012	\$ 484,034	59.8%	\$ 123,475	\$ 1,643,656	\$(1,159,622)	
Revenues Over (Under) Expenditures	\$ (71,742)	\$ 81,624	-113.8%	\$ (111,520)	\$(1,084,653)	\$ 1,166,277	
Ending Fund Balance	\$ 289,292	\$ 442,658	153.0%	\$ (111,520)	\$ 432,029	\$ 10,629	

Foot Note:

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City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through September 2023 and 2022
Wastewater Capital Fund

YTD Target % * 75.0%

Wastewater Capital Fund (414)	2023		YTD % of Budget	^Variance YTD vs. Target		YTD Actual 09/30/2022	Incr. (Decr.) 2022-2023
	Amended Budget	YTD Actual 9/30/2023		Positive (Negative)			
Beginning Fund Balance	\$ 2,127,688	\$ 2,127,688	100.0%	\$ -	\$ -		\$ 2,127,688
Revenues:							
Intergovernmental Revenues	\$ -	\$ -	0.0%	\$ -	\$ -		\$ -
Miscellaneous Revenue:							
Interest Earnings	38,000	37,063	97.5%	8,563	4,700		32,363
Miscellaneous other	-	-	0.0%	-	-		-
Total Miscellaneous Revenues	38,000	37,063	97.5%	8,563	4,700		32,363
Total Operating Revenues	38,000	37,063	97.5%	8,563	4,700		32,363
Other Fund Sources:							
Debt Issue Proceeds	-	-	0.0%	-	-		-
Interfund Transfers in from Operating	454,500	340,875	75.0%	-	2,000,000		(1,659,125)
Total Other Fund Source	454,500	340,875	75.0%	-	2,000,000		(1,659,125)
Total Revenues & Fund Sources	\$ 492,500	\$ 377,938	76.7%	\$ 8,563	\$ 2,004,700		\$(1,626,762)
Expenditures:							
Operating Expenditures:							
Services	\$ -	\$ 66	0.0%	\$ (66)	\$ -		\$ 66
Total Operating Expenditures:	-	66	0.0%	(66)	-		66
Other Expenditures:							
Capital Outlays	1,190,790	214,266	18.0%	678,827	31,593		182,673
Total Other Expenditures	1,190,790	214,266	18.0%	678,827	31,593		182,673
Total Expenditures	\$ 1,190,790	\$ 214,332	18.0%	\$ 678,761	\$ 31,593		\$ 182,739
Revenues Over (Under) Expenditures	\$ (698,290)	\$ 163,606	-23.4%	\$ 687,324	\$ 1,973,107		\$(1,809,501)
Ending Fund Balance	\$ 1,429,398	\$ 2,291,294	160.3%	\$ 687,324	\$ 1,973,107		\$ 318,187

Foot Note:

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^ Variance from YTD actual vs. Target . Positive if YTD actual revenue>target amount and YTD actual expenditure<target amount.

City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through September 2023 and 2022
Water Capital Fund

YTD Target % * 75.0%

Water Capital Fund (415)	2023		YTD % of Budget	Variance YTD vs. Target		YTD Actual 09/30/2022	Incr. (Decr.) 2022-2023
	Amended Budget	YTD Actual 9/30/2023		Positive (Negative)	YTD Actual 09/30/2022		
Beginning Fund Balance	\$ 6,223,241	\$ 6,223,241	100.0%	\$ -	\$ -	\$ -	\$ 6,223,241
Revenues:							
Intergovernmental Revenues	\$ 1,091,000	\$ 19,497	1.8%	\$ (798,753)	\$ -	\$ -	\$ 19,497
Miscellaneous Revenues:							
Interest Earnings	138,000	134,840	97.7%	31,340	24,863	24,863	109,977
Miscellaneous other	-	-	0.0%	-	-	-	-
Total Miscellaneous Revenues	138,000	134,840	97.7%	31,340	24,863	24,863	109,977
Total Operating Revenues	1,229,000	154,337	12.6%	(767,413)	24,863	24,863	129,474
Other Funding Source							
Debt Issue Proceeds	-	-	0.0%	-	-	-	-
Interfund Transfers in from Operating	868,300	651,225	75.0%	-	6,400,000	6,400,000	(5,748,775)
Total Other Fund Source	868,300	651,225	75.0%	-	6,400,000	6,400,000	(5,748,775)
Total Revenues & Fund Sources	\$ 2,097,300	\$ 805,562	38.4%	\$ (767,413)	\$ 6,424,863	\$ 6,424,863	\$(5,619,301)
Expenditures							
Other Expenditures							
Capital Outlays	2,548,455	630,142	24.7%	1,281,199	439,675	439,675	190,467
Total Other Expenditures	2,548,455	630,142	24.7%	1,281,199	439,675	439,675	190,467
Total Expenditures	\$ 2,548,455	\$ 630,142	24.7%	\$ 1,281,199	\$ 439,675	\$ 439,675	\$ 190,467
Revenues Over (Under) Expenditures	\$ (451,155)	\$ 175,420	-38.9%	\$(2,048,612)	\$ 5,985,188	\$ 5,985,188	\$(5,809,768)
Ending Fund Balance	\$ 5,772,086	\$ 6,398,661	110.9%	\$(2,048,612)	\$ 5,985,188	\$ 5,985,188	\$ 413,473

Foot Note:

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City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through September 2023 and 2022
Storm & Surface Water Capital Fund

YTD Target % * 75.0%

Storm Water Capital Fund (416)	<u>2023</u>		<u>YTD % of</u> <u>Budget</u>	<u>^Variance</u> <u>YTD</u> <u>vs. Target</u>		<u>YTD Actual</u> <u>09/30/2022</u>	<u>Incr. (Decr.)</u> <u>2022-2023</u>
	<u>Amended</u> <u>Budget</u>	<u>YTD Actual</u> <u>9/30/2023</u>		<u>Positive</u> <u>(Negative)</u>	<u>YTD Actual</u> <u>09/30/2022</u>		
Beginning Fund Balance	\$ 1,403,758	\$ 1,403,758	100.0%	\$ -	\$ -	\$ -	\$ 1,403,758
Revenues:							
Intergovernmental Revenue	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -
Operating Revenues:							
Interest Earnings	48,000	48,417	100.9%	12,417	8,052	40,365	40,365
Miscellaneous other	-	-	0.0%	-	-	-	-
Total Miscellaneous Revenues	48,000	48,417	100.9%	12,417	8,052	40,365	40,365
Total Operating Revenues	48,000	48,417	100.9%	12,417	8,052	40,365	40,365
Other Fund Sources:							
Debt Issue Proceeds	-	-	0.0%	-	-	-	-
Interfund Transfers in from Operating	164,300	123,225	75.0%	-	1,295,000	(1,171,775)	(1,171,775)
Total Other Fund Sources	164,300	123,225	75.0%	-	1,295,000	(1,171,775)	(1,171,775)
Total Revenues & Fund Sources	\$ 212,300	\$ 171,642	80.8%	\$ 12,417	\$ 1,303,052	\$ (1,131,410)	\$ (1,131,410)
Expenditures:							
Other Expenditures							
Capital Outlays	\$ 336,640	\$ 73,602	21.9%	\$ 178,878	\$ 33,544	\$ 40,058	\$ 40,058
Total Other Expenditures	336,640	73,602	21.9%	178,878	33,544	40,058	40,058
Total Expenditures	336,640	73,602	21.9%	178,878	33,544	40,058	40,058
Revenues Over (Under) Expenditures	\$ (124,340)	\$ 98,040	-78.8%	\$ (166,461)	\$ 1,269,508	\$ (1,171,468)	\$ (1,171,468)
Ending Fund Balance	\$ 1,279,418	\$ 1,501,798	117.4%	\$ (166,461)	\$ 1,269,508	\$ 232,290	\$ 232,290

Foot Note:

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^ Variance from YTD actual vs. Target . Positive if YTD actual revenue > target amount and YTD actual expenditure < target amount.

City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through September 2023 and 2022
Airport Fund

YTD Target % * 75.0%

Airport Fund (407)	2023		YTD % of Budget	^Variance YTD vs.Target Positive (Negative)		YTD Actual 09/30/2022	Inc. (Decr.) 2022-2023
	Amended Budget	YTD Actual 9/30/2023		YTD Actual vs.Target	YTD Actual		
Beginning Fund Balance	\$ 340,200	\$ 340,200	100.0%	\$ -	\$ 1,543,750	\$ (1,203,550)	
Revenues:							
Intergovernmental Grants	428,170	2,921	0.7%	(318,207)	-	2,921	
Charges for Goods & Services:							
Fuel sales	\$ 645,000	\$ 605,672	93.9%	\$ 121,922	\$ 573,933	\$ 31,739	
Rents & Leases	1,445,110	1,141,554	79.0%	57,721	941,058	200,496	
Miscellaneous other	1,000	-	0.0%	(750)	-	-	
Total Charged for Goods & Services	2,091,110	1,747,226	83.6%	178,893	1,514,991	232,235	
Miscellaneous Revenues:							
Interest Earnings	20,400	21,335	104.6%	6,035	5,929	15,406	
Total Miscellaneous Revenues	20,400	21,335	104.6%	6,035	5,929	15,406	
Total Operating Revenues	2,539,680	1,771,482	69.8%	(133,279)	1,520,920	250,562	
Other Fund Sources:							
Refundable Deposits	40,000	(28,981)	-72.5%	(58,981)	-	(28,981)	
Proceeds from Sale of Capital Assets	-	929	0.0%	929	-	929	
Debt Proceeds (Bonds/Loans)	-	-	0.0%	-	-	-	
Total Other Fund Sources	40,000	(28,052)	-70.1%	(58,052)	-	(28,052)	
Total Revenues & Fund Sources	\$ 2,579,680	\$ 1,743,430	67.6%	\$ (191,331)	\$ 1,520,920	\$ 222,510	
Expenditures:							
Wages	\$ 328,503	\$ 235,717	71.8%	\$ 10,660	\$ 218,512	\$ 17,205	
Benefits	157,205	116,437	74.1%	1,467	109,984	6,453	
Supplies	576,794	450,416	78.1%	(17,820)	507,632	(57,216)	
Services	686,051	292,536	42.6%	222,002	161,427	131,109	
Total Operating Expenditures	1,748,553	1,095,106	62.6%	216,309	997,555	97,551	
Other Expenditures:							
Debt Service	73,255	66,718	91.1%	(11,777)	20,473	46,245	
Interfund Loan Payment	-	-	0.0%	-	54,135	(54,135)	
Total Other Expenditures	73,255	66,718	91.1%	(11,777)	74,608	(7,890)	
Other Funding Use							
Interfund Transfers out to Capital	83,800	62,850	75.0%	-	1,534,000	(1,471,150)	
Total Other Funding Use	83,800	62,850	75.0%	-	1,534,000	(1,471,150)	
Total Expenditures	\$ 1,905,608	\$ 1,224,674	64.3%	\$ 204,532	\$ 2,606,163	\$ (1,381,489)	
Revenues Over (Under) Expenditures	\$ 674,072	\$ 518,756	77.0%	\$ (395,863)	\$ (1,085,243)	\$ 1,603,999	
Ending Fund Balance	\$ 1,014,272	\$ 858,956	84.7%	\$ (395,863)	\$ 458,507	\$ 400,449	

Foot Note:

* The target percentage of budget is calculated as the month of reporting (9 for September) divided by the number of months (12) in the year.

^ Variance from YTD actual vs.Target . Positive if YTD actual revenue>target amount and YTD actual expenditure<target amount.

City of Chehalis
Comparative Revenues and Expenditures - Budget to Actual
Period Ending Through September 2023 and 2022
Airport Capital Fund

YTD Target % * 75.00%

<u>Airport Capital Fund (417)</u>	<u>2023</u>	<u>YTD Actual</u>	<u>YTD % of</u>	<u>^Variance</u>	<u>YTD</u>	<u>YTD Actual</u>	<u>Incr. (Decr.)</u>
	<u>Amended</u>	<u>9/30/2023</u>	<u>Budget</u>	<u>vs.Target</u>	<u>Positive</u>	<u>09/30/2022</u>	<u>2022-2023</u>
	<u>Budget</u>	<u>9/30/2023</u>	<u>Budget</u>	<u>(Negative)</u>	<u>(Negative)</u>	<u>09/30/2022</u>	<u>2022-2023</u>
Beginning Fund Balance	\$ 1,974,125	\$ 1,974,125	100.0%	\$ -	\$ -	\$ -	\$ 1,974,125
Revenues:							
Operating Revenues:							
Intergovernmental - Capital Grants	\$ -	\$ -	0.0%	\$ -	\$ -	\$ 790,426	\$ (790,426)
Interest Earnings	65,000	65,499	100.8%	16,749	9,293	56,206	56,206
Total Operating Revenues	65,000	65,499	100.8%	16,749	799,719	(734,220)	(734,220)
Other Fund Sources:							
Debt Proceeds (Bonds/Loans)	-	-	0.0%	-	147,163	(147,163)	(147,163)
Interfund Transfers in from Operating	83,800	62,850	75.0%	-	1,534,000	(1,471,150)	(1,471,150)
Total Other Fund Sources	83,800	62,850	75.0%	-	1,681,163	(1,618,313)	(1,618,313)
Total Revenues & Fund Sources	\$ 148,800	\$ 128,349	86.3%	\$ 16,749	\$ 2,480,882	\$ (2,352,533)	\$ (2,352,533)
Expenditures:							
Interest Earnings							
Capital Outlays	210,900	119,131	56.5%	39,044	614,308	(495,177)	(495,177)
Total Other Expenditures	210,900	119,131	56.5%	39,044	614,308	(495,177)	(495,177)
Total Expenditures	\$ 210,900	\$ 119,131	56.5%	\$ 39,044	\$ 614,308	\$ (495,177)	\$ (495,177)
Revenues Over (Under) Expenditures	\$ (62,100)	\$ 9,218	-14.8%	\$ (22,295)	\$ 1,866,574	\$ (1,857,356)	\$ (1,857,356)
Ending Fund Balance	\$ 1,912,025	\$ 1,983,343	103.7%	\$ (22,295)	\$ 1,866,574	\$ 116,769	\$ 116,769

Foot Note:

* The target percentage of budget is calculated as the month of reporting (9 for September) divided by the number of months (12) in the year.

^ Variance from YTD actual vs.Target . Positive if YTD actual revenue>target amount and YTD actual expenditure<target amount.