

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

Regular Meeting of Monday, November 27, 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. **Swearing in of Newly Appointed Officers** (Police Chief)
5. **Parks and Facilities Update** (Facilities Manager)
6. **Employee Introductions**

CONSENT CALENDAR

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| 7. <u>Minutes of the Regular Meeting October 23, 2023</u> (City Clerk) | APPROVE | 1 |
| 8. <u>Vouchers and Transfers- Accounts Payable in the Amount of \$393,526.50</u> (Finance Director) | APPROVE | 5 |
| 9. <u>Correction of Previously Approved Surplus Resolution</u> (City Clerk) | APPROVE | 7 |

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| 10. <u>2024 Preliminary Budget</u> (City Manager, Finance Director) | CONDUCT
PUBLIC
HEARING | 11 |
| 11. <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> | | |

Citizens may participate in person or submit comments for the public hearings by:

1. Submitting through the City website – <https://www.ci.chehalis.wa.us/contact>.
2. Contacting City Clerk Kassi Mackie at 360-345-1042 or kmackie@ci.chehalis.wa.us to provide verbal comments or to sign up to log-in via Zoom to comment directly to the City Council.

CITIZENS BUSINESS (PUBLIC COMMENT)

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

UNFINISHED BUSINESS

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| 12. <u>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</u> (Finance Director) | APPROVE | 19 |
| 13. <u>Second Reading of Ordinance No. 1080-B, Fiscal Year 2024 Budget</u> (Finance Director) | APPROVE | 25 |

NEW BUSINESS

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| 14. <u>First Reading of Ordinance No. 1077-B, Utility Tax</u> (Finance Director) | APPROVE | 31 |
| 15. <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> (Airport Director) | APPROVE | 43 |
| 16. <u>City Manager Executive Search Firm Proposals</u> (HR/RISK Manager) | APPROVE | 57 |

ADMINISTRATION AND CITY COUNCIL REPORTS

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Administration Reports

- City Manager Update

Councilor Reports/Committee Updates (City Council)

INFORMATION
ONLY

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

NEXT REGULAR CITY COUNCIL MEETINGS

MONDAY, DECEMBER 11, 2023- 5:00 P.M.

MONDAY, JANUARY 8, 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 13, 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; Rebecca Gallagher, Administrative Assistant to the City Manager; Daniel Murray, City Attorney; Lance Bunker, Public Works Director; Brandon Rakes, Airport Director; Celest Wilder, Engineering Tech III; Chun Saul, Financial Director; Justin Phelps, Wastewater Superintendent; Adam Fulbright, Fire Chief; Randy Kaut, Police Chief; Gina Copas, Fire Administrative Assistant; Sally Saxton, Financial Analyst; Lilly Wall, Recreation Director; Andrew Hunziker, Facilities Manager; Todd Johnson, Contract Planner

Press Present: Owen Sexton, The Chronicle

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

PRESENTATIONS

4. **Employee Introductions**
City Manager Anderson introduced Rebecca Gallagher, Administrative Assistant to the City Manager.

CONSENT CALENDAR

5. **Minutes of the Regular City Council Meeting of October 23, 2023** (City Clerk)
6. **Minutes of the Special City Council Meeting of October 26, 2023** (City Clerk)
7. **Vouchers and Transfers- Accounts Payable in the Amount of \$826,704.00**(Finance Director)
8. **Vouchers and Transfers- Payroll in the Amount of \$892,457.71** (Finance Director)
9. **Acceptance of the Stan Hedwall RV Park Electrical Pedestal Replacement Project as Complete** (Parks and Facilities Manager)
10. **Request to Initiate an Out of Cycle Amendment to the Comprehensive Plan Map** (City Planner)

11. Resolution No. 21-2023, Declaring Surplus Property (City Clerk)

12. Contract Award-Play Creation, Inc Playground Equipment Purchase (Parks and Facilities Manager)

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

PUBLIC HEARINGS

13. 2024 Preliminary City Revenue Sources- Property Tax and Levies (Finance Director)

*Mayor Ketchum opened the public hearing at 5:06 p.m.
Finance Director Chun Saul presented. There being no one wishing to provide public comment,
Mayor Ketchum closed the public hearing at 5:24 p.m.*

14. 2024 Preliminary Budget (Finance Director)

*Mayor Ketchum opened the public hearing at 5:25 p.m.
Finance Director Chun Saul presented. There being no one wishing to provide public comment,
Mayor Ketchum closed the public hearing at 6:18 p.m.*

CITIZENS BUSINESS

None.

UNFINISHED BUSINESS

15. Second Reading of Ordinance No. 1071-B, Establishing Guidelines for Cost Recovery of Fire Department Services (Fire Chief)

A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Pope to adopt Ordinance No. 1071-B on second reading. The motion carried unanimously.

16. First Reading of Ordinance No. 1076-B, Right of Way Dedication for NW Arkansas Way (City Manager/City Attorney)

A motion was made by Mayor Pro Tem Spahr, seconded by Councilor McDougall to adopt Ordinance No. 1076-B, on second reading. The motion carried unanimously.

17. First Reading of Ordinance No. 1078-B, Authorizing Establishment of a Fund Named LEOFF-1 OPEB Trust (or Reserve) Fund (Finance Director)

A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Lund to adopt Ordinance No. 1078-B, on second reading. The motion carried unanimously.

NEW BUSINESS

18. 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 Lund to approve Ordinance No. 1080-B on first reading. The motion carried unanimously.

19. First Reading of Ordinance No. 1081-B, Setting the 2024 Levy Amount and First 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 Lund to approve Ordinance No. 1081-B and 1082-B on first reading. The motion carried with Councilor Lund and Councilor Carns opposing.

20. First and Final Reading of Ordinance No. 1079-B, Amending CMC 17.79.010 to Include Mixed Residential Commercial (MRC) and Open Space Government (OSG) (Contract City Planning)

A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Pope to waive the Council rules requiring two readings of an ordinance. The motion carried unanimously.

A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Pope to adopt Ordinance No. 1079-B on first and final reading. The motion carried unanimously.

21. First and Final Reading of Ordinance No. 1083-B, Amending Chapter 2.08.050 of the Chehalis Municipal Code Regarding Candidate Qualifications (City Clerk)

22. *A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Lund to waive the Council rules requiring two readings of an ordinance. The motion carried unanimously.*

A motion was made by Mayor Pro Tem Spahr, seconded by Councilor Pope to adopt Ordinance No. 1083-B on first and final reading. The motion carried unanimously.

ADMINISTRATION AND CITY COUNCIL REPORTS

City Manager Update

City Manager Anderson announced her retirement in April/May of 2024 and thanked Finance Director, Chun Saul for work on the budget and offered congratulations to Chun on her retirement in early 2024.

Councilor Reports/Committee Updates

Mayor Pro Tem Spahr reported attendance at the landfill closure meeting.

Councilor McDougall reported attendance at the Museum Board Meeting, attendance at Girl's Night Out, Board of Health meeting, and upcoming participation in the city street lighting for the holidays.

Mayor Ketchum reported attendance at the Lewis County Museum, Department of Natural Resources, Twin Transit, Flood Authority and Leoff-1 Board meetings and participation in trick-or-treating festivities, Girl's Night Out and ribbon cutting ceremonies.

EXECUTIVE SESSION

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

Mayor Ketchum adjourned the regular meeting and Council entered executive session at 6:40 p.m. for 20 minutes or until 7:05 p.m., allowing the public five minutes to exit.

Mayor Ketchum adjourned the executive session at 7:04 p.m.

ADJOURNMENT

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

Anthony Ketchum, Sr., Mayor

Attest: Kassi Mackie, City Clerk

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

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

MEETING OF: November 27, 2023

SUBJECT: 2023 Vouchers and Transfers – Accounts Payable in the Amount of \$393,526.50.

ISSUE

City Council approval is requested for 2023 Vouchers and Transfers dated November 15, 2023.

DISCUSSION

The November 15, 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. 3249 - 3280, 130 and Voucher Checks No. 137746 - 137854 in the amount of \$393,678.50 dated November 15, 2023, and Voided Check No. 137699 for the net total of \$393,526.50 as follows:

- \$ 133,376.00 from the General Fund
- \$ 16,390.60 from the Street Fund
- \$ 1,663.75 from the LEOFF 1 OPEB Reserve Fund
- \$ 350.00 from the G.O. Bond Fund
- \$ 58,509.24 from the Public Facilities Reserve Fund
- \$ 9,732.59 from the Park Improvement Fund
- \$ 306.11 from the Garbage Fund
- \$ 46,864.41 from the Wastewater Fund
- \$ 45,271.38 from the Water Fund
- \$ 2,858.14 from the Storm & Surface Water Utility Fund
- \$ 55,855.13 from the Airport Fund
- \$ 5,038.75 from the Wastewater Capital Fund

- \$ 9,798.25 from the Water Capital Fund
- \$ 1,474.17 from the Airport Capital Fund
- \$ 5,862.48 from the Custodial Court Fund
- \$ 327.50 from the Custodial Other Agency Fund
- \$ 393,678.50 Total Vouchers for November 15, 2023
- \$<152.00> Voided Check for November 15, 2023
- \$ 393,526.50 Net Total Transfers

RECOMMENDATION

It is recommended that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. . 3249 - 3280, 130 and Voucher Checks No. 137746 - 137854 in the amount of \$393,678.50 dated November 15, 2023, and Voided Check No. 137699 for the net total of \$393,526.50.

SUGGESTED MOTION

I move that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. 3249 - 3280, 130 and Voucher Checks No. 137746 - 137854 in the amount of \$393,678.50 dated November 15, 2023, and Voided Check No. 137699 for the net total of \$393,526.50.

**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: November 27, 2023

SUBJECT: Amending Resolution No. 21-2023, Declaring Surplus Property

ISSUE

On November 13, 2023, the City Council approved Resolution No. 21-2023 declaring several items surplus property and authorizing the disposition thereof. During the disposal process, it was discovered that the vehicle identification numbers provided to Council were incorrect and require an amendment to Resolution No. 21-2023 prior to disposal of the items.

DISCUSSION

Items approved by Resolution No. 21-2023 on November 13th included a 2003 Swiftwater Rescue boat, outboard boat motor and trailer with accessories. Unfortunately, due to the Fire Department simultaneously working on insurance for the new boat/trailer the vehicle identification numbers (VIN) were mixed up and must be corrected to the following.

Corrected Identifying Information:

- Avon ERB-380
 - Serial # 1301829
 - VIN: GB-AVB44272B303
- King Trailer KB 700
 - License # 37858D
 - VIN: 4XBBA14103A004209
- Honda 20 HP Motor
 - VIN: BAMJ1301829

The Chehalis Fire Department is again requesting authorization to declare a 2003 Swiftwater Rescue Boat, Honda outboard motor, boat trailer and accessories as surplus and donate these items to Lewis County Fire District 6. The approximate value of these items combined is \$2,000.

FISCAL IMPACT

None.

RECOMMENDATION

It is recommended that the City Council approve the amendments to Resolution No. 21-2023 and declare these items as surplus to be disposed of in the manner requested by staff.

SUGGESTED MOTION

I move that the City Council approve the amendment to Resolution No. 21-2023, correcting the Vin# for the surplus boat/trailer.

Surplus Property Form

Please complete this form and submit to the City Clerk. Property will be surplussed on a quarterly basis during the second City Council meetings of March, June, and September, and the first meeting of December.

Item:

- 2003 Avon ERB-380 swift water rescue boat.
- King Trailer
- Honda 20 HP motor
- Boat Accessories (Paddles, Fuel Tank, Launch Wheels, Battery, Propeller),

Identifying Information: Corrected VIN# for Council approved Surplus on 11/13/2023

Serial #	1301829
Model #	Avon ERB-380
Vin#	GB-AVB44272B303
Model#	King Trailer KB700
VIN #	VIN 4XBBA14103A004209
License #	37858D
Other	Honda 20HP Motor VIN# BAMJ 1301829

Date Purchased (if known)

Purchase Price (if known)

2003	\$10,000.00
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Current Fair Market Value (if item is to be sold) \$ 2000.00

What was the property used for and why is it being disposed of? (Stress condition of property)

This boat served the department and community for several years as our primary water rescue boat. This boat sustained damage during a rescue and was replaced by another and is no longer needed. Items are being donated to LCFD6 because they are willing to burden the cost of repairing and maintaining boat. They also have members on the County technical Rescue team and once operational, it will provide another response boat to serve the great Chehalis area.

How will the property be disposed of?

- ☐ Sell
- ☐ Trade-in
- ☐ Auction
- ☒ **Donate to LCFD6**
- ☐ Dispose of
- ☐ Other (please explain)

7/23/2018

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director

DATE: November 27, 2023

SUBJECT: Second Public Hearing on the 2024 Preliminary Budget

ISSUE

Per RCW 35A.33.055, the City is required to hold public hearings on the preliminary budget “or parts thereof” followed by a hearing on the final budget. This public hearing is to provide the public an opportunity to present comments and questions about the 2024 preliminary budget. This is second of the two required public hearings. The first public hearing was conducted on Monday, November 13, 2023.

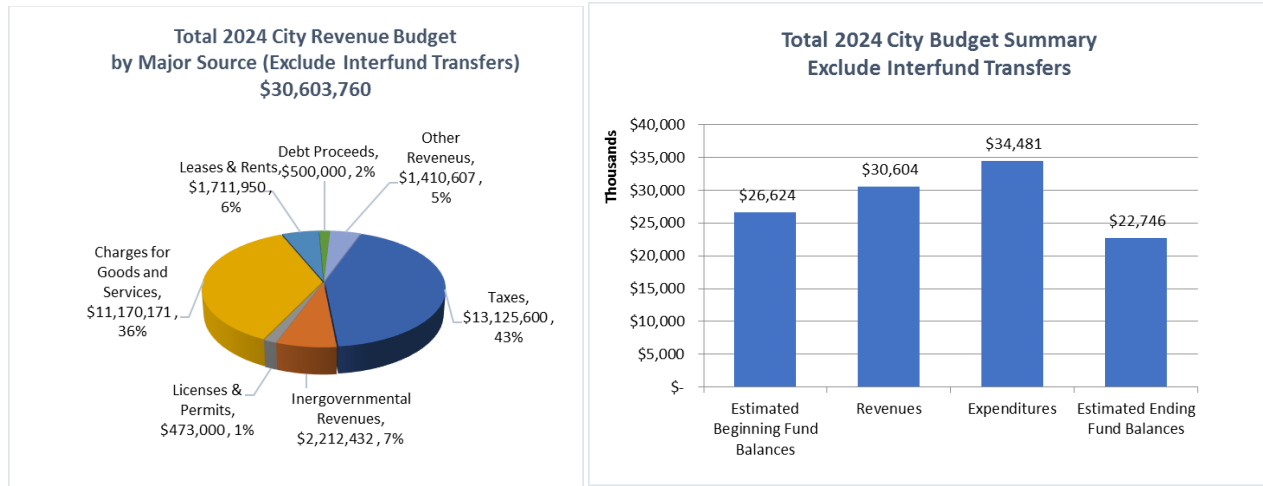
SUMMARY OF PROPOSED BUDGET – ALL FUNDS COMBINED

The many funds that comprise the city-wide budget are used to separate the primary functions and activities. Funds can be grouped by type: **Governmental** which includes the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Project Funds; **Proprietary** which includes Enterprise Funds (utilities and Airport), and **Fiduciary**. Each fund has specific functions to perform and in each, the revenues and expenditures must be self-balancing. Overall, the City’s 2024 Budget has twenty-six funds in which it records its revenues and expenditures associated with providing services to its citizens.

The City’s 2024 Preliminary Budget for all funds, as presented in Ordinance 1080-B is summarized as follows:

Budget Summary - All Funds Combined	2024 Preliminary Budget	
Estimated Beginning Fund Balances	\$	26,623,552
Revenues	\$	30,603,760
Transfers in	\$	4,130,868
Expenditures	\$	34,481,201
Transfers Out	\$	4,130,868
Estimated Ending Fund Balances	\$	22,746,111

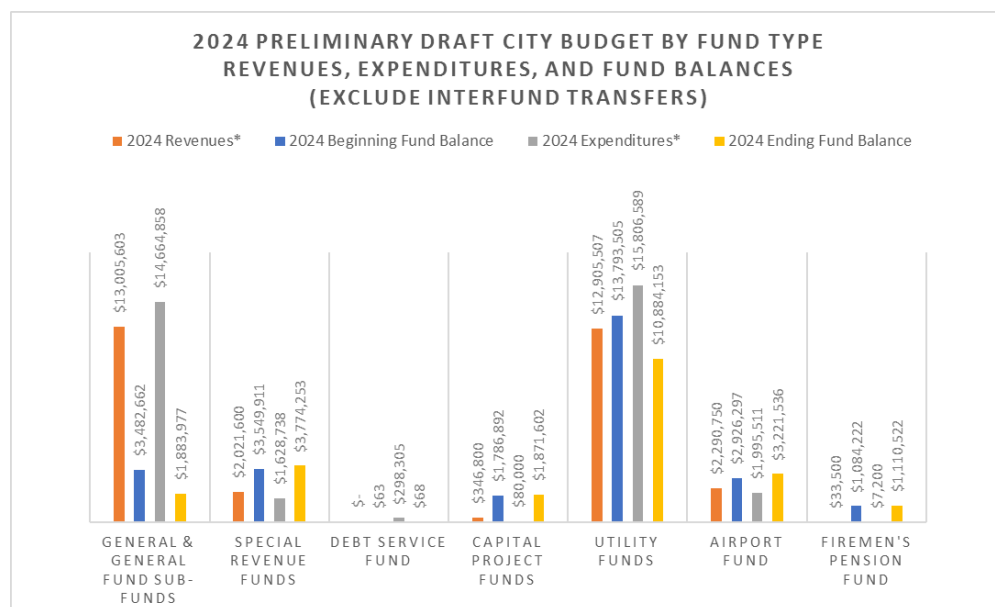
The 2024 preliminary revenue budget of \$30,603,760 (exclude interfund transfers) is comprised of charges for goods and services 36%, taxes 43%, intergovernmental revenues 7%, rents and leases 6%, anticipated debt proceeds 2%, licenses and permits 1%, and all other revenues 5%.



The proposed expenditure budget exceeds the revenues budget by \$3,877,441. This is due to the proposed capital outlays budget which are primarily funded by each prospective fund's reserves (beginning fund balance). The total expenditure budget (excluding interfund transfers), as presented in the 2024 Preliminary Budget is \$34,481,201 and is comprised of the major purposes as follows:

Expenditure Budget Summary - All Funds Combined (Excludes Interfund Transfers)	2024 Preliminary	
	Budget*	% of Total
Operating Purposes	\$ 24,226,607	70.3%
Debt Service Purposes	\$ 2,443,364	7.1%
Capital Purposes	\$ 7,811,230	22.7%
Total	\$ 34,481,201	100.0%

The General Fund, Utility funds, and Airport funds make up about 94% of the city's 2024 Preliminary Budget. 2024 Budget summaries for each separate funds are provided in the Exhibit A of the Ordinance No. 1080-B.



GENERAL FUND

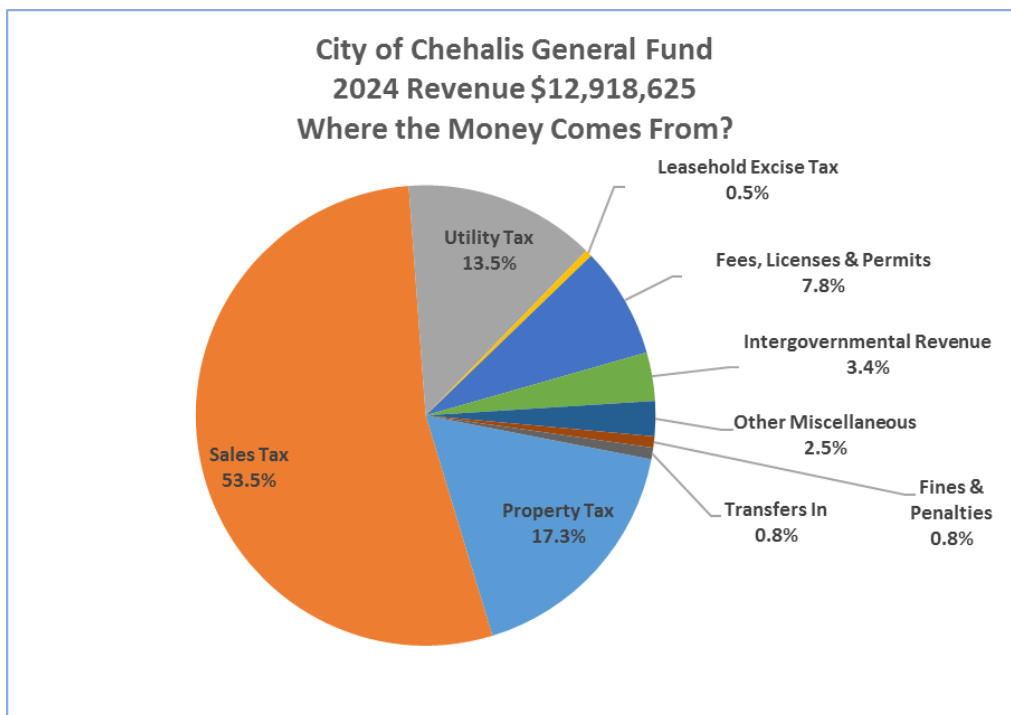
The General Fund is the primary operating fund used for basic municipal services. It accounts for all financial resources except those required or designated to be accounted for in another fund. The funding sources for the General Fund come from property tax, sales tax, utility tax, leasehold excise tax, fees for services, intergovernmental revenues and grant, and other miscellaneous revenues.

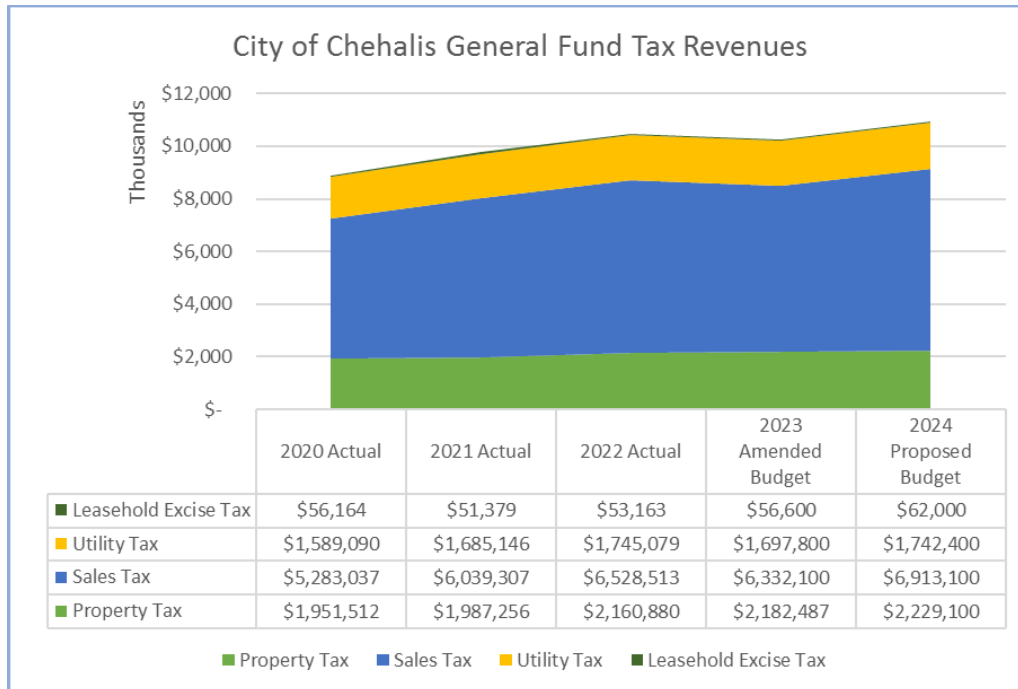
2024 General Fund Revenue Budget

The 2024 Preliminary Budget for the General Fund is balanced with use of \$996,439 of the General Fund reserves (beginning fund balance). The 2024 projected revenue totals \$12,918,625 which includes \$104,970 transfers in from other city funds.

General Fund Budget Summary	2024 Preliminary Budget
Estimated Beginning Cash*	\$ 2,040,983
Revenues & Transfers In	\$ 12,918,625
Expenditures & Transfers Out	\$ 13,915,064
Net Revenues Over (under) Expenditures	\$ (996,439)
Estimated Ending Cash Balance	\$ 1,044,544
<i>Ending Fund Balance % of Revenue Budget</i>	<i>8.1%</i>

Total revenues projected is \$12,918,625, which is a \$554,360 or 4.5% increase from the 2023 amended budget. Total tax revenue makes up about 84.7% or \$10,946,600 of the General Fund revenues which support the governmental services.





The sales tax is the largest revenue source for the City and makes up about 53.5% of the 2024 General Fund revenue budget. Sales tax has continued in an upward trend over the last few years. The average growth rate for the city's sales tax from September to September from 2021 to 2023 is about 7.7%, which was boosted by significant increase from construction sector sales tax over the last 24 months period. The 2024 Preliminary Budget sales revenue is projected at \$6,913,100 which is 9.2% increase over the 2023 amended budget. The projection assumes retail activity growth in 2024 will remain at the 2023 level anticipating decrease in construction sales tax but added new sales tax from local retail businesses that opened in 2023. Typically, sales tax revenues from construction activities are considered one-time in nature and are recommended to be excluded from future revenue projections unless other economic or financial data can support the continued growth. However, the 2024 Preliminary Budget sales tax projections includes the typical construction sales tax at about 6% of the total sales and use tax. Overall, a 6.0% increase over the 2022 total actual sales tax revenue is projected in 2024.

Property tax is the second largest revenue source for the City and makes up about 17.3% of the 2024 General Fund revenues. Property tax revenue is projected at \$2,229,100 in the 2024 preliminary budget, up by \$46,613 or 2.1% from the 2023 amended budget. The 2024 tax revenue budget as submitted represents the total 2023 actual regular levy and actual EMS levy amounts of \$2,185,033 plus 1% statutory maximum allowed increase without a vote of \$24,332 plus an estimated tax increase from new construction for \$19,700. The new construction tax was provided by the Lewis County Assessor's Office on November 3, 2023, one day after the 2024 Preliminary Budget was submitted. The actual increase for new construction sales tax provided by the County Assessor is \$40,621.08, and the tax revenue may be updated for the 2024 Final budget.

Utility tax is the third largest revenue source for the City and makes up about 13.5% of the 2024 General Fund revenues.

2024 General Fund Expenditure Budget

The 2024 Preliminary Expenditures for the General Fund as submitted is \$13,915,064 which includes transfers out of \$1,434,088 to other funds. The 2024 Preliminary Budget is less than 0.1% or \$5,771 increase from the 2023 amended budget of \$13,909,293. Non-routine transfers out to the general fund reserve funds decreased by \$800,000 while all other expenditure and routine operating transfers out budget increase by \$805,777 or about 6.1% from the 2023 amended budget.

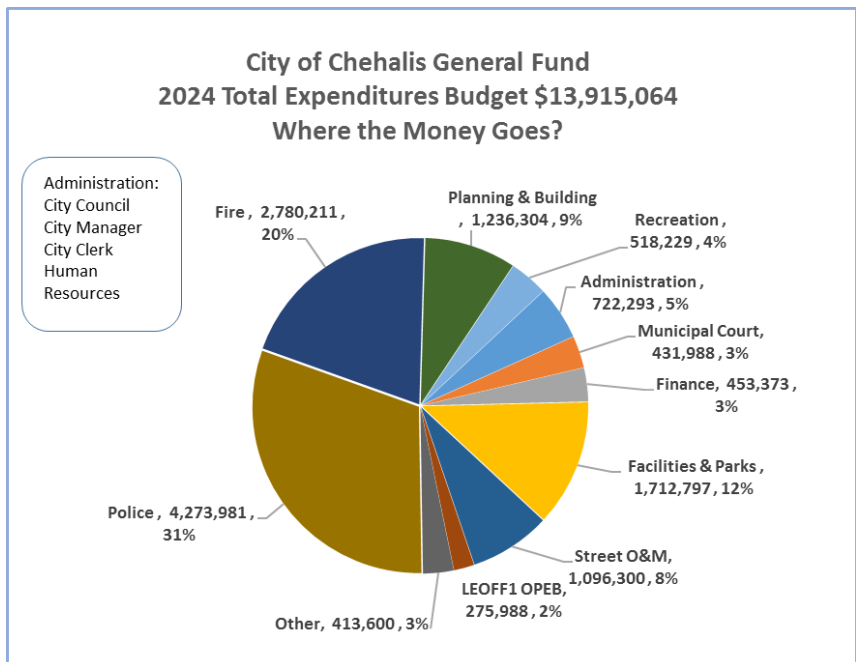
Municipal services are delivered primarily through people, which is the largest ongoing cost to the General Fund. Salaries and benefits make up almost 64% of the total General Fund expenditures. The 2024 preliminary budget for salaries and benefits increased by \$646,659 or 7.8% from the 2023 amended budget. Additional salaries and benefits of \$563,275 (or 4.0% of the total General Fund expenditures) is budgeted in the Street Fund which is primarily funded through general fund revenues.

The current collective bargaining agreements (CBAs) are for years 2023 through 2025. The cost-of-living adjustments (COLA) for 2024 per the CBAs range from 4.5% to 5.0% increase. The 2024 Preliminary Budget as submitted includes employer-paid health insurance premiums and welfare increases and the contractual COLA increases and anticipated step increases for all employees, including represented and non-represented employees.

The 2024 Preliminary Budget includes filling five General Fund positions that are currently vacant and two additional firefighter/paramedic positions, anticipating the hire will occur in the beginning of 2024.

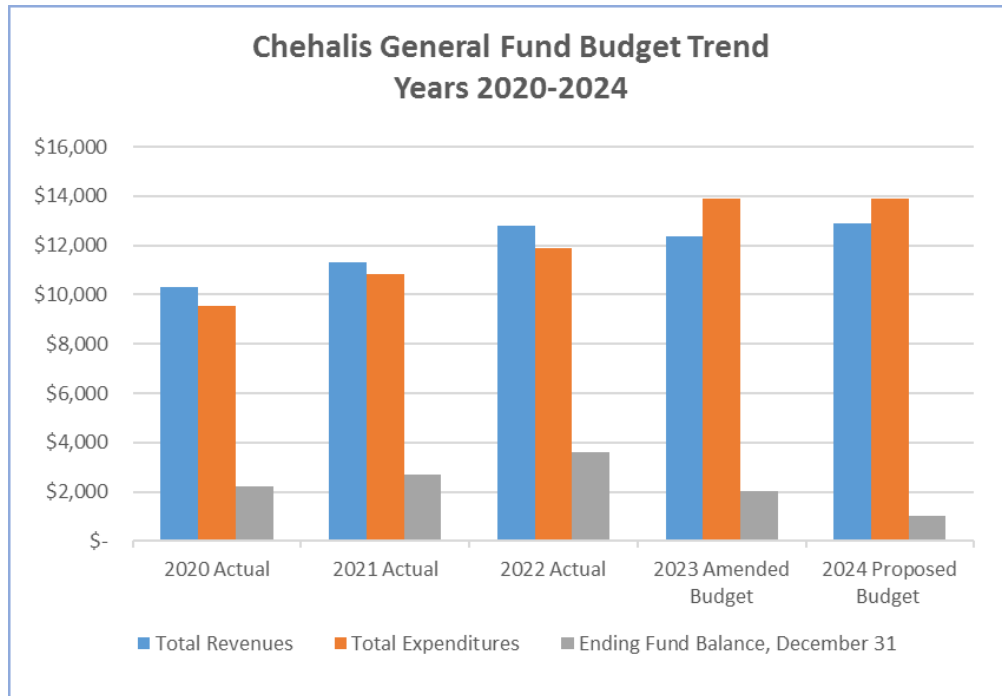
The combined budgets of the Police and Fire Departments is \$7,054,192 which is about 51.0% of the 2024 General Fund expenditures, which reflects the high priority of keeping residents and visitors in Chehalis safe. The facilities and parks maintenance receives the next single highest level of funding which is about 12% of the General Fund budget. About 8.0% of

General Fund budget is allocated for city street maintenance which is included in the non-departmental budget as transfers out to the Street Fund.



Estimated Ending Fund Balance

The estimated ending fund balance, also referred to as operating reserve, at the end of 2024 as submitted is \$1,044,544, which is about 8.1% of the 2024 General Fund projected revenues. However, unanticipated revenues as well as savings from vacant positions in 2023 and 2024 will likely change the outcome.



Maintaining operating reserves at 10% of the revenue budget is the policy goal of the City Council, and the projected ending fund balance at the end of 2024 does not meet the suggested reserve goals. In addition to the General Fund, the City maintains the following sub-funds of the General fund for specific purposes: Street Fund, Building Abatement Fund, Compensated Absences Reserve Fund, LEOFF 1 OPEB Trust Fund, and Automotive/Equipment Reserve Fund. The combined total ending fund balance at the end of 2024 is estimated at \$1,883,977, which is about 14.5% of the 2024 revenue (excluding transfers in) budget. However, the fund balances in these funds are less than adequate when considering the ongoing need.

Background on development of the 2024 Preliminary budget

The process of preparing the budget documents begins in late July. At that time, each department prepared their respective draft budgets for 2024 to maintain the level of service provided in 2023 and propose additions to meet the ongoing requirements and expectations for service in the community.

After the compilation of the requests, the Finance Director, Chun Saul, and I met with each department to review their 2024 proposed budget. Modifications to the initial draft budget requests were made and information was updated as more details became available. Reductions in discretionary expenses were made when possible; however, the cost of insurance; supplies; fuel; and services are increasing significantly as the nation continues to deal with inflation. The 2024 Preliminary Budget includes a Cost-of-Living (COLA) increase for the City's employee groups consistent with collective bargaining contracts, as well as non-represented employees.

The Preliminary Draft Budget was then prepared and distributed to the City Council Budget Committee on October 2, 2023. The initial Preliminary Draft Budget for 2024 included expenditures that were \$1.5 million more than expected revenues. After careful review of the budgets with each department, reductions in proposed expenditures, including the removal of a new position in Streets, use of

automotive/equipment reserve funds for vehicle replacement budget requests were made to bring the revenue and expenditure gap to \$996,439. While the budget can be balanced in 2024 with a use of reserve funds, using one-time money to fund ongoing expenditures always needs to be fully acknowledged as a temporary solution. The Budget Committee also considered revenue forecasts and expressed concern regarding the City's ability to sustain the current level of service past 2024 in consideration of the projected revenues and continuing increases in the cost of doing business.

Considering the significance of the situation, the City Council Budget Committee recommended that the entire City Council be provided with an overview of the 2024 Preliminary Draft Budget at a Special City Council Meeting, which occurred on October 26, 2023. At the special City Council meeting on October 26th, the City Council was provided an overview of the 2024 Draft Preliminary Budget with a focus on the General Fund. The current service levels were reviewed and summary of what was in the budget and what had been removed. The City Council had an opportunity to review the revenue forecasts that demonstrate the difficulty of sustaining the proposed level of service past 2024. At the City Council meeting, members of the City Council Budget Committee communicated that they were reluctant to make any more cuts to the budget because the impact on service levels and recommended that the City Council look at increasing fees for services provided to direct users to help offset the cost of inflation and consider an increase to the municipal utility tax, which is a tax on the gross income of utility business, not the individual customer. Based on the consensus of the City Council at the special meeting on October 26th, a proposal to increase the municipal utility tax will be presented to the City Council in late 2023. Revenue associated with potential increases in utility taxes or fees are **not** included in the 2024 Preliminary Budget as presented.

Proposed adoption of budget

The 2024 Preliminary Budget document can be found on the City's website at www.ci.chehalis.wa.us. For the convenience of the reader, the Budget Message that accompanies the 2024 Preliminary Budget, dated November 2, 2023, is attached to this agenda report. The Budget Message provides introductory comments regarding the City's current fiscal condition and a brief summary of each fund. Staff will also be available at the City Council meeting to address any questions from the Council and the public hearing regarding the 2024 Preliminary Budget. Additional changes may be made to the ordinance prior to its second reading to reflect new information and/or direction from the City Council.

RECOMMENDATION

It is recommended that the City Council open the public hearing, accept public comment, close the public hearing, and consider this information when taking an action on these items, which are scheduled on this meeting agenda under "New Business" with agenda reports that provide additional information on the Budget and the related ordinances.

SUGGESTED MOTION

There is no motion needed after the close of the public hearing.

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

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director

DATE: November 27, 2023

SUBJECT: Ordinances 1081-B and 1082-B, Second Reading - Adoption of 2024 Property Tax Levies

ISSUE

Per RCW 84.52.020, the City is required to submit a Levy Certification to the county legislative authority, the amounts to be raised by taxation on the assessed valuation of the property in the city, no later than November 30th of the year preceding the year in which the levy amounts are to be collected.

In addition to the Levy Certification, the City is required to submit Ordinance/Resolution stating the dollar amount and percentage increase over the actual levy amount from the previous year to the County Board of Commissioners. Without the Ordinance/Resolution and Levy Certification, the County can only collect what it collected the year before.

Ordinances 1081-B and 1082-B have been prepared in connection with levying property taxes for collection in 2024. The Ordinances are required in order to have Lewis County collect property taxes on behalf of the City.

DISCUSSION

The 2024 Preliminary Budget, which includes a summary of anticipated revenues and expenditures, is available for public review at City Hall, the Finance Department, and on the City's website: www.ci.chehalis.wa.us.

ORDINANCE NO. 1081-B (SETTING THE 2024 LEVY AMOUNT)

Ordinance No. 1081-B establishes the amount of the City's levies of ad valorem taxes (i.e., property taxes) to be collected in 2024 for general operations and Emergency Medical Services (EMS).

As allowed by statute, cities can increase its annual levy by full 1% of its prior year's highest lawful levy amount, excluding new construction and state-assessed utilities. The city can also increase its regular levy above the 1% annual levy lid by using non-voted banked capacity. The City has a total of \$247,537.08 in available banked capacity going into levy year 2024 which includes : \$242,719.77 for regular levy (14.17% of the 2023 Actual Levy) and \$4,817.31 for EMS Levy (2.00% of the 2023 Actual Levy)

However, the proposed 2024 levy amounts do not include use of any banked capacity, but they include the 1% statutorily allowed levy increase and increase for new construction and administrative refunds. The proposed 2024 levy amounts are as follows:

- **Regular Levy \$1,768,428.64**
- **EMS Levy \$487,030.15**
- **Total Levy \$2,255,458.79**

Additional details are provided in the table below:

2024 Property Tax Levy Amount - City of Chehalis

Description	2024 General Levy	2024 EMS Levy	Total 2024 Levy
2023 Highest Lawful Levy (HLL)	\$ 1,955,489.15	\$ 481,731.32	\$ 2,437,220.47
2023 Tax Year Actual Levy Amount	\$ 1,712,769.38	\$ 472,263.81	\$ 2,185,033.19
1% Increase over 2023 HLL	\$ 19,554.89	\$ 4,817.31	\$ 24,372.20
2024 Levy Limit Before Add-Ons	\$ 1,732,324.27	\$ 477,081.12	\$ 2,209,405.39
Plus Add-Ons:			
Increase from new construction	\$ 31,841.41	\$ 8,779.67	\$ 40,621.08
Administrative Refunds	\$ 4,262.96	\$ 1,169.36	\$ 5,432.32
Total Add-Ons	\$ 36,104.37	\$ 9,949.03	\$ 46,053.40
2024 Preliminary Levy Amount Authorized	\$ 1,768,428.64	\$ 487,030.15	\$ 2,255,458.79

ORDINANCE NO. 1082-B (CHANGES FROM 2023 LEVY)

Ordinance No. 1082-B identifies the changes, in both the dollar amounts and percentage of changes, in the City's regular property tax levy and the EMS levy for next year (2024) compared to this year (2023).

Dollar Amounts and Percentage of Changes in Property Tax Levies for 2024 over 2023

Tax Levy	2023 Highest Lawful Levy (HLL)	2023 Actual Levy	1% Increase over 2023 Highest Lawful Levy (HLL)	Use of Banked Capacity	Total Amount Increase in 2024 from 2023 Levy*	Percent Increase over 2023
Regular Levy	\$ 1,955,489.15	\$ 1,712,769.38	\$ 19,554.89	\$ -	\$ 19,554.89	1.141712%
EMS Levy	\$ 481,731.32	\$ 472,263.81	\$ 4,817.31	\$ -	\$ 4,817.31	1.020047%

**This increase is exclusive of additional revenue resulting from new construction, property improvements, any increase in the value of state assessed property, any annexations that have occurred, or property tax administrative refunds.*

RECOMMENDATION

It is recommended that the City Council pass Ordinance 1081-B and Ordinance 1082-B on second and final reading.

SUGGESTED MOTION

I move that the City Council pass Ordinance 1081-B and Ordinance 1082-B on second and final reading.

ORDINANCE NO. 1081-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, DETERMINING AND FIXING THE AMOUNT OF REVENUE TO BE RAISED BY AD VALOREM TAXES DURING THE CALENDAR YEAR 2024 AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.

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

Section 1. The amount of revenue to be raised by ad valorem taxes during 2024 for general city operations shall be, and the same hereby is, determined and fixed in the sum of One Million Seven Hundred Sixty-Eight Thousand Four Hundred Twenty-Eight Dollars and Sixty-Four Cents. **(\$1,768,428.64)**, which **includes** administrative refund amount of Four Thousand Two Hundred Sixty-Two Dollars and Ninety-Six Cents **(\$4,262.96)**.

Section 2. The amount of revenue to be raised by ad valorem taxes during 2024 for emergency medical services (EMS) shall be, and the same hereby is, determined and fixed in the sum of Four Hundred Eighty-Seven Thousand Thirty Dollars and Fifteen Cents **(\$487,030.15)**, which **includes** administrative refund amount of One Thousand One Hundred Sixty-Nine Dollars and Thirty-Six Cents **(\$1,169.36)**. .

Section 3. The effective date of the ordinance shall be the _____ day of November 2023.

PASSED by the City Council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this _____ day of November 2023.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

ORDINANCE NO. 1082-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, STATING THE AMOUNT AND PERCENTAGE OF CHANGE IN PROPERTY TAX LEVY IN CALENDAR YEAR 2024.

WHEREAS, the City of Chehalis, Washington, properly gave notice of a public hearing held on the 13th day of November 2023, to consider the city budget for 2024, including possible property tax increases and other revenues, pursuant to RCW 84.55.120; and,

WHEREAS, the City Council of the City of Chehalis has met and considered its budget for the calendar year 2024; and,

WHEREAS, the City's actual levy amounts in 2023 for general operations and Emergency Medical Services (EMS) levies were \$1,712,769.38 and \$472,263.81, respectively; and,

WHEREAS, the population of the City is less than 10,000; and now, therefore,

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

Section 1. An increase in the regular property tax levy and the emergency medical services (EMS) tax levy are hereby authorized for the levies to be collected in the 2024 tax year.

Section 2. The dollar amount of the increase for regular property tax levy over the actual levy amount from 2023 tax year shall be \$19,554.89 which is a percentage increase of 1.141712% from 2023 tax year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Section 3. The dollar amount of the increase for emergency medical services (EMS) tax levy over the actual levy amount from 2023 tax year shall be \$4,817.31 which is a percentage increase of 1.020047% from 2023 tax year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, solar, biomass, and geothermal facilities, and any increase in the value of state assessed property, any annexations that have occurred and refunds made.

PASSED by the City Council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this ____ day of November 2023.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director

MEETING OF: November 27, 2023

SUBJECT: Ordinance 1080-B, Second Reading – Adopting the 2024 Budget

ISSUE

Adoption of the 2024 Budget requires two public hearings and the adoption of an implementing City Ordinance. Ordinance No. 1080-B has been prepared for consideration by the City Council on second of two required readings.

DISCUSSION

The 2024 Preliminary Budget, which includes a summary of anticipated revenues and expenditures, is available for public review at City Hall, the Finance Department, and on the City's website at www.ci.chehalis.wa.us.

The City Budget is made up of 26 separate funds that are used to account for the revenues and expenditures associated with the provision of services in the community. The General Fund provides the primary governmental functions. Other than the General Fund, all other funds are restricted for specific purposes by law or policy. The 26 funds do not include agency funds which are used to account for assets that are held for other agencies, including the State of WA. Only the General Fund can be used for general governmental services that include police, fire, parks and recreation, street maintenance, planning and zoning, building code enforcement, municipal court, and general administration services. As a result, it is important to note that while multiple funds make up the complete City budget, there are limitations on how the individual funds can be used.

The 2024 Preliminary Budget for all funds, as presented in Ordinance 1080-B is summarized as follows:

Budget Summary - All Funds Combined	2024 Preliminary	
	Budget	
Estimated Beginning Fund Balances	\$	26,623,552
Revenues	\$	30,603,760
Transfers in	\$	4,130,868
Expenditures	\$	34,481,201
Transfers Out	\$	4,130,868
Estimated Ending Fund Balances	\$	22,746,111

A summary for the 2024 Preliminary Budget, including beginning fund balances, revenues, transfers-in, expenditures, transfers-out, and estimated fund balances for all city funds is attached to the Ordinance No. 1080-B as Exhibit A.

As noted above, additional detail on the 2024 Preliminary Budget can be found in the agenda packet for this City Council meeting and online at the City's website: www.ci.chehalis.wa.us.

RECOMMENDATION

It is recommended that the City Council pass Ordinance 1080-B on second and final reading.

SUGGESTED MOTION

I move that the City Council pass Ordinance 1080-B on second and final reading.

ORDINANCE NO. 1080-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,
ADOPTING THE BUDGET OF THE CITY OF CHEHALIS FOR THE
YEAR 2024 AND PROVIDING FOR THE EFFECTIVE DATE
HEREOF.**

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

Section 1. Attached hereto and identified as Exhibit “A,” in summary form, are the total of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined for the budget of the City for 2024, and by this reference said Exhibit “A,” showing a total estimated ending fund balance of **\$22,746,111** is incorporated herein as if set forth in full and the same is hereby adopted in full.

Section 2. This ordinance is a legislative act delegated by statute to the City Council of the City of Chehalis, is not subject to referendum and shall take effect 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

CITY OF CHEHALIS
2024 BUDGET SUMMARY- ALL FUNDS
Ordinance No. 1080-B, Exhibit A

Fund No.	Fund Name	Estimated Beginning Fund Balance 01/01/2024	Revenues	Transfers In	TOTAL REVENUE SOURCE	Expenditures	Transfers Out	TOTAL EXPENDITURE	Estimated Ending Fund Balance 12/31/2023	Change in Fund Balance Increase (Decrease)	% Change
001	General Fund	\$ 2,040,983	\$ 12,813,655	\$ 104,970	\$ 12,918,625	\$ 12,480,976	\$ 1,434,088	\$ 13,915,064	\$ 1,044,544	\$ (996,439)	-48.8%
003	Street Fund	229,317	161,848	1,113,700	1,275,548	1,476,607	-	1,476,607	28,258	(201,059)	-87.7%
004	Building Abatement Fund	52,449	1,200	-	1,200	-	-	-	53,649	1,200	2.3%
103	Transportation Benefit District Fund	3,339,275	1,637,800	-	1,637,800	1,421,988	-	1,421,988	3,555,087	215,812	6.5%
107	Tourism Fund	178,616	334,700	-	334,700	206,200	168,520	374,720	138,596	(40,020)	-22.4%
110	Compensated Absences Reserve Fund	132,792	5,300	-	5,300	24,300	-	24,300	113,792	(19,000)	-14.3%
115	LEOFF 1 OPEB Reserve Fund	235,652	3,900	275,988	279,888	142,475	-	142,475	373,065	137,413	58.3%
195	Community Development Block Grant Fund	198	-	-	-	150	-	150	48	(150)	-75.8%
197	HUD Block Grant Fund	469	-	-	-	400	-	400	69	(400)	-85.3%
199	Federal Grant Control Fund	31,353	49,100	-	49,100	-	-	-	80,453	49,100	156.6%
200	General Obligation Bond Fund	63	-	298,310	298,310	298,305	-	298,305	68	5	7.9%
301	Public Facilities Reserve Fund	773,160	16,200	-	16,200	40,000	-	40,000	749,360	(23,800)	-3.1%
302	Automotive/Equipment Reserve Fund	791,469	19,700	-	19,700	540,500	-	540,500	270,669	(520,800)	-65.8%
303	Parks Improvement Fund	224,601	24,500	44,400	68,900	40,000	-	40,000	253,501	28,900	12.9%
305	First Quarter REET Fund	327,586	150,000	-	150,000	-	130,000	130,000	347,586	20,000	6.1%
306	Second Quarter REET Fund	461,545	156,100	-	156,100	-	96,490	96,490	521,155	59,610	12.9%
402	Garbage Fund	8,270	-	-	-	-	8,270	8,270	-	(8,270)	-100.0%
404	Wastewater Fund	3,599,226	6,046,950	-	6,046,950	6,363,158	358,100	6,721,258	2,924,918	(674,308)	-18.7%
405	Water Fund	1,415,815	3,531,000	-	3,531,000	3,463,422	444,900	3,908,322	1,038,493	(377,322)	-26.7%
406	Storm and Surface Water Fund	289,292	742,000	-	742,000	643,449	227,000	870,449	160,843	(128,449)	-44.4%
407	Airport Fund	1,014,272	2,246,150	-	2,246,150	1,553,511	1,263,500	2,817,011	443,411	(570,861)	-56.3%
414	Wastewater Capital Fund	1,429,398	176,977	358,100	535,077	1,042,600	-	1,042,600	921,875	(507,523)	-35.5%
415	Water Capital Fund	5,772,086	2,375,380	444,900	2,820,280	3,420,000	-	3,420,000	5,172,366	(599,720)	-10.4%
416	Storm and Surface Water Capital Fund	1,279,418	33,200	227,000	260,200	873,960	-	873,960	665,658	(613,760)	-48.0%
417	Airport Capital Fund	1,912,025	44,600	1,263,500	1,308,100	442,000	-	442,000	2,778,125	866,100	45.3%
611	Firemen's Pension	1,084,222	33,500	-	33,500	7,200	-	7,200	1,110,522	26,300	2.4%
TOTALS		\$ 26,623,552	\$ 30,603,760	\$ 4,130,868	\$ 34,734,628	\$ 34,481,201	\$ 4,130,868	\$ 38,612,069	\$ 22,746,111	\$ (3,877,441)	-14.6%

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: November 27, 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

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 first of two required readings.

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 35.95.460(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
Total	10,061,600		559,700		1,006,200	446,490	409,300

* 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
Total	10,061,600		559,700		1,242,600	682,890	626,000

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

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

*** Rate Increase Effective 2/1/2024

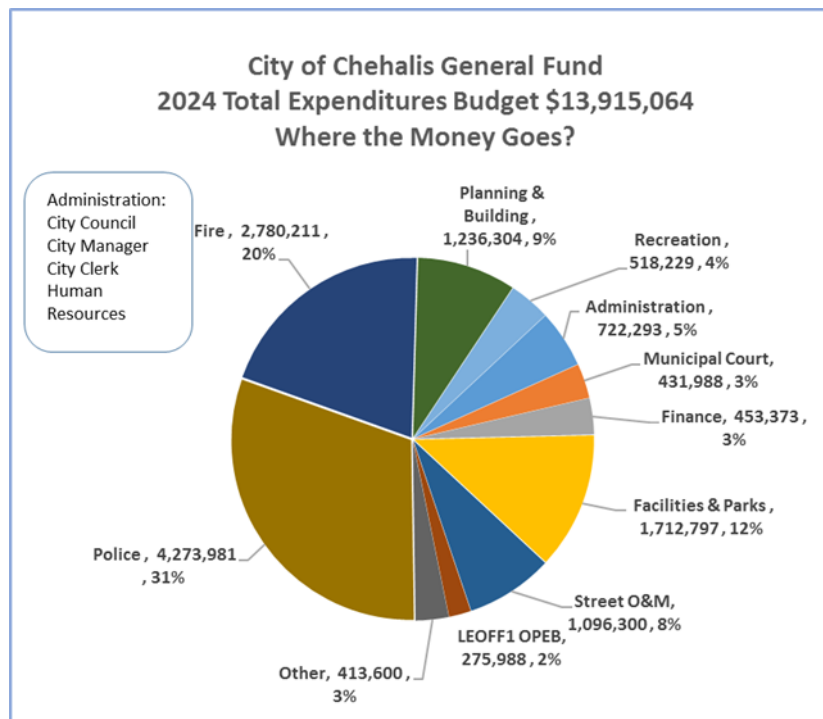
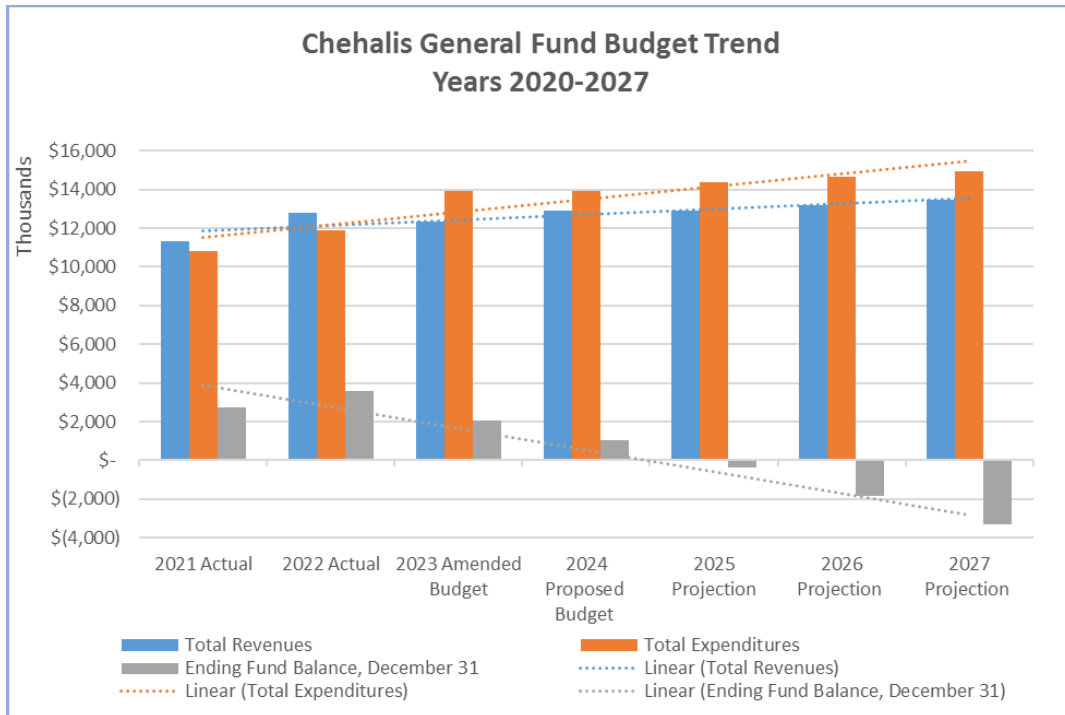
The revenues and expenditures associated with the proposed increases in utility taxes are **not** included in the 2024 Preliminary Budget as submitted. If rate increases are approved, the 2024 Budget will be amended in early 2024 to reflect the changes.

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 first reading and schedule the second reading for December 11, 2023.

SUGGESTED MOTION

I move that the City Council approve the rate changes of Proposal #2 and pass Ordinance 1077-B on first reading and conduct the second and final reading on December 11, 2023.

ORDINANCE NO. 548-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 AND SEWER UTILITY BUSINESS WITHIN OR PARTLY WITHIN THE CORPORATE LIMITS OF THE CITY OF CHEHALIS, WASHINGTON; AND REPEALING ORDINANCE NO. 486-B, PASSED THE 14TH DAY OF DECEMBER, 1992, CODIFIED IN THE CHEHALIS MUNICIPAL CODE AS SECTION 5.20.057.

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

Section 1. From and after the 1st 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 of Chehalis, Washington, a tax equal to six percent (6%) of the total gross income from such business.

Section 2. All payments of the utility tax imposed by this Ordinance shall be made by the water and sewer 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 and sewer 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 and sewer business.

Section 4. Any said person, firm, or corporation subject to this Ordinance 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 Ordinance, shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine not to exceed One Thousand and no/100ths Dollars (\$1,000.00), or by imprisonment in the Lewis County Jail for a term not to exceed ninety (90) days, or by both.

Section 5. Ordinance No. 486-B, passed the 14th day of December, 1992, codified in the Chehalis Municipal Code as Section 5.20.057, shall be, and the same hereby is, repealed.

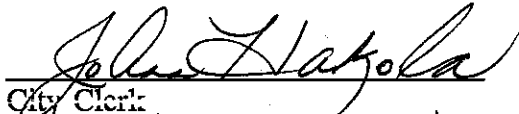
Section 6. Effective Date. The effective date of this ordinance shall be the 5th day of July, 1994.

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 27th day of June, 1994.



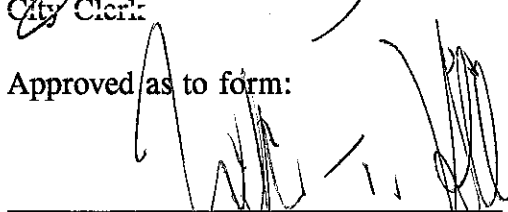
Mayor

Attest:



City Clerk

Approved as to form:



City Attorney

Chapter 5.20 WATER AND SEWER UTILITY USE TAX

Sections:

- 5.20.010 Tax levied.**
- 5.20.020 When payable.**
- 5.20.030 Inspection of records.**
- 5.20.040 Violation – Penalty.**

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.]

5.20.020 When payable.

All payments of the utility tax imposed by this chapter shall be made by the water and sewer company to the city on a quarterly basis within 45 days of the last day of the quarters ending on March 31st, June 30th, September 30th, and December 31st in each year. [Ord. 548B, 1994.]

5.20.030 Inspection of records.

The city shall have the right to inspect all records of any and all water and sewer companies serving the city to verify amounts due under this chapter and the right to audit and recompute any and all amounts payable under this chapter. 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 and sewer business. [Ord. 548B, 1994.]

5.20.040 Violation – Penalty.

Any said person, firm, or corporation subject to this chapter 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 \$1,000, or by imprisonment in the Lewis County jail for a term not to exceed 90 days, or by both. [Ord. 548B, 1994.]

[Mobile Version](#)

ORDNANCE NO. 1077-B

AN ORDNANCE 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 ORDNANCE NO. 548-B PASSED THE 27TH DAY OF JUNE 1994, CODIFIED IN THE CHEHALIS MUNICIPAL CODE AS SECTION 5.20.010, .020, .030.

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 _____ percent (%) of the total gross income from such business.

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

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: November 27, 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

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.

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 our vision for sustainable growth, improved infrastructure, and enhanced economic vitality.

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.

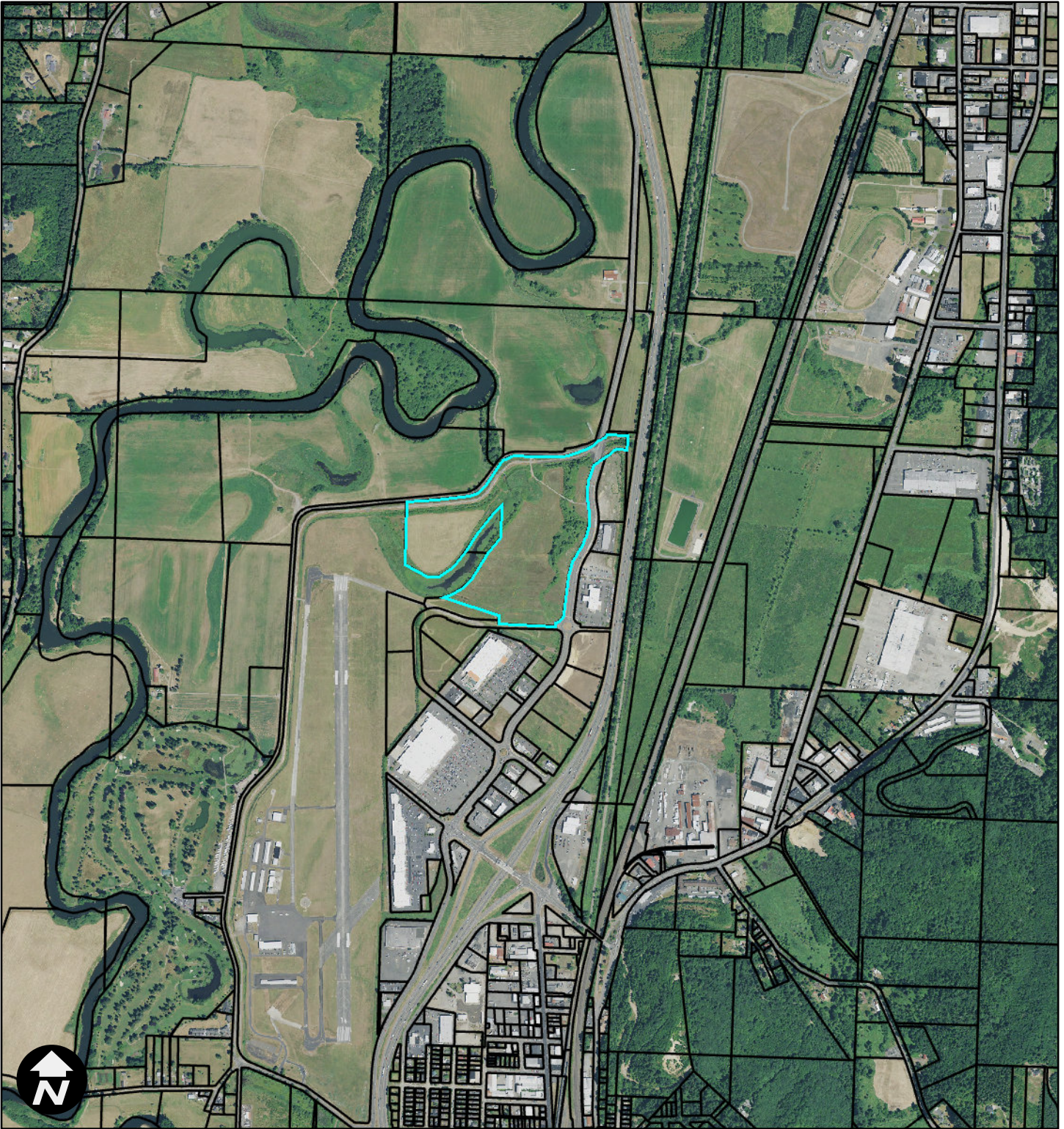
RECOMMENDATION

It is recommended that the City Council approve Resolution No. 20-2023 and authorize the transfer of \$316,957.00 from the Airport Fund to the Water and Wastewater Department Funds. All necessary accounting shall be done by the Finance Department to ensure proper compliance with Enterprise Fund balance requirements.

SUGGESTED MOTION

I move that the City Council approve Resolution No. 20-2023 and authorize the transfer of \$316,957.00 from the Airport Fund to the Water and Wastewater Department Funds to execute the transfer of the property to the Chehalis-Centralia Airport. All necessary accounting shall be done by the Finance Department to ensure proper compliance with Enterprise Fund balance requirements.

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

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"> • See Exhibit A | |

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

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:

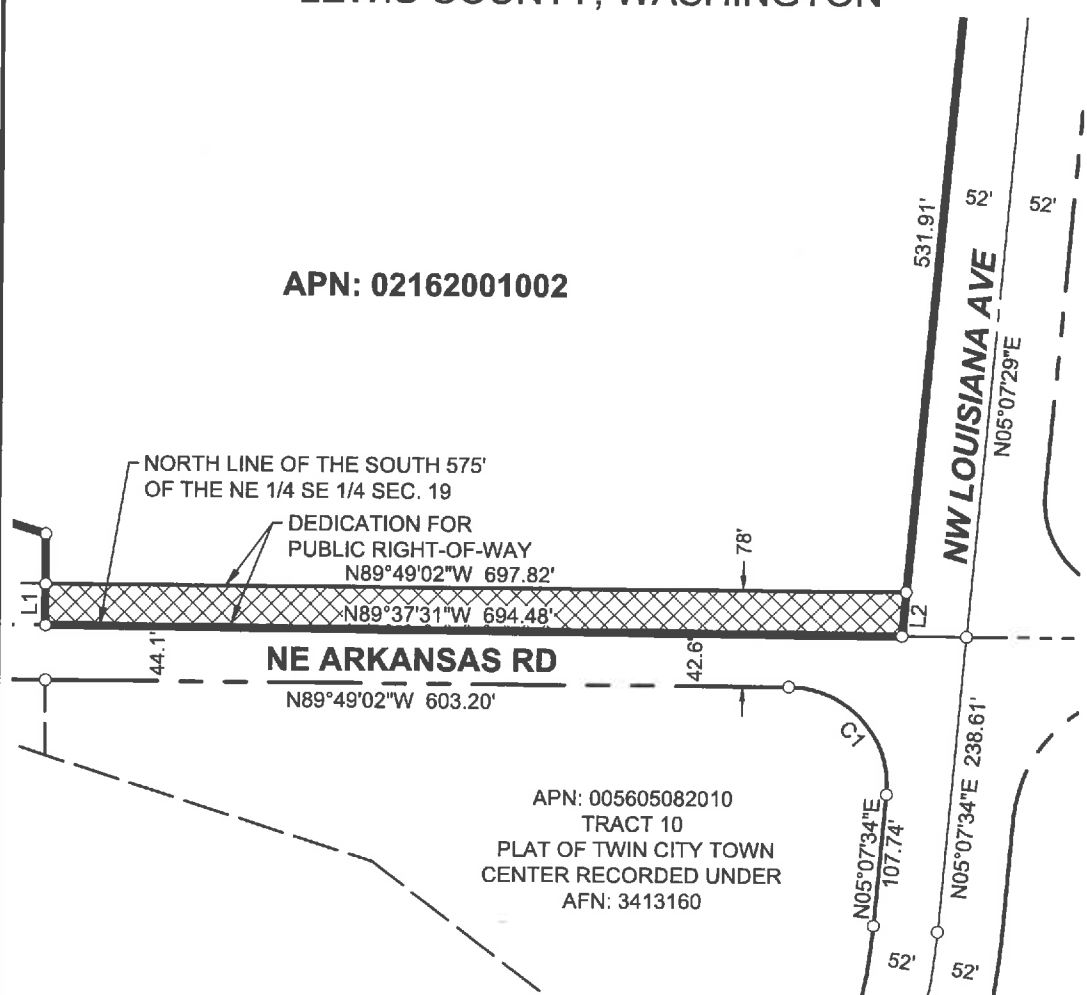
COMMENCING AT A POINT ON THE EAST LINE OF SECTION 19, TOWNSHIP 14
NORTH, RANGE 2 WEST, W.M. WHERE IT INTERSECTS WITH THE NORTH LINE OF
THE SOUTH 575 FEET OF THE NORTHEAST QUARTER OF;
THENCE WESTERLY ALONG SAID NORTH LINE A DISTANCE OF 622.40 FEET TO
THE INTERSECTION OF THE WESTERLY MARGIN OF NW LOUISIANNA 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



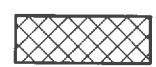
LINE AND CURVE DATA

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

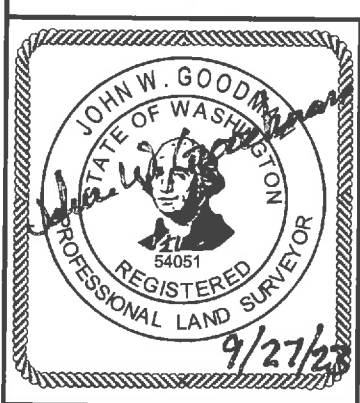
CURVE	DELTA	RADIUS	LENGTH
C1	94°56'36\"	80.00'	132.57'

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

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 WM LCW

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

Dated this 13th day of November, 2001.

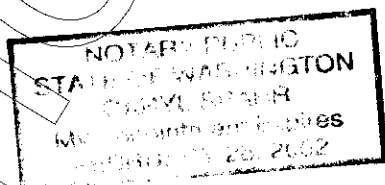
Margaret M. Barnes
MARGARET BARNES

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: Glenn Schaffer, Human Resources Manager

MEETING OF: November 27, 2023

SUBJECT: City Manager Executive Search Firm Proposals

ISSUE

The City needs to engage an executive search firm to conduct the recruitment of the new City Manager to fill the position after Jill Anderson's retirement in May of 2024. To keep with the timeline presented to the City Council by Jill Anderson in a memo dated November 9th, selection of the search firm should occur at the November 27, 2023, meeting, or at the latest, at the December 11th meeting.

DISCUSSION

On October 26, 2023 City staff issued a Request for Proposal for the executive search for the City's next City Manager. The request was sent directly to six executive search firms and advertised in the Chronicle and in the Daily Journal of Commerce in both Seattle and Portland. The deadline for submission of proposals was November 14, 2023, and the City received a total of eleven proposals.

The proposals submitted to the City varied greatly in cost and in terms of the stated level of experience, and all were presented to the members of the City Council ahead of the November 27th meeting to give council members time to review them. The information is summarized on the attached spreadsheet. The proposals listed are not intended to be recommendations, but were instead organized by cost, experience working with municipalities, regional experience, and experience recruiting specifically for City Manager positions.

City Council direction regarding a selection of a search firm is needed, ideally with the information provided in the firm's proposals. Should the Council not come to a decision at the November 27th meeting, staff would ask the Council how they would like to proceed in the selection process to come to a decision by the December 11th meeting. This could include a special meeting to interview the top two or three candidates if the City Council would like the opportunity to meet the representatives of the leading firms before making a decision.

FISCAL IMPACT

The fiscal impact of this recruitment is dependent on the search firm selected, and the expenses incurred as part of the recruitment. The minimum quote provided was \$17,500 plus expenses; and the highest quote was \$33,900 plus travel expenses.

RECOMMENDATION

It is recommended that the City Council select a search firm to conduct the recruitment of the City's next City Manager; or in the event no decision is reached this evening, to direct staff as to how they would like to proceed with the selection process.

SUGGESTED MOTION

I move that the City Council engage the firm of _____ to conduct the search for the next Chehalis City Manager.

City of Chehalis Executive Search Firm RFP Summary

Prepared by Glenn Schaffer, HR Manager

Company	Total Cost	Municipal Gov't	Regional Experience	City Manger
Prothman	\$17,500 + expenses	Yes (Chehalis)	Yes	Yes
GMP - Greg Prothman	\$18,000 plus expenses	Yes (Chehalis)	Yes	Yes
Mercer Group Associates	\$24,000 + \$6,000	Yes	Yes	Yes
GovHR	\$24,500 + Travel and Accommodation	Yes	Yes	Yes
Karras Consulting	23% or \$28,792 plus \$2,000	Yes	Yes	Yes
Bob Murray and Associates	\$22,000 + \$8,000	Yes	Some	Yes
Slavin Management Consultants	\$24,621	Yes	Some	Yes
Gov't Professional Solutions	\$23,500	Yes	No	Yes
Mosaic	\$29,000	Yes	No	Yes
HC Smith Limited	<u>30,000 + Travel</u>	Minimal	No	No
Reffett Associates	\$33,900 + Travel	Yes	Yes	No

