

# CHEHALIS CITY COUNCIL AGENDA

CITY HALL  
350 N MARKET BLVD | CHEHALIS, WA 98532

Anthony E. Ketchum, Sr., District 3  
Mayor

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

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

## Farewell Reception for Outgoing Councilor Dr. Pope Monday, December 11, 2023

4:00 p.m.

## Regular Meeting of Monday, December 11, 2023

5:00 p.m.

*To access this meeting via Zoom:*

Meeting ID: 834 4212 6653

Pass Code: 674890

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

### PRESENTATIONS/PROCLAMATIONS

4. **Employee Introductions**
5. **Recognition of Councilor Pope for 36 Years of Service on the City Council**
6. **Experience Chehalis Update** (Annalee Tobey)
7. **Chehalis Basin Lead Entity and Lewis County Stream Team Update** (Kristen Harma, Bob Russell, Kenna Fosnacht)

### CONSENT CALENDAR

	ADMINISTRATION RECOMMENDATION	PAGE
8. <b><u>Minutes of the Regular Meeting November 27, 2023</u></b> (City Clerk)	APPROVE	1
9. <b><u>Vouchers and Transfers- Accounts Payable in the Amount of \$1,396,166.75</u></b> (Finance Director)	APPROVE	5
10. <b><u>Vouchers and Transfers-Payroll in the Amount of \$899,305.68</u></b> (Finance Director)	APPROVE	7
11. <b><u>Consider Cancellation of December 25<sup>th</sup> Regular City Council Meeting</u></b> (City Clerk)	APPROVE	9
12. <b><u>Contract Award-John Deere Financial- Sourcewell Ground Maintenance Contract #031121-DAC</u></b> (Facilities Manager)	APPROVE	11
13. <b><u>Tyler Technologies Contract for Financial Software System</u></b> (Finance Director)	APPROVE	16
14. <b><u>Budgeted Purchase of Fuel for Resale</u></b> (Airport Director)	APPROVE	61

PUBLIC HEARINGS	ADMINISTRATION RECOMMENDATION	PAGE
There are no public hearings scheduled.		

CITIZENS BUSINESS (PUBLIC COMMENT)
<p>Individuals wishing to provide public comments in general and on agenda items should submit comments by 4:00 pm on the day of the meeting. All comments received will be acknowledged by the Mayor under Citizens Business of this meeting agenda. Please use the following form to submit comments – <a href="https://www.ci.chehalis.wa.us/contact">https://www.ci.chehalis.wa.us/contact</a>. 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 <a href="mailto:kmackie@ci.chehalis.wa.us">kmackie@ci.chehalis.wa.us</a>. Public comments will be limited to five (5) minutes per person.</p>

UNFINISHED BUSINESS	ADMINISTRATION RECOMMENDATION	PAGE
15. <b><u>Second Reading of Ordinance No. 1077-B, Utility Tax</u></b> (Finance Director)	APPROVE	63
16. <b><u>Resolution No. 20-2023, Declaring Real Property of the City of Chehalis to be Surplus to Certain Enterprise Funds, and Directing the Transfer Thereof to the Airport Fund</u></b> (Airport Director)	APPROVE	71

NEW BUSINESS	ADMINISTRATION RECOMMENDATION	PAGE
17. <b><u>First Reading of Ordinance No. 1086, Amending Chehalis Municipal Code Chapter 12.04 Engineering Development Code</u></b> (Public Works Director)	APPROVE	97

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

EXECUTIVE SESSION
<u>Pursuant to RCW</u> <ul style="list-style-type: none"> <li><b>42.30.110(1)(c) -Sale/Lease of Real Estate</b></li> </ul>

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

**NEXT REGULAR CITY COUNCIL MEETINGS**

MONDAY, JANUARY 8, 2024- 5:00 P.M.

MONDAY, JANUARY 22, 2024- 5:00 P.M.

**NEXT SPECIAL CITY COUNCIL MEETINGS**

THURSDAY, JANUARY 18, 2024- 5:00 P.M.

**Chehalis City Council**  
Regular Meeting Minutes  
November 27, 2023  
5:00 p.m.

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

**Council Absent:** None

**Staff Present:** Jill Anderson, City Manager; Kassi Mackie, City Clerk; Kevin Nelson, City Attorney; Daniel Murray, City Attorney; Glenn Schaffer, HR/Risk Manager; Lance Bunker, Public Works Director; Fritz Bierle, Streets Superintendent; Cassie Frazier, Airport Administrative Assistant; Chun Saul, Financial Director; Adam Fulbright, Fire Chief; Randy Kaut, Police Chief; Sally Saxton, Financial Analyst; Lilly Wall, Recreation Director; Andrew Hunziker, Facilities Manager

**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**  
Mayor Pro Tem Spahr led the flag salute.
3. **Approval of Agenda**  
Item #15 was removed from the agenda.

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

**PRESENTATIONS**

4. **Swearing in of Newly Appointed Officers** (Police Chief)  
Police Chief Randy Kaut administered the oath of office to officers Brady Hinds and Derek Beirsto.
5. **Parks and Facilities Update** (Facilities Manager)  
Lilly Wall, Recreation Director and Andrew Hunziker, Facilities Manager presented.
6. **Employee Introductions**  
Facilities Manager Andrew Hunziker introduced Ryan Chaney, Todd Harris, Kelly Roberts, Robbie San Souci and Scott Hildahl of the Facilities Department.  
  
Streets Superintendent Fritz Bierle introduced Mark Gernlein, Rick Pennington, Jared Dobyms and Kraig Osborne of the Streets Department.

**CONSENT CALENDAR**

7. **Minutes of the Regular City Council Meeting of November 13, 2023** (City Clerk)

8. Vouchers and Transfers- Accounts Payable in the Amount of \$393,526.50 (Finance Director)
9. Correction of Previously Approved Surplus Resolution (City Clerk)

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

#### **PUBLIC HEARINGS**

10. 2024 Preliminary Budget and Revenue Sources (Finance Director)

*Mayor Ketchum opened the public hearing at 5:36 p.m.  
There being no one wishing to provide public comment, Mayor Ketchum closed the public hearing at 5:37 p.m.*

11. Resolution No. 20-2023, Declaring Real Property of the City of Chehalis to be Surplus to Certain Enterprise Funds, and Directing the Transfer Thereof to the Airport Fund (Airport Director)

*Mayor Ketchum opened the public hearing at 5:38 p.m.  
There being no one wishing to provide public comment, Mayor Ketchum closed the public hearing at 5:44 p.m.*

#### **CITIZENS BUSINESS**

None.

#### **UNFINISHED BUSINESS**

12. Second Reading of Ordinance No. 1081-B, Setting the 2024 Levy Amount and Second Reading of Ordinance No. 1082-B, Stating Levy Amount Changes from 2023 Levy (Finance Director)

*A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Pope to adopt Ordinance No. 1081-B and 1082-B on second reading. The motion was carried with Councilor Lund and Councilor Carns opposing.*

13. First Reading of Ordinance No. 1080-B, Fiscal Year 2024 Budget (Finance Director)

*A motion was made by Mayor Pro Tem Spahr, seconded by Councilor McDougall to adopt Ordinance No. 1080-B on second reading. The motion was carried with Councilor Lund and Councilor Carns opposing.*

#### **NEW BUSINESS**

14. First Reading of Ordinance No. 1077-B, Utility Tax (Finance Director)

Finance Director Chun Saul presented.

*A motion was made by Mayor Pro Tem Spahr, seconded by Councilor McDougall to approve Ordinance No. 1077-B. The motion was carried with Councilor Lund and Councilor Carns opposing.*

15. ~~Resolution No. 20 2023, Declaring Real Property of the City of Chehalis to be Surplus to Certain Enterprise Funds, and Directing the Transfer Thereof to the Airport Fund~~ (Airport Director)

16. City Manager Executive Search Firm Proposals (HR/Risk Manager)

*A motion was made by Councilor Carns, seconded by Councilor Lund to award the Executive Search Project to Prothman. The motion carried unanimously.*

#### ADMINISTRATION AND CITY COUNCIL REPORTS

City Manager Update

Councilor Reports/Committee Updates

#### ADJOURNMENT

*Mayor Ketchum adjourned the meeting at 6:50 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:** December 11, 2023

**SUBJECT:** 2023 Vouchers and Transfers – Accounts Payable in the Amount of \$1,396,166.75.

---

**ISSUE**

City Council approval is requested for 2023 Vouchers and Transfers dated November 30, 2023.

**DISCUSSION**

The November 30, 2023 Claim Vouchers have been reviewed by a committee of three councilors prior to the release of payments. The administration is requesting City Council approval for Claim Vouchers including Electronic Funds Transfer Checks No. 3281 - 3315, 131 - 134 and Voucher Checks No. 137855 - 137956 in the amount of \$1,396,345.99 dated November 30, 2023, and Voided Check No. 137803 for the net total of \$1,396,166.75 as follows:

- \$ 120,450.30 from the General Fund
- \$ 24,705.50 from the Street Fund
- \$ 1,491.23 from the Transportation Benefit District Fund
- \$ 2,149.30 from the LEOFF 1 OPEB Reserve Fund
- \$ 92,187.50 from the G.O. Bond Fund
- \$ 49,661.25 from the Automotive Equipment Reserve Fund
- \$ 60,424.36 from the Park Improvement Fund
- \$ 869,013.68 from the Wastewater Fund
- \$ 106,907.15 from the Water Fund
- \$ 7,784.69 from the Storm & Surface Water Utility Fund
- \$ 6,332.06 from the Airport Fund
- \$ 910.22 from the Wastewater Capital Fund

- \$ 50,387.96 from the Water Capital Fund
- \$ 21.76 from the Stormwater Capital Fund
- \$ 3,919.03 from the Custodial Other Agency Fund
- \$ 1,396,345.99 Total Vouchers for November 30, 2023
- ~~\$ <179.24>~~ Voided Check for November 21, 2023
- \$ 1,396,166.75 Net Total Transfers

### **RECOMMENDATION**

It is recommended that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. 3281 - 3315, 131 - 134 and Voucher Checks No. 137855 - 137956 in the amount of \$1,396,345.99 dated November 30, 2023, and Voided Check No. 137803 for the net total of \$1,396,166.75.

### **SUGGESTED MOTION**


I move that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. 3281 - 3315, 131 - 134 and Voucher Checks No. 137855 - 137956 in the amount of \$1,396,345.99 dated November 30, 2023, and Voided Check No. 137803 for the net total of \$1,396,166.75.



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

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

**MEETING OF:** December 11, 2023

**SUBJECT:** Vouchers and Transfers – Payroll in the Amount of \$899,305.68 ✓

---

**ISSUE**

City Council approval is requested for Payroll Vouchers and Transfers dated November 30, 2023.

**DISCUSSION**

The administration requests City Council approval for Payroll Vouchers No. 42361-42377, Direct Deposit Payroll Vouchers No. 17187-17306, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 548-555 dated November 30, 2023, in the amount of \$899,305.68, which include the transfer of:

- \$586,470.48 from the General Fund
- \$37,853.97 from the Street Fund
- \$2,653.61 from the Transportation Dist Fund
- \$4,455.00 from the LEOFF1 OPEB Reserve Fund
- \$114,117.40 from the Wastewater Fund
- \$101,806.63 from the Water Fund
- \$20,035.39 from the Storm & Surface Water Utility Fund
- \$31,913.20 from the Airport Fund

**RECOMMENDATION**

It is recommended that the City Council approve the November 30, 2023, Payroll Vouchers No. 42361-42377, Direct Deposit Payroll Vouchers No. 17187-17306, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 548-555 in the amount of \$899,305.68.

**SUGGESTED MOTION**

I move that the City Council approve the November 30, 2023, Payroll Vouchers No. 42361-42377, Direct Deposit Payroll Vouchers No. 17187-17306, Electronic Federal Tax and DRS Pension/Deferred Comp Payments No. 548-555 in the amount of \$899,305.68.

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

Dorothy Stark  
PAYROLL OFFICER

Chen Saul  
FINANCE DIRECTOR

CHECK NOS. 42361 THROUGH 42377, DIRECT DEPOSIT CHECK NOS. 17187 THROUGH 17306, ELECTRONIC FEDERAL TAX AND DRS PENSION/DEFERRED COMP PAYMENTS NOS. 548-555 ARE HEREBY APPROVED FOR PAYMENT IN THE TOTAL AMOUNT OF \$899,305.68 THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2023.

\_\_\_\_\_  
MAYOR

001	GENERAL FUND	\$586,470.48
003	STREET FUND	37,853.97
103	TRANSPORTATION DIST FUND	2653.61
115	LEOFF1 OPEB	4,455.00
404	WASTEWATER FUND	114,117.40
405	WATER FUND	101,806.63
406	STORM & SURFACE UTIL FUND	20,035.39
407	AIRPORT FUND	<u>31,913.20</u>
	TOTAL	\$899,305.68

**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:** December 11, 2023

**SUBJECT:** Consider Cancellation of December 25<sup>th</sup> Council Meeting

---

**ISSUE**

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

**DISCUSSION**

The City Council has historically cancelled the second meeting in December, which falls on Christmas Day in 2023. In recognition of the City's tradition and the likelihood that most of the community will be focused on family and holiday festivities during that week, the City Council is being asked to cancel the second meeting, which if not cancelled would be moved to December 26<sup>th</sup>.

Should the need for action on a matter arise between the meeting the City Council meeting on December 11<sup>th</sup> and the meeting on January 8<sup>th</sup>, the City Council can convene a special meeting with 24-hour notice to the public.

**FISCAL IMPACT**

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

**RECOMMENDATION**

It is recommended that the City Council cancel the December 25, 2023, City Council meeting.

**SUGGESTED MOTION**

I move that the City Council cancel the December 25, 2023, City Council meeting.



**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Andrew Hunziker, Parks, and Facilities Manager

**MEETING OF:** December 11, 2023

**SUBJECT:** Contract Award – John Deere Financial- Contract #031121-DAC

---

**ISSUE**

Stan Hedwall Park has approximately 80 acres of grass requiring regular maintenance. Normally mowing each week takes 2 staff members 4 days. The wide area mower will allow staff to mow the park faster and more often with one staff member instead of two. This item is included in the 2023 budget, and it is requested that the City Council authorize execution of the lease to purchase the mower.

**DISCUSSION**

The purchase of one wide area mower was approved in the 2023 Budget. The John Deere Wide Area Mower will provide staff with a mower that is larger and more efficient. The Staff would like to purchase one John Deere 1600 Wide Area Mower (WAM) through Sourcewell Contract #031121-DAC, with financing the purchase over 5-year term, through John Deere Credit Inc.

The cash price of this equipment from John Deere Financial through the Sourcewell contact #031121-DAC is \$77,023.67 (including sales tax). However, due to the budget constraints, the staff had proposed purchasing a new mower on an installment (financed) purchase arrangement. The anticipated first annual installment payment was approved in the 2023 Budget.

It is requested that the City Council authorize the purchase of one John Deere 1600 Wide Area Mower (WAM) to John Deere Financial. This contract will be in the form of an installment purchase agreement for five annual payments of \$17,684.18 for a total of \$88,420.90. The annual payments include sales tax and the accrued interest at 7.15%. Total interest cost over the five-year financing term is \$10,498.34. At the end of the five-year lease, the City can choose to purchase the mower for \$1.00.

This mower will be added to the Parks and Facilities fleet of mowers to be used primarily at Stan Hedwall Park.

**Key Terms**

- Equipment Contract Price: \$77,023.67, including taxes, freight, setup, and delivery.
- 5-year annual installment payment agreement.
- Total financing Interest (7.15%) cost: \$10,498.34.
- Total cost: \$88,420.90.
- At the end of the lease term, the City may purchase the equipment at \$1.00.
- Delivery is expected within 15 days of the first payment.

Competitive Bidding: The City has a cooperative purchasing agreement with Sourcewell and is procuring the equipment through Sourcewell contract #031121-DAC.

### **FISCAL IMPACT**

The City's total budget obligation over five-year installment purchase contract term is \$88,420.90 with five annual installment payments of \$17,684.18 which is the budget of the General Fund, Parks & Facilities department.

Dealership/	Pape Machinery/John Deere Financial
Equipment Price	\$77,023.67 including Tax
Total Financing Interest cost	\$10,533.30
Total Purchase Cost	\$88,420.90
Payment Schedule (5 Annual Payments)	2023-\$17,684.18 2024-\$17,684.18 2025-\$17,684.18 2026-\$17,684.18 2027-\$17,684.18
BARS # (Principal)	001.F2.594.018.71.01
BARS # (Interest)	001.F2.594.018.81.00
Budget Amendment Required?	No. The annual installment purchase is included in the 2023 Budget.

### **RECOMMENDATION**

It is recommended that the City Council authorize the City Manager to award Contract #031121-DAC to John Deere Financial for one John Deere 1600 Wide Area Mower (WAM) in the amount of \$77,023.67 and a five-year installment purchase agreement for total of \$88,420.90 including equipment price and financing interest and authorize the City Manager to execute any related documents.

### **SUGGESTED MOTION**

I move that the City Council authorizes the City Manager to award Contract #031121-DAC to John Deere Financial for one John Deere 1600 Wide Area Mower (WAM) in the amount of \$77,023.67 and a five-year installment purchase agreement for total of \$88,490.90 including equipment price and financing interest and authorize the City Manager to execute any related documents.



**Customer:**

**Quotes are valid for 30 days from the creation date or upon contract expiration, whichever occurs first.**

**A Purchase Order (PO) or Letter of Intent (LOI) including the below information is required to proceed with this sale. The PO or LOI will be returned if information is missing.**

☐ Vendor: Deere & Company  
2000 John Deere Run  
Cary, NC 27513

☐ Signature on all LOIs and POs with a signature line

☐ Contract name or number; or JD Quote ID

☐ Sold to street address

☐ Ship to street address (no PO box)

☐ Bill to contact name and phone number

☐ Bill to address

☐ Bill to email address (required to send the invoice and/or to obtain the tax exemption certificate)

☐ Membership number if required by the contract

**For any questions, please contact:**

**Robin Hendrickson**

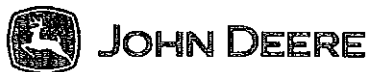
Pape Machinery, Inc.  
127 N Hamilton Road  
Chehalis, WA 98532

Tel: 360-748-9944

Fax: 360-748-0886

Email: rhendrickson@papemachinery.com

Quotes of equipment offered through contracts between Deere & Company, its divisions and subsidiaries (collectively "Deere") and government agencies are subject to audit and access by Deere's Strategic Accounts Business Division to ensure compliance with the terms and conditions of the contracts.



ALL PURCHASE ORDERS MUST BE MADE OUT  
TO (VENDOR):  
Deere & Company  
2000 John Deere Run  
Cary, NC 27513  
FED ID: 36-2382580  
UEID: FNSWEDARMK53

ALL PURCHASE ORDERS MUST BE SENT  
TO DELIVERING DEALER:  
Pape Machinery, Inc.  
127 N Hamilton Road  
Chehalis, WA 98532  
360-748-9944  
agchehalis@papemachinery.com

### Quote Summary

Prepared For:  
CITY OF CHEHALIS  
1321 S MARKET BLVD  
CHEHALIS, WA 98532  
Business: 360-748-0271  
ahunziker@city.com

Delivering Dealer:  
Pape Machinery, Inc.  
Robin Hendrickson  
127 N Hamilton Road  
Chehalis, WA 98532  
Phone: 360-748-9944  
rhendrickson@papemachinery.com

*This sale is subject to Papé's Terms and Conditions of Sale effective on the date hereof, which are incorporated in full by this reference. The Terms and Conditions of Sale are available at [www.pape.com/terms](http://www.pape.com/terms), and will also be sent by mail or e-mail to the purchaser upon request.*

Quote ID: 29568725  
Created On: 07 September 2023  
Last Modified On: 11 September 2023  
Expiration Date: 07 October 2023

Equipment Summary	Selling Price	Qty	Extended
JOHN DEERE 1600 Turbo TerrainCut Commercial Wide-Area Mower with 4-Post ROPS Canopy - 0123456789123	\$ 70,646.73 X	1 =	\$ 70,646.73
Contract: Sourcewell Grounds Maintenance 031121-DAC (PG NB CG 70)			
Price Effective Date: September 6, 2023			

Equipment Total \$ 70,646.73

\* Includes Fees and Non-contract items

### Quote Summary

Equipment Total	\$ 70,646.73
Trade In	
SubTotal	\$ 70,646.73
Sales Tax - (8.20%)	\$ 5,793.03
Est. Service Agreement Tax	\$ 0.00
Total	\$ 76,439.76
Down Payment	(0.00)
Rental Applied	(0.00)
Balance Due	\$ 76,439.76

Salesperson : X \_\_\_\_\_

Accepted By : X \_\_\_\_\_

Confidential





JOHN DEERE

# Selling Equipment



Quote Id: 29568725

Customer Name: CITY OF CHEHALIS

ALL PURCHASE ORDERS MUST BE MADE OUT  
TO (VENDOR):

Deere & Company  
2000 John Deere Run  
Cary, NC 27513  
FED ID: 36-2382580  
UEID: FNSWEDARMK53

ALL PURCHASE ORDERS MUST BE SENT  
TO DELIVERING DEALER:

Pape Machinery, Inc.  
127 N Hamilton Road  
Chehalis, WA 98532  
360-748-9944  
agchehalis@papemachinery.com

## JOHN DEERE 1600 Turbo TerrainCut Commercial Wide-Area Mower with 4-

Hours:

Stock Number:

Contract: Sourcewell Grounds Maintenance 031121-DAC  
(PG NB CG 70)

Selling Price \*  
\$ 70,646.73

Price Effective Date: September 6, 2023

\* Price per item - includes Fees and Non-contract items

Code	Description	Qty	List Price	Discount%	Discount Amount	Contract Price	Extended Contract Price
0736TC	1600 Turbo TerrainCut Commercial Wide-Area Mower with 4-Post ROPS Canopy	1	\$ 91,749.00	23.00	\$ 21,102.27	\$ 70,646.73	\$ 70,646.73
<b>Standard Options - Per Unit</b>							
001A	United States and Canada	1	\$ 0.00	23.00	\$ 0.00	\$ 0.00	\$ 0.00
183N	JDLink™ Modem	1	\$ 0.00	23.00	\$ 0.00	\$ 0.00	\$ 0.00
0443	US English w/ Spanish (Bi-Lingual) Operator's Manual	1	\$ 0.00	23.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>Standard Options Total</b>			<b>\$ 0.00</b>		<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Value Added Services Total</b>			<b>\$ 0.00</b>			<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Total Selling Price</b>			<b>\$ 91,749.00</b>		<b>\$ 21,102.27</b>	<b>\$ 70,646.73</b>	<b>\$ 70,646.73</b>

**CHEHALIS CITY COUNCIL MEETING  
AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Chun Saul, Finance Director

**MEETING OF:** December 11 2023

**SUBJECT:** Financial Software: Tyler Technologies SaaS Agreement

---

**DISCUSSION**

Contract with Tyler Technologies, Inc. for financial software migration and related services.

**BACKGROUND**

The City currently uses Eden, a product of Tyler Technologies, Inc., as its financial accounting software system. The City has used Eden for over 20 years for general accounting, budgeting, accounts payable, payroll, and project accounting. This software system is outdated, and Tyler Technologies will be discontinuing the support and maintenance of the software within 3-years, with the sunset date of 3/1/2027.

The Finance Department began their research to replace the Eden system in 2022 with an Enterprise Resources Planning (ERP) solution with newer technology and added modules and functionalities to enhance productivity and efficiency. An ERP solution is the core system which supports the whole city. These include: financial management; human resources; revenue management; permitting and licensing; inventory; customer request management; and civic service, etc. ERP solutions integrate all these functions into a single system. The City is also considering a Software-as-a-Service (SaaS) solution in which the ERP is hosted centrally with the vendor and licensed on a subscription basis. This solution saves the City money with hardware, staffing, and support.

Tyler Technologies has offered to migrate its' Eden clients to their other Enterprise Resource Planning (ERP) solutions with equivalent module licenses, without charging their standard software licensing fees.

The Finance Department staff have researched the available software options and interviewed peers from other cities who have migrated from Tyler Eden to Tyler Munis, which is an equivalent product of Tyler Technology with added functionalities, and received very positive feedback on the product, as well as excellent customer support services. Tyler Munis is an ERP solution and includes financial management (general ledger, budgeting, contract management, purchasing, project & grant accounting), revenue management (accounts receivable, utility billing, cashing, etc.), civic services (citizen self-service), permitting and licensing, citizen self-service for community development, GIS etc.), human resources and payroll, and document management, etc.

As of May 2023, 85 of the 205 Tyler Technology Eden customers have migrated to Tyler Munis, and 2 have selected other products. Tyler Technologies, Inc. has 98% retention rate. Tyler Technologies Inc. also has a dedicated team of implementation staff focused solely on Eden migrations to increase implementation efficiencies, productivity in conversion, training, and set-up for the migrating clients.

The Finance staff have viewed two-days of detailed demonstrations of Tyler Munis product and determined that migrating Eden to Tyler Munis is the best available and most advantageous option to the City. The staff would like to recommend entering into a Software as a Services (SaaS) contract with Tyler Technologies, Inc for Munis.

Expected benefits of the new software with additional modules includes:

- Cash receipting module – eliminate manual and duplicate data entry
- General Billing - Consolidate and streamline general billing for receivables
- Payroll with Employee Self Service - Electronic timekeeping – no more paper timesheets
- Purchasing system –Provide real time budget status upon entering a purchase request and reduce manual and duplicate data entry
- Electronic approvals
- Improved reporting ability
- Easier and user friendlier budget preparation
- Content Manager - Electronically store invoices and documentation
- Capital Assets – improve asset tracking and inventory
- With SaaS, applications live on software providers' servers. That frees users from licensing and hardware limitations, as well as maintenance responsibilities, which means cost savings over time.

Replacing the Eden system will be a process that will take a significant amount of staff time, labor, and money. Due to budget and staff capacity limitations, we are focusing on the core financial management suits (includes accounting, accounts payable, budgeting, contract management, capital assets, project & grant accounting, and purchasing), human resources and payroll, receivable and general billing, and content manager, with the Utility Billing module as an option that the City can add to the contract at a later time. The City's utility billing staff are interested in reviewing this software and a detailed software demonstration is scheduled on December 21<sup>st</sup>. If the utility billing department staff are on board with Munis, the Utility Billing module can be added to the contract once the budget for the utility billing system migration is secured (possibly in 2025) at the current contract pricing rate.

### **STATUTORY CONTRACTING REQUIREMENTS**

The proposed contract with Tyler Technologies Inc. is a Software as a Service (SaaS) and related services.

RCW 39.04.270 allows municipalities to acquire electronic data processing or telecommunications equipment, software, or services through competitive negotiation instead of the normal competitive bidding requirements. The competitive negotiation process requires an RFP and awarding the contract to "most advantageous" to the agency with price and other factors considered.

RCW 39.34.030 allows the city to join with other governmental agencies for the purchase of supplies, equipment, or services. This is done by entering into a written Intergovernmental Cooperative Purchasing Agreement (also known as an "interlocal agreement" or "piggybacking").

Those cities who have migrated their Eden to Tyler Munis have chosen one of the three following procurement methods:

- Consider an upgrade of existing software and related services. No competitive negotiation process. (City of Wenatchee)
- Went with a full RFP process (Cities of Tumwater and Oak Harbor) and chose Tyler Munis
- Piggybacking on Intergovernmental Cooperative Purchasing Agreement. (City of Camas)

The City desires to piggyback on an intergovernmental cooperative purchasing agreement with Sourcewell. The City is a member of Sourcewell (a service cooperative created by the Minnesota legislature as a local unit of government) under member number 170380. Tyler Technologies Inc has participated in the competitive bid process in response to Sourcewell RFP # 090320 (Public Sector and Education Administrative Software Solutions with Related Services) and was awarded the contract, numbered 090320-TTI. Tyler Technologies has ranked #1 on the proposal evaluation scoring which includes:

- Conformance to Terms/Conditions to include Documentation
- Financial, Industry and Marketplace Successes
- Bidder's Ability to Sell/Service Contract Nationally
- Bidder's Marketing Plan
- Value Added Attributes
- Warranty Coverage and Information
- Selection and Variety of Products and Services Offered

Tyler Technologies has provided a quote to the City. As an existing client of Tyler Technologies, the City is receiving discounts on SaaS fees for currently used modules for the initial contracted term.

Staff has completed negotiations with Tyler Technologies for a three-year initial contract term for acquiring, implementing, and utilizing the Munis ERP system for \$429,328.00 (before taxes). The contract pricing is broken down between one-time and ongoing costs as:

Description	One-Time Fees	Recurring Fees (3 Year Term)
SaaS Fee of \$67,074.00 Annually for 3 years		\$201,222.00
Professional Services for Implementation Conversion	\$213,886.00	
3 <sup>rd</sup> Party Items (Hardware & Software)	\$520.00	
Estimated Travel Expenses for Tyler	\$13,700.00	
TOTAL Contract	\$228,106.00	\$201,222.00

\*Plus applicable sales tax

## PROPOSED PROJECT SCHEDULE

The project, start from finish, with all modules go-live would take about 18 months to 24 months.

2024			2025			2026	
April	Oct	Dec	Jan	April	Oct	Jan	April
GL/Budget/PO Implementation			Go Live				
	Payroll/HR Implementation				Go Live		
				Utility Billing Implementation		Go Live	

### **FISCAL IMPACT**

The 2023 Amended Budget includes \$250,000 budget in the Automotive/Equipment Reserve Fund for anticipated one-time costs which will be carried over to the 2024 budget year, then to the 2025 budget year for contracts remaining at the end of 2024 and to be completed in 2025.

The costs of this contract include one-time costs for professional services for Tyler's staff time for implementation, data migration, and training City staff and ongoing costs for annual subscription and support services for the selected enterprise resource planning modules.

As provided above, the one-time cost is approximately \$230,000, over a two-year project period. The funding of the one-time cost is from one-time reserves from the Automotive/Equipment Reserve Fund. The estimate costs are designed to be the maximum estimates and usually higher than the actual cost.

Due to additional modules added to Munis, the annual SaaS Fees will increase by about \$39,600 from current Eden annual fees. An estimated increase of \$20,000 is included in the 2024 Adopted Budget in the General Fund, and it may require a budget amendment in 2024 for additional appropriations for the difference. Some of the cost will be allocated to other departments/funds using the cost allocation methods and procedures we have in place.

### **RECOMMENDATION**

It is recommended that the City Council approve contracting with Tyler Technologies, Inc. for financial software and authorize the City Manager to execute the contract agreement that is substantively consistent with the attached draft.

### **SUGGESTED MOTION**

I move that the City Council approve contracting with Tyler Technologies, Inc. for financial software and authorize the City Manager to execute the contract agreement that is substantively consistent with the attached draft.

### **REFERENCES**

Tyler Technologies, Inc., Software as a Service Agreement



Quoted By: Chris Deroche  
 Quote Expiration: 09/24/23  
 Quote Name: City of Chehalis-ERP-EERP  
 Quote Description: EERP ETA 12.5.23, Sourcewell  
 #090320-TTI  
 SaaS Term 3.00

**Sales Quotation For:**

City of Chehalis  
 1321 S Market Blvd  
 Chehalis WA 98532-3619

**Tyler SaaS and Related Services**

Description	Qty	Imp. Hours	Annual Fee
<b>Financial Management</b>			
Accounting	1	144	\$ 11,127.00
Accounts Payable	1	28	\$ 3,579.00
Budgeting	1	36	\$ 3,579.00
Capital Assets	1	36	\$ 3,046.00
Cash Management	1	16	\$ 1,964.00
Contract Management	1	16	\$ 1,293.00
Project & Grant Accounting	1	28	\$ 2,352.00
Purchasing	1	60	\$ 5,024.00
<b>Human Resources Management</b>			
Human Resources & Talent Management	1	88	\$ 4,099.00
Payroll with Employee Access	1	200	\$ 5,847.00
Time & Attendance w Mobile Access - Up to 150 Employees	1	80	\$ 5,918.00
<b>Revenue Management</b>			
Accounts Receivable	1	60	\$ 2,633.00
General Billing	1	28	\$ 1,842.00

Content Management			
Content Manager Core	1	32	\$ 5,740.00
Data Insights			
Enterprise Analytics and Reporting w Executive Insights	1	72	\$ 10,712.00
Additional			
Enterprise Forms Processing Software (including Common Form Set)	1	0	\$ 5,440.00
Sub-Total:			\$ 74,195.00
Less Discount:			\$ 7,121.00
<b>TOTAL</b>			<b>924</b>
			<b>\$ 67,074.00</b>

#### Professional Services

Description	Quantity	Unit Price	Ext Discount	Extended Price	Maintenance
Executive Insights Implementation	1	\$ 4,800.00	\$ 0.00	\$ 4,800.00	\$ 0.00
Payroll Accruals Import Hours	8	\$ 175.00	\$ 704.00	\$ 696.00	\$ 0.00
Payroll Deductions Import Hours	12	\$ 175.00	\$ 1,056.00	\$ 1,044.00	\$ 0.00
Position Control Import Hours	8	\$ 175.00	\$ 704.00	\$ 696.00	\$ 0.00
Project Management	140	\$ 175.00	\$ 0.00	\$ 24,500.00	\$ 0.00
Conversions – See Detailed Breakdown Below				\$ 14,250.00	\$ 0.00
Onsite Implementation	248	\$ 200.00	\$ 0.00	\$ 49,600.00	\$ 0.00
Remote Implementation	676	\$ 175.00	\$ 0.00	\$ 118,300.00	\$ 0.00
<b>TOTAL</b>				<b>\$ 213,886.00</b>	<b>\$ 0.00</b>

#### Transaction Fees

Description
Enterprise ERP Payments
Utility Access Payments

### 3rd Party Hardware, Software and Services

Description	Qty	Unit Price	Unit Discount	Total Price	Unit Maint/SaaS	Unit Maint/SaaS Discount	Total Maint/SaaS
Cash Drawer	2	\$ 260.00	\$ 0.00	\$ 520.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>TOTAL</b>				<b>\$ 520.00</b>			<b>\$ 0.00</b>

### Summary

### One Time Fees

### Recurring Fees

Total Tyler License Fees	\$ 0.00	\$ 0.00
Total SaaS	\$ 0.00	\$ 67,074.00
Total Tyler Services	\$ 213,886.00	\$ 0.00
Total Third-Party Hardware, Software, Services	\$ 520.00	\$ 0.00
<b>Summary Total</b>	<b>\$ 214,406.00</b>	<b>\$ 67,074.00</b>
<b>Contract Total</b>	<b>\$ 415,628.00</b>	
<b>Estimated Travel Expenses excl in Contract Total</b>	<b>\$ 13,700.00</b>	

Unless otherwise indicated in the contract or amendment thereto, pricing for optional items will be held For six (6) months from the Quote date or the Effective Date of the Contract, whichever is later.

Customer Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_ P.O.#: \_\_\_\_\_

*All Primary values quoted in US Dollars*

### Detailed Breakdown of Conversions (Included in Summary Total)

Description	Qty	Unit Price	Unit Discount	Extended Price
Financials				
Accounting	1	\$ 4,000.00	\$ 2,000.00	\$ 2,000.00



Accounts Payable	1	\$ 6,200.00	\$ 3,100.00	\$ 3,100.00
Project Accounting	1	\$ 4,000.00	\$ 2,000.00	\$ 2,000.00
Human Resources Management				
Human Resources Management	1	\$ 14,300.00	\$ 7,150.00	\$ 7,150.00
<b>TOTAL</b>				<b>\$ 14,250.00</b>

#### Optional Tyler SaaS and Related Services

Description	Qty	Imp. Hours	Annual Fee
Human Resources Management			
Recruiting	1	16	\$ 838.00
Revenue Management			
Cashiering	1	36	\$ 4,311.00
Resident Access	1	36	\$ 3,800.00
Utility Billing CIS	1	88	\$ 4,622.00
Utility Billing Meter Interface	1	16	\$ 1,381.00
Civic Services			
My Civic	1	44	\$ 8,000.00
Data Insights			
Open Finance	1	0	\$ 12,000.00
<b>TOTAL:</b>		<b>236</b>	<b>\$ 34,952.00</b>

#### Optional Professional Services

Description	Quantity	Unit Price	Ext. Discount	Extended Price	Maintenance
Install Fee - Open Finance	1	\$ 3,200.00	\$ 0.00	\$ 3,200.00	\$ 0.00
Conversion – See Detailed Breakdown Below				\$ 27,200.00	\$ 0.00
Onsite Implementation	68	\$ 200.00	\$ 0.00	\$ 13,600.00	\$ 0.00

2023-396347-P2F6B1

Page 4

Remote Implementation	168	\$ 175.00	\$ 0.00	\$ 29,400.00	\$ 0.00
<b>TOTAL</b>				<b>\$ 73,400.00</b>	<b>\$ 0.00</b>

#### Optional 3rd Party Hardware, Software and Services

Description	Qty	Unit Price	Unit Discount	Total Price	Unit Maint/SaaS	Unit Maint/SaaS Discount	Total Maint/SaaS
Hand Held Scanner - Model 1950GSR	1	\$ 450.00	\$ 0.00	\$ 450.00	\$ 0.00	\$ 0.00	\$ 0.00
Hand Held Scanner Stand	1	\$ 30.00	\$ 0.00	\$ 30.00	\$ 0.00	\$ 0.00	\$ 0.00
Pattern Stream Automated Document System - Implementation	56	\$ 175.00	\$ 0.00	\$ 9,800.00	\$ 0.00	\$ 0.00	\$ 0.00
Pattern Stream Automated Document System - SaaS	1	\$ 0.00	\$ 0.00	\$ 0.00	\$ 14,372.00	\$ 0.00	\$ 14,372.00
Printer (TM-S9000II)	1	\$ 1,623.00	\$ 0.00	\$ 1,623.00	\$ 0.00	\$ 0.00	\$ 0.00
<b>TOTAL</b>				<b>\$ 11,903.00</b>			<b>\$ 14,372.00</b>

#### Optional Conversion Details (Prices Reflected Above)

Description	Quantity	Unit Price	Discount	Total
Revenue Management				
Utility Billing	1	\$ 27,200.00	\$ 0.00	\$ 27,200.00
<b>TOTAL</b>				<b>\$ 27,200.00</b>

#### Tyler Annual Discount Detail (Excludes Optional Products)

Description	Annual Fee	Annual Fee Discount	Annual Fee Net
Financial Management			
Accounting	\$ 11,127.00	\$ 2,225.00	\$ 8,902.00
Accounts Payable	\$ 3,579.00	\$ 716.00	\$ 2,863.00
Budgeting	\$ 3,579.00	\$ 716.00	\$ 2,863.00
Capital Assets	\$ 3,046.00	\$ 0.00	\$ 3,046.00

Cash Management	\$ 1,964.00	\$ 0.00	\$ 1,964.00
Contract Management	\$ 1,293.00	\$ 0.00	\$ 1,293.00
Project & Grant Accounting	\$ 2,352.00	\$ 470.00	\$ 1,882.00
Purchasing	\$ 5,024.00	\$ 1,005.00	\$ 4,019.00
<b>Human Resources Management</b>			
Human Resources & Talent Management	\$ 4,099.00	\$ 820.00	\$ 3,279.00
Payroll with Employee Access	\$ 5,847.00	\$ 1,169.00	\$ 4,678.00
Time & Attendance w Mobile Access - Up to 150 Employees	\$ 5,918.00	\$ 0.00	\$ 5,918.00
<b>Revenue Management</b>			
Accounts Receivable	\$ 2,633.00	\$ 0.00	\$ 2,633.00
General Billing	\$ 1,842.00	\$ 0.00	\$ 1,842.00
<b>Content Management</b>			
Content Manager Core	\$ 5,740.00	\$ 0.00	\$ 5,740.00
<b>Data Insights</b>			
Enterprise Analytics and Reporting w Executive Insights	\$ 10,712.00	\$ 0.00	\$ 10,712.00
<b>Additional</b>			
Enterprise Forms Processing Software (including Common Form Set)	\$ 5,440.00	\$ 0.00	\$ 5,440.00
<b>TOTAL</b>	<b>\$ 74,195.00</b>	<b>\$ 7,121.00</b>	<b>\$ 67,074.00</b>

#### Comments

Tyler's quote contains estimates of the amount of services needed, based on our preliminary understanding of the scope, level of engagement, and timeline as defined in the Statement of Work (SOW) for your project. The actual amount of services required may vary, based on these factors.

Tyler's pricing is based on the scope of proposed products and services contracted from Tyler. Should portions of the scope of products or services be altered by the Client, Tyler reserves the right to adjust prices for the remaining scope accordingly.

Unless otherwise noted, prices submitted in the quote do not include travel expenses incurred in accordance with Tyler's then-current Business Travel Policy.

Tyler's prices do not include applicable local, city or federal sales, use excise, personal property or other similar taxes or duties, which you are responsible for determining and remitting. Installations are completed remotely but can be done onsite upon request at an additional cost.

In the event Client cancels services less than four (4) weeks in advance, Client is liable to Tyler for (i) all non-refundable expenses incurred by Tyler on Client's behalf; and (ii) daily fees associated with the cancelled services if Tyler is unable to re-assign its personnel.

The Implementation Hours included in this quote assume a work split effort of 70% Client and 30% Tyler.

Implementation Hours are scheduled and delivered in four (4) or eight (8) hour increments.

Tyler provides onsite training for a maximum of 12 people per class. In the event that more than 12 users wish to participate in a training class or more than one occurrence of a class is needed, Tyler will either provide additional days at then-current rates for training or Tyler will utilize a Train-the-Trainer approach whereby the client designated attendees of the initial training can thereafter train the remaining users.

As a new Tyler client, you are entitled to a 14-day or a 30-day trial of the Managed Detection and Response cybersecurity service. Please reference <https://www.tylertech.com/services/tyler-detect> for more information on the service and contact [CybersecuritySales@tylertech.com](mailto:CybersecuritySales@tylertech.com) to initiate the trial.

Tyler currently supports the following identity providers (IdP's) for use with Tyler back-office solutions: Microsoft Active Directory through Azure AD, ADFS or Okta AD agent, Google Cloud Identity, Okta, and Identity Automation Rapid Identity. Any requirement by you to use an IdP not supported by Tyler will require additional costs, available upon request.

Content Manager Core includes up to 1TB of storage. Should additional storage be needed it may be purchased as needed at an annual fee of \$5,000 per TB.

The SaaS fees for product that are not named users are based on 32 concurrent users. Should the number of concurrent users be exceeded, Tyler reserves the right to re-negotiate the SaaS fees based upon any resulting changes in the pricing categories.

Utility billing library includes: standard Utility bill, standard UB receipt, standard UB delinquent notice, standard door hanger and standard final utility bill.

Financial library includes: standard A/P check, standard EFT/ACH, standard Purchase order, standard Contract, 1099M, 1099INT, 1099S, 1099NEC and 1099G.

General Billing library includes: standard invoice, standard statement, standard general billing receipt and standard miscellaneous receipt.

Personnel Actions Forms Library includes: standard Personnel Action form - New and standard Personnel Action Form - Change.

Standard Project Management responsibilities include project plan creation, initial stakeholder presentation, bi-weekly status calls, updating of project plan task statuses, and go-live planning activities.

Your rights, and the rights of any of your end users, to use Tyler's Data & Insights SaaS Services, or certain Tyler solutions which include Tyler's Data & Insights data platform, are subject to the Terms of Services, available at <https://www.tylertech.com/terms/data-insights-saas-services-terms-of-service>. By signing this sales quotation, or accessing, installing, or using any of the Tyler solutions listed at the linked terms, you certify that you have reviewed, understand, and agree to said terms.

In the event Client acquires from Tyler any edition of Content Manager software other than Enterprise Edition, the license for Content Manager is restricted to use with Tyler applications only. If Client wishes to use Content Manager software with non-Tyler applications, Client must purchase or upgrade to Content Manager Enterprise Edition.

Payroll library includes: standard PR check, standard direct deposit, standard vendor from payroll check, standard vendor from payroll direct deposit, W2, W2c, ACA 1095B, ACA 1095C and 1099 R.

Accounting conversion includes: Actuals (total balances only) up to 5 years, Budgets (total balances only) up to 5 years

Accounts Payable conversion includes: Standard - Vendors, Remit Addresses, 1099 Amounts, Check History(Header, Detail) - up to 5 years, Invoices (Header, Detail) - up to 5 years

Human Resources Management conversion includes: Standard - Employee Master, Address, Accumulators (Earnings & Deduction totals by period) - up to 5 years, Check History - up to 5 years, Earning/Deduction History - up to 5 years, PM Action History - up to 5 years, Certifications, Education

Project Accounting conversion includes: Standard, Actuals - up to 5 years, Budgets - up to 5 years

Utility Billing conversion includes: Standard - UB Account, CID's, Services/Meter Inventory, Assessments, Consumption History - up to 5 years, Balance Forward AR, Service Orders, Backflow, Budget Billing, Flat Inventory/Containers

Your use of Payments and any related items included on this order is subject to the terms found at: <https://www.tylertech.com/terms/payment-card-processing-agreement>. By signing this order or the agreement in which it is included, you agree you have read, understand, and agree to such terms. Please see attached Payments fee schedule.



## SOFTWARE AS A SERVICE AGREEMENT

This Software as a Service Agreement is made between Tyler Technologies, Inc. and Client.

WHEREAS, Client is a member of Sourcewell (a service cooperative created by the Minnesota legislature as a local unit of government) under member account number 170380.

WHEREAS, Tyler participated in the competitive bid process in response to Sourcewell RFP #090320 by submitting a proposal, on which Sourcewell awarded Tyler a Sourcewell contract, numbered 090320-TTI (hereinafter, the "Sourcewell Contract");

WHEREAS, documentation of the Sourcewell competitive bid process, as well as Tyler's contract with and pricing information for Sourcewell is available at <https://sourcewell-mn.gov/cooperative-purchasing/>; and

WHEREAS, Client desires to purchase off the Sourcewell Contract to procure Munis and ExecuTime software functionality from Tyler, which Tyler agrees to deliver pursuant to the Sourcewell Contract and under the terms and conditions set forth below;

WHEREAS, Client selected Tyler to provide certain products and services set forth in the Investment Summary, including providing Client with access to Tyler's proprietary software products, and Tyler desires to provide such products and services under the terms of this Agreement;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth in this Agreement, Tyler and Client agree as follows:

### SECTION A – DEFINITIONS

- **"Agreement"** means this Software as a Services Agreement.
- **"Business Travel Policy"** means our business travel policy. A copy of our current Business Travel Policy is attached as Schedule 1 to Exhibit B.
- **"Client"** means City of Chehalis, Washington.
- **"Data"** means your data necessary to utilize the Tyler Software.
- **"Data Storage Capacity"** means the contracted amount of storage capacity for your Data identified in the Investment Summary.
- **"Defect"** means a failure of the Tyler Software to substantially conform to the functional descriptions set forth in our written proposal to you, or their functional equivalent. Future functionality may be updated, modified, or otherwise enhanced through our maintenance and support services, and the governing functional descriptions for such future functionality will be set forth in our then-current Documentation.
- **"Defined Users"** means the number of users that are authorized to use the SaaS Services. The Defined Users for the Agreement are as identified in the Investment Summary. If Exhibit A

**Commented [CS1]:** Add Sourcewell Contract reference. Got this language from another agency's (City of Camas) agreement who took the Sourcewell route. Please update/edit as necessary. City of Chehalis's Sourcewell member account number is 170380.

contains Enterprise Permitting & Licensing labeled software, defined users mean the maximum number of named users that are authorized to use the Enterprise Permitting & Licensing labeled modules as indicated in the Investment Summary.

- **“Developer”** means a third party who owns the intellectual property rights to Third Party Software.
- **“Documentation”** means any online or written documentation related to the use or functionality of the Tyler Software that we provide or otherwise make available to you, including instructions, user guides, manuals and other training or self-help documentation.
- **“Effective Date”** means the date by which both your and our authorized representatives have signed the Agreement.
- **“Force Majeure”** means an event beyond the reasonable control of you or us, including, without limitation, governmental action, war, riot or civil commotion, fire, natural disaster, or any other cause that could not with reasonable diligence be foreseen or prevented by you or us.
- **“Investment Summary”** means the agreed upon cost proposal for the products and services attached as [Exhibit A](#).
- **“Invoicing and Payment Policy”** means the invoicing and payment policy. A copy of our current Invoicing and Payment Policy is attached as [Exhibit B](#).
- **“Order Form”** means an ordering document that includes a quote or investment summary and specifying the items to be provided by Tyler to Client, including any addenda and supplements thereto.
- **“SaaS Fees”** means the fees for the SaaS Services identified in the Investment Summary.
- **“SaaS Services”** means software as a service consisting of system administration, system management, and system monitoring activities that Tyler performs for the Tyler Software, and includes the right to access and use the Tyler Software, receive maintenance and support on the Tyler Software, including Downtime resolution under the terms of the SLA, and Data storage and archiving. SaaS Services do not include support of an operating system or hardware, support outside of our normal business hours, or training, consulting or other professional services.
- **“SLA”** means the service level agreement. A copy of our current SLA is attached hereto as [Exhibit C](#).
- **“Statement of Work”** means the industry standard implementation plan describing how our professional services will be provided to implement the Tyler Software, and outlining your and our roles and responsibilities in connection with that implementation. The Statement of Work is attached as [Exhibit E](#).
- **“Support Call Process”** means the support call process applicable to all of our customers who have licensed the Tyler Software. A copy of our current Support Call Process is attached as [Schedule 1](#) to [Exhibit C](#).
- **“Third Party Hardware”** means the third party hardware, if any, identified in the Investment Summary.
- **“Third Party Products”** means the Third Party Software and Third Party Hardware.
- **“Third Party SaaS Services”** means software as a service provided by a third party, if any, identified in the Investment Summary.
- **“Third Party Services”** means the third party services, if any, identified in the Investment Summary.
- **“Third Party Software”** means the third party software, if any, identified in the Investment Summary.
- **“Third Party Terms”** means, if any, the end user license agreement(s) or similar terms for the Third Party Products or other parties’ products or services, as applicable, and attached or

indicated at Exhibit D.

- “**Tyler**” means Tyler Technologies, Inc., a Delaware corporation.
- “**Tyler Software**” means our proprietary software, including any integrations, custom modifications, and/or other related interfaces identified in the Investment Summary and licensed by us to you through this Agreement.
- “**we**”, “**us**”, “**our**” and similar terms mean Tyler.
- “**you**” and similar terms mean Client.

## SECTION B –SAAS SERVICES

### 1. Rights Granted.

1.1 We grant to you the non-exclusive, non-assignable limited right to use the SaaS Services solely for your internal business purposes for the number of Defined Users only. The Tyler Software will be made available to you according to the terms of the SLA. You acknowledge that we have no delivery obligations and we will not ship copies of the Tyler Software as part of the SaaS Services. You may use the SaaS Services to access updates and enhancements to the Tyler Software, as further described in Section C(9).

2. SaaS Fees. You agree to pay us the SaaS Fees. Those amounts are payable in accordance with our Invoicing and Payment Policy. The SaaS Fees are based on the number of Defined Users and amount of Data Storage Capacity. You may add additional users or additional data storage capacity on the terms set forth in Section H(1). In the event you regularly and/or meaningfully exceed the Defined Users or Data Storage Capacity, we reserve the right to charge you additional fees commensurate with the overage(s). Client will not be charged without first receiving notice of Tyler’s intent to do so and a reasonable opportunity to address the user or storage overages so that an additional fee is not required.

Commented [CS2]:

### 3. Ownership.

3.1 We retain all ownership and intellectual property rights to the SaaS Services, the Tyler Software, and anything developed by us under this Agreement. You do not acquire under this Agreement any license to use the Tyler Software in excess of the scope and/or duration of the SaaS Services.

3.2 The Documentation is licensed to you and may be used and copied by your employees for internal, non-commercial reference purposes only.

3.3 You retain all ownership and intellectual property rights to the Data. You expressly recognize that except to the extent necessary to carry out our obligations contained in this Agreement, we do not create or endorse any Data used in connection with the SaaS Services.

4. Restrictions. You may not: (a) make the Tyler Software or Documentation resulting from the SaaS Services available in any manner to any third party for use in the third party’s business operations; (b) modify, make derivative works of, disassemble, reverse compile, or reverse engineer any part of the SaaS Services; (c) access or use the SaaS Services in order to build or support, and/or assist a third party in building or supporting, products or services competitive to us; or (d) license, sell, rent, lease, transfer, assign, distribute, display, host, outsource, disclose, permit timesharing or service bureau use, or otherwise commercially exploit or make the SaaS Services, Tyler Software, or



Documentation available to any third party other than as expressly permitted by this Agreement.

5. Software Warranty. We warrant that the Tyler Software will perform without Defects during the term of this Agreement. If the Tyler Software does not perform as warranted, we will use all reasonable efforts, consistent with industry standards, to cure the Defect in accordance with the maintenance and support process set forth in Section C(9), below, the SLA and our then current Support Call Process.
6. SaaS Services.
  - 6.1 Our SaaS Services are audited at least yearly in accordance with the AICPA's Statement on Standards for Attestation Engagements ("SSAE") No. 21. We have attained, and will maintain, SOC 1 and SOC 2 compliance, or its equivalent, for so long as you are timely paying for SaaS Services. The scope of audit coverage varies for some Tyler Software solutions. Upon execution of a mutually agreeable Non-Disclosure Agreement ("NDA"), we will provide you with a summary of our compliance report(s) or its equivalent. Every year thereafter, for so long as the NDA is in effect and in which you make a written request, we will provide that same information. If our SaaS Services are provided using a 3rd party data center, we will provide available compliance reports for that data center.
  - 6.2 You will be hosted on shared hardware in a Tyler data center or in a third-party data center. In either event, databases containing your Data will be dedicated to you and inaccessible to our other customers.
  - 6.3 Our Tyler data centers have fully-redundant telecommunications access, electrical power, and the required hardware to provide access to the Tyler Software in the event of a disaster or component failure. In the event of a data center failure, we reserve the right to employ our disaster recovery plan for resumption of the SaaS Services. In that event, we commit to a Recovery Point Objective ("RPO") of 24 hours and a Recovery Time Objective ("RTO") of 24 hours. RPO represents the maximum duration of time between the most recent recoverable copy of your hosted Data and subsequent data center failure. RTO represents the maximum duration of time following data center failure within which your access to the Tyler Software must be restored.
  - 6.4 We conduct annual penetration testing of either the production network and/or web application to be performed. We will maintain industry standard intrusion detection and prevention systems to monitor malicious activity in the network and to log and block any such activity. We will provide you with a written or electronic record of the actions taken by us in the event that any unauthorized access to your database(s) is detected as a result of our security protocols. We will undertake an additional security audit, on terms and timing to be mutually agreed to by the parties, at your written request. You may not attempt to bypass or subvert security restrictions in the SaaS Services or environments related to the Tyler Software. Unauthorized attempts to access files, passwords or other confidential information, and unauthorized vulnerability and penetration test scanning of our network and systems (hosted or otherwise) is prohibited without the prior written approval of our IT Security Officer.
  - 6.5 We test our disaster recovery plan on an annual basis. Our standard test is not client-specific. Should you request a client-specific disaster recovery test, we will work with you to schedule

and execute such a test on a mutually agreeable schedule. At your written request, we will provide test results to you within a commercially reasonable timeframe after receipt of the request.

6.6 We will be responsible for importing back-up and verifying that you can log-in. You will be responsible for running reports and testing critical processes to verify the returned Data.

6.7 We provide secure Data transmission paths between each of your workstations and our servers.

6.8 Tyler data centers are accessible only by authorized personnel with a unique key entry. All other visitors to Tyler data centers must be signed in and accompanied by authorized personnel. Entry attempts to the data center are regularly audited by internal staff and external auditors to ensure no unauthorized access.

6.9 Where applicable with respect to our applications that take or process card payment data, we are responsible for the security of cardholder data that we possess, including functions relating to storing, processing, and transmitting of the cardholder data and affirm that, as of the Effective Date, we comply with applicable requirements to be considered PCI DSS compliant and have performed the necessary steps to validate compliance with the PCI DSS. We agree to supply the current status of our PCI DSS compliance program in the form of an official Attestation of Compliance, which can be found at <https://www.tylertech.com/about-us/compliance>, and in the event of any change in our status, will comply with applicable notice requirements.

7. License Rights Terminate Upon Migration. When Tyler makes Tyler Software identified in the Investment Summary (the “Evergreen Modules”) and licensed pursuant to this Agreement available to the Client for use in live production, the license to the Tyler software listed in Exhibit A, Schedule 1 (hereafter, “Migration Modules”) terminates, as do Tyler’s maintenance, support, and/or update obligations for such software.

## **SECTION C – PROFESSIONAL SERVICES**

1. Professional Services. We will provide you the various implementation-related services itemized in the Investment Summary and described in the Statement of Work.
2. Professional Services Fees. You agree to pay us the professional services fees in the amounts set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy. You acknowledge that the fees stated in the Investment Summary are good-faith estimates of the amount of time and materials required for your implementation. We will bill you the actual fees incurred based on the in-scope services provided to you. Any discrepancies in the total values set forth in the Investment Summary will be resolved by multiplying the applicable hourly rate by the quoted hours.
3. Additional Services. The Investment Summary contains, and the Statement of Work describes, the scope of services and related costs (including programming and/or interface estimates) required for the project based on our understanding of the specifications you supplied. If additional work is required, or if you use or request additional services, we will provide you with an addendum or change order, as applicable, outlining the costs for the additional work. The price quotes in the

addendum or change order will be valid for thirty (30) days from the date of the quote.

4. Cancellation. If you cancel services less than four (4) weeks in advance (other than for Force Majeure or breach by us), you will be liable for all (a) daily fees associated with cancelled professional services if we are unable to reassign our personnel and (b) any non-refundable travel expenses already incurred by us on your behalf. We will make all reasonable efforts to reassign personnel in the event you cancel within four (4) weeks of scheduled commitments.
5. Services Warranty. We will perform the services in a professional, workmanlike manner, consistent with industry standards. In the event we provide services that do not conform to this warranty, we will re-perform such services at no additional cost to you.
6. Site Access and Requirements. At no cost to us, you agree to provide us with full and free access to your personnel, facilities, and equipment as may be reasonably necessary for us to provide implementation services, subject to any reasonable security protocols or other written policies provided to us as of the Effective Date, and thereafter as mutually agreed to by you and us.
7. Background Checks. For at least the past twelve (12) years, all of our employees have undergone criminal background checks prior to hire. All employees sign our confidentiality agreement and security policies.
8. Client Assistance. You acknowledge that the implementation of the Tyler Software is a cooperative process requiring the time and resources of your personnel. You agree to use all reasonable efforts to cooperate with and assist us as may be reasonably required to meet the agreed upon project deadlines and other milestones for implementation. This cooperation includes at least working with us to schedule the implementation-related services outlined in this Agreement. We will not be liable for failure to meet any deadlines and milestones when such failure is due to Force Majeure or to the failure by your personnel to provide such cooperation and assistance (either through action or omission).
9. Maintenance and Support. For so long as you timely pay your SaaS Fees according to the Invoicing and Payment Policy, then in addition to the terms set forth in the SLA and the Support Call Process, we will:
  - 9.1 perform our maintenance and support obligations in a professional, good, and workmanlike manner, consistent with industry standards, to resolve Defects in the Tyler Software (subject to any applicable release life cycle policy);
  - 9.2 provide support during our established support hours;
  - 9.3 maintain personnel that are sufficiently trained to be familiar with the Tyler Software and Third Party Software, if any, in order to provide maintenance and support services;
  - 9.4 make available to you all releases to the Tyler Software (including updates and enhancements) that we make generally available without additional charge to customers who have a maintenance and support agreement in effect; and
  - 9.5 provide non-Defect resolution support of prior releases of the Tyler Software in accordance with

any applicable release life cycle policy.

We will use all reasonable efforts to perform support services remotely. Currently, we use a third-party secure unattended connectivity tool called Bomgar, as well as GotoAssist by Citrix. Therefore, you agree to maintain a high-speed internet connection capable of connecting us to your PCs and server(s). You agree to provide us with a login account and local administrative privileges as we may reasonably require to perform remote services. We will, at our option, use the secure connection to assist with proper diagnosis and resolution, subject to any reasonably applicable security protocols. If we cannot resolve a support issue remotely, we may be required to provide onsite services. In such event, we will be responsible for our travel expenses, unless it is determined that the reason onsite support was required was a reason outside our control. Either way, you agree to provide us with full and free access to the Tyler Software, working space, adequate facilities within a reasonable distance from the equipment, and use of machines, attachments, features, or other equipment reasonably necessary for us to provide the maintenance and support services, all at no charge to us. We strongly recommend that you also maintain your VPN for backup connectivity purposes.

For the avoidance of doubt, SaaS Fees do not include the following services: (a) onsite support (unless Tyler cannot remotely correct a Defect in the Tyler Software, as set forth above); (b) application design; (c) other consulting services; or (d) support outside our normal business hours as listed in our then-current Support Call Process. Requested services such as those outlined in this section will be billed to you on a time and materials basis at our then current rates. You must request those services with at least one (1) weeks' advance notice.

10. Support of Migration Modules. Beginning on the commencement of the initial term as set forth in Section F (1) of this Agreement, and contingent upon Client's timely payment of annual SaaS Fees for Tyler Evergreen Modules, Client is entitled to receive, at no additional charge, maintenance and support for the Migration Modules until Tyler makes the Tyler Evergreen Modules available for use in live production.

#### **SECTION D – THIRD PARTY PRODUCTS**

1. Third Party Hardware. We will sell, deliver, and install onsite the Third Party Hardware, if you have purchased any, for the price set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.
2. Third Party Software. As part of the SaaS Services, you will receive access to the Third Party Software and related documentation for internal business purposes only. Your rights to the Third Party Software will be governed by the Third Party Terms.
3. Third Party Products Warranties.
  - 3.1 We are authorized by each Developer to grant access to the Third Party Software.
  - 3.2 The Third Party Hardware will be new and unused, and upon payment in full, you will receive free and clear title to the Third Party Hardware.
  - 3.3 You acknowledge that we are not the manufacturer of the Third Party Products. We do not

warrant or guarantee the performance of the Third Party Products. However, we grant and pass through to you any warranty that we may receive from the Developer or supplier of the Third Party Products.

4. Third Party Services. If you have purchased Third Party Services, those services will be provided independent of Tyler by such third-party at the rates set forth in the Investment Summary and in accordance with our Invoicing and Payment Policy.

#### **SECTION E - INVOICING AND PAYMENT; INVOICE DISPUTES**

1. Invoicing and Payment. We will invoice you the SaaS Fees and fees for other professional services in the Investment Summary per our Invoicing and Payment Policy, subject to Section E(2).
2. Invoice Disputes. If you believe any delivered software or service does not conform to the warranties in this Agreement, you will provide us with written notice within thirty (30) days of your receipt of the applicable invoice. The written notice must contain reasonable detail of the issues you contend are in dispute so that we can confirm the issue and respond to your notice with either a justification of the invoice, an adjustment to the invoice, or a proposal addressing the issues presented in your notice. We will work with you as may be necessary to develop an action plan that outlines reasonable steps to be taken by each of us to resolve any issues presented in your notice. You may withhold payment of the amount(s) actually in dispute, and only those amounts, until we complete the action items outlined in the plan. If we are unable to complete the action items outlined in the action plan because of your failure to complete the items agreed to be done by you, then you will remit full payment of the invoice. We reserve the right to suspend delivery of all SaaS Services, including maintenance and support services, if you fail to pay an invoice not disputed as described above within fifteen (15) days of notice of our intent to do so.

#### **SECTION F – TERM AND TERMINATION**

1. Term. The initial term of this Agreement equal to the number of years indicated for SaaS Services in Exhibit A, commencing on the first day of the first month following the Effective Date, unless earlier terminated as set forth below. If no duration is indicated in Exhibit A, the initial term is one (1) year. Upon expiration of the initial term, this Agreement will renew automatically for additional one (1) year renewal terms at our then-current SaaS Fees unless terminated in writing by either party at least sixty (60) days prior to the end of the then-current renewal term. Your right to access or use the Tyler Software and the SaaS Services will terminate at the end of this Agreement.
2. Termination. This Agreement may be terminated as set forth below. In the event of termination, you will pay us for all undisputed fees and expenses related to the software, products, and/or services you have received, or we have incurred or delivered, prior to the effective date of termination. Disputed fees and expenses in all terminations other than your termination for cause must have been submitted as invoice disputes in accordance with Section E(2).
  - 2.1 Failure to Pay SaaS Fees. You acknowledge that continued access to the SaaS Services is contingent upon your timely payment of SaaS Fees. If you fail to timely pay the SaaS Fees, we may discontinue the SaaS Services and deny your access to the Tyler Software. We may also terminate this Agreement if you don't cure such failure to pay within forty-five (45) days of receiving written notice of our intent to terminate.

- 2.2 For Cause. If you believe we have materially breached this Agreement, you will invoke the Dispute Resolution clause set forth in Section H(3). You may terminate this Agreement for cause in the event we do not cure, or create a mutually agreeable action plan to address, a material breach of this Agreement within the thirty (30) day window set forth in Section H(3).
- 2.3 Force Majeure. Either party has the right to terminate this Agreement if a Force Majeure event suspends performance of the SaaS Services for a period of forty-five (45) days or more.
- 2.4 Lack of Appropriations. If you should not appropriate or otherwise make available funds sufficient to utilize the SaaS Services, you may unilaterally terminate this Agreement upon thirty (30) days written notice to us. You will not be entitled to a refund or offset of previously paid, but unused SaaS Fees. You agree not to use termination for lack of appropriations as a substitute for termination for convenience.

## **SECTION G – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE**

### **1. Intellectual Property Infringement Indemnification.**

- 1.1 We will defend you against any third party claim(s) that the Tyler Software or Documentation infringes that third party's patent, copyright, or trademark, or misappropriates its trade secrets, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent). You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.
- 1.2 Our obligations under this Section G(1) will not apply to the extent the claim or adverse final judgment is based on your use of the Tyler Software in contradiction of this Agreement, including with non-licensed third parties, or your willful infringement.
- 1.3 If we receive information concerning an infringement or misappropriation claim related to the Tyler Software, we may, at our expense and without obligation to do so, either: (a) procure for you the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent, in which case you will stop running the allegedly infringing Tyler Software immediately. Alternatively, we may decide to litigate the claim to judgment, in which case you may continue to use the Tyler Software consistent with the terms of this Agreement.
- 1.4 If an infringement or misappropriation claim is fully litigated and your use of the Tyler Software is enjoined by a court of competent jurisdiction, in addition to paying any adverse final judgment (or settlement to which we consent), we will, at our option, either: (a) procure the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent. This section provides your exclusive remedy for third party copyright, patent, or trademark infringement and trade secret misappropriation claims.

### **2. General Indemnification.**

- 2.1 We will indemnify and hold harmless you and your agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including

reasonable attorney's fees and costs) for (a) personal injury or property damage to the extent caused by our negligence or willful misconduct; or (b) our violation of PCI-DSS requirements or a law applicable to our performance under this Agreement. You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.

2.2 To the extent permitted by applicable law, you will indemnify and hold harmless us and our agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for personal injury or property damage to the extent caused by your negligence or willful misconduct; or (b) your violation of a law applicable to your performance under this Agreement. We will notify you promptly in writing of the claim and will give you sole control over its defense or settlement. We agree to provide you with reasonable assistance, cooperation, and information in defending the claim at your expense.

3. **DISCLAIMER.** EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WE HEREBY DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES, DUTIES, OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CLIENT UNDERSTANDS AND AGREES THAT TYLER DISCLAIMS ANY LIABILITY FOR ERRORS THAT RELATE TO USER ERROR.

4. **LIMITATION OF LIABILITY.** EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, OUR LIABILITY FOR DAMAGES ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE LIMITED TO YOUR ACTUAL DIRECT DAMAGES, NOT TO EXCEED (A) DURING THE INITIAL TERM, AS SET FORTH IN SECTION F(1), TOTAL FEES PAID AS OF THE TIME OF THE CLAIM; OR (B) DURING ANY RENEWAL TERM, THE THEN-CURRENT ANNUAL SAAS FEES PAYABLE IN THAT RENEWAL TERM. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY AND TO THE MAXIMUM EXTENT ALLOWED UNDER APPLICABLE LAW, THE EXCLUSION OF CERTAIN DAMAGES, AND EACH SHALL APPLY REGARDLESS OF THE FAILURE OF AN ESSENTIAL PURPOSE OF ANY REMEDY. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO SECTIONS G(1) AND G(2).

5. **EXCLUSION OF CERTAIN DAMAGES.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

6. **Insurance.** During the course of performing services under this Agreement, we agree to maintain the following levels of insurance: (a) Commercial General Liability of at least \$1,000,000 each occurrence, \$2,000,000 general aggregate; (b) Automobile Liability of at least \$1,000,000 per accident; (c) Professional Liability of at least \$1,000,000; (d) Workers Compensation complying with applicable statutory requirements of the State of Washington; (e)-Newwork Security (Cyber) and Privacy coverage with limits no less than \$2,000,000 per claim , \$2,000,000 policy aggregate, \$100,000 per claim for regulatory action (fines and penalties), and \$100,000 per claim for event management. and (fe) Excess/Umbrella Liability of at least \$5,000,000. We will add you as an

**Commented [CS3]:** Also from City of Camas' agreement.

additional insured to our Commercial General Liability and Automobile Liability policies, which will automatically add you as an additional insured to our Excess/Umbrella Liability policy as well. We will provide you with copies of certificates of insurance upon your written request.

## SECTION H – GENERAL TERMS AND CONDITIONS

1. Additional Products and Services. You may purchase additional products and services at the rates set forth in the Investment Summary for ~~twenty-four (24) twelve (12)~~ months from the Effective Date by executing a mutually agreed addendum. If no rate is provided in the Investment Summary, or those ~~twenty-four (24) twelve (12)~~ months have expired, you may purchase additional products and services at our then-current list price, also by executing a mutually agreed addendum. The terms of this Agreement will control any such additional purchase(s), unless otherwise specifically provided in the addendum.
2. Optional Items. Pricing for any listed optional products and services in the Investment Summary will be valid for ~~twenty-four (24) twelve (12)~~ months from the Effective Date.
3. Dispute Resolution. You agree to provide us with written notice within thirty (30) days of becoming aware of a dispute. You agree to cooperate with us in trying to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations with our appointed senior representative. Senior representatives will convene within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state rule. If we fail to resolve the dispute, then the parties shall participate in non-binding mediation in an effort to resolve the dispute. If the dispute remains unresolved after mediation, then either of us may assert our respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent you or us from seeking necessary injunctive relief during the dispute resolution procedures.
4. Taxes. The fees in the Investment Summary do not include any taxes, including, without limitation, sales, use, or excise tax. If you are a tax-exempt entity, you agree to provide us with a tax-exempt certificate. Otherwise, we will pay all applicable taxes to the proper authorities and you will reimburse us for such taxes. If you have a valid direct-pay permit, you agree to provide us with a copy. For clarity, we are responsible for paying our income taxes, both federal and state, as applicable, arising from our performance of this Agreement.
5. Nondiscrimination. We will not discriminate against any person employed or applying for employment concerning the performance of our responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation. We will post, where appropriate, all notices related to nondiscrimination as may be required by applicable law.
6. E-Verify. We have complied, and will comply, with the E-Verify procedures administered by the U.S. Citizenship and Immigration Services Verification Division for all of our employees assigned to your

**Commented [CS4]:** Per conversation with Chris. Potential addition of Utility Billing may take more than 12 months.



|

project.

7. Subcontractors. We will not subcontract any services under this Agreement without your prior written consent, not to be unreasonably withheld.
8. Binding Effect; No Assignment. This Agreement shall be binding on, and shall be for the benefit of, either your or our successor(s) or permitted assign(s). Neither party may assign this Agreement without the prior written consent of the other party; provided, however, your consent is not required for an assignment by us as a result of a corporate reorganization, merger, acquisition, or purchase of substantially all of our assets.
9. Force Majeure. Except for your payment obligations, neither party will be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by Force Majeure; provided, however, that within ten (10) business days of the Force Majeure event, the party whose performance is delayed provides the other party with written notice explaining the cause and extent thereof, as well as a request for a reasonable time extension equal to the estimated duration of the Force Majeure event.
10. No Intended Third Party Beneficiaries. This Agreement is entered into solely for the benefit of you and us. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement. This provision does not affect the rights of third parties under any Third Party Terms.
11. Entire Agreement; Amendment. This Agreement represents the entire agreement between you and us with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. Purchase orders submitted by you, if any, are for your internal administrative purposes only, and the terms and conditions contained in those purchase orders will have no force or effect. This Agreement may only be modified by a written amendment signed by an authorized representative of each party.
12. Severability. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will be considered valid and enforceable to the fullest extent permitted by law.
13. No Waiver. In the event that the terms and conditions of this Agreement are not strictly enforced by either party, such non-enforcement will not act as or be deemed to act as a waiver or modification of this Agreement, nor will such non-enforcement prevent such party from enforcing each and every term of this Agreement thereafter.
14. Independent Contractor. We are an independent contractor for all purposes under this Agreement.
15. Notices. All notices or communications required or permitted as a part of this Agreement, such as notice of an alleged material breach for a termination for cause or a dispute that must be submitted to dispute resolution, must be in writing and will be deemed delivered upon the earlier of the following: (a) actual receipt by the receiving party; (b) upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the receiving party; (c) upon receipt by sender of proof of email delivery; or (d) if not actually received, five (5) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt

requested) affixed and addressed to the other party at the address set forth on the signature page hereto or such other address as the party may have designated by proper notice. The consequences for the failure to receive a notice due to improper notification by the intended receiving party of a change in address will be borne by the intended receiving party.

16. Client Lists. You agree that we may identify you by name in client lists, marketing presentations, and promotional materials.

17. Confidentiality. Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities, including the parties. Confidential information is nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (e.g., social security numbers) and trade secrets, each as defined by applicable state law. Each party agrees that it will not disclose any confidential information of the other party and further agrees to take all reasonable and appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement. This obligation of confidentiality will not apply to information that:

- (a) is in the public domain, either at the time of disclosure or afterwards, except by breach of this Agreement by a party or its employees or agents;
- (b) a party can establish by reasonable proof was in that party's possession at the time of initial disclosure;
- (c) a party receives from a third party who has a right to disclose it to the receiving party; or
- (d) is the subject of a legitimate disclosure request under the open records laws or similar applicable public disclosure laws governing this Agreement; provided, however, that in the event you receive an open records or other similar applicable request, you will give us prompt notice and otherwise perform the functions required by applicable law.

18. Quarantining of Client Data. Some services provided by Tyler require us to be in possession of your Data. In the event we detect malware or other conditions associated with your Data that are reasonably suspected of putting Tyler resources or other Tyler clients' data at risk, we reserve the absolute right to move your Data from its location within a multi-tenancy Tyler hosted environment to an isolated "quarantined" environment without advance notice. Your Data will remain in such quarantine for a period of at least six (6) months during which time we will review the Data, and all traffic associated with the Data, for signs of malware or other similar issues. If no issues are detected through such reviews during the six (6) month period of quarantine, we will coordinate with you the restoration of your Data to a non-quarantined environment. In the event your Data must remain in quarantine beyond this six (6) month period through no fault of Tyler's, we reserve the right to require payment of additional fees for the extended duration of quarantine. We will provide an estimate of what those costs will be upon your request.

Add provision regarding safeguarding of personal information per RCW 19.255.010?

19. Safeguarding of Personal Information. Tyler shall not use or disclose Personal Information, as defined in RCW 19.255.010, in any manner that would constitute a violation of federal law or applicable provisions of Washington State law. Tyler agrees to comply with all applicable federal and state laws and regulations, as currently enacted or revised, regarding data security and electronic data interchange of Personal Information. Tyler shall ensure its directors, officers, employees, subcontractors or agents use Personal Information solely for the purposes of

**Formatted:** Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.25" + Indent at: 0.5"

accomplishing the services set forth in the Agreement. Tyler shall use industry standard methods to protect Personal Information collected, used, or acquired in connection with the Agreement, against unauthorized use, disclosure, modification, or loss. Tyler and its sub-consultants agree not to release, divulge, publish, transfer, sell or otherwise make Personal Information known to unauthorized persons without the express written consent of Client, or otherwise authorized by law. Tyler agrees to implement physical, electronic, and managerial policies, procedures, and safeguards designed to prevent, in accordance with industry standards, unauthorized access, use, or disclosure of Personal Information. Tyler shall make the Personal Information available to amend as directed by Client and incorporate any amendments into all the copies maintained by Tyler or its subcontractors. Tyler shall certify its return or destruction upon expiration or termination of the Agreement and Tyler shall, to the extent commercially practicable, retain no copies. If Tyler reasonably determines that return or destruction is not feasible, Tyler shall not use the Personal Information in a manner other than those permitted or authorized by applicable state and federal laws. Tyler shall notify client of any confirmed incidents or unauthorized access, use or disclosure of Personal Information in accordance with applicable state and federal laws.

**Commented [CS5]:** Excerpt from the City of Camas Agreement, page 14. A separate provision regarding safeguarding personal information per RCW 19.255.010 Can you take a look and see if it should be or can be added?

~~19-20.~~ **Business License.** In the event a local business license is required for us to perform services hereunder, you will promptly notify us and provide us with the necessary paperwork and/or contact information so that we may timely obtain such license.

~~20-21.~~ **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of your state of domicile, without regard to its rules on conflicts of law.

~~21-22.~~ **Multiple Originals and Authorized Signatures.** This Agreement may be executed in multiple originals, any of which will be independently treated as an original document. Any electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as if an original signature. Each party represents to the other that the signatory set forth below is duly authorized to bind that party to this Agreement.

~~22-23.~~ **Cooperative Procurement.** To the maximum extent permitted by applicable law, we agree that this Agreement may be used as a cooperative procurement vehicle by eligible jurisdictions. We reserve the right to negotiate and customize the terms and conditions set forth herein, including but not limited to pricing, to the scope and circumstances of that cooperative procurement.

~~23-24.~~ **Data & Insights Solution Terms.** Your use of certain Tyler solutions includes Tyler's Data & Insights data platform. Your rights, and the rights of any of your end users, to use Tyler's Data & Insights data platform is subject to the Data & Insights SaaS Services Terms of Service, available at <https://www.tylertech.com/terms/data-insights-saas-services-terms-of-service>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using any of the Tyler solutions listed at the linked terms, you certify that you have reviewed, understand, and agree to said terms.

24-25. Contract Documents. This Agreement includes the following exhibits:

Exhibit A	Investment Summary
	Schedule 1: Migration Modules
	Schedule 2: Tyler Sales Quote
Exhibit B	Invoicing and Payment Policy
	Schedule 1: Business Travel Policy
Exhibit C	Service Level Agreement
	Schedule 1: Support Call Process
Exhibit D	Third Party Terms
Exhibit E	Statement of Work

IN WITNESS WHEREOF, a duly authorized representative of each party has executed this Agreement as of the date(s) set forth below.

Tyler Technologies, Inc.

City of Chehalis, Washington

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Address for Notices:

Tyler Technologies, Inc.  
One Tyler Drive  
Yarmouth, ME 04096  
Attention: Chief Legal Officer

Address for Notices:

City of Chehalis  
1321 S Market Boulevard  
Chehalis, Washington 98532

**Attention:** \_\_\_\_\_



## Exhibit A Investment Summary

The following Investment Summary details the software and services to be delivered by us to you under the Agreement. This Investment Summary is effective as of the Effective Date, despite any expiration date in the Investment Summary that may have lapsed as of the Effective Date. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement. In the event of conflict between the Agreement and terms in the Comments section of this Investment Summary, the language in the Agreement will prevail.

Tyler sales quotation to be inserted prior to Agreement execution.

**Commented [CS6]:** Can we add the Saas Term as "five" years rather than one year? Pros & cons?

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK



**Exhibit A**  
**Schedule 1**  
**Migration Modules**

Menu Support
Project Accounting Support
Budget Preparation Support
Data Dictionaries Support
Tyler Output Processing Support
GL/AP Support
Payroll Support



**Exhibit A**  
**Schedule 2**  
**Tyler Sales Quote**

*(Tyler Sales Quote to be inserted prior to Agreement execution)*

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK



## **Exhibit B**

### **Invoicing and Payment Policy**

We will provide you with the software and services set forth in the Investment Summary of the Agreement. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

**Invoicing:** We will invoice you for the applicable software and services in the Investment Summary as set forth below. Your rights to dispute any invoice are set forth in the Agreement.

1. **SaaS Fees.** SaaS Fees are invoiced on an annual basis, beginning on the commencement of the initial term as set forth in Section F (1) of this Agreement. Your annual SaaS fees for the initial term are set forth in the Investment Summary. Upon expiration of the initial term, your annual SaaS fees will be at our then-current rates. Beginning on the commencement of the initial term, Client shall no longer be required to pay annual support fees for the Migration Modules.
2. **Other Tyler Software and Services.**
  - 2.1 *VPN Device:* The fee for the VPN device will be invoiced upon installation of the VPN.
  - 2.2 *Implementation and Other Professional Services (including training):* Implementation and other professional services (including training) are billed and invoiced as delivered, at the rates set forth in the Investment Summary.
  - 2.3 *Consulting Services:* If you have purchased any Business Process Consulting services, if they have been quoted as fixed-fee services, they will be invoiced 50% upon your acceptance of the best practice recommendations, by module, and 50% upon your acceptance of custom desktop procedures, by module. If you have purchased any Business Process Consulting services and they are quoted as an estimate, then we will bill you the actual services delivered on a time and materials basis.
  - 2.4 *Conversions:* Fixed-fee conversions are invoiced 50% upon initial delivery of the converted Data, by conversion option, and 50% upon Client acceptance to load the converted Data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, we will bill you the actual services delivered on a time and materials basis.
  - 2.5 *Requested Modifications to the Tyler Software:* Requested modifications to the Tyler Software are invoiced 50% upon delivery of specifications and 50% upon delivery of the applicable modification. You must report any failure of the modification to conform to the specifications within thirty (30) days of delivery; otherwise, the modification will be deemed to be in compliance with the specifications after the 30-day window has passed. You may still report Defects to us as set forth in this Agreement.



- 2.6 *Other Fixed Price Services*: Other fixed price services are invoiced as delivered, at the rates set forth in the Investment Summary. For the avoidance of doubt, where “Project Planning Services” are provided, payment will be due upon delivery of the Implementation Planning document.
- 2.7 *Web Services*: Annual fees for web services are payable in advance, commencing upon the availability of the service. Your annual fees for the initial term are set forth in the Investment Summary. Upon expiration of the initial term, your annual fees will be at our then-current rates.
- 2.8 *Annual Services*: Unless otherwise indicated in this Exhibit B, fees for annual services are due annually, in advance, commencing on the availability of the service. Your annual fees for the initial term are set forth in the Investment Summary. Upon expiration of the initial term, your annual fees will be at our then-current rates.
3. Third Party Products and Hardware.
- 3.1 *Third Party Software License Fees*: License fees for Third Party Software, if any, are invoiced when we make it available to you for downloading.
- 3.2 *Third Party Software Maintenance*: The first year maintenance fee for the Third Party Software is invoiced when we make it available to you for downloading. Subsequent annual maintenance fees for Third Party Software are invoiced annually, in advance, at then-current rates, upon each anniversary thereof.
- 3.3 *Hardware*: Third Party Hardware costs, if any, are invoiced upon delivery.
- 3.4 *Hardware Maintenance*: The first year maintenance fee for Hardware is invoiced upon delivery of the hardware. Subsequent annual maintenance fees for hardware are invoiced annually, in advance, at then-current rates, upon each anniversary thereof.
- 3.5 *Third Party Services*: Fees for Third Party Services, if any, are invoiced as delivered, along with applicable expenses, at the rates set forth in the Investment Summary. For the avoidance of doubt, Finite Matters will invoice Client directly for any services fees for Pattern Stream.
- 3.6 *Third Party SaaS*: Third Party SaaS Services fees, if any, are invoiced annually, in advance, commencing with availability of the respective Third Party SaaS Services. Pricing for the first year of Third Party SaaS Services is indicated in the Investment Summary. Pricing for subsequent years will be at the respective third party’s then-current rates.
4. Transaction Fees. Unless paid directly by an end user at the time of transaction, per transaction (call, message, etc.) fees are invoiced on a quarterly basis. Fees are indicated in Exhibit A and may be increased by Tyler upon notice of no less than thirty (30) days.
5. Expenses. The service rates in the Investment Summary do not include travel expenses. Expenses for Tyler delivered services will be billed as incurred and only in accordance with our

then-current Business Travel Policy, plus a 10% travel agency processing fee. Our current Business Travel Policy is attached to this Exhibit B as Schedule 1. Copies of receipts will be provided upon request; we reserve the right to charge you an administrative fee depending on the extent of your requests. Receipts for miscellaneous items less than twenty-five dollars and mileage logs are not available.

6. Credit for Prepaid Maintenance and Support Fees for Migration Modules. Client will receive a credit for the maintenance and support fees prepaid for the Migration Modules for the time period commencing on the first day of the initial term, as set forth in Section F (1) of this Agreement. Migration Modules are listed at Exhibit A, Schedule 1.

**Payment.** Payment for undisputed invoices is due within forty-five (45) days of the invoice date. We prefer to receive payments electronically. Our electronic payment information is available by contacting [AR@tylertech.com](mailto:AR@tylertech.com).



**Exhibit B**  
**Schedule 1**  
**Business Travel Policy**

**1. Air Travel**

**A. Reservations & Tickets**

The Travel Management Company (TMC) used by Tyler will provide an employee with a direct flight within two hours before or after the requested departure time, assuming that flight does not add more than three hours to the employee's total trip duration and the fare is within \$100 (each way) of the lowest logical fare. If a net savings of \$200 or more (each way) is possible through a connecting flight that is within two hours before or after the requested departure time and that does not add more than three hours to the employee's total trip duration, the connecting flight should be accepted.

Employees are encouraged to make advanced reservations to take full advantage of discount opportunities. Employees should use all reasonable efforts to make travel arrangements at least two (2) weeks in advance of commitments. A seven (7) day advance booking requirement is mandatory. When booking less than seven (7) days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is six (6) or more consecutive hours in length, only economy or coach class seating is reimbursable. Employees shall not be reimbursed for "Basic Economy Fares" because these fares are non-refundable and have many restrictions that outweigh the cost-savings.

**B. Baggage Fees**

Reimbursement of personal baggage charges are based on trip duration as follows:

- Up to five (5) days = one (1) checked bag
- Six (6) or more days = two (2) checked bags

Baggage fees for sports equipment are not reimbursable.

## 2. Ground Transportation

### A. Private Automobile

Mileage Allowance – Business use of an employee's private automobile will be reimbursed at the current IRS allowable rate, plus out of pocket costs for tolls and parking. Mileage will be calculated by using the employee's office as the starting and ending point, in compliance with IRS regulations. Employees who have been designated a home office should calculate miles from their home.

### B. Rental Car

Employees are authorized to rent cars only in conjunction with air travel when cost, convenience, and the specific situation reasonably require their use. When renting a car for Tyler business, employees should select a "mid-size" or "intermediate" car. "Full" size cars may be rented when three or more employees are traveling together. Tyler carries leased vehicle coverage for business car rentals; except for employees traveling to Alaska and internationally (excluding Canada), additional insurance on the rental agreement should be declined.

### C. Public Transportation

Taxi or airport limousine services may be considered when traveling in and around cities or to and from airports when less expensive means of transportation are unavailable or impractical. The actual fare plus a reasonable tip (15-18%) are reimbursable. In the case of a free hotel shuttle to the airport, tips are included in the per diem rates and will not be reimbursed separately.

### D. Parking & Tolls

When parking at the airport, employees must use longer term parking areas that are measured in days as opposed to hours. Park and fly options located near some airports may also be used. For extended trips that would result in excessive parking charges, public transportation to/from the airport should be considered. Tolls will be reimbursed when receipts are presented.

## 3. Lodging

Tyler's TMC will select hotel chains that are well established, reasonable in price, and conveniently located in relation to the traveler's work assignment. Typical hotel chains include Courtyard, Fairfield Inn, Hampton Inn, and Holiday Inn Express. If the employee has a discount rate with a local hotel, the hotel reservation should note that discount and the employee should confirm the lower rate with the hotel upon arrival. Employee memberships in travel clubs such as AAA should be noted in their travel profiles so that the employee can take advantage of any lower club rates.

"No shows" or cancellation fees are not reimbursable if the employee does not comply with the hotel's cancellation policy.

Tips for maids and other hotel staff are included in the per diem rate and are not reimbursed separately.

Employees are not authorized to reserve non-traditional short-term lodging, such as Airbnb, VRBO, and HomeAway. Employees who elect to make such reservations shall not be reimbursed.

#### 4. Meals and Incidental Expenses

Employee meals and incidental expenses while on travel status within the continental U.S. are in accordance with the federal per diem rates published by the General Services Administration. Incidental expenses include tips to maids, hotel staff, and shuttle drivers and other minor travel expenses. Per diem rates are available at [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem).

Per diem for Alaska, Hawaii, U.S. protectorates and international destinations are provided separately by the Department of State and will be determined as required.

##### A. Overnight Travel

For each full day of travel, all three meals are reimbursable. Per diems on the first and last day of a trip are governed as set forth below.

###### Departure Day

Depart before 12:00 noon	Lunch and dinner
Depart after 12:00 noon	Dinner

###### Return Day

Return before 12:00 noon	Breakfast
Return between 12:00 noon & 7:00 p.m.	Breakfast and lunch
Return after 7:00 p.m.*	Breakfast, lunch and dinner

\*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner.

The reimbursement rates for individual meals are calculated as a percentage of the full day per diem as follows:

Breakfast	15%
Lunch	25%
Dinner	60%

##### B. Same Day Travel

Employees traveling at least 100 miles to a site and returning in the same day are eligible to claim lunch on an expense report. Employees on same day travel status are eligible to claim dinner in the event they return home after 7:00 p.m.\*

\*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner.

#### 5. Internet Access – Hotels and Airports

Employees who travel may need to access their e-mail at night. Many hotels provide free high speed internet access and Tyler employees are encouraged to use such hotels whenever possible. If an employee's hotel charges for internet access it is reimbursable up to \$10.00 per day. Charges for internet access at airports are not reimbursable.

#### 6. International Travel

All international flights with the exception of flights between the U.S. and Canada should be reserved through TMC using the "lowest practical coach fare" with the exception of flights that are six (6) or more consecutive hours in length. In such event, the next available seating class above coach shall be reimbursed.

When required to travel internationally for business, employees shall be reimbursed for photo fees, application fees, and execution fees when obtaining a new passport book, but fees related to passport renewals are not reimbursable. Visa application and legal fees, entry taxes and departure taxes are reimbursable.

The cost of vaccinations that are either required for travel to specific countries or suggested by the U.S. Department of Health & Human Services for travel to specific countries, is reimbursable.

Section 4, Meals & Incidental Expenses, and Section 2.b., Rental Car, shall apply to this section.



## Exhibit C

### SERVICE LEVEL AGREEMENT

#### I. Agreement Overview

This SLA operates in conjunction with, and does not supersede or replace any part of, the Agreement. It outlines the information technology service levels that we will provide to you to ensure the availability of the application services that you have requested us to provide. All other support services are documented in the Support Call Process. This SLA does not apply to any Third Party SaaS Services. All other support services are documented in the Support Call Process.

**II. Definitions.** Except as defined below, all defined terms have the meaning set forth in the Agreement.

*Actual Attainment:* The percentage of time the Tyler Software is available during a calendar month, calculated as follows:  $(\text{Service Availability} - \text{Downtime}) \div \text{Service Availability}$ .

*Client Error Incident:* Any service unavailability resulting from your applications, content or equipment, or the acts or omissions of any of your service users or third-party providers over whom we exercise no control.

*Downtime:* Those minutes during Service Availability, as defined below, when all users cannot launch, login, search or save primary data in the Tyler Software. Downtime does not include those instances in which only a Defect is present.

*Emergency Maintenance Window:* (1) maintenance that is required to patch a critical security vulnerability; (2) maintenance that is required to prevent an imminent outage of Service Availability; or (3) maintenance that is mutually agreed upon in writing by Tyler and the Client.

*Planned Downtime:* Downtime that occurs during a Standard or Emergency Maintenance window.

*Service Availability:* The total number of minutes in a calendar month that the Tyler Software is capable of receiving, processing, and responding to requests, excluding Planned Downtime, Client Error Incidents, denial of service attacks and Force Majeure. Service Availability only applies to Tyler Software being used in the live production environment.

*Standard Maintenance:* Routine maintenance to the Tyler Software and infrastructure. Standard Maintenance is limited to five (5) hours per week.

#### III. **Service Availability**

##### a. Your Responsibilities

Whenever you experience Downtime, you must make a support call according to the procedures outlined in the Support Call Process. You will receive a support case number.

##### b. Our Responsibilities

When our support team receives a call from you that Downtime has occurred or is occurring, we will work with you to identify the cause of the Downtime (including whether it may be the result of Planned Downtime, a Client Error Incident, denial of service attack or Force Majeure). We will also work with you to resume normal operations.

c. Client Relief

Our targeted Attainment Goal is 100%. You may be entitled to credits as indicated in the Client Relief Schedule found below. Your relief credit is calculated as a percentage of the SaaS Fees paid for the calendar month.

In order to receive relief credits, you must submit a request through one of the channels listed in our Support Call Process within fifteen days (15) of the end of the applicable month. We will respond to your relief request within thirty (30) day(s) of receipt.

The total credits confirmed by us will be applied to the SaaS Fee for the next billing cycle. Issuing of such credit does not relieve us of our obligations under the Agreement to correct the problem which created the service interruption.

Credits are only payable when Actual Attainment results in eligibility for credits in consecutive months and only for such consecutive months.

Client Relief Schedule	
Actual Attainment	Client Relief
99.99% - 99.70%	Remedial action will be taken
99.69% - 98.50%	2% of SaaS Fees paid for applicable month
98.49% - 97.50%	4% of SaaS Fees paid for applicable month
97.49% - 96.50%	6% of SaaS Fees paid for applicable month
96.49% - 95.50%	8% of SaaS Fees paid for applicable month
Below 95.50%	10% of SaaS Fees paid for applicable month

\* Notwithstanding language in the Agreement to the contrary, Recovery Point Objective is one (1) hour.

#### IV. **Maintenance Notifications**

We perform Standard Maintenance during limited windows that are historically known to be reliably low-traffic times. If and when maintenance is predicted to occur during periods of higher traffic, we will provide advance notice of those windows and will coordinate to the greatest extent possible with you.

Not all maintenance activities will cause application unavailability. However, if Tyler anticipates that



activities during a Standard or Emergency Maintenance window may make the Tyler Software unavailable, we will provide advance notice, as reasonably practicable, that the Tyler Software will be unavailable during the maintenance window.



## Exhibit C Schedule 1 Support Call Process

### Support Channels

Tyler Technologies, Inc. provides the following channels of software support for authorized users\*:

- (1) On-line submission (portal) – for less urgent and functionality-based questions, users may create support incidents through the Tyler Customer Portal available at the Tyler Technologies website. A built-in Answer Panel provides users with resolutions to most “how-to” and configuration-based questions through a simplified search interface with machine learning, potentially eliminating the need to submit the support case.
- (2) Email – for less urgent situations, users may submit emails directly to the software support group.
- (3) Telephone – for urgent or complex questions, users receive toll-free, telephone software support.

*\* Channel availability may be limited for certain applications.*

### Support Resources

A number of additional resources are available to provide a comprehensive and complete support experience:

- (1) Tyler Website – [www.tylertech.com](http://www.tylertech.com) – for accessing client tools, documentation, and other information including support contact information.
- (2) Tyler Search -a knowledge based search engine that lets you search multiple sources simultaneously to find the answers you need, 24x7.
- (3) Tyler Community –provides a venue for all Tyler clients with current maintenance agreements to collaborate with one another, share best practices and resources, and access documentation.
- (4) Tyler University – online training courses on Tyler products.

### Support Availability

Tyler Technologies support is available during the local business hours of 8 AM to 5 PM (Monday – Friday) across four US time zones (Pacific, Mountain, Central and Eastern). Tyler’s holiday schedule is outlined below. There will be no support coverage on these days.

New Year’s Day	Labor Day
Martin Luther King, Jr. Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day

For support teams that provide after-hours service, we will provide you with procedures for contacting support staff after normal business hours for reporting Priority Level 1 Defects only. Upon receipt of

such a Defect notification, we will use commercially reasonable efforts to meet the resolution targets set forth below.

We will also make commercially reasonable efforts to be available for one pre-scheduled Saturday of each month to assist your IT staff with applying patches and release upgrades, as well as consulting with them on server maintenance and configuration of the Tyler Software environment.

**Incident Handling**

*Incident Tracking*

Every support incident is logged into Tyler’s Customer Relationship Management System and given a unique case number. This system tracks the history of each incident. The case number is used to track and reference open issues when clients contact support. Clients may track incidents, using the case number, through Tyler’s Customer Portal or by calling software support directly.

*Incident Priority*

Each incident is assigned a priority level, which corresponds to the Client’s needs. Tyler and the Client will reasonably set the priority of the incident per the chart below. This chart is not intended to address every type of support incident, and certain “characteristics” may or may not apply depending on whether the Tyler software has been deployed on customer infrastructure or the Tyler cloud. The goal is to help guide the Client towards clearly understanding and communicating the importance of the issue and to describe generally expected response and resolution targets in the production environment only.

References to a “confirmed support incident” mean that Tyler and the Client have successfully validated the reported Defect/support incident.

Priority Level	Characteristics of Support Incident	Resolution Targets*
1 Critical	Support incident that causes (a) complete application failure or application unavailability; (b) application failure or unavailability in one or more of the client’s remote location; or (c) systemic loss of multiple essential system functions.	Tyler shall provide an initial response to Priority Level 1 incidents within one (1) business hour of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within one (1) business day. For non-hosted customers, Tyler’s responsibility for lost or corrupted data is limited to assisting the Client in restoring its last available database.

Priority Level	Characteristics of Support Incident	Resolution Targets*
2 High	Support incident that causes (a) repeated, consistent failure of essential functionality affecting more than one user or (b) loss or corruption of data.	Tyler shall provide an initial response to Priority Level 2 incidents within four (4) business hours of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within ten (10) business days. For non-hosted customers, Tyler's responsibility for loss or corrupted data is limited to assisting the Client in restoring its last available database.
3 Medium	Priority Level 1 incident with an existing circumvention procedure, or a Priority Level 2 incident that affects only one user or for which there is an existing circumvention procedure.	Tyler shall provide an initial response to Priority Level 3 incidents within one (1) business day of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents without the need for a circumvention procedure with the next published maintenance update or service pack, which shall occur at least quarterly. For non-hosted customers, Tyler's responsibility for lost or corrupted data is limited to assisting the Client in restoring its last available database.
4 Non-critical	Support incident that causes failure of non-essential functionality or a cosmetic or other issue that does not qualify as any other Priority Level.	Tyler shall provide an initial response to Priority Level 4 incidents within two (2) business days of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents, as well as cosmetic issues, with a future version release.

*\*Response and Resolution Targets may differ by product or business need*

#### *Incident Escalation*

If Tyler is unable to resolve any priority level 1 or 2 defect as listed above or the priority of an issue has elevated since initiation, you may escalate the incident to the appropriate resource, as outlined by each product support team. The corresponding resource will meet with you and any Tyler staff to establish a mutually agreeable plan for addressing the defect.

#### *Remote Support Tool*

Some support calls may require further analysis of the Client's database, processes or setup to diagnose a problem or to assist with a question. Tyler will, at its discretion, use an industry-standard remote support tool. Tyler's support team must have the ability to quickly connect to the Client's system and view the site's setup, diagnose problems, or assist with screen navigation. More information about the remote support tool Tyler uses is available upon request.



## **Exhibit D**

### **Third Party Terms**

ThinPrint Terms. Your use of Tyler Forms software and forms is subject to the End User License Agreement terms for ThinPrint Engine, ThinPrint License Server, and Connected Gateway found here: <https://www.thinprint.com/en/legal-notes/eula/>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using Tyler Forms software or forms, you agree that you have read, understood, and agree to such terms.

DocOrigin Terms. Your use of Tyler Forms software and forms is subject to the DocOrigin End User License Agreement available for download here: <https://eclipsecorp.us/eula/>. By signing a Tyler Agreement or Order Form including Tyler forms software or forms, or accessing, installing, or using Tyler Forms software or forms, you agree that you have read, understood, and agree to such terms.

Twilio Acceptable Use Policy. Your use of the Tyler solutions listed below includes functionality provided by a Third Party Developer, Twilio. Your rights, and the rights of any of your end users, to use said functionality are subject to the terms of the Twilio Acceptable Use Policy, available at <http://www.twilio.com/legal/aup>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using any such Tyler solution, you certify that you have reviewed, understand and agree to said terms. Tyler hereby disclaims any and all liability related to your or your end user's failure to abide by the terms of the Twilio Acceptable Use Policy. Any liability for failure to abide by said terms shall rest solely with the person or entity whose conduct violated said terms.

- Electronic Warrants
- Online Dispute Resolution
- Enterprise Justice Notifications Add On (text notifications)
- Absence & Substitute
- Notify
- Enterprise Jury Manager
- Enterprise Supervision
- Virtual Court



**Exhibit E**  
**Statement of Work**

*Statement of Work, if applicable, to be inserted prior to Agreement execution.*

**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:** December 11, 2023

**SUBJECT:** Budgeted Purchase of Fuel for Resale

---

**ISSUE**

The recent invoice from Epic Aviation, LLC, for purchasing and delivering Jet A fuel, has a total purchase of \$43,472.85. 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 \$43,472.85. The purchase of fuel for resale has been budgeted for in the 2023 budget. Also, any purchase of fuel for resale has a direct correlation with the revenue the Airport will generate.

**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 \$43,472.85.

**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 \$43,472.85.





**CHEHALIS CITY COUNCIL MEETING**  
**AGENDA REPORT**

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

**FROM:** Jill Anderson, City Manager

**BY:** Chun Saul, Finance Director

**MEETING OF:** December 11, 2023

**SUBJECT:** Ordinance 1077-B, Increasing Utility Tax Rates for Water and Sewer utilities and Imposing a New Utility Tax on Stormwater Utility – Repealing Ordinance No. 548-B, passed in 1994 – Second and Final Reading

---

**ISSUE**

On October 26, 2023, a special meeting of the City Council meeting was held to provide an overview of the 2024 Preliminary Draft Budget with focus on the General Fund. Staff presented financial data that demonstrates that the City's revenue growth is not keeping up with increasing costs of providing services to the community, including police and fire services which represent more than 50% of the City's General Fund expenditures. There is significant concern that the level of service provided in the 2024 budget cannot be sustained without additional revenues going forward. The City Council Budget Committee recommended City Council consider an increase to the existing municipal utility tax rates, which is a general charge on the utility revenues, not a charge on the specific individual customer.

At the meeting, it was the consensus of the City Council that staff present a proposal in late 2023 to increase the municipal utility tax rates, specifically on the water and sewer utilities, as well as new tax levy on the stormwater utility.

Ordinance No. 1077-B has been prepared to increase utility tax rates for water and sewer utilities as well as authorizing new tax levy on stormwater utility for consideration by the City Council on second of two required readings, the first of which occurred on November 27, 2023.

**DISCUSSION**

**Utility Tax Quick Summary:**

The utility taxes are imposed upon the income of utility business itself, and not upon the individual utility customers.

Any city or town may impose a business and occupation tax upon the income (as defined by local ordinance) of public and private utilities providing services within the boundaries of a city, and/or upon the city's own municipal utilities (referred to as a "utility tax"). The statutory authority for the utility tax is found in the same place as that for general business licenses and B&O taxes.

A city may also levy taxes on revenues generated by the city's own utility services provided both inside and outside the city limits. Maximum tax rate may not exceed 6% for electric, gas, steam, and telephone services unless approved by voters. However, there are no limitations on the tax rates for water, sewer, solid waste, or stormwater utilities.

### **Current Chehalis Municipal Code Chapter 5.20 Water and Sewer Utility Use Tax**

The city currently imposes 6% utility tax on water and sewer utility business as provided in CMC Chapter 5.20.010 which states:

#### **5.20.010 Tax levied:**

From and after the first day of January 1993, there is levied upon, and there shall be collected from, every person, firm, or corporation, either private or public, engaged in carrying on a water distribution utility business and a sewer collection utility business within or partly within the corporate limits of the city, a tax equal to six percent of the total gross income from such business. [Ord. 548B, 1994].

### **Ordinance 1077-B (Utility Tax Rate Increase):**

The Ordinance 1077-B proposes increasing the utility tax rates on water and sewer and imposing utility tax on the storm and surface water utility, with the rate change effective February 1, 2024\*.

*\*RCW 35.92.460(2)(c) requires disclosure of utility tax change for water, sewer, and stormwater through a billing insert, mailer, or other written electronic communication (i.e., city's own website) within thirty days of the effective date of any subsequent tax rate change. If the City Council approves the tax rate changes and passes the Ordinance No. 1077 at the second reading on December 11, 2023, the effective date of February 1, 2024 would allow the staff time to ensure the required notification is provided to utility customers at least 30 days before the change in the utility tax rate.*

Staff has prepared two different proposals and the fiscal impact on each proposal as provided below.

### **Fiscal Impact:**

**Proposal#1:** Increasing the tax rate from 6% to 10% for water and sewer utilities and from 0% to 10% for stormwater would provide approximately \$409,300 additional utility tax revenue to the city's General Fund in 2024 budget year.

Utility Business	2024 Budget Taxable Income	Current Tax Rate	2024 Budget Utility Tax*	Proposed Tax Rate	Estimated Tax @ Proposed Rate	Tax Increase - Full year**	2024 Tax Increase (11 Months)***
Wastewater	5,909,100	6%	354,500	10%	590,900	236,400	216,700
Water	3,420,600	6%	205,200	10%	342,100	136,900	125,500
Stormwater	731,900	n/a	N/A	10%	73,200	73,190	67,100
<b>Total</b>	<b>10,061,600</b>		<b>559,700</b>		<b>1,006,200</b>	<b>446,490</b>	<b>409,300</b>

\* 6% on Water & Sewer. No tax on Stormwater

\*\* Rounded to nearest 100's

\*\*\* Rate Increase Effective 2/1/2024

**Proposal#2:** Increasing the sewer utility tax rate from 6% to 14%, water utility tax rate from 6% to 10%, and storm & surface water utility tax from 0% to 10% would provide approximately \$626,000 additional utility tax revenue to the city's General Fund in 2024 budget year. The proposal #2 rates mirror the current 2023 utility tax rates of the City of Centralia.

Utility Business	2024 Budget Taxable Income	Current Tax Rate	2024 Budget Utility Tax*	Proposed Tax Rate	Estimated Tax @ Proposed Rate	Tax Increase - Full year**	2024 Tax Increase (11 Months)***
Wastewater	5,909,100	6%	354,500	14%	827,300	472,800	433,400
Water	3,420,600	6%	205,200	10%	342,100	136,900	125,500
Stormwater	731,900	n/a	N/A	10%	73,200	73,190	67,100
<b>Total</b>	<b>10,061,600</b>		<b>559,700</b>		<b>1,242,600</b>	<b>682,890</b>	<b>626,000</b>

\* 6% on Water & Sewer. No tax on Stormwater

^ 10% on Water & Storm & Surface Water and 14% on Sewer

\*\*\* Rate Increase Effective 2/1/2024

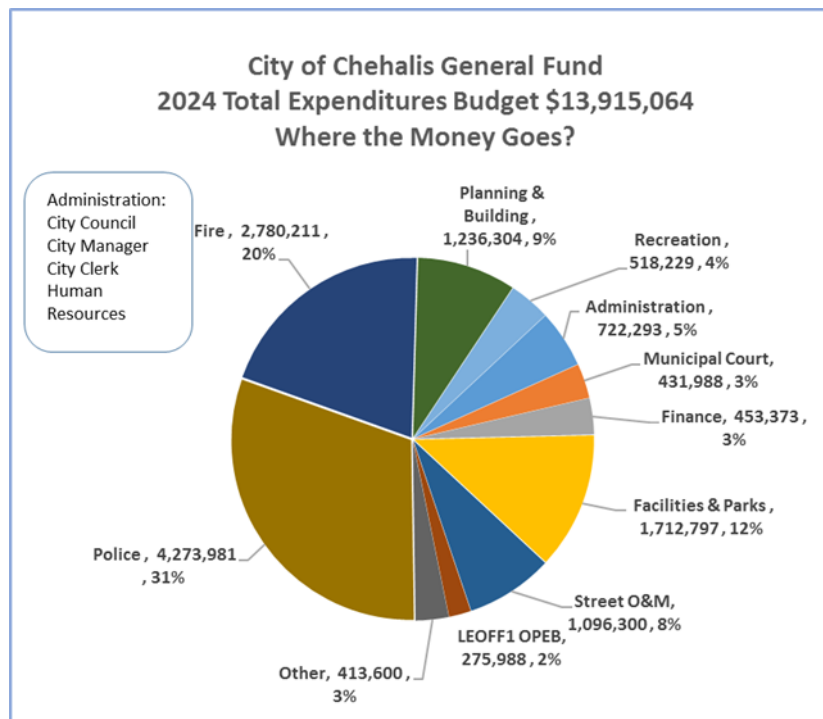
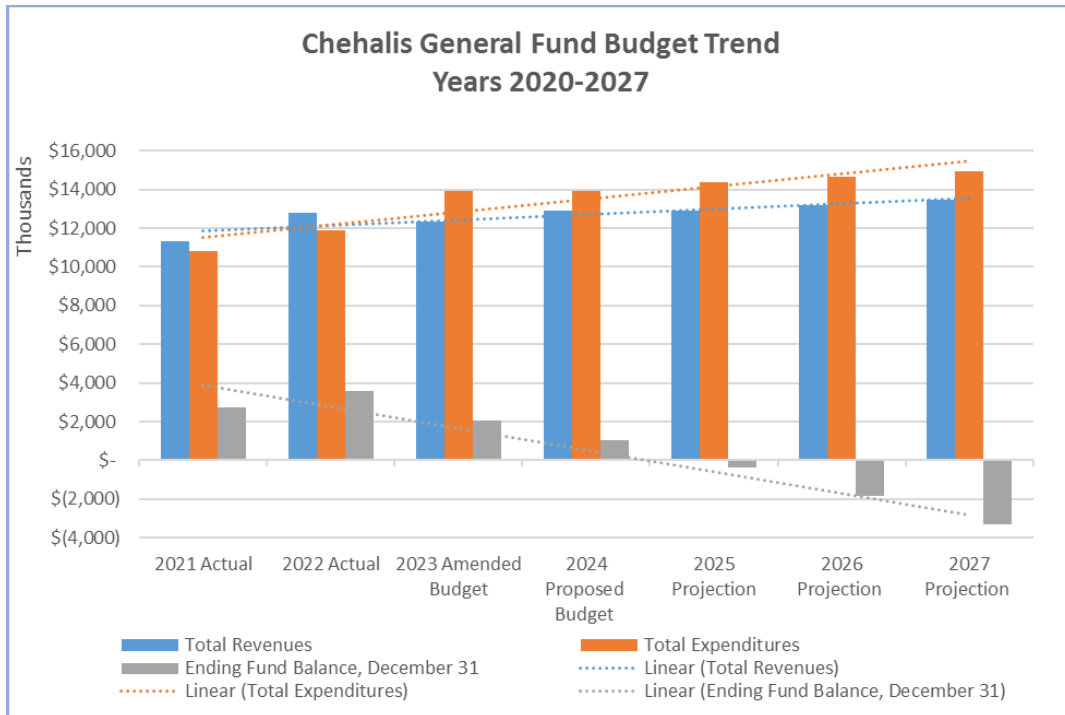
The revenues and expenditures associated with the proposed increases in utility taxes are **not** included in the 2024 Preliminary Budget as submitted. If rate increases are approved, the 2024 Budget will be amended in early 2024 to reflect the changes.

### **2024 Budget and Concerns**

The 2024 Preliminary Budget for the General Fund was balanced using \$996,439 of beginning reserves. The level of staffing and services provided in the 2024 Budget cannot be sustained without additional revenues going forward. The challenge is that revenue growth is not keeping up with the increasing costs of providing services.

As you are aware, the city's water, sewer, and stormwater utilities are required to charge utility bills to the city's own departments for the use of the services. These are additional expenditures the General Fund did not have prior to 2020. The city's general fund has paid the City of Chehalis utilities funds a total of \$512,354 since January 2020 through October 2023: \$89,361 in 2020, \$132,762 in 2021, \$140,177 in 2022, and \$150,053 in 2023 through October 2023

Using the assumptions that the annual increase in both revenues and expenditures will be 2% from the 2024 Budget projections (except about 5% increase in payroll costs in 2025 due to the collective bargaining agreements in effect), the General Fund's revenue deficiencies are projected at about \$1.4 million each year for years 2025-2027. Without additional revenues, the General Fund is expected to have a negative fund balance as early as 2025.



In order to maintain the current level of service, including police and fire services which represent more than 50% of the City's General Fund expenditures, it is recommended that the City Council approve one of the two proposals to increase the Utility Tax. Proposal #2 would align Chehalis rates with the City of Centralia; provide additional revenue that is not as sensitive to recessionary pressure; and allow the City more time to evaluate other options for increasing revenues and/or reducing services as it monitors 2024 revenues.

**RECOMMENDATION**

It is recommended that the City Council approve the rate changes of Proposal #2 and pass Ordinance 1077-B on the Second and Final reading.

**SUGGESTED MOTION**

I move that the City Council approve the rate changes of Proposal #2 and pass Ordinance 1077-B on the Second and Final reading.



## ORDINANCE NO. 1077-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, CREATING AND IMPOSING A UTILITY TAX ON EVERY PERSON, FIRM, OR CORPORATION ENGAGED IN CARRYING ON A WATER, SEWER, AND STORM AND SURFACE WATER UTILITY BUSINESS WITHIN OR PARTLY WITHIN THE CORPORATE LIMITS OF THE CITY OF CHEHALIS, WASHINGTON; AND REPEALING ORDINANCE NO. 548-B PASSED THE 27TH DAY OF JUNE 1994, CODIFIED IN THE CHEHALIS MUNICIPAL CODE AS SECTION 5.20.010, .020, .030, 040.**

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

**Section 1.** From and after the 1st day of February, 2024, there is levied upon, and there shall be collected from, every person, firm, or corporation, either private or public, engaged in carrying on a water distribution utility business; a sewer collection and treatment, or either, utility business; and a storm and surface water utility business within or partly within the corporate limits of the city of Chehalis, Washington, a tax equal to the stated percent (%) of the total gross income from such business as follows:

Utility Business	Tax Rate
A. Sewer Utility	14%
B. Water Utility	10%
C. Storm & Surface Water Utility	10%

**Section 2.** All payments of the utility tax imposed by this Ordinance shall be made by the water, sewer, and storm and surface water utility company to the city on a quarterly basis within forty-five (45) days of the last day of the quarters ending on March 31, June 30, September 30, and December 31 in each year.

**Section 3.** The city shall have the right to inspect all records of any and all water, sewer, and storm and surface water utility companies serving the city to verify amounts due under the utility tax ordinance and the right to audit and recompute any and all amounts payable under this provision. The city may require that any reports of financial statements resulting from such audit or recomputation be certified by the chief financial officer or a certified public accountant retained by the person, firm, or corporation engaged in the carrying on of a water, sewer, and storm and surface water utility business.

**Section 4.** Any said person, firm, or corporation subject to this Chapter CMC 5.20 who shall fail or refuse to make said tax returns or to pay said use tax when due, or who shall make any false statement or representation in or in connection with any such tax return, or shall otherwise violate or refuse or fail to comply with this Chapter, shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine not to exceed One Thousand Dollars (\$1,000.00), or by imprisonment in the Lewis County Jail for a term not to exceed ninety (90) days, or by both.

No imposition of punishment shall abrogate the requirement to pay the taxes owed to the City. In addition to the punishment imposed herein, the City shall have the right to pursue payment of the taxes in any lawful manner.

**Section 5:** A referendum petition may be filed within seven days of passage of this ordinance with the City Clerk, the filing officer. Within ten days, the filing officer shall confer with the petitioner concerning form and style of the petition, issue the petition an identification number, and secure an accurate, concise, and positive ballot title from the designated local official. The petitioner shall have thirty days in which to secure the signatures of not less than fifteen percent of the registered voters of the city, as of the last municipal general election, upon petition forms which contain the ballot title and the full text of the measure to be referred. The filing officer shall verify the sufficiency of the signatures on the petition and, if sufficient valid signatures are properly submitted, shall certify the referendum measure to the next election ballot within the city or at a special election ballot.

**Section 6.** Ordinance No. 548-B, passed the 27th day of June 1994, codified in the Chehalis Municipal Code as Section 5.20, shall be, and the same hereby is, repealed.

**Section 7.** Section 1 shall be codified as Chehalis Municipal Code (“CMC”) 5.20.010 Tax Levied; Section 2 shall be codified as CMC 5.20.020 When Payable; Section 3 shall be codified as CMC 5.20.030 Inspection of Records; Section 4 shall be codified as CMC 5.20.040. This ordinance is intended to replace the prior-existing CMC 5.20 chapter.

**Section 8.** Effective Date. The effective date of this ordinance shall be the \_\_\_\_ day of \_\_\_\_\_, 2023.

**PASSED** by the City Council of the City of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this \_\_\_\_ day of \_\_\_\_\_, 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:** Brandon Rakes, Airport Director

**MEETING OF:** December 11, 2023

**SUBJECT:** Resolution No. 20-2023, Declaring Real Property of the City of Chehalis to be Surplus to Certain Enterprise Funds, and Directing the Transfer Thereof to the Airport Fund (First and Final Reading)

---

**ISSUE**

The City of Chehalis Water and Wastewater owns a parcel of property and associated structures commonly known as 3110 Airport Road, Chehalis, WA (assessor's parcel no. 021612001002). This property is located adjoining the northeast corner of the Chehalis-Centralia Airport. This property was purchased as a potential site for future City utility infrastructure development. However, no development has taken place or is currently planned on this site.

The City Council held a public hearing on November 27, 2023, to receive public comment as required by RCW 35A.11.010 for the surplus of real property. During the public hearing City Counselors for the City of Chehalis raised questions about the Wastewater Department holding the property or the General Fund acquiring it. Those questions are addressed toward the end of the report in a section with the title "Does the Airport Need to Own the Property?"

**DISCUSSION**

The property, commonly known as the Barnes Property, was purchased by the City of Chehalis in November 2001 with the intention of possibly building the future wastewater treatment plant on that site. Another location was acquired for the treatment plant, leaving the Barnes Property vacant. A portion of the land, totaling approximately 15.3 acres, was sold in 2005 to the Pehl Group for the development of an auto dealership. The price paid by the Pehl Group included the City providing infrastructure and utilities for Louisiana Avenue to serve the site.

RCW 35A.11.010 authorizes the disposal of real and personal property.

*"by and through its legislative body, such municipality may contract and be contracted with; may purchase, lease, receive, or otherwise acquire real and personal property of every kind, and use, enjoy, hold, lease, control, convey or otherwise dispose of it for the common benefit."*

Transferring this property to the Chehalis-Centralia Airport is rooted in optimizing resources, enhancing operational efficiency, and the overall benefit to our community's water management, wastewater management, and aviation sectors. The following list of itemized benefits will provide further information.

1. **Optimal Land Use:** The Barnes Property, currently under the City of Chehalis Water and Wastewater Department, possesses characteristics that make it highly suitable for aviation-related purposes. By transferring the property to the Chehalis-Centralia Airport, the City can ensure optimal land use that aligns with the Airport's expansion plans, fostering the growth of aviation within our community or further commercial development.
2. **Facilitated Infrastructure Development:** The transfer will help expedite the development of critical infrastructure for the Chehalis-Centralia Airport. This may include constructing additional apron space, non-aeronautical commercial development, and other infrastructure necessary for airport operations' smooth functioning and expansion. Such developments contribute directly to economic growth and job creation in the region.
3. **Economic Stimulus and Job Creation:** The expansion of the Chehalis-Centralia Airport resulting from the acquisition of the Barnes Property is expected to stimulate economic growth in the region. The increased airport capacity will attract more aviation-related businesses, create job opportunities, and contribute to the economic well-being of our community.
4. **Environmental Considerations:** The transfer aligns with environmental considerations by allowing the City of Chehalis Water and Wastewater Departments to focus on their core responsibilities without needing significant land management efforts. Additionally, the airport's expansion plans can be designed and implemented with due consideration for environmental sustainability and compliance.
5. **Financial Benefits:** The transfer of the Barnes Property will result in long-term financial benefits for the City. The economic contributions from a thriving airport, including tax-related revenue and potential grants for aviation development, can positively impact the City's fiscal health.

Transferring the Barnes Property from the City of Chehalis Wastewater Department to the Chehalis-Centralia Airport is a strategic decision that promises to yield substantial benefits for the community. This move is aligned with a vision for sustainable growth, improved infrastructure, and enhanced economic vitality.

### **DOES THE AIRPORT NEED TO OWN THE PROPERTY?**

At the November 27, 2023, Public Hearing, questions were raised about whether or not it would be valuable for the Utility to retain ownership and lease the property to the airport or have the General Fund purchase the property. In both proposals, the purpose would be to generate revenue for the respective funds. The challenge is that the property has significant development limitations, which compromise the ability to raise sufficient revenue to offset the cost of purchase in the case of the General Fund, and/or the administrative costs of leasing the management of the property to the Airport, which would need to be paid for the service without much potential for leasing it to the private sector.

The first limitation is that the Barnes Property is the primary role the property plays in water management for the Chehalis-Centralia Airport and the commercial properties located in the immediate vicinity. Without this property, water from heavy precipitation and runoff would likely inundate the Airport frequently at levels undesirable for current or future operations and development. Much of the Barnes Property is listed on the Airport's Stormwater Pollution Prevention Plan (SWPPP) as Seasonally Flooded, Saturated, Occasionally Flooded, or within a 150-foot Offset of such areas.

The Barnes Property has severe development limitations compared to other commercial properties located adjacent to the airport. These limitations mean the property cannot be marketed or developed in the same manner as the adjacent properties.

However, the strategic areas that can be developed on this property by working around the wetlands will likely have a significant aeronautical purpose and benefit. Examples of projects that could benefit the Airport include aircraft or vehicle parking and a solar array to provide energy offsets for the Airport to meet the 2050 target of net zero that the Federal Government announced in April of 2022.

### **FISCAL IMPACT**

The amount of this transfer from the Airport Fund to the Water and Wastewater Department Funds totals \$316,957.00. This has been budgeted for in the 2024 budget. This is the carrying book value as determined by the City's Finance Director. The City's Water Fund will receive \$165,480.00 and the City's Wastewater Fund will receive 151,477.00.

### **RECOMMENDATION**

It is recommended that the City Council:

- 1) Waive the City Council rule requiring two readings of a Resolution regarding a matter having a significant budget impact; and
- 2) Approve Resolution No. 20-2023 on First and Final reading to authorize the transfer of \$165,480.00 to the Water Fund and \$151,477.00 to the Wastewater Fund from the Airport Fund for a total transfer of \$316,957.00 to execute the transfer of the Barnes property to the Chehalis-Centralia Airport.

### **SUGGESTED MOTION**

I move that the City Council:

- 1) Waive the City Council rule requiring two readings of a Resolution regarding a matter having a significant budget impact; and
- 2) Approve Resolution No. 20-2023 on First and Final reading to authorize the transfer of \$165,480.00 to the Water Fund and \$151,477.00 to the Wastewater Fund from the Airport Fund for a total transfer of \$316,957.00 to execute the transfer of the Barnes property to the Chehalis-Centralia Airport.



Barnes Property Purchase & Improvement Costs

Recreated from a pdf copy that Brandon provided					Chun's Comments 1/15/2021 (v3)				
Project	Description	Dates	Amount	Fund	Fund	Amount	GL Data	Difference	Note
Barnes Property Barnes Property	Purchase of Land (property) 56.05 acres	2001	\$365,000	wastewater fund	wastewater fund	\$ 365,797	405.11.594.035.61.00		(797) [1]
	Land mgmt and permitting services (Land Mgt. Services, Hillier)	2004-2006	\$229,695	wastewater fund	wastewater fund	\$ 227,325	Project code: a002 (Cost of sales)		2,370
	*Project started by Bob Nocht to developmnet property. Ended up with Corp wetland delineation.								
	40 yards fill w/ wetland delineation & archeologist (ELS, HRA, city)	2014	\$9,961	wastewater fund	wastewater fund	\$ 5,109	404.11.535.080.41.00		4,852
	*Project to fill property in order to vest Corp wetland delineation.	Total	\$239,656		Total	\$ 232,434			7,222
Airport Road Extension	Design & Construction (Gray & Osborne & Balmelli)	2005	\$84,100	street fund	street fund	\$ 78,412	Project : c038 (2006-2009)		5,688
	*Project redo substandard utilities put in by Peterson.		\$137,332	wastewater fund	wastewater fund	\$ 781,595	Project : c038 (2006-2009)		(644,263) [2]
			\$364,973	stormwater fund	stormwater fund	\$ -	Project : c038 (2006-2009)		364,973 [2]
			\$232,540	water fund	water fund	\$ -	Project : c038 (2006-2009)		232,540 [2]
			\$0	PW reserve fund	PW reserve fund	\$ 17,616	Project : c038 (2006-2009)		(17,616) [2]
		Total	\$818,945		Total	\$ 877,623			(58,678)
Airport Rd. Extension Fill	Fill (Dulin)	2005-2006	\$634,166	PW reserve fund	PW reserve fund	\$ -	*moved to 404 (12/2005)		634,166 [3]
			\$0	wastewater fund	wastewater fund	\$ 634,166	404.11.594.030.65.25		(634,166) [3]
	*Project to extend Louisiana Ave. as negotiated in Pehl purchase of 15 acres of Barnes property.		\$543,367	wastewater fund	wastewater fund	\$ 543,369	404.11.594.030.65.25		(2)
		Total	\$1,177,533		Total	\$ 1,177,535			(2)
LAARC	Louisiana Ave. / Airport Rd. connection	2012-2013	\$62,390	wastewater fund	wastewater fund	\$ 62,390	Project code: v001		(0)
	*Project to extend utilities and make connection between Louisiana Ave and Airport Rd.		\$165,479	water fund	water fund	\$ 165,480	Project code: w001		(1)
			\$26,968	street fund	street fund	\$ 29,966	Project code: t001		(2,998)
		Total	\$254,837		Total	\$ 257,836			(2,999)
		Total spent	\$2,855,971		Total spent	\$ 2,911,225			(55,254)
Sale of 15.3 acres to Pehnic Investments					2005	\$2,468,274	**Rct #36982 1/30/2006		197,598 [4]

Chun's Analysis and Comments

Notes:

- [1] GL posted amount is more. Assume the difference is for ancillary costs on top of the purchase price?  
 [2] Info Brandon has show split between WW/WA/STW funds but GL data show all paid by WW  
 [3] PW reserve fund paid for a portion of the fill costs initially (11/10/2005), but later it was charged back to Wastewater fund via a book entry (12/5/2005, GL #50094)  
 [4] Actual receipt was \$2,468,273.93. Difference is \$197,598.07. Assume difference is fees deducted?

Question:

Did the costs for fill and road extension for the 15.3 acres sold only for the entire 56.05 acres?

Total by Funds	
wastewater fund	\$ 2,619,751
water fund	\$ 165,480
stormwater fund	\$ -
street fund	\$ 108,378
PW reserve fund	\$ 17,616
<b>Total cost</b>	<b>\$ 2,911,225</b>

(1,272,006)  
232,539  
364,973  
2,690  
616,550  
**(55,254)**

Total expenses by utilities fund	\$ 2,110,737
Sales proceeds received by wastewater fund	\$ 2,665,872
Expenses over (under) Net Sales Proceeds	\$ (555,135)

Book Value of Remaining Parcel

Purchase cost per acre	\$380,797/56.05 acre = \$6,793.88
Remaining value (undeveloped)	40.75 acres x \$6,793.88 = \$276,850.61
	\$ 151,477 Wastewater Fund
	\$ 165,480 Water Fund
	\$ 316,957 Total

Account # E 301.44.595.030.65.05 Fiscal year 2005  
 Title CONSTRUCTION PROJECTS

Doc Date	Period	Doc Source	Reference	Description	Amount
11/10/2005	11	invoice	27115 #1	Airport Rd extension proj	634,166.14 D
11/30/2005	11	genjnl	50096	correct louisiana fill proj	634,166.14 C
12/05/2005	12	gltransfer	50094	move to 404/Dulin Const	<del>634,166.14 C</del>
12/31/2005	12	genjnl	50117	REVERSE EXP CORRE	<del>634,166.14 D</del>

*Initially Chapped to 301  
 Moved to 404  
 duplicate JE  
 correct/reversal of  
 duplicate JE*

Fund 301 did Not  
 pay for INV # 27115 #1 (DULIN Construction)  
 for Louisiana Ave fill project

net

Total Budget Adj	Total Encumbrance	Activity
0.00	0.00	0.00





Main Activity Detail History Summaries Reporting Budget Preparation Comments

Account # E 404.11.594.030.65.25

Fiscal year 2005

Title LOUISIANNA EXTENSION FILL

Filter

Doc Date	Period	Doc Source	Reference	Description	Amount
11/30/2005	11	genjnl	50096	correct louisiana fill proj	634,166.14 D
12/05/2005	12	gltransfer	50094	moved from 301/Dulin C	<del>634,166.14 D</del>
12/05/2005	12	invoice	CD#0964008226	airport rd extension #1 re	33,377.17 D
12/13/2005	12	invoice	estimate #2	Airport Rd estimate #2	480,328.17 D
12/13/2005	12	invoice	retainage #2	Airport Rd extension reta	58,657.60 D
12/15/2005	12	invoice	estimate #2	Airport Rd estimate #2	480,328.17 C
12/15/2005	12	invoice	retainage #2	Airport Rd extension reta	58,657.60 C
12/15/2005	12	invoice	ESTIMATE #2	Airport Rd extension #2	480,328.17 D
12/15/2005	12	invoice	RETAINAGE #2	Airport Rd retainage #2	58,657.60 D
12/19/2005	12	invoice	correct retainage #2	retainage #2	25,280.43 D
12/30/2005	12	invoice	RETAINAGE #2	Airport Rd retainage #2	58,657.60 C
12/31/2005	12	genjnl	50117	REVERSE EXP CORRE	<del>634,166.14 C</del>

Total Budget Adj	Total Encumbrance	Activity
0.00	0.00	1,173,151.91

## Chun Saul

**Subject:** Barnes Property  
**Location:** Airport  
**Start:** Fri 1/22/2021 3:30 PM  
**End:** Fri 1/22/2021 4:30 PM  
**Recurrence:** (none)  
**Meeting Status:** Meeting organizer  
**Organizer:** Chun Saul  
**Required Attendees:** Brandon Rakes

Brandon,

Here are some of the documents for review and discussion during our meeting. Three are the ones that I received from you and Erin and one from me with my comments.

I tried to validate the financial transactions (revenues and expenses) amounts stated in the letters and the pdf file titled "Barnes prop related expenses-from Brandon" that you sent but there seems to be significant discrepancies related to which fund paid for the Airport Road Extension and Fill projects, and overall expenses incurred by the wastewater fund.

Chun

Parcel # 021 612001 002

78,440  
1,996,478.

\* 56.05 remaining  
15.3 sold  
71.35 acre

~~365,799~~  
= 71.35  
5,126.79 Acre  
x 56.05  
287,357

5,126.79  
x 15.3  
78,440

~~365,799~~  
~~x 15.3~~



Project	Description	Dates	Amount	Notes
Purchase of Barnes Property		2001	\$365,000	wastewater fund
Barnes Property	Land management and permitting services (Land Mgt. Services, Hillier) * Project started by Bob Nacht to develop property. Ended up with Corp wetland delineation.	2004-2006	\$229,695	wastewater fund
	40 yards fill w/ wetland delineation and archeologist (ELS, HRA, city) * Project to fill property in order to vest Corp wetland delineation.	2014	\$9,961	wastewater fund
Airport Road Extension C038?	Design & construction (Gray & Osborne & Balmelli) * Project redo substandard utilites put in by Peterson.	2005	\$84,100 \$137,332 \$364,973 \$232,540	street fund wastewater fund stormwater fund water fund
Airport Rd. Extension Fill No project code	Fill (Dulin) * Project to extend Louisiana Ave. as negotiated in Pehl purchase of 15 acres of Barnes property.	2005-2006	\$634,166 \$543,367	<del>PW reserve fund</del> Wastewater wastewater fund
LAARC	Louisiana Ave. / Airport Rd. connection * Project to extend utilities and make connection between Louisiana Ave. and Airport Rd.	2012-2013 Total spent	\$62,390 \$165,479 \$26,968 \$2,855,971	wastewater fund water fund street fund
Sale of 15.3 acres to Pehnic Investments		2005	\$2,665,872	revenue to wastewater fund

Project WW A002  
Airport C038  
T001  
W003  
Y201

Re: Latecomer Agreement on Airport Property

- can't verify →
2. The water fund contributed \$398,019 for the improvements and development of roadway and utilities for the benefit of both properties.
  - can't verify → 3. The storm water fund expended \$364,973 for development of the utilities and roadway on the property benefiting both properties.

From the \$2,665,872 revenue received from the sale of a portion of the Barnes property, city utilities expended \$2,108,507. Essentially, the utilities spent \$500,000 less than revenues received on the sale of the property. The additional expenditures were from the general fund (\$84,100 from the street fund and \$634,166 from the public works reserve fund). Those general fund expenditures are not required to be reimbursed to the utilities as they were simply general fund expenditures for the benefit of development of the property for receipt of sales tax revenues which will certainly offset the expenditures.

Based on this information, it is clear that the utilities have been 100% reimbursed for expenditures made in the form of loans or transfers to develop infrastructure and acquire property for the benefit of the City. Additionally, the general fund expended certain funds for the development out there; however, the expenditure are directly reimbursable by sales tax revenue.

It is the position of the City Attorney's Office that, because all dedicated funds have been reimbursed, the notion of a latecomer fee for the reimbursement of costs benefiting the utility funds is not necessary. Additionally, the latecomer fee is creating a hindrance to development of property which ultimately will benefit the general fund in the form of sales tax revenues. Since the City is the sole owner of the Barnes property it may be more appropriate to do away with the latecomer fee and concentrate on the development of our remaining property for the benefit of economic development and associated revenues.

Because the revenue received by the utility exceeded the expenditures by the utilities it seems appropriate for the City to consider a transfer of the Barnes property from the wastewater department back to the City, or to have the City Council consider a transfer of the Barnes property to the Airport.

WTH:sj  
Encl.

cc Dennis Osborn, Community Development Director  
Allyn Roe, Airport Manager  
Rick Sahlin, Public Works Director

# HILLIER, SCHEIBMEIR, VEY & KELLY, P.S.

## ATTORNEYS AT LAW

WILLIAM T. HILLIER  
[E-mail: bhillier@localaccess.com]

AMANDA C. VEY  
[E-mail: avey@localaccess.com]

ERIN L. HILLIER  
[E-mail: ehillier@rainierconnect.com]

299 N. W. CENTER STREET  
P. O. BOX 939  
CHEHALIS, WASHINGTON 98532  
PHONE: (360) 748-3386 / FAX: (360) 748-9533

MARK C. SCHEIBMEIR  
[E-mail: mscheibmeir@localaccess.com]

BRIAN J. KELLY  
[E-mail: bkelly@localaccess.com]

April 22, 2014

### MEMORANDUM

**TO:** Merlin MacReynold

**FROM:** William T. Hillier

**SUBJECT:** Latecomer Agreement on Airport Property

Since 2005, the numbers we understood that were borrowed to make repairs to the Airport property have significantly changed. We now have a breakdown of the revenues made on the sale of the Barnes property as well as expenditures made by the wastewater, storm water, water, and general funds for infrastructure improvements done for the benefit of the development of the Airport property and the Barnes property. Now that the City is the sole owner of the Airport property and the Barnes property, we now control our destiny with regard to infrastructure costs and the resultant income to be earned off the property.

With regard to the expenditures and revenues that we now understand were expended on development of the property, the actual road extensions, and utility extensions I would give you the following:

1. Attached is a breakdown of the revenues received from the sale of the Barnes property as well as the expenditures for the development of the roads, sewers, and other utilities for both the Airport property and the Barnes property. These numbers include the repair work done for some of the faulty installation of utilities and roadways.

The revenue for the sale of 15.3 acres of the Barnes property in 2005 was \$2,665,872. All of those revenues were provided to the waste water fund. The waste water fund expended \$1,345,515 for acquisition of property, development of property, and development of roadway and utility for the benefit of both the Barnes property and the Airport property.

Cash receipt  
was \$2,468,294

To: Merlin MacReynold – City Manager  
From: Dennis Osborn – Community Development Director  
Subject: Barnes Property  
Date: April 7, 2014

This summary memo was completed by Community Development with assistance from Public Works. This memo is intended to give a brief overview of the history and status/issues of the site owned by the City known as the Barnes Property.

The Barnes property (75 acres) was acquired with Wastewater Utility funds for \$365,000 in 2001. From 2004-2006 Project development of property was started by Community Development. During this period, \$229,695 was spent (charged to the wastewater division) on land management and permitting services. Of the 75 acres, 15.3 acres was sold for \$2,665,872 in 2005. This price included the City providing infrastructure and utilities from 2005-2006 for Louisiana Ave to serve the site. The roadway fills and utility extension project was done by Dulin Construction for \$1,177,533. \$634,166 came from the Public Facilities Reserve fund and \$543,367 came from the Wastewater Utility fund.

Facts of the property since acquisition and partial sale:

- Approximately 59.7 acres remain. Of that it is estimated that less than 40 acres remain for development that is not encumbered by the Airport Lake, the DOT bioswale and wetlands with their associated buffers.
- There are archeology issues with the site (DAHP has mapped areas of findings on site)
- There is an existing wetland delineation report completed that was valid for 5 years. This report, staff believes, has been vested since the city did a partial fill in March 2013 on the site before the 5 year expiration occurred.
- To fill the entire site would require permits from the US Army Corps and Ecology (if they can be approved by these agencies and obtained)
- The *rough estimated* cost to fill the site (less the ox bow lakes and DAHP and wetland reductions) is based on a conversation with the contractor providing fill for the Airport Levee Project. His estimated cost (2013 numbers) was \$11.00 per cubic yard hauled loose in place. Compaction of the loose fill adds approximately 30% to the calculated haul-in volume according to the contractor. Therefore, it would take 56,628 cubic feet, or roughly 2100 cubic yards of loose fill material to fill one acre of land 1 foot deep. At \$11.00 per yard, this would be \$23,100 per acre. If the average fill depth is 10 feet per acre, that would be \$231,000 per acre to achieve a shovel ready condition. The total cost for the entire property would be this figure multiplied by the number of acres that were allowed to be filled. These numbers assume fill sourced in Chehalis from one of the sites across the freeway. Imported fill would be much more expensive.
- To fill the entire site would require permits from the US Army Corps and Ecology (if they can be approved by these agencies and obtained)

- Funds needed to obtain studies, and permits to fill the site
- DOT has placed a bio swale on site that encumbers a small portion of the property.
- The site is zoned general commercial
- Marketing the site and cost of marketing
- Project lead/project management
- Marketing the site and cost of marketing
- Project lead/project management

In summary, the Barnes site has several issue that need to be addressed in order to get it ready to market as a “shovel ready” site.



## Chun Saul

---

**From:** Chun Saul  
**Sent:** Tuesday, January 21, 2020 11:57 AM  
**To:** Trent Lougheed; Jill Anderson  
**Cc:** Brandon Rakes  
**Subject:** FW: Barnes Property  
**Attachments:** Barnes Property; 2005 Airport Rd Extension 301 Fund.pdf

After our management meeting this morning, I did a bit more research on this because I wasn't sure why Fund 301 (Public Facilities Reserve) fund had to pay for the cost of the road extension, infrastructure or any other site development. 301 Fund is a reserve fund for general city facilities (buildings and properties of the general government).

I found that Fund 301 did **NOT pay for** the road extension (Louisiana Ave/Airport) costs. It appears that \$634,166 was initially charged to the fund 301 in November 2005, but it was reversed (moved out) from fund 301 and moved to Wastewater fund (404) in December 2005. Here is the expenditure report from year 2005.

Please let me know if you have questions or would like me to do additional research.

Chun

---

**From:** Chun Saul  
**Sent:** Thursday, November 21, 2019 10:09 AM  
**To:** Chun Saul <[csaul@ci.chehalis.wa.us](mailto:csaul@ci.chehalis.wa.us)>  
**Subject:** FW: Barnes Property

For file.

---

**From:** Chun Saul  
**Sent:** Wednesday, November 20, 2019 4:17 PM  
**To:** Brandon Rakes <[brakes@ci.chehalis.wa.us](mailto:brakes@ci.chehalis.wa.us)>  
**Subject:** RE: Barnes Property

Brandon,  
Sorry for the late response.

By searching the accounting system, the proceeds of sale of the property was received in the wastewater fund in the amount of \$2,468,273.93. it does not appear any other funds have received any of the funds.

And the purchase cost of the property recorded in the books was \$365,797.18

Thanks,  
Chun

---

**From:** Brandon Rakes <[brakes@ci.chehalis.wa.us](mailto:brakes@ci.chehalis.wa.us)>  
**Sent:** Monday, November 18, 2019 8:53 AM  
**To:** Chun Saul <[csaul@ci.chehalis.wa.us](mailto:csaul@ci.chehalis.wa.us)>  
**Subject:** Barnes Property

Good morning, Chun

Last week I met with Jill, Trent, Erin Hillier, Patrick, and Devlin to discuss a piece of the property referenced as the Barnes Property on the NE corner of the Airport.

This property has historically been treated as though it was part of the Airport. It was recently discovered that it is not a part of the Airport and that Wastewater funds were used to purchase this property in 2001. I am attaching a memo regarding the property to give some historical context. Also included is a list of expenses incurred by Wastewater and others on the property.

In 2006 a part of the property was sold to I-5 Toyota for approximately \$2.4 million. When that money was received, which departments received how much? We are trying to determine if any departments besides Wastewater received any of the funds.

Could you or Michelle please help us track the money on this?

Please let me know if you have any questions, and I will assist as much as possible.

Thank you,

Brandon

***Brandon Rakes***

*Airport Operations Coordinator*

*Chehalis-Centralia Airport*

*360-748-1230 Office*

*360-219-5283 Mobile*





**RESOLUTION NO. 20-2023**

**A RESOLUTION OF THE CITY OF CHEHALIS,  
WASHINGTON, DECLARING REAL PROPERTY OF THE  
CITY OF CHEHALIS TO BE SURPLUS TO CERTAIN  
ENTERPRISE FUNDS, AND DIRECTING THE TRANSFER  
THEREOF TO THE AIRPORT FUND.**

**WHEREAS**, the City of Chehalis (“City”) owns a parcel of real property and associated structures commonly known as 3110 Airport Road, Chehalis, WA (assessor’s parcel no. 021612001002, hereinafter referred to as the “Property”) in the Water and Wastewater Funds; and

**WHEREAS**, the Chehalis-Centralia Airport (Airport Fund) desires the property for the purpose of future development and expansion and to ensure compatible land use for the future; and

**WHEREAS**, the purpose of declaring the property surplus is to transfer the property from the Water and Wastewater enterprise fund to the Airport Fund; and

**WHEREAS**, the Council of the City of Chehalis has considered the nature of the City’s interest in the Property and potential terms of its sale or transfer; and

**WHEREAS**, pursuant to law, the City of Chehalis has the authority to transfer City-owned real property for the common benefit; and

**WHEREAS**, the City Council hereby formally finds that the Property is surplus to the needs of the City’s Water and Wastewater Funds and not required for continued provision of public utility services; and

**WHEREAS**, the property has been valued using the carrying book value; and

**WHEREAS**, a full public hearing was properly noticed and had prior to the vote by the Council on this resolution;

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

**Section 1.** The following described real property of the city of Chehalis, Washington, a municipal corporation, shall be, and the same hereby is, declared to be surplus and no longer of necessary use for the provision of public utility services via the Water and/or Wastewater Funds.

- |   |  |
|---|--|
|   |  |
| <ul style="list-style-type: none"> <li>• See Exhibit A</li> </ul> |  |

**Section 2.** The City Council Authorizes the City administration to transfer the Property from the Water Fund and the Wastewater Fund to the Airport Fund.

**Section 3.** The carrying book value of the property is THREE HUNDRED SIXTEEN THOUSAND, NINE HUNDRED FIFTY-SEVEN DOLLARS EXACTLY (\$316,957.00). All necessary accounting shall be done by the finance department to ensure proper compliance with enterprise fund balance requirements.

**Section 4.** Any resolutions or parts of resolutions in conflict herewith are hereby repealed insofar they conflict with the provisions of this resolution.

**Section 5.** If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid or unconstitutional, such decisions shall not affect the validity of the remaining portions of this Resolution. The Council hereby declares that it would have passed this code and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsection, sentences, clauses or phrases has been declared invalid or unconstitutional, and if, for any reason, this resolution should be declared invalid or unconstitutional, then the original Resolution or Resolutions shall be in full force and effect.

**Section 5.** This resolution shall be in full force and effect upon passage.

**ADOPTED** by the City Council of the City of Chehalis, Washington, and **APPROVED** at a regularly scheduled open public meeting thereof this \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
Mayor

Attest:

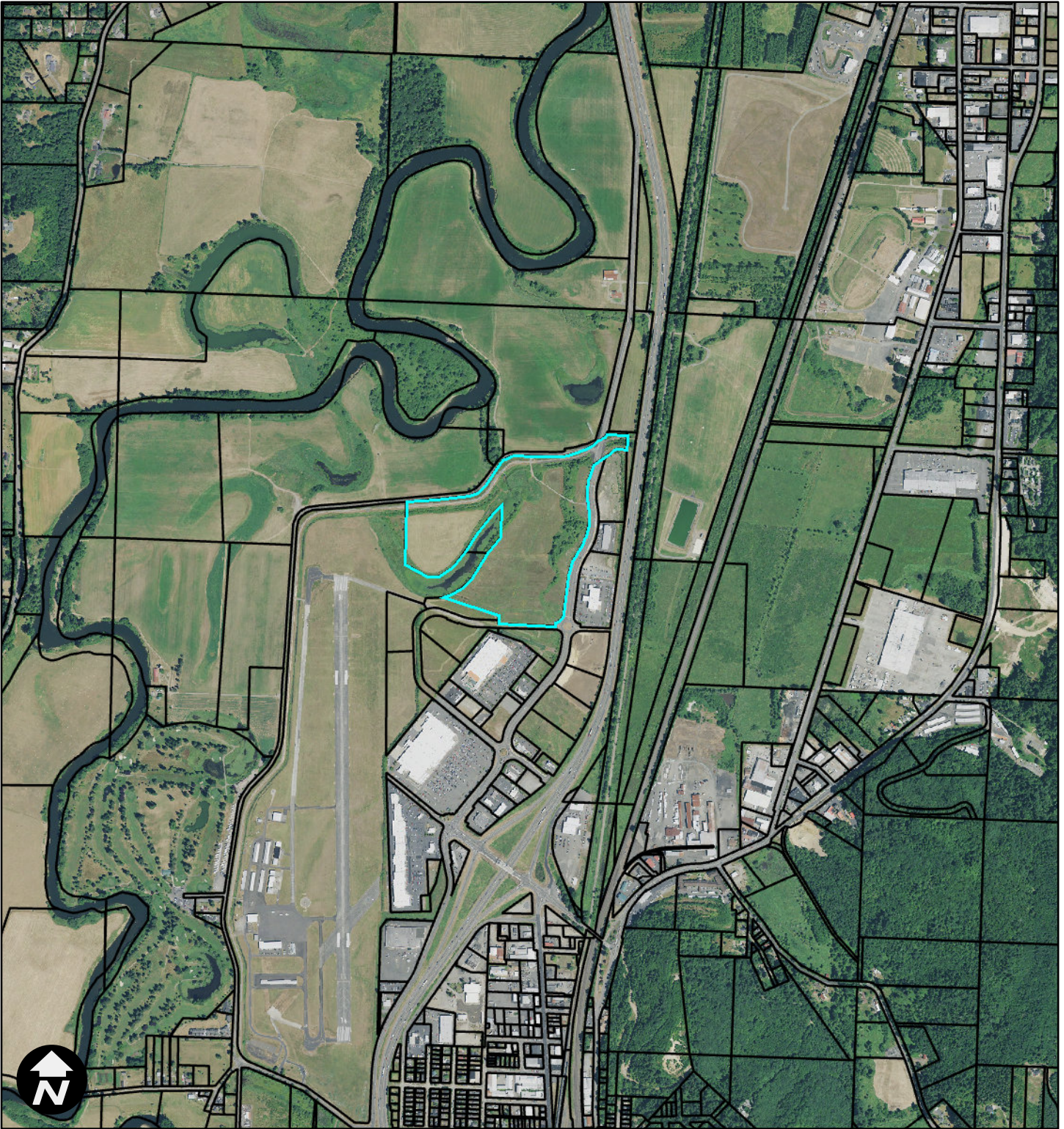
\_\_\_\_\_  
Kassi Mackie, City Clerk

Approved as to form and content:

\_\_\_\_\_  
Kevin T. Nelson, City Attorney



# Lewis County GIS Web Map



11/22/2023, 4:10:15 AM

1:18,056

☐ Parcels

0 800 1,600 3,200 ft  
NAD 1983 StatePlane Washington South FIPS 4602 Feet



Lewis County does not guarantee the accuracy of the information shown on this map and is not responsible for any use or misuse by others regarding this material. It is provided for general informational purposes only. This map does not meet legal, engineering, or survey standards. Please practice due diligence and consult with licensed experts before making decisions.

© Lewis County GIS



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 LOUISIANNA 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 LOUISIANNA AVE;  
THENCE S05°07'29"W ALONG SAID WESTERLY MARGIN A DISTANCE OF 36.07  
FEET TO THE **POINT OF BEGINNING**.

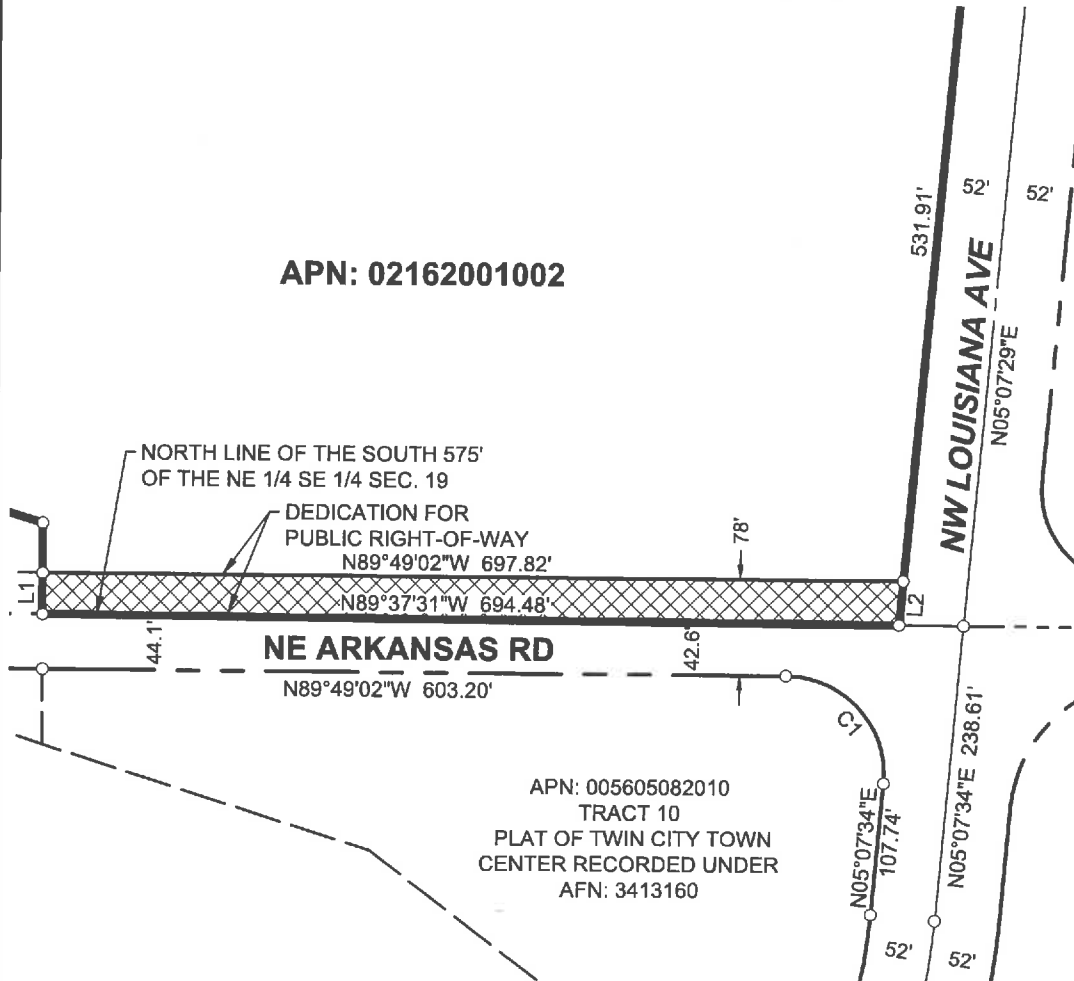
CONTAINING 24,205 SQUARE FEET, MORE OR LESS.

# 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



### LINE AND CURVE DATA

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

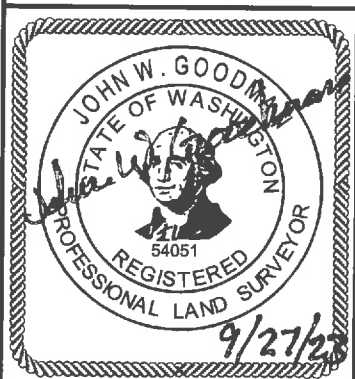
CURVE	DELTA	RADIUS	LENGTH
C1	94°56'36\"	80.00'	132.57'

### LEGEND

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



DEDICATION AREA = 24,205 SQFT





**FORESIGHT**  
**SURVEYING, INC.**

**PROFESSIONAL LAND SURVEYORS**  
1583 N NATIONAL AVE  
CHEHALIS, WA 98532    OFFICE: (360) 748-4000

## EXHIBIT C

JOB NO: 5207.1    DATE: 09/25/2023  
CITY OF CHEHALIS, LEWIS COUNTY, WASHINGTON

93





AFTER RECORDING MAIL TO:

Name CITY OF CHEHALIS

Address P.O. Box 871

City, State, Zip Chehalis, WA 98532



3125466  
Page: 1 of 2  
11/13/2001 11:57F  
Lewis Co, WA

94624

## Statutory Warranty Deed

THE GRANTOR MARGARET BARNES, as her separate estate for and in consideration of Ten Dollars and other valuable consideration in hand paid, conveys and warrants to CITY OF CHEHALIS, A MUNICIPAL CORPORATION the following described real estate, situated in the County of LEWIS, State of Washington:

See Exhibit A attached hereto and made a part hereof.

SUBJECT TO: COVENANTS, CONDITIONS, RESERVATIONS AND EASEMENTS OF RECORD.

ABBREVI. LEGAL: PT E2 SEC 19-14-2W WMLCW

Assessor's Property Tax Parcel Account Number(s): 021612-001-000, 021612-002-000, 021607-000-000

Dated this 13th day of November, 2001.

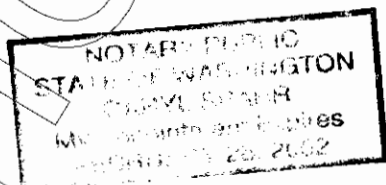
*Margaret M. Barnes*  
MARGARET BARNES

STATE OF WASHINGTON  
COUNTY OF LEWIS

} ss

I certify that I know or have satisfactory evidence that MARGARET BARNES is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

Dated: NOVEMBER 8, 2001



*Caryl Spahr*  
Notary Public in and for the State of Washington  
Residing at CHEHALIS  
My appointment expires: 02/28/02  
CARYL SPAHR



Exhibit A

PARCEL A:

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.

PARCEL B:

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 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 as Emrich Lake, as disclosed by Warranty Deed recorded February 11, 1942 under Auditor's File No. 364572.

PARCEL C:

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.

PARCEL D:

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 March 19, 1940 under Auditor's File No. 336922 and recorded May 31, 1940 under Auditor's File No. 339662.

PARCEL E:

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 right 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.

**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, Capital Improvement Project Manager

**MEETING OF:** December 11, 2023

**SUBJECT:** Ordinance No. 1086-B, Amending Chehalis Municipal Code, Chapter 12.04 Engineering Development Code, Sections 12.04.080 Changes to Standards, and 12.04.110 Requirements.

---

**ISSUE**

In the special City Council Meeting of September 18, 2023, staff presented and spoke on the process used to determine when frontage improvements for new development and re-development projects are required by code. The City Council provided direction to draft proposed amendments to the municipal code to provide greater clarity in determining whether frontage improvements are or are not required in new development and re-development projects. These proposed code amendments were taken to the Growth Management Committee.

During the Growth Management Committee meeting of October 2, 2023, the committee deliberated upon the proposed amendments to Chehalis Municipal Code 12.04.080 and 12.04.110. The aim of these code amendments is to provide clarity regarding procedures for both new development and re-development and ventures that necessitate frontage improvements. Following thorough discussion, the committee reached a consensus on the proposed changes and determined advancement of recommendations to the City Council.

In the regular City Council Meeting of October 9, 2023, city staff presented issues with existing conflicting municipal code language in Engineering Development Code sections 12.04.080 and 12.04.110. City Council provided direction to move forward with proposed revisions to both 12.04.080 and 12.04.110.

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

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

Municipal Code changes are required to be processed through non-project SEPA review, per WAC 19-11-060. A completed SEPA checklist was submitted to Building and Planning on October 20, 2023, under application number, SEPA-23-005. A Determination of Non-Significance was issued by the SEPA Responsible Official on November 27, 2023. The required two-week appeal period for SEPA decisions expired December 11, 2023, at 5:00 pm. Hearing no appeals of decision, this non-project action can move forward for consideration by the City Council.

### **PROPOSED CHANGES TO THE MUNICIPAL CODE**

***Changes to Chehalis Municipal Code are proposed as follows:***

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

Amend code 12.04.080, so that all changes to engineering development code are presented to City Council for consideration during open and public, scheduled city council meetings.

*Chehalis Municipal Code 12.04.080 currently reads:*

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

*Proposed Amendment:*

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

- **Chehalis Municipal Code 12.04.110- Requirements**

Staff proposes to amend portions of code 12.04.110 to provide greater clarity where the required installation of mandatory frontage improvements occur because of new development or re-development.

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

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

*Proposed Amendment:*

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

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

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

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

*Proposed Amendment:*

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

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

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

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

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

***Proposed Amendment:***

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

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

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

- a. *Chamber of Commerce Way*
- b. *Interstate Avenue*
- c. *Louisiana Avenue*
- d. *Main Street*
- e. *Market Boulevard*
- f. *Newaukum Avenue (from Riverside Drive to city limits)*
- g. *Parkland Drive*
- h. *Riverside Drive (from Highway 6 to Newaukum Avenue)*
- i. *State Avenue (from Chamber of Commerce way to West Street)*
- j. *13<sup>th</sup> Street (from Parkland Drive to Market Boulevard)*
- k. *National Avenue*
- l. *Kresky Avenue”*

***Proposed Amendment:***

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

- a. Chamber of Commerce Way
- b. Interstate Avenue
- c. Louisiana Avenue
- d. Main Street
- e. Market Boulevard
- f. Newaukum Avenue (from Riverside Drive to city limits)
- g. Parkland Drive
- h. Riverside Drive (from Highway 6 to Newaukum Avenue)
- i. State Avenue (from Chamber of Commerce way to West Street)

- j. 13<sup>th</sup> Street (from Parkland Drive to Market Boulevard)
- k. National Avenue
- l. Kresky Avenue
- m. All WSDOT functionally classified Arterial and Collector roads

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

### **FISCAL IMPACT**

There is no cost associated with the changes recommended.

### **RECOMMENDATION**

It is recommended that the City Council

- 1) Waive the City Council rule requiring two readings of an Ordinance; and
- 2) Approve Ordinance No. 1086-B, adopting the proposed amendments to Chehalis Municipal Code Chapter 12.04.080 and 12.04.110 on First and Final Reading.

### **SUGGESTED MOTION**

I move that the City Council:

- 1) Waive the City Council rule requiring two readings of an Ordinance; and
- 2) Approve Ordinance No. 1086-B, adopting the proposed amendments to Chehalis Municipal Code Chapter 12.04.080 and 12.04.110 on First and Final Reading.





**ORDINANCE NO. 1086-B**

**AN ORDINANCE OF THE CITY OF CHEHALIS,  
WASHINGTON, AMENDING SECTIONS 12.04.080 AND  
12.04.110 OF THE CHEHALIS MUNICIPAL CODE  
CONCERNING FRONTAGE IMPROVEMENT  
REQUIREMENTS FOR NEW DEVELOPMENT AND RE-  
DEVELOPMENT**

**WHEREAS**, code cities may edit ordinances per RCW 35.21.500(1), to the extent deemed necessary or desirable, for the purpose of modernizing and clarifying the language of such ordinances, but without changing the meaning of any such ordinance; and,

**WHEREAS**, to maintain continuity in code language and editing procedure; and,

**WHEREAS**, SEPA review has been completed per WAC 19-11-060; and,

**WHEREAS**, no appeals were received during the required appeal window,

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

**Section 1.** Section 12.04.080 of the Chehalis Municipal Code shall be, and the same hereby are amended to read as follows:

12.04.080 Changes to standards.

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

**Section 2.** Section 12.04.110(A)(2) of the Chehalis Municipal Code shall be, and the same hereby are amended to read as follows:

12.04.110(A)(2) Select areas are designated for the mandatory installation of frontage improvements with any development or redevelopment project. Other areas identified may apply for deferral of frontage improvements. These specific designations are identified below.

**Section 3.** Section 12.04.110(B)(1) of the Chehalis Municipal Code shall be, and the same hereby are amended to read as follows:

12.04.110(B)(1) The installation of sidewalk, curb and gutter will be required of all development projects on the following streets:

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

**Section 4.** Section 12.04.110(B)(3) of the Chehalis Municipal Code shall be, and the same hereby are amended to read as follows:

12.04.110(B)(3) Sidewalk, curb and gutter installation may be deferred for development projects along all other streets unless one of the following criteria exists:

**Section 5.** Section 12.04.110(C)(1) of the Chehalis Municipal Code shall be, and the same hereby are amended to read as follows:

12.04.110(C)(1) The installation of streetlights will be required of all development projects with frontage on the following streets:

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

**Section 6.** The effective date of this ordinance shall be the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**PASSED** by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor at a regularly scheduled open public meeting thereof this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Anthony Ketchum, Mayor

Attest:

\_\_\_\_\_  
Kassi Mackie, City Clerk

Approved as to form and content:

\_\_\_\_\_  
Kevin T. Nelson, City Attorney