

CHEHALIS CITY COUNCIL AGENDA

CITY HALL

350 N MARKET BLVD | CHEHALIS, WA 98532

Anthony E. Ketchum, Sr., District 3
Mayor

John Six, District 1
Daryl J. Lund, Mayor Pro Tem, District 2
Jody Kyes, District 4

Kate McDougall, Position at Large No. 1
Kevin Carns, Position at Large No. 2
Robert J. Spahr, Position at Large No. 3

Regular Meeting of Monday, March 25, 2024

5:00 p.m.

To access this meeting via Zoom:

Meeting ID: 834 4212 6653

Pass Code: 674890

1. Call to Order
2. Pledge of Allegiance
3. Approval of Agenda

PRESENTATIONS/PROCLAMATIONS

4. Child Abuse Prevention Month
5. Chehalis Foundation Tennis/Wrestling Facility Update
6. Recognition of Chun Saul, Finance Director

CONSENT CALENDAR

- | | ADMINISTRATION
RECOMMENDATION | PAGE |
|---|----------------------------------|------|
| 7. <u>Minutes of the Regular Meeting March 11, 2024</u> (City Clerk) | APPROVE | 1 |
| 8. <u>Minutes of the Special Meeting March 18, 2024</u> (City Clerk) | APPROVE | 5 |
| 9. <u>Vouchers and Transfers- Accounts Payable in the Amount of \$360,900.22</u> (Finance Director) | APPROVE | 7 |
| 10. <u>Second Reading of Ordinance No. 1088-B, Amendments to Municipal Code Section 13.04.090 Water Service Meter Location</u> (Water Superintendent) | APPROVE | 9 |
| 11. <u>Second Reading of Ordinance No. 1094-B, Amendments to Municipal Code Section 13.04.310 Meter Tests</u> (Water Superintendent) | APPROVE | 13 |

- | | ADMINISTRATION
RECOMMENDATION | PAGE |
|---|--|------|
| 12. <u>Public Hearing and Resolution No. 05-2024, Declaration of Surplus Property, Release and Extinguish a Portion of the NW Prindle St. Sanitary Sewer Force Main Easement</u> (Capital Projects Manager) | CONDUCT
PUBLIC
HEARING/
APPROVE | 17 |

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.		
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CITIZENS BUSINESS (PUBLIC COMMENT)

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

UNFINISHED BUSINESS	ADMINISTRATION RECOMMENDATION	PAGE
13. <u>Second Reading of Ordinance No. 1093-B, Amending the 2024 Budget</u> (Finance Director)	APPROVE	37

NEW BUSINESS	ADMINISTRATION RECOMMENDATION	PAGE
14. <u>Lodging Tax Advisory Committee Recommendations for 2024 Tourism Funds</u> (Administrative Assistant)	APPROVE	57
15. <u>First Reading of Ordinance No. 1091-B Establishing and Emergency Fund AND Ordinance No. 1092-B, Establishing a Sales Tax Revenue Stabilization Fund</u> (Finance Director)	APPROVE	67
16. <u>Consider Award of Bid for Equalization Basin Intertie Project to Barcott Construction, LLC</u> (Wastewater Superintendent)	APPROVE	75

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

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

NEXT REGULAR CITY COUNCIL MEETINGS

MONDAY, APRIL 08, 2024- 5:00 P.M.

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

NEXT SPECIAL CITY COUNCIL MEETING

THURSDAY, APRIL 04, 2024- COMMUNITY MEETING FOR CITY MANAGER SELECTION

FRIDAY, APRIL 05, 2024- CITY COUNCIL INTERVIEW FOR CITY MANAGER SELECTION

Chehalis City Council
Regular Meeting Minutes
March 11, 2024
5:00 p.m.

Council Present: Mayor Ketchum, Mayor Pro Tem Lund, Councilor Spahr, Councilor McDougall, Councilor Carns, Councilor Kyes, and Councilor Six.

Council Absent: None.

Staff Present: Jill Anderson, City Manager; Kevin Nelson, City Attorney; Kassi Mackie, City Clerk; Lance Bunker, Public Works Director; Chun Saul, Finance Director; Adam Fulbright, Fire Chief; Randy Kaut, Police Chief; Riley Bunnell, Water Superintendent; Fritz Beierle, Streets Superintendent; Justin Phelps, Wastewater Superintendent; Celest Wilder, Capital Projects 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

Councilor Carns led the flag salute.

3. Approval of Agenda

Removal of executive session.

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

PRESENTATIONS/PROCLAMATIONS

CONSENT CALENDAR

- 4. Minutes of the Regular City Council Meeting of February 26, 2024** (City Clerk)
- 5. Vouchers and Transfers—Accounts Payable in the Amount of \$269,493.72** (Finance Director)
- 6. Vouchers and Transfers—Payroll in the Amount of \$979,838.26** (Finance Director)
- 7. Award of Bids for Rock, Gravel, and Asphalt for 2024** (Street Superintendent)
- 8. Consultant Agreement for Design, Engineering and Construction Management for the Hilltop Drainage Project with Fuller Designs** (Street Superintendent)
- 9. Purchase Skid Steer with Cold Plainer Using Sourcewell Contract #040319** (Street Superintendent)

- 10. Set March 25, 2024, at 5:00 P.M. to Conduct a Public Hearing on Declaration of Surplus Property, Release and Extinguish a Portion of the NW Prindle Street Sanitary Sewer Force Main Easement**
(Capital Projects Manger)

A motion was made by Councilor Spahr, seconded by Mayor Pro Tem Lund to approve the items on the Consent Calendar as presented. The motion carried unanimously.

HEARINGS

None.

CITIZENS BUSINESS

David Fine provided public comment regarding his First Amendment rights and communications with elected officials in the County.

Annie Oyin, Executive Director of United Way for Lewis County provided public comment.

UNFINISHED BUSINESS

None.

NEW BUSINESS

- 11. First Reading of Ordinance No. 1093-B, Amending the 2024 Budget** (Finance Director)

Finance Director Chun Saul presented.

A motion was made by Councilor Spahr, seconded by Mayor Pro Tem Lund to approve Ordinance No. 1093-B on first reading and set the second reading for March 25, 2024. The motion carried with Mayor Pro Tem Lund and Councilor Carns opposing.

- 12. Resolution No. 03-2024, Interlocal Agreement for 911 Communications** (Police Chief)

Police Chief Randy Kaut provided a brief overview.

A motion was made by Councilor Spahr, seconded by Mayor Pro Tem Lund to approve Resolution No. 03-2024. The motion carried unanimously.

- 13. First Reading of Ordinance No. 1088-B, Amendments to Municipal Code Section 13.04.090 Water Service Meter Location** (Water Superintendent)

Water Superintendent Riley Bunnel provided a brief overview of the proposed changes.

A motion was made by Councilor Spahr, seconded by Mayor Pro Tem Lund to approve the Ordinance No. 1088-B on first reading and set the second reading for March 25, 2024. The motion carried unanimously.

- 14. First Reading of Ordinance No. 1094-B, Amendments to Municipal Code Section 13.04.310 Meter Tests** (Water Superintendent)

Water Superintendent Riley Bunnel provided a brief overview of the proposed changes.

A motion was made by Councilor Spahr, seconded by Mayor Pro Tem Lund to approve Ordinance No. 1094-B on first reading and set the second reading for March 25, 2024. The motion carried unanimously.

15. Appointment of an Interim City Manager (City Manager/City Council)

A motion was made by Councilor Spahr, seconded by Councilor Six to appoint Lance Bunker as Interim City Manager and authorize the Mayor to sign the employment agreement. The motion carried with Mayor Ketchum opposing.

ADMINISTRATION REPORTS

City Manager Update

Public Works Director Lance Bunker provided an update on the Downtown Revitalization Project.

COUNCILOR REPORTS/COMMITTEE UPDATES

Councilor Six reported attendance at the Parks Committee meeting.

Councilor Kyes also attended the Parks Committee meeting as well as Ladies Night in downtown Chehalis.

Councilor Spahr reported attendance at the budget meeting.

Mayor Pro Tem Lund reported attendance at the Parks Committee meeting.

Councilor McDougall reported attendance at the Homeless Committee meeting, Budget Committee, Health and Social Services meeting and Ladies Night Out.

Councilor Carns reported attendance at the LTAC Committee meeting, the results of which will be presented for consideration at the March 25 meeting.

Mayor Ketchum reported attendance at the Downtown Homeless Committee, Mayor's meeting and Experience Chehalis monthly meeting.

ADJOURNMENT

Mayor Ketchum adjourned the meeting at 5:57 p.m.

Anthony Ketchum, Sr., Mayor

Attest: Kassi Mackie, City Clerk

Chehalis City Council
Special Meeting Minutes
March 18, 2024
5:00 p.m.

Council Present: Mayor Ketchum, Mayor Pro Tem Lund, Councilor Spahr, Councilor McDougall, Councilor Carns, Councilor Kyes, and Councilor Six.

Staff Present: Jill Anderson, City Manager; Glenn Schaffer, HR/Risk Manager; Kassi Mackie, City Clerk

Press Present: None.

1. Call to Order

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

2. Pledge of Allegiance

Councilor Six led the flag salute.

City Manager Anderson and City Clerk Mackie were excused from the room.

EXECUTIVE SESSION

Mayor Ketchum adjourned the regular session and Council entered executive session at 5:01 p.m. for one hour or until 6:00 p.m.

Mayor Ketchum adjourned the executive session and reconvened the regular session and noted that additional time was needed. The council entered executive session for an additional hour or until 7:00 p.m.

Mayor Ketchum adjourned the executive session and reconvened the regular session at 7:00 p.m.

ADJOURNMENT

Mayor Ketchum adjourned the meeting at 7:01 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: March 25, 2024

SUBJECT: 2024 Vouchers and Transfers – Accounts Payable in the Amount of \$360,900.22.

ISSUE

City Council approval is requested for 2024 Vouchers and Transfers dated March 15, 2024.

DISCUSSION

The March 15, 2024, 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. 3523 - 3552, 146 – 147 and Voucher Checks No. 138559 - 138655 in the amount of \$360,900.22 dated March 15, 2024, which included the transfer of:

- \$ 181,237.88 from the General Fund
- \$ 19,530.99 from the Street Fund
- \$ 23,000.00 from the Transportation Benefit District Fund
- \$ 1,308.60 from the LEOFF 1 OPEB Reserve Fund
- \$ 18,231.70 from the Park Improvement Fund
- \$ 69,023.26 from the Wastewater Fund
- \$ 26,981.82 from the Water Fund
- \$ 1,766.13 from the Storm & Surface Water Utility Fund
- \$ 13,396.81 from the Airport Fund
- \$ 6,186.53 from the Custodial Court Fund
- \$ 236.50 from the Custodial Other Agency Fund

RECOMMENDATION

It is recommended that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. 3523 - 3552, 146 – 147 and Voucher Checks No. 138559 - 138655 in the amount of \$360,900.22 dated March 15, 2024.

SUGGESTED MOTION

I move that the City Council approve the Claim Vouchers including Electronic Funds Transfer Checks No. 3523 - 3552, 146 – 147 and Voucher Checks No. 138559 - 138655 in the amount of \$360,900.22 dated March 15, 2024.

**CHEHALIS CITY COUNCIL
MEETING AGENDA REPORT**

TO: The Honorable Mayor and City Council Jill Anderson, City Manager

FROM: Jill Anderson, City Manager

BY: Lance Bunker Public Works Director
Riley Bunnell Water Superintendent

MEETING OF: March 25, 2024

SUBJECT: Second Reading of Ordinance No. 1088-B, Amendments to Municipal Code Section
13.04.090 - Water Service Meter Location

ISSUE

The current Municipal Code, section 13.04.090, states that "All water service connections shall be made by, or under the control of, the city, Meters shall be placed as follows:

- A. Within the corporation limits of the city, meters shall be placed within two feet of the edge of the sidewalk or proposed sidewalk on the curb side in existing plats and within two feet of the sidewalk on the property side in new plats.
- B. Within the county, meters shall be placed within the county right-of-way and within two feet of the property line nearest the customers premises.
- C. In instances other than contained herein, or where the public works director determines that unusual or conflicting conditions exist, the location of the meter shall be determined by the public works director. [Ord.1088-B]

Municipal Code 13.04.090 regarding meter placement needs to be updated to add clarification and consistency when new water service meters are to be placed within city limits and no sidewalk is present.

DISCUSSION

The Water Department is proposing that the Municipal Code be updated to add clarification and consistency when new water services are requested and placed within city limits. The proposed language below will make it easier to determine proper placement of water meters when no sidewalks are present.

It is recommended that current code language be replaced with the following:

All water service connections shall be made by, or under the control of, the city, Meters shall be placed as follows:

- A. Within the corporation limits of the city, meters shall be placed within the city right-of-way and within two feet of the property line nearest the customers premises.
- B. Within the county, meters shall be placed within the county right-of-way and within two feet of the property line nearest the customers premises.
- C. In instances other than contained herein, or where the public works director determines that unusual or conflicting conditions exist, the location of the meter shall be determined by the public works director.

Updating Municipal Code 13.04.090 would add clarification and consistency when new water services are requested and are to be placed within City limits.

FISCAL IMPACT

There is no fiscal impact associated with the adoption of the proposed ordinance.

RECOMMENDATION

It is recommended that the City Council adopt Ordinance No. 1088-B on second reading, changing Municipal Code 13.04.090 to clarify placement of water meter service connections.

SUGGESTED MOTION

I move the City Council adopt Ordinance No. 1088-B on second reading.

ORDINANCE NO. 1088-B

**AN ORDINANCE OF THE CITY OF CHEHALIS,
WASHINGTON, AMENDING SECTION 13.04.090 OF THE
CHEHALIS MUNICIPAL CODE CONCERNING WATER
SERVICE METER LOCATION**

WHEREAS, the City of Chehalis requires placement of existing and new water services; and

WHEREAS, in order to adjust to industry standard, the city has determined that updates to the municipal code section regarding water service meter location is warranted; and

WHEREAS, to achieve this goal, new language should be added to the municipal code section to include clarification and consistency for placement of existing and new water services.

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

Section 1. Section 13.04.090 of the Chehalis Municipal Code shall be, and the same hereby is amended to read as follows:

13.04.090 Water Service Meter Location

All water service connections shall be made by, or under the control of, the city, Meters shall be placed as follows:

- A. Within the corporation limits of the city Meters shall be placed within the city right-of-way and within two feet of the property line nearest the customer's premises.
- B. Within the county, (urban growth areas or similar areas outside the corporation limits but under City jurisdiction) Meters shall be placed within the county right-of-way and within two feet of the property line nearest the customers premises.
- C. In instances other than contained herein, or where the public works director or designee determines that unusual or conflicting conditions exist, Meter location shall be determined by the public works director or designee.

Section 2. 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

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Lance Bunker Public Works Director
Riley Bunnell Water Superintendent

MEETING OF: March 25, 2024

SUBJECT: Second Reading of Ordinance No.1094-B, Amendments to Municipal Code Section 13.04.310 – Meter Tests

ISSUE

The current municipal code 13.04.310 states that when any customer makes a complaint that the water service charges for any period are excessive, the city shall, upon the customer's request, have the meter reread and the water service pipes and plumbing fixtures on the premises inspected for leaks in the event that said actions are practicable and/or possible. The city may charge the customer for a service call in accordance with CMC 13.04.200, Service calls, for rereading the meter and inspecting the premises.

DISCUSSION

The Water Department is proposing an update to the Municipal Code to remove the language that would allow city employees to access private property to inspect privately owned service pipes and plumbing fixtures for leaks by request of the customer. The city's utility department monitors meter reads for abnormal usage and automatically has all abnormal usage readings reread for potential leaks. When a city employee rereads the meter and notices a possible leak, they then contact the customer and inform them of the usage and the possible leak.

Updating the Municipal code to remove the language that would allow city employees to access private property would mitigate the city's liability of having city employees accessing private property to assess service pipes and plumbing fixtures.

It is proposed that the language be updated to reflect the following changes:

When any customer makes a complaint that the water service charges for any period are excessive, the city shall, upon the customer's request, have the meter reread. ~~and the water service pipes and plumbing fixtures on the premises inspected for leaks in the event that said actions are practicable and/or possible.~~ The city may charge the customer for a service call in accordance with CMC 13.04.200, Service calls, for rereading the meter ~~and inspecting the premises.~~

Should the customer then request that the meter be tested for accuracy, the customer shall make a deposit in the amount established by city ordinance and such customer shall be liable for the actual cost of meter testing.

FISCAL IMPACT

Updating Municipal Code 13.04.090 would remove the city's liability of having city employees accessing private property upon request of the customer to inspect privately owned service pipes and plumbing fixtures. There is no direct fiscal impact associated with adopting the proposed Ordinance.

RECOMMENDATION

It is recommended that the City Council adopt Ordinance No. 1094-B on second reading, changing Municipal Code 13.04.310 to remove in premise service for leak detection on private property.

SUGGESTED MOTION

I move the City Council adopt Ordinance No. 1094-B on second reading..

ORDINANCE NO. 1094-B

**AN ORDINANCE OF THE CITY OF CHEHALIS,
WASHINGTON, AMENDING SECTION 13.04.310 OF THE
CHEHALIS MUNICIPAL CODE CONCERNING METER
TESTS**

WHEREAS, the City of Chehalis conducts meter rereads at customers request and

WHEREAS, the city needs to mitigate any damage or liability for entering a private premise and

WHEREAS, the City desires to remove the requirement that city employees enter private premises and conduct inspections of private service pipes and plumbing fixtures for possible leaks.

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

Section 1. Section 13.04.310 of the Chehalis Municipal Code shall be, and the same hereby is amended to read as follows:

13.04.310 Meter Tests

When any customer makes a complaint that the water service charges for any period are excessive, the city shall, upon the customer's request, have the meter reread. The city may charge the customer for a service call in accordance with CMC 13.04.200, Service calls, for rereading the meter.

Should the customer then request that the meter be tested for accuracy, the customer shall make a deposit in the amount established by city ordinance and such customer shall be liable for the actual cost of meter testing.

Section 2. 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

**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: March 25, 2024

SUBJECT: Public Hearing and Resolution No. 05-2024, Declaration of Surplus Property, Release and Extinguish a portion of the NW Prindle St. Sanitary Sewer Force Main Easement

ISSUE

An existing sanitary sewer force main easement runs cross country through parcel numbers 5780-8-0, 5780-3-0, and 5780-5-0, located at 880 W Main St., 840 NW Alta Way, and 841 NW Prindle St., respectively. It is proposed that a portion of this easement be declared surplus property consistent with RCW 35.94.040. This hearing is part of the required public notification process.

DISCUSSION

RCW 35.94.040 provides that the City may by resolution of its legislative body after a public hearing, declare such certain original utility assets and easements as surplus properties, and thereafter cause such properties to be leased, sold, or conveyed.

In 1950, an easement between John Panesko and the City of Chehalis was recorded for the purpose of constructing and maintaining a steel sanitary sewer pressure line. In 2015, this same sanitary sewer force main was re-routed and a portion of the main was abandoned in place. There are no plans to replace the abandoned force main in its current location. The easement has remained in place since. The sanitary sewer utility was re-routed and has been functioning effectively in its new location for almost ten years now. There is no longer a need for the City to maintain the easement through these parcel locations.

The parcels are zoned Commercial Freeway. Interest has been shown in developing a Hilton, 97-room extended-stay hotel at this location. State Law dictates that construction of permanent structures is prohibited in, on, or over public utility easements. Due to construction set-back requirements from easements and property lines, challenges and practical difficulties for development are evident within the affected parcels. To promote continued growth and

development consistent with zoning regulations and building codes, the sanitary force main easement entered into on September 21, 1950, should be extinguished, and the easement language should be updated to reflect the utility as it sits in the ground.

All necessary survey and legal description update language has been prepared by a professional licensed surveyor and is available as a preliminary document for the purposes of this hearing. Upon approval of surplus property declaration, survey and legal description updates will be finalized and formatted for filing with the Lewis County Auditor's office.

FISCAL IMPACT The costs associated with the administrative process will be absorbed through the City's operating budget. If the easement is declared surplus, the property could potentially be developed with a hotel that could provide additional accommodation for visitors and add to the City's lodging tax revenues.

RECOMMENDATION

It is recommended that the City Council open a public hearing as requested during the regular City Council Meeting of March 11, 2024, to accept and consider staff presentation and public comment regarding a proposed declaration of surplus property as it pertains to the abandoned portion of a sanitary sewer force main easement. At the conclusion of staff presentation and public comment it is recommended that City Council close the public hearing, adopt Resolution No. 05-2024 A resolution of the City Council of Chehalis, Washington, For Declaration of Surplus Property, Release and Extinguish Sewer Force Main Easement, and to authorize the Mayor to sign approval.

SUGGESTED MOTION

I recommend that City Council declare the sanitary sewer easement, as described in attached Exhibits to be surplus property, and to authorize the Mayor to sign approval of Resolution No. 05-2024 A RESOLUTION OF THE CITY COUNCIL OF CHEHALIS, WASHINGTON, FOR DECLARATION OF SURPLUS PROPERTY, RELEASE AND EXTINGUISH SEWER FORCE MAIN EASEMENT.

CITY OF CHEHALIS
RESOLUTION NO. 05-2024

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHEHALIS, WASHINGTON, FOR DECLARATION OF SURPLUS PROPERTY, RELEASE AND EXTINGUISH SEWER FORCE-MAIN EASEMENT

WHEREAS, the City currently owns certain utility assets, easements, and fee property located at parcel no. 005780-005-000, located at 841 NW Prindle Street, Chehalis, WA 98532, as shown in Exhibits 3-A, 3-B, and 3-C.

WHEREAS, the City currently owns certain utility assets, easements, and fee property located at parcel no. 005780-003-000, located at 840 NW Prindle Alta Way, Chehalis, WA 98532, as shown in Exhibits 2-A, 2-B, and 2-C.

WHEREAS, the City currently owns certain utility assets, easements, and fee property located at parcel no. 005780-008-000, located at 880 W Main Street, Chehalis, WA 98532, as shown in Exhibits 1-A, 1-B, 1- C, and 1-D.

WHEREAS, these assets, easements, and fee properties were originally acquired by the City to provide for wastewater utility services; and

WHEREAS, the utility has been re-aligned and no longer exists as originally constructed, generally shown in Exhibit 1-D; and

WHEREAS, in or around 2015, certain existing assets were relocated or replaced, and fee property sold, to accommodate future growth and development; and

WHEREAS, to develop any project, certain original assets and easements and other property rights must be released and extinguished; and

WHEREAS, RCW 35.94.040 provides that the City may, by resolution of its legislative body after a public hearing, declare such certain original utility assets and easements as surplus properties, and thereafter cause such properties to be leased, sold, or conveyed; and

WHEREAS, RCW 39.33 provides that the City may declare such certain original non-utility property as surplus and thereafter cause such properties to be leased, sold, or conveyed; and

WHEREAS, the Chehalis City Council held a public hearing on the surplus utility and non-utility assets, easements, and fee property on March 25, 2024, and after considering all testimony received, is determined to enact this resolution declaring that certain utility and non-utility assets easements, and fee property are surplus to the City's needs and authorizes their release and extinguishment.

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

Section 1. Properties Declared Surplus. The surplus utility and non-utility assets, easements, and fee property depicted in Exhibits 1-A through 3-C of this resolution, which was originally acquired for utility, access, or other public purpose, is not required to provide for future public utility service, access, or other public purposes and is hereby declared to be surplus to the City's needs.

Section 2. Authority of Mayor or Designee. The Mayor or his/her designee is hereby authorized and directed to take appropriate action of his/her choosing to release and extinguish certain utility and non-utility assets, easements, and convey fee property described in Exhibits 1-A through 3-C, and convey fee property that may be necessary to facilitate future development,

Section 3. Consideration for Utility Assets and Easements. The City Council has determined that satisfactory consideration for releasing and extinguishing these utility assets and easements is provided by the following benefits: (1) that the City will no longer need to maintain and reserve money for replacement of utility assets and easements that no longer have value nor provide service, (2) that the City has relocated and replaced utility assets and easements that leave Chehalis's utility systems in an equal or better condition than they would otherwise be.

Section 4. Consideration for Non-Utility Assets, Easements, or Fee Property. The Mayor or his/her designee is authorized to negotiate the terms and conditions for conveying non-utility assets, easements, or fee property consistent with RCW 39.33.010, RCW 39.33.020, RCW 43.09.210, and other applicable laws.

ADOPTED by the Chehalis City Council this ____ day of _____, 2024.

APPROVED:

Mayor, or Authorized Designee

ATTEST:

Kassi Mackie, City Clerk

FILED WITH THE CITY CLERK: _____, 2024

PASSED BY THE CITY COUNCIL: _____, 2024

RESOLUTION NO: _____

Exhibit 1

Parcel No.

005780-008-000

880 W Main St

Chehalis, WA 98532

Owned by Timberland
Bank

EXHIBIT "A"

TIMBERLAND BANK
PIN: 005780008000

GRANTEE'S/GRANTOR'S ENTIRE PARCEL:

THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 31,
TOWNSHIP 14 NORTH, RANGE 2 WEST, W.M., DESCRIBED AS FOLLOWS:

TRACT A OF CITY OF CHEHALIS BOUNDARY LINE ADJUSTMENT NO. BL-08-138, RECORDED
MARCH 17, 2008, UNDER AUDITOR'S FILE NO. 3301553, RECORDS OF LEWIS COUNTY,
WASHINGTON.

PRELIMINARY

EXHIBIT "B"

TIMBERLAND BANK
PIN: 005780008000

RELINQUISHMENT OF SEWER EASEMENT AREA:

THAT PORTION OF THE GRANTEE'S PARCEL, (AS DESCRIBED IN EXHIBIT "A"), DESCRIBED AS FOLLOWS:

A STRIP OF LAND 20.00 FEET WIDE THROUGH THAT PORTION OF GRANTEE'S PARCEL,
DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF PARCEL 3 OF CITY OF CHEHALIS BOUNDARY
LINE ADJUSTMENT NO. BL-08-138, RECORDED MARCH 17, 2008, UNDER AUDITOR'S FILE NO.
3301553, RECORDS OF LEWIS COUNTY, WASHINGTON;

THENCE S05°04'30"E ALONG THE WEST LINE OF SAID PARCEL 3, A DISTANCE OF 150.57 FEET TO
THE **POINT OF BEGINNING**;

THENCE CONTINUING S05°04'30"E A DISTANCE OF 21.72 FEET;

THENCE S62°00'00"W A DISTANCE OF 0.52 FEET;

THENCE N89°16'31"W A DISTANCE OF 132.72 FEET;

THENCE N51°13'59"E A DISTANCE OF 25.24 FEET;

THENCE S89°16'31"E A DISTANCE OF 107.80 FEET;

THENCE N62°00'00"E A DISTANCE OF 3.86 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 2,413 SQUARE FEET MORE OR LESS

PRELIMINARY

EXHIBIT "C"

TIMBERLAND BANK
PIN: 005780008000

SEWER FORCEMAIN EASEMENT AREA:

THAT PORTION OF THE GRANTEE'S PARCEL, (AS DESCRIBED IN EXHIBIT "A"), DESCRIBED AS FOLLOWS:

A STRIP OF LAND 20.00 FEET AND 10.00 FEET WIDE THROUGH THAT PORTION OF GRANTEE'S PARCEL, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY NORTHEAST CORNER OF GRANTOR'S PARCEL, BEING ON THE SOUTHERLY MARGIN OF PRINDLE STREET;
THENCE S00°01'56"W ALONG THE EAST LINE OF GRANTOR'S PARCEL A DISTANCE OF 32.19 FEET;
THENCE S05°22'59"W A DISTANCE OF 122.18 FEET;
THENCE S51°13'59"W A DISTANCE OF 31.11 FEET;
THENCE N89°57'10"W A DISTANCE OF 100.81 FEET TO THE EASTERLY RIGHT-OF-WAY OF STATE ROUTE 5;
THENCE N34°21'12"W ALONG SAID EASTERLY RIGHT-OF-WAY A DISTANCE OF 12.12 FEET TO THE WESTERLY CORNER IN GRANTOR'S PARCEL;
THENCE S89°57'10"E ALONG THE LINE OF GRANTOR'S PARCEL A DISTANCE OF 83.75 FEET;
THENCE CONTINUING ALONG THE LINE OF GRANTOR'S PARCEL N00°19'25"W A DISTANCE OF 10.00 FEET;
THENCE S89°57'10"E A DISTANCE OF 16.92 FEET;
THENCE N51°13'59"E A DISTANCE OF 15.60 FEET;
THENCE N05°22'59"E A DISTANCE OF 112.78 FEET;
THENCE N00°01'56"E A DISTANCE OF 31.26 FEET TO THE SOUTH MARGIN OF PRINDLE STREET;
THENCE N89°38'33"E A DISTANCE OF 20.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 4,661 SQUARE FEET MORE OR LESS

PRELIMINARY

EXHIBIT D

PORTION OF THE NW 1/4 NE 1/4, SEC 31, T 14 N, R 2 W, W.M. CITY OF CHEHALIS, LEWIS COUNTY, WASHINGTON

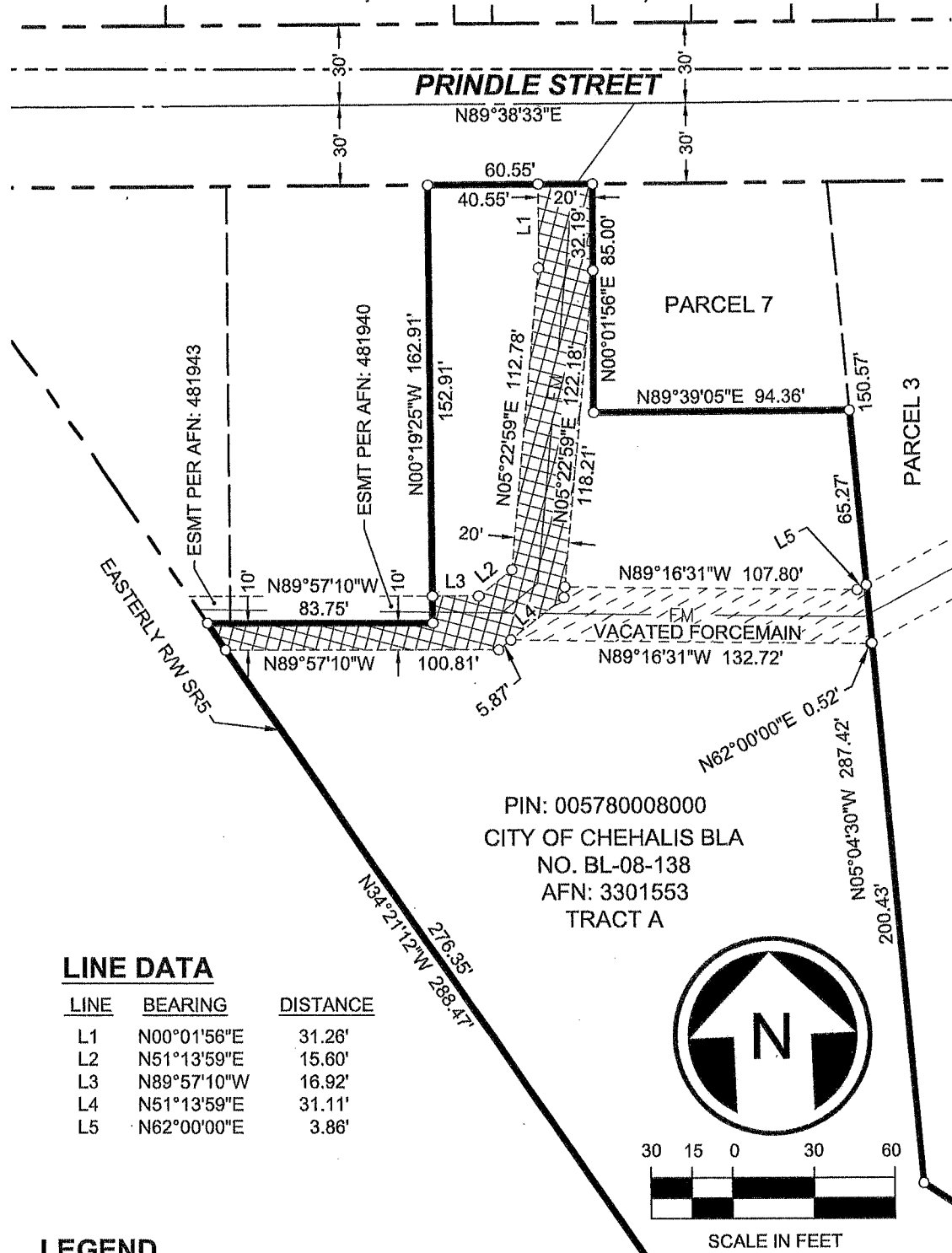


Exhibit 2

Parcel No.

005780-003-000

840 NW Alta Way

Chehalis, WA 98532

Owned by Liberty

Plaza Association

EXHIBIT "A"

ALTA FOREST PRODUCTS, A DELAWARE LIMITED LIABILITY COMPANY
PIN: 005780003000

GRANTEE'S ENTIRE PARCEL:

THAT PORTION OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 14 NORTH, RANGE 2 WEST, W.M., THE S.S. SAUNDERS DONATION LAND CLAIM, AND BLOCKS 2 AND 4, CITY GARDEN ADDITION TO CHEHALIS RECORDED IN VOLUME 3 OF PLATS, PAGE 18 RECORDS OF LEWIS COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

LOT 3 OF CITY OF CHEHALIS BOUNDARY LINE ADJUSTMENT NO. BL-08-138, RECORDED MARCH 17, 2008, UNDER AUDITOR'S FILE NO. 3301553, RECORDS OF LEWIS COUNTY, WASHINGTON. TOGETHER WITH AN EASEMENT FOR INGRESS, EGRESS AND UTILITIES OVER, UNDER AND ACROSS TRACT B OF SAID BOUNDARY LINE ADJUSTMENT.

PRELIMINARY

EXHIBIT "B"

ALTA FOREST PRODUCTS, A DELAWARE LIMITED LIABILITY COMPANY
PIN: 005780003000

RELINQUISHMENT OF SEWER EASEMENT AREA:

THAT PORTION OF THE GRANTEE'S PARCEL, (AS DESCRIBED IN EXHIBIT "A"), DESCRIBED AS FOLLOWS:

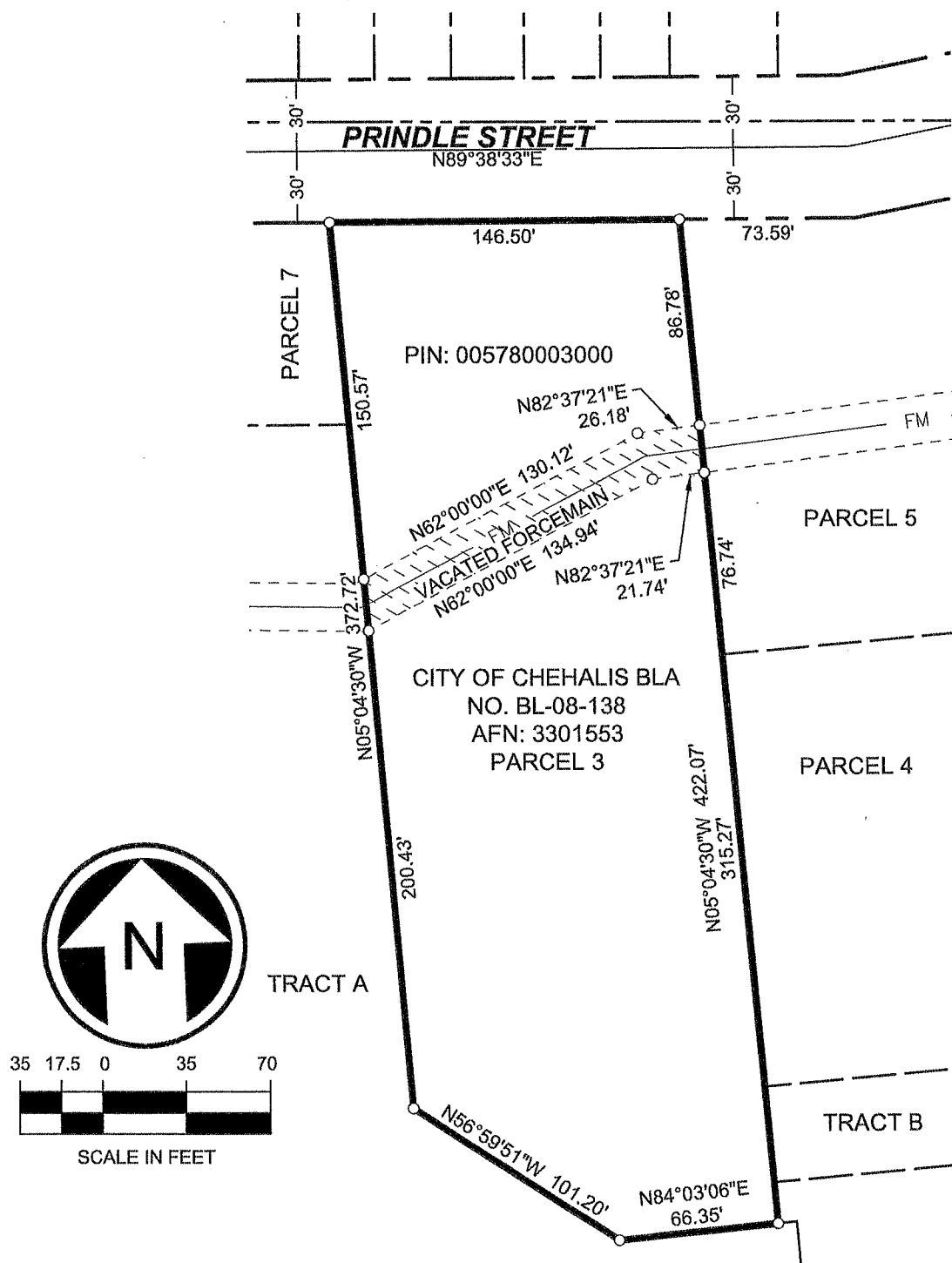
A STRIP OF LAND 20.00 FEET WIDE THROUGH THAT PORTION OF GRANTEE'S PARCEL,
DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHEAST CORNER OF GRANTEE'S PARCEL;
THENCE S05°04'30"E ALONG THE EAST LINE OF SAID GRANTEE'S PARCEL, A DISTANCE OF 86.78
FEET TO THE **POINT OF BEGINNING**;
THENCE CONTINUING S05°04'30"E A DISTANCE OF 20.02 FEET;
THENCE S82°37'21"W A DISTANCE OF 21.74 FEET;
THENCE S62°00'00"W A DISTANCE OF 134.94 FEET TO THE WEST LINE OF SAID GRANTEE'S
PARCEL;
THENCE N05°04'30"W ALONG SAID WEST LINE A DISTANCE OF 21.72 FEET
THENCE N62°00'00"E A DISTANCE OF 130.12 FEET;
THENCE N82°37'21"E A DISTANCE OF 26.18 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 3,130 SQUARE FEET MORE OR LESS

PRELIMINARY

EXHIBIT C

PORTION OF THE NW 1/4 NE 1/4, SEC 31, T 14 N, R 2 W, W.M. CITY OF CHEHALIS, LEWIS COUNTY, WASHINGTON



LEGEND

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

RELINQUISHMENT OF EASEMENT
AREA = 3130 SQFT

Exhibit 3

Parcel No.

005780-005-000

841 NW Prindle St.

Chehalis, WA 98532

Owned by Chehalis

CWS, LLC

EXHIBIT "A"

CHEHALIS CWS, LLC, A WASHINGTON LIMITED LIABILITY COMPANY
PIN: 005780005000

GRANTEE'S ENTIRE PARCEL:

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 31, TOWNSHIP 14 NORTH, RANGE 2 WEST, W.M., DESCRIBED AS FOLLOWS:

LOT 5 OF CITY OF CHEHALIS BOUNDARY LINE ADJUSTMENT NO. BL-08-138, RECORDED MARCH 17, 2008, UNDER AUDITOR'S FILE NO. 3301553, RECORDS OF LEWIS COUNTY, WASHINGTON, BEING LOCATED WITHIN BLOCK 1 AND LOTS 1, 2, 3, 12, 13 AND 14, BLOCK 5 AND VACATED STREETS OR ALLEYS ADJOINING ALL IN CITY GARDEN ADDITION OF CHEHALIS RECORDED IN VOLUME 3 OF PLATS, PAGE 18 RECORDS OF LEWIS COUNTY, WASHINGTON.

PRELIMINARY

EXHIBIT "B"

CHEHALIS CWS, LLC, A WASHINGTON LIMITED LIABILITY COMPANY
PIN: 005780005000

RELINQUISHMENT OF SEWER EASEMENT AREA:

THAT PORTION OF THE GRANTEE'S PARCEL, (AS DESCRIBED IN EXHIBIT "A"), DESCRIBED AS FOLLOWS:

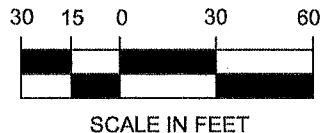
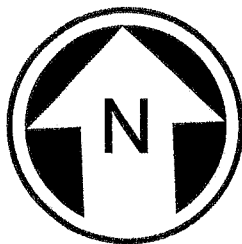
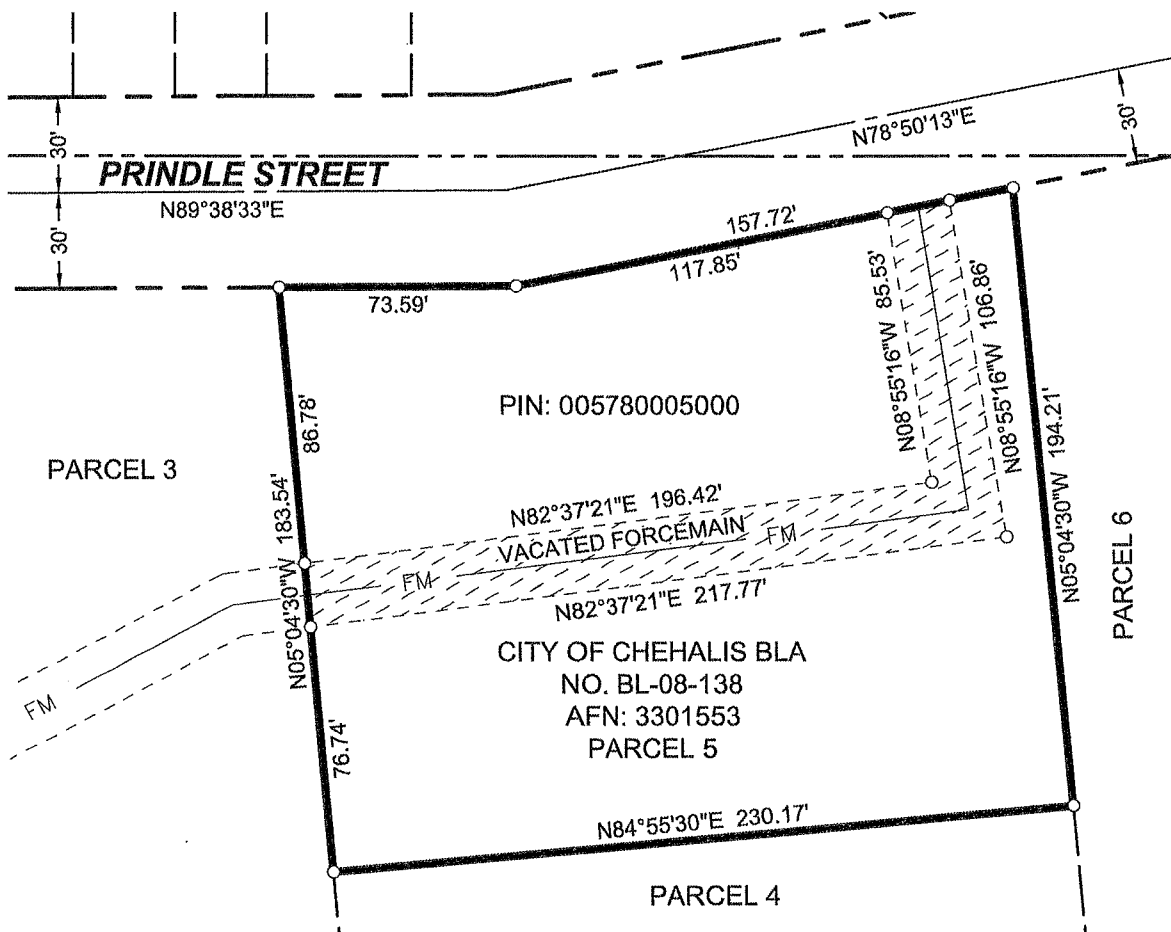
A STRIP OF LAND 20.00 FEET WIDE THROUGH THAT PORTION OF GRANTEE'S PARCEL,
DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHWEST CORNER OF GRANTEE'S PARCEL;
THENCE S05°04'30"E ALONG THE WEST LINE OF SAID GRANTEE'S PARCEL, A DISTANCE OF
86.78 FEET TO THE **POINT OF BEGINNING**;
THENCE CONTINUING S05°04'30"E A DISTANCE OF 20.02 FEET;
THENCE N82°37'21"E A DISTANCE OF 217.77 FEET;
THENCE N08°55'16"W A DISTANCE OF 106.86 FEET TO THE SOUTHERLY MARGIN OF PRINDLE
STREET;
THENCE S78°50'13"W ALONG SAID SOUTHERLY MARGIN A DISTANCE OF 20.02 FEET;
THENCE S08°55'16"E A DISTANCE OF 85.53 FEET;
THENCE S82°37'21"W A DISTANCE OF 196.42 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 6,066 SQUARE FEET MORE OR LESS

PRELIMINARY

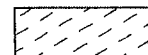
EXHIBIT C

PORTION OF THE NE 1/4 NE 1/4 AND NW 1/4 NE 1/4,
SEC 31, T 14 N, R 2 W, W.M.
CITY OF CHEHALIS, LEWIS COUNTY, WASHINGTON



LEGEND

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



RELINQUISHMENT OF EASEMENT
AREA = 6066 SQFT

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Jill Anderson, City Manager

BY: Chun Saul, Finance Director

MEETING DATE: March 25, 2024

SUBJECT: Ordinance No. 1093-B, Second and Final Reading – Amending the 2024 Budget

INTRODUCTION

Ordinance No. 1093-B amending the 2024 Budget is hereby submitted to reflect the changes in estimates and actual activities of the City since the adoption of the 2024 Budget. The first reading of this Ordinance was conducted on March 11, 2024. There have been no changes since the first reading.

Throughout the year, adjustments to the budget become necessary because of City Council actions, changes in estimates, activity levels that were not anticipated during budget development, and grant awards or other receipts of outside funding. Historically, the budget has been amended two or three times per year prior to the conclusion of the fiscal year on December 31st.

There was a preliminary review of the material in the proposed amendment at the February 26, 2024, City Council meeting. The City Council Budget Committee then reviewed the information in more detail in a meeting on March 1, 2024, with two of the three members present.

DISCUSSION

This proposed amendment to the 2024 Budget includes the following key items:

- 1) Updates the estimated 2024 beginning fund balances for all funds to reflect the actual ending fund balances at the close of fiscal year 2023. This action has no impact on the 2024 revenues and expenditures budget but changes the estimated 2024 ending fund balances for all city funds.
- 2) Requests to carry over the remaining 2023 budget to 2024 for certain capital outlays (projects and equipment) that were approved in 2023 but are to be completed in 2024.
- 3) Adjusting revenue budget projections to reflect more actual and updated information and requesting additional appropriations that were not included in the 2024 Adopted Budget. Most of the items in the proposed budget amendment were presented to the City Council for consideration and have been approved by the City Council prior to this budget amendment.

2024 Budget Summary for the proposed amendment, including updated beginning fund balances, revenues, transfers-in, expenditures, transfers-out, and estimated ending fund balances and a detailed

list of proposed budget amendment items are attached to the proposed Ordinance No. 1093-B as Exhibit “A” and Exhibit “A-1”.

The proposed budget amendment to the revenues, transfers in, expenditures, transfers out, and changes in fund balances from the proposed amendment by each fund are summarized below:

2024 Budget Amendment #1		Revenue	Transfers In	Expenditures	Transfers Out	Ending Fund Balance
Fund No. and Name	Account Name	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)
Total Amendment for General Fund (001)		652,040	-	553,145	1,300,600	(1,201,705)
Total Amendment for Street Fund (003)		-	-	4,267	-	(4,267)
Total Amendment for Emergency Fund (005)		-	414,400	-	-	414,400
Total Amendment for Sales Tax Stabilization Fund (006)		-	406,200	-	-	406,200
Total Amendment for Transportation Benefit District Fund (103)		814,600	-	106,993	-	707,607
Total Amendment for Compensated Absences Reserve Fund (110)		-	130,000	-	-	130,000
Total Amendment for Federal Advance Grant Control Fund (199)		-	-	1,833,450	-	(1,833,450)
Total Amendment for Pubic Facilities Reserve Fund (301)		-	-	380,991	-	(380,991)
Total Amendment for Automotive /Equipment Reserve Fund (302)		-	350,000	-	-	350,000
Total Amendment for Park Improvement Fund (303)		976,000	-	976,000	-	-
Total Amendment Second Quarter Percent REET Fund (306)		350,000	-	350,000	-	-
Total Amendment Wastewater Fund (404)		-	-	468,659	-	(468,659)
Total Amendment for Water Fund (405)		-	-	140,256	323,000	(463,256)
Total Amendment Stormwater Fund (406)		-	-	69,102	87,000	(156,102)
Total Amendment for Airport Fund (407)		450,000	-	384,919	(191,700)	256,781
Total Amendment for Wastewater Capital Fund (414)		-	-	260,680	-	(260,680)
Total Amendment for Water Capital Fund (415)		679,109	323,000	1,319,469	-	(317,360)
Total Amendment for Storm & Surface water Capital Fund (416)		-	87,000	265,871	-	(178,871)
Total Amendment for Airport Capital Fund (417)		-	(191,700)	22,475	-	(214,175)
Grand Total Amendment for City-wide All Funds		3,921,749	1,518,900	7,136,277	1,518,900	(3,214,528)

The proposed budget amendment increases the City’s total revenue budget by \$3,921,749, increases appropriations by \$7,136,277, and increases the interfund transfers in and transfers out by the same amount of \$1,518,900, resulting in a net decrease in the City’s fund balance by \$3,214,528.

The proposed net revenue budget increase of \$3,921,749 includes: \$3,033,749 increase for intergovernmental grants, \$700,000 for short-term interfund loans, \$626,200 increase for utility tax revenue, \$456,200 decrease for sales tax revenue, \$10,000 increase for private donations, and \$8,000 increase for surplus sales.

The purpose of the short-term interfund loan is between the Second Quarter REET Fund and the Parks Improvement Fund to provide funds for the Recreation Park additional parking project until the expenditures are reimbursed by the HUD grant. All or a substantial amount of the grant payment is expected to be received by the end of 2024. The proposed loan amount is \$350,000; however, the loan proceeds are to be budgeted both in the borrowing fund (receipt of initial loan) and the lending fund (receipt of loan repayment), thus \$700,000 in total.

The proposed net increase in appropriation of \$7,136,277 includes: \$700,000 for issue and repayment of interfund loans, \$626,200 increase in utility tax, \$650,766 increase for various other expenditures, and \$5,159,311 increase for 2023 budget carryover for certain capital projects to be completed in 2024.

Additional information on the proposed amendment to the revenues, expenditures, transfers in, and transfers out budget for each fund are explained in more detail in the fund overview section below.

General Fund (001)

The proposed budget amendment increases the General Fund's revenues by \$652,040, increases appropriations by \$553,145, and increases transfers-out by \$1,300,600, resulting in a net decrease in fund balance by \$1,201,705.

Total revenue budget increase of \$652,400 includes:

General Fund 2024 Budget Amendment #1 Items - Requested	2024 Budget Increase (Decrease)
Revenues:	
Sales tax revenue projection adjustment	\$ (378,000)
Utility tax rate increase approved (Ordinance No. 1077-B)	626,200
RCO Grant for Parks Field Equipment	54,000
RCO Grant for Chehalis Flooding Strategy & Investment Plan	341,840
Proceeds from sale of surplus item	8,000
Total Revenue	652,040

The 2024 original sales tax projection was based on the combination of 2022 actual revenue and estimated 2023 revenue based on the first 9 months trend. However, the actual revenues for the 4th quarter 2023 were about \$97,000 less than the estimates used in the 2024 projection. In addition, 2024 year-to-date sales tax revenue through February is down 11% or \$133,002 when compared with last year. Overall, about 5.5% or \$387,000 of reduction to the original budget is proposed currently. Staff will monitor the sales tax activities closely for the next few months and assess if any additional adjustments are needed.

Total proposed appropriation increases of \$553,145 includes the following:

General Fund 2024 Budget Amendment #1 Items - Requested	2024 Budget Increase (Decrease)
Expenditures:	
WCIA Insurance actual premium exceed the budget	22,163
Chehalis Treatment Court Program ("CTD") *	50,000
Renewal of MOU with Economic Alliance of Lewis County *	20,000
City manager recruitment service*	18,000
Chehalis Flooding Strategy & Investment Plan project (RCO Grant funded)*	341,840
Parks field equipment purchase (RCO Grant funded)	54,000
Equipment and supplies for fire brush engine (use of surplus proceed)*	8,000
c/o Police rifles ordered in 2023 (2023 budget) received and paid in 2024	2,900
c/o Police UTV Tracks ordered in 2023 (2023 budget) received and paid for in 2024	7,242
c/o Fire APX Radios ordered in 2023 (2023 budget) received and paid for in 2024	29,000
Total Expenditure Appropriation	553,145

*These items were presented to the City Council for consideration and have been approved by the City Council prior to this budget amendment.

Total transfers out increase of \$1,300,600 reflects the 2023 year-end fund balance commitment Ordinance No. 1090-B, which includes one-time transfers out to the reserve funds for the following:

- \$414,400 to the Emergency Fund (Fund 005)

- \$406,200 to the Sales Tax Revenue Stabilization Fund (Fund 006)
- \$130,000 to the Compensated Absences Reserve Fund (Fund 110)
- \$350,000 to the Automotive/Equipment Reserve Fund (Fund 302)

A summary of changes from the 2024 Adopted Budget to the 2024 Proposed Amended Budget for the General Fund is provided below:

General Fund	2024 Adopted Original Budget	Proposed Increase (Decrease)	2024 Amended Budget #1 (Proposed)	Change %
Revenues	\$ 12,813,655	\$ 652,040	\$ 13,465,695	5.1%
Transfers-In	104,970	-	104,970	0.0%
Expenditures	12,480,976	553,145	13,034,121	4.4%
Transfers-out	1,434,088	1,300,600	2,734,688	90.7%
Net Revenues Over (Under) Expenditures	(996,439)	(1,201,705)	(2,198,144)	120.6%
Beginning Fund Balance	2,040,983	1,324,304	3,365,287	64.9%
Estimated Ending Fund Balance	\$ 1,044,544	\$ 122,599	\$ 1,167,143	11.7%
<i>% of revenue</i>			9%	

The estimated ending fund balance of \$1,167,143 is about 9% of the 2024 regular general fund revenue budget. However, any unanticipated revenue and/or budget savings from vacant positions may change the outcome.

Street Fund (003)

The proposed budget amendment increases the Street Fund's appropriations by \$4,267 due to actual WCIA insurance premium exceeding the budget projection, resulting in a net decrease in fund balance by \$4,267.

Emergency Fund (005)

The proposed budget amendment increases the Emergency Fund's transfers in by \$414,400, which is transferred in from the General Fund (001) per the 2023 year-end fund balance commitment Ordinance No. 1090-B, resulting in a net increase in fund balance by \$414,400.

Sales Tax Revenue Stabilization Fund (005)

The proposed budget amendment increases the Sales Tax Revenue Stabilization Fund's transfers in by \$406,200, which is transferred in from the General Fund (001) per the 2023 year-end fund balance commitment Ordinance No. 1090-B, resulting in a net increase in fund balance by \$406,200.

Transportation Benefit District (TBD) Fund (103)

The proposed budget amendment increases the TBD Fund's revenues by \$814,600 and increases appropriations by \$106,993, resulting in a net increase in fund balance by \$707,607.

The net revenue increase of \$814,600 includes:

- \$623,700 increase for State TIB grant for National Avenue Grind & Overlay project.
- \$269,100 increase for State TIB grant for ATP sidewalk project.

- \$78,200 decrease for public transportation sales tax projection (5.5%)

The net appropriation increases of \$106,993 includes:

- \$100,000 increase for 2023 budget carryover for Downtown Market Blvd design
- \$81,317 increase for 2023 budget carryover for Chehalis Avenue reconstruction projects
- \$75,100 decrease for Main Street construction project budget (completed in 2023)
- \$776 increase for WCIA insurance

Compensated Absences Reserve Fund (110)

The proposed budget amendment increases the Compensated Absences Reserve Fund's transfers in by \$130,000 which is transferred in from the General Fund (001) per the 2023 year-end fund balance commitment Ordinance No. 1090-B, resulting in a net increase in fund balance by \$130,000.

Federal Advance Grant Control Fund (aka ARPA) (199)

The proposed budget amendment increases the Federal Advance Grant Control Fund's appropriations by \$1,833,450, which is 2023 budget carryover for a fire ladder truck and a Vactor truck. The vehicles were ordered in 2023 but are expected to be received and paid for in 2024.

Public Facilities Reserve Fund (301)

The proposed budget amendment increases the Public Facilities Reserve Fund's appropriations by \$380,991, resulting in a net decrease in fund balance by \$380,991.

The \$380,991 appropriation increase is for the following:

- \$269,991 for 2023 budget carryover for repairs to Stan Hedwall Park (FEMA funded project)
- \$80,000 for 2023 budget carryover for police garage renovation and assessment service
- \$4,000 increase for the permanent fire station headquarter preliminary A&E services budget which was approved by the City Council at 2/27/2024 council meeting.

Automotive/Equipment Reserve Fund (302)

The proposed budget amendment increases the Automotive/Equipment Reserve Fund's transfers in by \$350,000 which is transferred in from the General Fund (001) per the 2023 year-end fund balance commitment Ordinance No. 1090-B, resulting in a net increase in fund balance by \$350,000.

Park Improvement Fund (303)

The proposed budget amendment increases the Park Improvement Fund's revenues by \$976,000 and increases appropriations by \$976,000, resulting in a net zero change to the fund balance.

The \$976,000 proposed revenues budget increase includes:

- \$570,000 for HUD grant reimbursement for Recreation Park additional parking project.
- \$10,000 for private donations for Recreation Park additional parking project
- \$46,000 for RCO grant reimbursement for Recreation Park restroom retrofit project.
- \$350,000 for short-term interfund loan from the Second Quarter REET Fund to provide funds for the Recreation Park additional parking project until expenditures are reimbursed by the HUD grant.

The \$976,000 proposed additional appropriation includes the following items:

- \$580,000 for 2023 budget carryover for construction of additional parking at Recreation Park
- \$46,000 for Recreation Park restrooms retrofit project (RCO grant funded)
- \$350,000 for repayment of interfund loan to the Second Quarter REET fund. It is anticipated that the A&E work will be done in April or May and the construction will start in September and be finished in late October this year. All or a substantial amount of the grant payment is expected to be received by the end of 2024. Upon receipt of the grant payment, the borrowed funds shall be repaid to the REET fund.

Second Quarter REET Fund (306)

The proposed budget amendment increases the Second Quarter REET Fund's revenues by \$350,000 and increases appropriations by \$350,000, resulting in a net zero increase in fund balance.

The \$350,000 proposed revenue increase is for receipt of interfund loan repayment from the Park Improvement Fund.

The \$350,000 proposed appropriation is for a short-term temporary loan to the Park Improvement Fund for the Recreation Park Additional Parking project until the grant reimbursement is received.

Wastewater Fund (404)

The proposed budget amendment increases the Wastewater Fund's appropriations by \$468,659 resulting in a net decrease of fund balance by \$468,659.

The \$468,659 proposed increase in appropriation includes \$35,259 for WCIA insurance increase and \$433,400 for utility tax rate increase per Ordinance No. 1077-B (December 11, 2023)

Water Fund (405)

The proposed budget amendment increases the Water Fund's appropriations by \$140,256 and increases transfers out by \$323,000, resulting in a net decrease of fund balance by \$463,256.

The \$140,256 proposed increase in appropriation includes \$14,556 for WCIA insurance increase and \$125,700 for utility tax rate increase per Ordinance No. 1077-B (December 11, 2023).

The \$323,000 increase in transfers is a portion of the fund balance in the Water O&M Fund in excess of 3-month operating expenditures and annually required debt service. The excess fund balance is transferred to the Water Capital Fund (415).

Storm & Surface Water Fund (406)

The proposed budget amendment increases the Storm & Surface Water Fund's appropriations by \$69,102 and increases transfers out by \$87,000, resulting in a net decrease of fund balance by \$156,102.

The \$69,102 proposed increase in appropriation includes \$2,002 for WCIA insurance and \$67,100 increase for utility tax rate increase per Ordinance No. 1077-B (December 11, 2023).

The \$87,000 increase in transfers is a portion of the fund balance in the Storm & Surface Water O&M Fund in excess of 3-month operating expenditures. The excess fund balance is transferred to the Storm & Surface Water Capital Fund (416).

Airport Fund (407)

The proposed budget amendment increases the Airport Fund's revenues by \$450,000, increases appropriations by \$384,919, and decreases transfers out by \$191,700, resulting in a net increase in fund balance by \$256,781.

The \$450,000 proposed increase in revenue is the FAA grant for the Airport master plan update project.

The \$384,919 proposed increase in appropriation includes \$377,491 for 2023 budget carryover for the Airport Master Plan Update project to be completed in 2024 and \$7,428 for WCIA insurance.

The \$191,700 proposed decrease in transfers is to adjust the estimated ending operating reserve balance of 3-month operating expenditures in the Airport O&M. This adjustment will reduce the transfers in budget for the Airport Capital Fund (417).

Wastewater Capital Fund (414)

The proposed budget amendment increases the Wastewater Capital Fund's appropriations by \$260,680, which is a carryover of 2023 capital budget for the following:

- \$34,000 for Tow Behind Air Compressor
- \$226,680 for EQ Interconnect project design and construction

Water Capital Fund (415)

The proposed budget amendment increases the Water Capital Fund's revenues by \$679,109, transfers in by \$323,000 which is from the Water O&M Fund, increases appropriations by \$1,319,469, resulting in a net decrease in fund balance by \$317,360.

The \$679,109 revenue budget increase is for 0.09 Distressed Counties Grant from the Lewis County for the Bishop Road water main replacement project cost.

The \$1,319,469 increase in appropriations is to carry over 2023 capital budget for the following projects to be completed in 2024:

- \$40,000 for Fluoride machine for filter plant
- \$70,000 for onsite generator for 158th pump station
- \$188,950 for Vactor truck (Water share)
- \$35,000 for replace windows and ceiling at WFP
- \$49,188 for Bishop Road water loop construction engineering
- \$629,921 for Bishop Road water loop construction
- \$23,437 for Chehalis Avenue reconstruction retainage (Water share)
- \$60,000 for Chehalis raw waterline replacement design
- \$22,973 for Greenwood/SE Prospect waterline replacement design
- \$100,000 for design liner for settling basins
- \$100,000 for downtown Market Blvd renovation design (1/4 cost share)

Storm & Surface Water Capital Fund (416)

The proposed budget amendment increases the Storm & Surface Water Capital Fund's transfers in by \$87,000 which is transferred from the Storm & Surface Water O&M Fund and increases appropriations by \$265,871, resulting in a net decrease in fund balance by \$178,871.

The \$265,871 increase in appropriations is to carry over 2023 capital budget for the following projects to be completed in 2024:

- \$188,950 for Vactor truck (Stormwater share)
- \$75,000 for storm replacement between 16th and Market
- \$1,921 for Chehalis Avenue reconstruction retainage (Stormwater share)

Airport Capital Fund (417)

The proposed budget amendment decreases the Airport Capital Fund's transfers in from the Airport O&M Fund by \$191,700 and increases appropriations by \$22,475 for a retainage released in 2024 for the Airport above ground fuel tank contract.

City-Wide Summary

The proposed budget amendment revises the 2024 budget by a combined net total decrease in fund balance by \$3,214,528, increase the estimated beginning fund balances by \$7,819,683 to reflect the actual ending balance at the closed of year 2023, and the total estimated ending fund balance to \$27,351,266 as provided below:

City-wide (All Funds)	2024 Adopted Original Budget	Proposed Increase (Decrease)	2024 Amended Budget #1 (Proposed)	Change %
Revenues	\$ 30,603,760	\$ 3,921,749	\$ 34,525,509	12.8%
Transfers-In	4,130,868	1,518,900	5,649,768	36.8%
Expenditures	34,481,201	7,136,277	41,617,478	20.7%
Transfers- out	4,130,868	1,518,900	5,649,768	36.8%
Net Revenues Over (Under) Expenditures	\$ (3,877,441)	\$ (3,214,528)	\$ (7,091,969)	82.9%
Beginning Fund Balance	26,623,552	7,819,683	34,443,235	29.4%
Estimated Ending Fund Balance	\$ 22,746,111	\$ 4,605,155	\$ 27,351,266	20.2%

RECOMMENDATION

It is recommended that the City Council pass Ordinance No. 1093-B on second and final reading.

SUGGESTED MOTION

I move that the City Council pass Ordinance No. 1093-B on second and final reading.

ORDINANCE NO. 1093-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING THE 2024 FISCAL YEAR BUDGET ADOPTED BY ORDINANCE NO. 1080-B BY REVISING THE BUDGETED AMOUNTS BY A COMBINED TOTAL OF THREE MILLION TWO HUNDRED FOURTEEN THOUSAND FIVE HUNDRED TWENTY-EIGHT DOLLARS (\$3,214,528) FOR THE GENERAL FUND, STREET FUND, EMERGENCY FUND, SALES TAX REVENUE STABILIZATION FUND, TRANSPORTATION BENEFIT DISTRICT FUND, COMPENSATED ABSENCES RESERVE FUND, FEDERAL ADVANCE GRANT CONTROL FUND, PUBLIC FACILITIES RESERVE FUND, AUTOMOTIVE/EQUIPMENT RESERVE FUND, PARK IMPROVEMENT FUND, SECOND QUARTER PERCENT REET FUND, WASTEWATER FUND, WATER FUND, STORM & SURFACE WATER FUND, AIRPORT FUND, WASTEWATER CAPITAL FUND, WATER CAPITAL FUND, STORM & SURFACE WATER CAPITAL FUND, AND AIRPORT CAPITAL FUND, AND DIRECTING THE FINANCE DIRECTOR TO EFFECT THE BUDGET AMENDMENTS HEREIN PROVIDED.

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

Section 1. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the General Fund's revenues by \$652,040, increase appropriations by \$553,145, and increase transfers-out by \$1,300,600.

Section 2. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Street Fund's appropriations by \$4,267.

Section 3. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Emergency Fund's transfers in by \$414,400.

Section 4. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Sales Tax Revenue Stabilization Fund's transfers in by \$406,200.

Section 5. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Transportation Benefit District Fund's revenues by \$814,600 and increase the appropriations by \$106,993.

Section 6. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Compensated Absences Reserve Fund's transfers in by \$130,000.

Section 7. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Federal Advance Grant Control Fund's appropriations by \$1,833,450.

Section 8. The annual budget of the city for the calendar year 2024 shall be, and the

same hereby is, amended so as to increase the Public Facilities Reserve Fund's appropriations by \$380,991.

Section 9. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Automotive/Equipment Reserve Fund's transfers-in by \$350,000.

Section 10. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Park Improvement Fund's revenues by \$976,000 and increase appropriations by \$976,000.

Section 11. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Second Quarter REET Fund's revenues by \$350,000 and increase appropriations by \$350,000.

Section 12. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Wastewater Fund's appropriations by \$468,659.

Section 13. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Water appropriations by \$140,256 and increase transfers out by \$323,000.

Section 14. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Storm & Surface Water Fund's appropriations by \$69,102 and increase transfers out by \$87,000.

Section 15. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Airport Fund's revenues by \$450,000 and increase appropriations by \$384,919, and decrease transfers out by \$191,700.

Section 16. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Wastewater Capital Fund's appropriations by \$260,680.

Section 17. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Water Capital Fund's revenues by \$679,109, increase transfers in by \$323,000, and increase appropriations by \$1,319,469.

Section 18. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to increase the Storm & Surface Water Capital Fund's transfers in by \$87,000 and increase appropriations by \$265,871.

Section 19. The annual budget of the city for the calendar year 2024 shall be, and the same hereby is, amended so as to decrease the Airport Capital Fund's transfers in by \$191,700 and increase appropriations by \$22,475.

Section 9. Attached hereto and identified as Exhibit A, in summary form, is the total of

estimated revenues, transfers-in, expenditures, and transfers-out for each separate fund and the aggregate totals for all such funds combined for the city for the amended 2024 budget which shows a total estimated ending fund balance of \$27,351,266.

PASSED by the City Council of the City of Chehalis, Washington, and **APPROVED** on its first reading at a regularly scheduled open public meeting thereof this ____ day of _____, 2024.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

2024 Budget Amendment #1			2024	Revenue	Transfers In	Expenditures	Transfers Out	Ending Fund Balance	Proposed
Fund No. and Name	Account Name	Reason for Amendment	Adopted Budget	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Amended Budget
Fund 001 - General Fund									
Revenues:									
001.313.011.00	Local Sales & Use Tax	Adjust Local Sales tax projection	6,654,800	(357,300)				(357,300)	6,297,500
001.313.061.00	Brokered Natural Gas Use Tax	Adjust Brokered Natural Gas tax projection	60,900	(9,300)				(9,300)	51,600
001.313.071.00	Criminal Justice Sales Tax	Adjust Criminal Justice Sales tax projection	197,400	(11,400)				(11,400)	186,000
001.316.048.00	B&O Tax on Utility - Water	Utility tax increase ORD No. 1077-B	205,200	125,700				125,700	330,900
001.316.049.00	B&O Tax on Utility - Wastewater	Utility tax increase ORD No. 1077-B	354,500	433,400				433,400	787,900
001.316.050.00	B&O Tax on Utility - Stormwater	Utility tax increase ORD No. 1077-B	-	67,100				67,100	67,100
001.334.002.70	State Grant - RCO	RCO Grant for Parks Field Equipment Purchase	-	54,000				54,000	54,000
001.334.002.70	State Grant - RCO	RCO Grant # 23-1221 Chehalis Flooding Strategy & Invest Plan	-	341,840				341,840	341,840
001.395.010.00	Proceeds from Sales of Capital Assets	Proceeds for Wildland Skid Surplus sales (fire)	-	8,000				8,000	8,000
Total General Fund Revenues & Transfers In			12,918,625	652,040	-	-	-	652,040	13,570,665
Expenditures:									
001.B1.511.060.46.00	Insurance	WCIA insurance premium exceed the budget	1,500			233		233	1,733
subtotal for City Council (B1)			98,250	-	-	233	-	233	98,483
001.C1.512.051.41.04	Prof Svc - LC Case Mgmt Svc	Chehalis Treatment Court Program SVC - ILA w/ LC	-			50,000		50,000	50,000
001.C1.512.050.46.00	Insurance	WCIA insurance premium exceed the budget	20,600			(1,610)		(1,610)	18,990
subtotal for Municipal Court (C1)			431,988	-	-	48,390	-	48,390	480,378
001.D1.513.010.46.00	Insurance	WCIA insurance premium exceed the budget	11,700			(265)		(265)	11,435
subtotal for City Manager (D1)			233,325	-	-	(265)	-	(265)	233,060
001.E1.514.023.46.00	Insurance	WCIA insurance premium exceed the budget	19,400			247		247	19,647
subtotal for Finance (E1)			453,373	-	-	247	-	247	453,620
001.E4.514.020.46.00	Insurance	WCIA insurance premium exceed the budget	6,800			(1,082)		(1,082)	5,718
subtotal for City Clerk (E4)			119,448	-	-	(1,082)	-	(1,082)	118,366
001.F2.518.030.46.00	Insurance	WCIA insurance premium exceed the budget	70,000			(639)		(639)	69,361
001.F2.518.031.46.00	Insurance	WCIA insurance premium exceed the budget	8,700			1,745		1,745	10,445
001.F2.572.050.46.00	Insurance	WCIA insurance premium exceed the budget	13,500			1,859		1,859	15,359
001.F2.576.020.46.00	Insurance	WCIA insurance premium exceed the budget	9,600			1,309		1,309	10,909
001.F2.576.080.46.00	Insurance	WCIA insurance premium exceed the budget	9,400			5,047		5,047	14,447
001.F2.594.076.64.00	Capital Equipment	Parks Field Equipment Purchase (RCO Grant)	20,000			54,000		54,000	74,000
subtotal for Parks & Facilities (F2)			1,712,797	-	-	63,321	-	63,321	1,776,118
001.G1.518.090.46.00	Insurance	WCIA insurance premium exceed the budget	10,500			2,409		2,409	12,909
001.G1.558.070.41.00	Prof Services- Econ Allience LC	Renewal MOU with Economic Alliance of LC	-			20,000		20,000	20,000
001.G1.597.000.05.05	Transfer out - Fund 005	YE 2023 FB Committed Ord 1090-B - Emergencies	-				414,400	414,400	414,400
001.G1.597.000.05.06	Transfer out - Fund 006	YE 2023 FB Committed Ord 1090-B - Sales Tax Stabilization	-				406,200	406,200	406,200
001.G1.597.000.05.10	Transfer out - Fund 110	YE 2023 FB Committed Ord 1090-B - Reserve for Cash outs	-				130,000	130,000	130,000
001.G1.597.000.05.32	Transfer out - Fund 302	YE 2023 FB Committed Ord 1090-B - Auto/Equip Reserve	-				350,000	350,000	350,000
subtotal for Non-Departmental (G1)			1,785,888	-	-	22,409	1,300,600	1,323,009	1,333,509
001.G2.518.010.41.00	Professional Services	City Manager Recruitment Svc	30,000			18,000		18,000	48,000
001.G2.518.010.46.00	Insurance	WCIA insurance premium exceed the budget	5,100			(249)		(249)	4,851
subtotal for Human Resources (G2)			167,570	-	-	17,751	-	17,751	185,321
001.H1.521.010.46.00	Insurance	WCIA insurance premium exceed the budget	138,700			(2,834)		(2,834)	135,866
001.H1.521.022.35.00	Small Tools & Minor Equipment	Rifles ordered in 2023 (2023 budget) received & paid for in 2024	22,700			2,900		2,900	25,600
001.H1.594.021.64.00	Machinery & Equipment	UTV Tracks ordered in 2023 (2023 budget) received in 2024	-			7,242		7,242	7,242
subtotal for Police (H1)			4,273,981	-	-	7,308	-	7,308	161,466
001.I1.522.020.33.00	Personal Protected Equip (PPE)	Additional PPEs to complete equipping Brush Engine	22,000			4,000		4,000	32,842

2024 Budget Amendment #1			2024	Revenue	Transfers In	Expenditures	Transfers Out	Ending Fund Balance	Proposed
Fund No. and Name	Account Name	Reason for Amendment	Adopted Budget	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Amended Budget
001.I1.522.020.35.00	Small Tools & Minor Equipment	Materials to complete equipping Brush Engine.	-			4,000		4,000	4,000
001.I1.522.020.35.00	Small Tools & Minor Equipment	c/o 2023 Purchase Order for APX Radios 12 each. Rec'd in 2024	43,420			29,000		29,000	72,420
001.I1.522.020.46.00	Insurance	WCIA insurance premium exceed the budget	115,100			14,409		14,409	129,509
		subtotal for Fire (I1)	2,780,211	-	-	51,409	-	51,409	2,831,620
001.P2.524.011.46.00	Insurance	WCIA insurance premium exceed the budget	13,800			(493)		(493)	13,307
001.P2.553.030.41.00	Prof Services	Chehalis Flooding Strategy & Invest Plan (RCO Grant #23-1221)	-			341,840		341,840	341,840
001.P2.559.030.46.00	Insurance	WCIA insurance premium exceed the budget	14,400			4,277		4,277	18,677
		subtotal for Planning & Building (P2)	1,236,304	-	-	345,624	-	345,624	1,581,928
001.R1.571.011.46.00	Insurance	WCIA insurance premium exceed the budget	9,700			(1,453)		(1,453)	8,247
001.R1.571.022.46.00	Insurance	WCIA insurance premium exceed the budget	15,300			(747)		(747)	14,553
		subtotal for Recreation (R1)	518,229	-	-	(2,200)	-	(2,200)	516,029
Total General Fund Expenditures & Transfers Out			13,915,064	-	-	553,145	1,300,600	1,853,745	15,768,809
Total Amendment for General Fund (001)				652,040	-	553,145	1,300,600	(1,201,705)	

Fund 003 - Street Fund

Revenues:

Expenditures:

003.01.543.010.46.00	Insurance	WCIA insurance premium exceed the budget	39,400			3,994		3,994	43,394
003.02.544.020.46.00	Insurance	WCIA insurance premium exceed the budget	600			273		273	873
Total Street Fund Expenditures & Transfers Out			1,476,607	-	-	4,267	-	4,267	1,480,874
Total Amendment for Street Fund (003)				-	-	4,267	-	(4,267)	

Fund 005 - Emergency Fund

Revenues:

005.397.000.01	Transfer in - Fund 001	YE 2023 FB Committed Ord 1090-B - Emergency Fund	-		414,400			414,400	414,400
Total Emergency Fund Revenues & Transfers In				-	414,400	-	-	414,400	414,400
Total Amendment for Emergency Fund (005)				-	414,400	-	-	414,400	

Fund 006 - Sales Tax Revenue Stabilization Fund

Revenues:

006.397.000.01	Transfer in - Fund 001	YE 2023 FB Committed Ord 1090-B - Sales Tax Stabilization	-		406,200			406,200	406,200
Total Sales Tax Revenue Stabilization Fund Revenues & Transfers In				-	406,200	-	-	406,200	406,200
Total Amendment for Sales Tax Stabilization Fund (006)				-	406,200	-	-	406,200	

Fund 103 - Transportation Benefit District Fund

Revenues:

103.313.021.00	TBD Sales tax	Adjust projection -5%	1,564,000	(78,200)				(78,200)	1,485,800
103.334.003.82	State Grant - TIB	TIB Grant for National Avenue (NE Washington to NW Chamber)	-	623,700				623,700	623,700
103.334.003.82	State Grant - TIB	TIB Grant for ATP Sidewalk project	-	269,100				269,100	269,100
Total Transportation Benefit District Fund Revenues & Transfers In			1,637,800	814,600	-	-	-	814,600	2,452,400

Expenditures:

103.01.543.010.46.00	Insurance	WCIA insurance premium exceed the budget	-			776		776	776
103.03.595.010.65.40	Design	c/o 2023 Downtown Market Blvd Renovation Design (1/4 cost share)	100,000			100,000		100,000	200,000
103.03.595.010.65.41	Construction - CE	Main Street Grind & Overlay -Construction (Completed IN 2023)	75,100			(75,100)		(75,100)	-

2024 Budget Amendment #1			2024	Revenue	Transfers In	Expenditures	Transfers Out	Ending Fund Balance	Proposed
Fund No. and Name	Account Name	Reason for Amendment	Adopted Budget	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Amended Budget
103.03.595.030.65.30	Construction - Road Way	c/o 2023 Chehalis Ave Reconstruction - Retainage (TBD share)	65,000			81,317		81,317	146,317
	Total Transportation Benefit District Fund Expenditures & Transfers Out		1,421,988	-	-	106,993	-	106,993	1,528,981
Total Amendment for Transportation Benefit District Fund (103)				814,600	-	106,993	-	707,607	
Fund 110 - Compensated Absences Reserve Fund									
Revenues:									
110.397.000.01	Transfer in - Fund 001	2023 YE Commitment ORD 1090-B	-	-	130,000			130,000	130,000
	Total Tourism Fund Revenues & Transfers In		5,300	-	130,000	-	-	130,000	135,300
Total Amendment for Compensated Absences Reserve Fund (110)				-	130,000	-	-	130,000	
Fund 199 - Federal Advance Grant Control Fund									
Expenditures:									
199.11.594.022.64.00	Machinery & Equipment	c/o 2023 Purchase of a Fire Ladder Truck (est. deliver in May 2024)	-			1,644,500		1,644,500	1,644,500
199.03.594.044.64.00	Machinery & Equipment	c/o 2023 Vactor Truck (Street share) - switch from transfer	-			188,950		188,950	188,950
	Total Federal Advance Grant Control Fund Expenditures & Transfers Out		-	-	-	1,833,450	-	1,833,450	1,833,450
Total Amendment for Federal Advance Grant Control Fund (199)				-	-	1,833,450	-	(1,833,450)	
Fund 301 - Public Facilities Reserve Fund									
Revenues:									
Expenditures:									
301.44.594.022.65.40	Design Engineering (PE/A&E)	Fire Station HQ Planning & Preliminary Design	40,000			4,000		4,000	44,000
301.44.594.076.63.00	Other Improvement	c/o FEMA Repair project at Lintott/Alexander Park	-			296,991		296,991	296,991
301.44.594.021.62.00	Bldg/Structure - Evidence Grage	c/o Police Evidence Garage Renovation	-			80,000		80,000	80,000
	Total Public Facilities Reserve Fund Expenditures & Transfers Out		40,000	-	-	380,991	-	380,991	420,991
Total Amendment for Pubic Facilities Reserve Fund (301)				-	-	380,991	-	(380,991)	
Fund 302 - Automotive / Equipment Reserve Fund									
Revenues:									
302.397.000.01	Transfer in - Fund 001	YE 2023 Committed FB Ord 1090-B	-		350,000			350,000	350,000
	Total Automotive / Equipment Reserve Fund Revenues & Transfers In		19,700	-	350,000	-	-	350,000	369,700
Total Amendment for Automotive /Equipment Reserve Fund (302)				-	350,000	-	-	350,000	
Fund 303 - Park Improvement Fund									
Revenues:									
303.331.014.25	Federal Grant - HUD (EDICPF)	HUD Grant reimbursement for Rec Park Parking Lot Project	-	570,000	-			570,000	570,000
303.334.002.70	State Grant - RCO	Rec Parks Restroom Retrofit Project (RCO Grant)	-	46,000				46,000	46,000
303.367.011.71	Donations - Rec Park	Private Contributions for Additional Parking at Rec Park	20,000	10,000				10,000	30,000
303.381.020.36	Interfund Loan Received - Fund 3	Short-term interfund loan from Fund 306 for Parking Project	-	350,000				350,000	350,000
	Total Park Improvement Fund Revenues & Transfers In		68,900	976,000	-	-	-	976,000	1,044,900
Expenditures:									
303.70.581.020.00.36	Interfund Loan Payment - Fund 3	Repay to Q2 REET Fund (306) - Rec Park Addtl Parking Grant Reimt	-			350,000		350,000	350,000
303.70.594.076.63.01	Other Improvement - Rec Park	Rec Parks Restroom Retrofit Project (RCO Grant)	-			46,000		46,000	46,000
303.70.594.076.63.01	Other Improvement - Rec Park	c/o 2023 Ph3 Recreation Park Parking Project (HUD Grant \$570K)	-			580,000		580,000	580,000
	Total Park Improvement Fund Expenditures & Transfers Out		40,000	-	-	976,000	-	976,000	1,016,000

2024 Budget Amendment #1			2024	Revenue	Transfers In	Expenditures	Transfers Out	Ending Fund Balance	Proposed
Fund No. and Name	Account Name	Reason for Amendment	Adopted Budget	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Amended Budget
Total Amendment for Park Improvement Fund (303)				976,000	-	976,000	-	-	

Fund 306 - Second Quarter Percent REET Fund

Revenues:

306.381.020.33	Interfund Loan Received - Fund 303 - Rec Park Additional Parking Grant Reimb		-	350,000				350,000	350,000
	Total Second Quarter Percent REET Fund Revenues & Transfers In		156,100	350,000	-	-	-	350,000	506,100

Expenditures:

306.44.581.020.00.33	Interfund Loan Payment - Fund 303 - Rec Park Additional Parking Project		-			350,000	-	350,000	350,000
	Total Second Quarter Percent REET Fund Expenditures & Transfers Out		96,490	-	-	350,000	-	350,000	446,490

Total Amendment Second Quarter Percent REET Fund (306)				350,000	-	350,000	-	-	
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Fund 404 - Wastewater Fund

Revenues:

Expenditures:

404.11.535.010.40.10	UT Tax Assessment - GF	Utility tax increase ORD No. 1077-B	354,500			433,400		433,400	787,900
404.11.535.010.46.00	Insurance	WCIA insurance premium exceed the budget	321,900			33,356		33,356	355,256
404.11.535.020.46.00	Insurance	WCIA insurance premium exceed the budget	4,500			1,903		1,903	6,403
	Total Wastewater Fund Expenditures & Transfers Out		6,721,258	-	-	468,659	-	468,659	7,189,917

Total Amendment Wastewater Fund (404)				-	-	468,659	-	(468,659)	
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Fund 405 - Water Fund

Expenditures:

405.10.534.010.40.10	UT Tax Assessment - GF	Utility tax increase ORD No. 1077-B	205,200			125,700		125,700	330,900
405.10.534.010.46.00	Insurance	WCIA insurance premium exceed the budget	169,200			15,185		15,185	184,385
405.10.534.021.46.00	Insurance	WCIA insurance premium exceed the budget	4,800			(531)		(531)	4,269
405.10.534.070.46.00	Insurance	WCIA insurance premium exceed the budget	9,800			(98)		(98)	9,702
405.10.597.009.55.15	Transfer out to 415	From Fund 405 excess over operating reserve	444,900				323,000	323,000	767,900
	Total Water Fund Expenditures & Transfers Out		3,908,322	-	-	140,256	323,000	463,256	4,371,578

Total Amendment for Water Fund (405)				-	-	140,256	323,000	(463,256)	
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Fund 406 - Storm & Surface Water Fund

Expenditures:

406.06.531.020.46.00	Insurance	WCIA insurance premium exceed the budget	600			273		273	873
406.06.531.031.40.10	UT Tax Assessment - GF	Utility tax increase ORD No. 1077-B	-			67,100		67,100	67,100
406.06.531.031.46.00	Insurance	WCIA insurance premium exceed the budget	21,000			1,729		1,729	22,729
406.06.597.009.55.16	Transfer out to 416	From Fund 406 excess over operating reserve	227,000				87,000	87,000	314,000
	Total Stormwater Fund Expenditures		870,449	-	-	69,102	87,000	156,102	1,026,551

Total Amendment Stormwater Fund (406)				-	-	69,102	87,000	(156,102)	
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Fund 407 - Airport Fund

Revenues:

407.331.020.00	FAA Airport Grant	FAA Grant for Airport Master Plan project cost reimbursement	-	450,000				450,000	450,000
	Total Airport Fund Revenues & Transfers In		2,246,150	450,000	-	-	-	450,000	2,696,150

Expenditures:

407.09.546.010.41.00	Professional Services	c/o Airport Master Plan Update Remaining Budget	50,000			377,491		377,491	427,491
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2024 Budget Amendment #1			2024	Revenue	Transfers In	Expenditures	Transfers Out	Ending Fund Balance	Proposed
Fund No. and Name	Account Name	Reason for Amendment	Adopted Budget	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Amended Budget
407.09.546.010.46.00	Insurance	WCIA insurance premium exceed the budget	50,600			7,428		7,428	58,028
407.09.597.010.55.17	Transfer out to 417	From Fund 407 excess over (under) operating reserve	1,263,500				(191,700)	(191,700)	1,071,800
Total Airport Fund Expenditures			2,817,011	-	-	384,919	(191,700)	193,219	3,010,230
Total Amendment for Airport Fund (407)				450,000	-	384,919	(191,700)	256,781	
Fund 414 - Wastewater Capital Fund									
Expenditures:									
414.11.594.035.64.00	Machinery & Equipment	c/o 2023 Tow Behind Air Compressor	566,000			34,000		34,000	600,000
414.11.594.035.65.00	Construction Project	c/o 2023 EQ Interconnect Project- Construction	371,500			176,680		176,680	548,180
414.11.594.035.65.40	Design & Engineering (A&E)	c/o 2023 EQ Interconnect Project- PE	25,000			50,000		50,000	75,000
Total Wastewater Capital Fund Expenditures			1,042,600	-	-	260,680	-	260,680	1,303,280
Total Amendment for Wastewater Capital Fund (414)				-	-	260,680	-	(260,680)	
Fund 415 - Water Capital Fund									
Revenues:									
415.337.009.45	Distress Counties Grant	Distressed countrnies grant for Bishop Road Water Loop project	-	679,109				679,109	679,109
415.397.010.05	Transfers In - Fund 405	Transfers in from 405	444,900		323,000			323,000	767,900
Total Water Capital Fund Revenues & Transfers In			2,820,280	679,109	323,000	-	-	1,002,109	3,822,389
Expenditures:									
415.10.594.034.63.00	Other Improvements	c/o 2023 Replace Windows and Ceiling at WFP	72,500			35,000		35,000	107,500
415.10.594.034.64.00	Machinery & Equipment	c/o 2023 Fluoride Machine for Filter Plant	62,500			40,000		40,000	102,500
415.10.594.034.64.00	Machinery & Equipment	c/o 2023 Onsite Generator for 158th Pump Station	-			70,000		70,000	70,000
415.10.594.034.64.00	Machinery & Equipment	c/o 2023 Vactor Truck (Water Share)	-			188,950		188,950	188,950
415.10.594.034.65.00	Construction Projects	c/o 2023 Bishop Road Water Loop -Construction - contract balance	1,359,000			629,921		629,921	1,988,921
415.10.594.034.65.00	Construction Projects	c/o 2023 Chehalis Ave Reconstruction - Construction (Water share)	-			23,437		23,437	23,437
415.10.594.034.65.40	Design Engineering (A&E)	c/o 2023 Chehalis Raw Waterline Replacement - PE design	1,576,000			60,000		60,000	1,636,000
415.10.594.034.65.40	Design Engineering (A&E)	c/o 2023 Greenwood/ SE Prospect Waterline Replacement - Design	-			22,973		22,973	22,973
415.10.594.034.65.40	Design Engineering (A&E)	c/o 2023 Design Liner for Settling Basins	-			100,000		100,000	100,000
415.10.594.034.65.40	Design Engineering (A&E)	c/o 2023 Downtown Market Blvd Renovation Design (1/4 cost share)	-			100,000		100,000	100,000
415.10.594.034.65.41	Construction Engineering (CE)	c/o 2023 Bishop Road Water Loop - CE contract balance	100,000			49,188		49,188	149,188
Total Water Capital Fund Expenditures			3,420,000	-	-	1,319,469	-	1,319,469	4,739,469
Total Amendment for Water Capital Fund (415)				679,109	323,000	1,319,469	-	(317,360)	
Fund 416 - Storm & Surfacewater Capital Fund									
Revenues:									
416.397.020.06	Transfer In - Fund 406	Transfers in from 406	227,000.00		87,000			87,000	314,000
Total Storm & Surface water Capital Revenues & Transfers In			260,200	-	87,000	-	-	87,000	347,200
Expenditures:									
416.06.594.031.64.00	Machinery & Equipment	c/o 2023 Vactor Truck (Stormwater cost)	280,500			188,950		188,950	469,450
416.06.594.031.65.00	Construction Projects	c/o 2023 Storm replacement between 16th & Market	314,200			75,000		75,000	389,200
416.06.594.031.65.00	Construction Projects	c/o Chehalis Ave Reconstruction - Retainage (Storm share)	-			1,921		1,921	1,921
Total Storm & Surface water Capital Fund Expenditures			873,960	-	-	265,871	-	265,871	1,139,831
Total Amendment for Storm & Surface water Capital Fund (416)				-	87,000	265,871	-	(178,871)	

2024 Budget Amendment #1			2024	Revenue	Transfers In	Expendi- tures	Transfers Out	Ending Fund Balance	Proposed
Fund No. and Name	Account Name	Reason for Amendment	Adopted Budget	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Increase (Decrease)	Amended Budget
Fund 417 - Airport Capital Fund									
Revenues:									
417.397.080.07	Transfer in - Fund 407	Transfers in from 407	1,263,500		(191,700)			(191,700)	1,071,800
Total Airport Capital Fund Revenues & Transfers In			1,308,100	-	(191,700)	-	-	(191,700)	1,116,400
Expenditures:									
417.09.594.046.53.01	Other Imprvement - AGFS	Airport Above Ground Fuel Tank EQ - Release Retainage	-			22,475		22,475	22,475
Total Airport Capital Fund Expenditures			442,000	-	-	22,475	-	22,475	464,475
Total Amendment for Airport Capital Fund (417)					-	(191,700)	22,475	-	(214,175)
Grand Total Amendment for City-wide All Funds				3,921,749	1,518,900	7,136,277	1,518,900	(3,214,528)	

CITY OF CHEHALIS "FIRST" AMENDED 2024 BUDGET
2024 AMENDED BUDGET SUMMARY REVISED WITH ORDINANCE NO. 1093-B
Original Adopted Budget Ordinance No. 1080-B

3/4/2024 11:37

Fund No.	Fund Name	Beginning Fund Balance 01/01/2024	Revenues	Transfers In	TOTAL REVENUE SOURCE	Expenditures	Transfers Out	TOTAL EXPENDITURE	Estimated Ending Fund Balance 12/31/2024	Change in Fund Balance Increase (Decrease)	% Change
001	General Fund	\$ 3,365,287	\$ 13,465,695	\$ 104,970	\$ 13,570,665	\$ 13,034,121	\$ 2,734,688	\$ 15,768,809	\$ 1,167,143	\$ (2,198,144)	-65.3%
003	Street Fund	351,921	161,848	1,113,700	1,275,548	1,480,874	-	1,480,874	146,595	(205,326)	-58.3%
004	Building Abatement Fund	54,846	1,200	-	1,200	-	-	-	56,046	1,200	2.2%
005	Emergency Fund	-	-	414,400	414,400	-	-	-	414,400	414,400	0.0%
006	Sales Tax Stabilization Fund	-	-	406,200	406,200	-	-	-	406,200	406,200	0.0%
103	Transportation Benefit District Fund	4,627,778	2,452,400	-	2,452,400	1,528,981	-	1,528,981	5,551,197	923,419	20.0%
107	Tourism Fund	236,044	334,700	-	334,700	206,200	168,520	374,720	196,024	(40,020)	-17.0%
110	Compensated Absences Reserve Fund	143,210	5,300	130,000	135,300	24,300	-	24,300	254,210	111,000	77.5%
115	LEOFF 1 OPEB Reserve Fund	290,402	3,900	275,988	279,888	142,475	-	142,475	427,815	137,413	47.3%
195	Community Development Block Grant Fund	1,794	-	-	-	150	-	150	1,644	(150)	-8.4%
197	HUD Block Grant Fund	3,079	-	-	-	400	-	400	2,679	(400)	-13.0%
199	Federal Grant Control Fund	1,878,471	49,100	-	49,100	1,833,450	-	1,833,450	94,121	(1,784,350)	-95.0%
200	General Obligation Bond Fund	13	-	298,310	298,310	298,305	-	298,305	18	5	38.5%
301	Public Facilities Reserve Fund	1,060,905	16,200	-	16,200	420,991	-	420,991	656,114	(404,791)	-38.2%
302	Automotive/Equipment Reserve Fund	1,052,234	19,700	350,000	369,700	540,500	-	540,500	881,434	(170,800)	-16.2%
303	Parks Improvement Fund	249,153	1,000,500	44,400	1,044,900	1,016,000	-	1,016,000	278,053	28,900	11.6%
305	First Quarter REET Fund	306,528	150,000	-	150,000	-	130,000	130,000	326,528	20,000	6.5%
306	Second Quarter REET Fund	437,773	506,100	-	506,100	350,000	96,490	446,490	497,383	59,610	13.6%
402	Garbage Fund	8,567	-	-	-	-	8,270	8,270	297	(8,270)	-96.5%
404	Wastewater Fund	4,153,743	6,046,950	-	6,046,950	6,831,817	358,100	7,189,917	3,010,776	(1,142,967)	-27.5%
405	Water Fund	1,914,606	3,531,000	-	3,531,000	3,603,678	767,900	4,371,578	1,074,028	(840,578)	-43.9%
406	Storm and Surface Water Fund	462,375	742,000	-	742,000	712,551	314,000	1,026,551	177,824	(284,551)	-61.5%
407	Airport Fund	853,708	2,696,150	-	2,696,150	1,938,430	1,071,800	3,010,230	539,628	(314,080)	-36.8%
414	Wastewater Capital Fund	2,266,106	176,977	358,100	535,077	1,303,280	-	1,303,280	1,497,903	(768,203)	-33.9%
415	Water Capital Fund	6,105,447	3,054,489	767,900	3,822,389	4,739,469	-	4,739,469	5,188,367	(917,080)	-15.0%
416	Storm and Surface Water Capital Fund	1,551,899	33,200	314,000	347,200	1,139,831	-	1,139,831	759,268	(792,631)	-51.1%
417	Airport Capital Fund	1,947,784	44,600	1,071,800	1,116,400	464,475	-	464,475	2,599,709	651,925	33.5%
611	Firemen's Pension	1,119,562	33,500	-	33,500	7,200	-	7,200	1,145,862	26,300	2.3%
TOTALS		\$ 34,443,235	\$ 34,525,509	\$ 5,649,768	\$ 40,175,277	\$ 41,617,478	\$ 5,649,768	\$ 47,267,246	\$ 27,351,266	\$ (7,091,969)	-20.6%
2024 Adopted Budget		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%
Changes from BA #1		7,819,683	3,921,749	1,518,900	5,440,649	7,136,277	1,518,900	8,655,177	4,605,155	(3,214,528)	-41.1%

**CHEHALIS CITY COUNCIL MEETING
AGENDA REPORT**

TO: The Honorable Mayor and City Council

FROM: Lodging Tax Advisory Committee
Councilor Kevin Carns, Chair
Chip Duncan, Veterans' Memorial Museum
Annalee Tobey, Experience Chehalis
Katie Blurton, Best Western Inn Plus
Lilly Wall, Stan Hedwall RV Park

BY: Jill Anderson, City Manager
Rebecca Gallagher, Administrative Assistant

MEETING OF: March 25, 2024

SUBJECT: Lodging Tax Advisory Committee Recommendations for Second Allotment of 2024
Tourism Funds

ISSUE

The Lodging Tax Advisory Committee (LTAC) reviews and makes funding recommendations to the City Council to fund various non-profit organizations or government entities for marketing and promotion, activities, operations, and expenditures designed to increase tourism in the city.

On October 9, 2023, the City Council voted to approve the LTAC recommendations provided at that time. Since the approved allocations did not use the entirety of the funds available to award, it was decided that a second application process would begin in early 2024, using the excess funds in the lodging tax reserve account to give organizations a chance to be awarded additional funds in 2024. The additional application period was open from February 13-29, 2024. The LTAC met on Friday, March 8, 2024, to review 3 requests/presentations from various organizations to receive tourism funding for calendar year 2024. Based on the applications and presentations, the Committee has prepared recommendations for the City Council regarding the second allocation of funding in 2024.

SUMMARY OF REQUESTS SUBMITTED

With a beginning fund balance of \$236,044, plus projected tax revenue of \$334,000, the estimated funds available for 2024 are \$570,744. From this amount, \$71,819 is subtracted to account for the dedicated debt service for Recreation Park, \$50,000 is subtracted to account for the target ending account reserve, and \$302,900 is subtracted to account for the funds that were already awarded by City Council during the meeting of October 9, 2023. This leaves a total amount of \$146,719 that is available to be awarded during this second round of funding.

Please see the following table for a summary of revenue projections.

2024 Lodging Tax Revenue Projections

Beginning Fund Balance (actual)	\$236,044
Estimated 2024 Tax Revenue (includes interest)	\$334,000
Total Estimated Funds	\$570,744
Recommended Ending Balance	\$50,000
Dedicated Debt Service for Recreation Park	\$71,819
Amount Awarded in October 2023	\$302,900
Total Estimated Available Revenue	\$146,025

The committee decided unanimously to make the following funding recommendations to the City Council:

Organization	Ask	LTAC Recommendation
Lewis County Historical Museum	\$25,000	\$25,000*
Centralia-Chehalis Chamber of Commerce	\$15,000	\$5,000
WA Assoc. of Culture and Arts (WACA)	\$60,000	\$0
Grand Totals	\$100,000	\$30,000

*The LTAC recommends specifying that \$20,000 of the awarded funds must be used to improve digital marketing and assets, including updating the museum's website.

The Lewis County Historical Museum has several events such as the Flying Saucer Party and model train shows that bring tourists to Chehalis. The Committee is recommending that the Lewis County Historical Museum receive their full ask of \$25,000. It was discussed that the museum's website is currently outdated. Jason Mattson, the Executive Director of the museum said that the museum is planning on revamping their website this year. This being the case, it is also recommended that a stipulation be added to the award contract that states that \$20,000 of the award must be used to improve digital marketing and assets, such as a website update. The Committee suggests this due to the concern that website design is more expensive than what the museum had allotted for in their original budget (they set aside \$3,000 for a website redesign). The remaining \$5,000 of awarded funds may be used as funding for museum events.

The LTAC is recommending that the Centralia-Chehalis Chamber of Commerce receive \$5,000 of lodging tax funds. Cynthia Mudge, the Executive Director, explained that of the Chamber's \$15,000 ask, \$10,000 would go towards operating expenses to keep the visitors' center open on Saturdays, and the remaining \$5,000 would go towards funding this year's 3-on-3 Streetball Festival. The Committee does not recommend providing lodging tax funding for the operation of the visitors' center on Saturdays, due to the resources that are readily available to visitors online diminishing the need for a physical visitors' center. The Committee did portray excitement about the Streetball Festival and is hopeful that it will continue to grow in popularity over the years.

After much discussion, it was unanimously decided that the Committee would not be recommending funding for the Washington Association of Culture and Arts. The Committee expressed support for the organization's mission and sees the need for improved arts education in our community. However, the organization did not submit all required documents with their application to the LTAC. Since the organization did not include IRS Form 990 with their application, it was mentioned that it may be beneficial to require that organizations who apply for lodging tax funds must have been established for

at least one year before applying, acknowledging that organizations under a year old likely do not have an IRS Form 990.

AWARD PROCESS

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

The attachments to this report include the draft minutes from the March 8, 2024, LTAC meeting and 2024 tourism fund projections and requests. Funding request applications are available for review upon request.

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

LTAC MEMBERSHIP

According to the resolution establishing the LTAC, the City Council is to review membership on an annual basis and make changes as appropriate. In accordance with state law, the committee must have at least five members, appointed by the City Council. Membership must include at least two representatives of businesses required to collect hotel-motel tax, two people involved in activities that are authorized to be funded by the tax, and one elected official who serves as chairperson. The number of people representing businesses that collect the tax and the number of persons involved in activities authorized to be funded by the tax must be equal. There is no established term of membership.

Current committee members include Katie Blurton, Best Western Plus; and Lilly Wall, Stan Hedwall RV Park, representing businesses required to collect the tax. Members representing activities funded by the tax are Annalee Tobey, Experience Chehalis, and Chip Duncan, Veterans Memorial Museum. Councilor Kevin Carns is the City Council representative and acts as committee chair.

As part of the annual review of LTAC membership, the City Council could consider initiating an application process by inviting all interested and eligible individuals, including existing LTAC members, to apply for an appointment to the LTAC by the City Council for 2025. This would ensure that any interested and qualified persons would have the opportunity to be considered for appointment to the LTAC.

RECOMMENDATIONS

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

Organization	Ask	LTAC Recommendation
Lewis County Historical Museum	\$25,000	\$25,000*
Centralia-Chehalis Chamber of Commerce	\$15,000	\$5,000
WA Assoc. of Culture and Arts (WACA)	\$60,000	\$0
Grand Totals	\$100,000	\$30,000

*The LTAC recommends specifying that \$20,000 of the awarded funds must be used to improve digital marketing and assets, including updating the museum's website.

It is also recommended that the City Council provide their input on whether a requirement should be added specifying that only organizations that have been established for at least a year are eligible to apply for the use of lodging tax funding, to allow the organizations enough time to gather the required documents by the time that they submit their application.

Finally, the Committee recommends that the City Council provide direction regarding the preferred process for selecting LTAC members, specifically whether to open the process to invite qualified individuals to apply for an appointment to the 2025 Lodging Tax Advisory Committee. OR reappoint the current members.

SUGGESTED MOTION

I move that the City Council:

- Approve the funding amounts, both individually and collectively, of the Lodging Tax Advisory Committee for the use of lodging tax funds for 2024 as set forth in the agenda report. Provide direction regarding whether a requirement should be added that organizations applying for lodging tax funding must have been established for at least a year at the time that they apply, to ensure that the organization has enough time to collect all of the documents that are required to be submitted along with the application.
- Provide direction regarding the preferred process for selecting LTAC members, specifically whether to open the process to invite qualified individuals to apply for appointment to the 2025 Lodging Tax Advisory Committee.

Chehalis Lodging Tax Advisory Committee

Meeting Minutes

March 8, 2024

**Revised 3/20/24*

Committee Present: Councilor Kevin Carns; Annalee Tobey, Experience Chehalis; Chip Duncan, Veterans' Memorial Museum; Katie Blurton, Best Western Plus; Lilly Wall, Stan Hedwall RV Park

Chehalis Administration Present: Jill Anderson, City Manager; Rebecca Gallagher, Administrative Assistant to the City Manager

Public Present: None

1. Call to Order:

The meeting was called to order at 10:00 a.m.

2. Brief Review of Applications and Questions:

Councilor Carns welcomed everyone to the meeting. Rebecca Gallagher gave a brief overview of the estimated Lodging Tax revenues for 2024. It was reiterated that this round of funding is to be considered separately from any funds that were already awarded in October 2023, and that these funding requests reflect applications that are updated and separate from those submitted for the prior round of funding.

3. 2024 Funding Request Presentations:

The comments below are in addition to the information provided in each organization's application.

Lewis County Historical Museum

Initial ask: \$25,000

Jason Mattson presented on behalf of the Lewis County Historical Museum. Mr. Mattson began by providing an overview of the events that the museum will be hosting in 2024. He highlighted the Spring and Fall Model Railroad Show and Swap Meet (which brings about 800-1,000 visitors, each), the annual Blueberry Pancake Breakfast (which he mentioned had over 350 attendees in 2023 compared to 250 in 2022), and the return of the Chehalis Flying Saucer Party which takes place over two days in September and consists of a filmfest, parade, guest speakers, live music, and vendors, as well as a history of UFOs exhibit. The museum will also be hosting Ghost Tours in October, which Mr. Mattson anticipates will sell out and bring in guests from as far as 200 miles. The annual tree lighting ceremony will take place again in December, and this year it will be combined with the Evening with the Authors book signing event to attract an even bigger crowd than in previous years. Mr. Mattson also mentioned that the museum will be debuting a new community craft workshop this year, which will become a regular quarterly event if successful. There is also a livestream on the museum's YouTube channel that features the trains as they come and go, which has amassed a following and draws visitors to the museum.

The Lewis County Historical Museum is asking for \$25,000 of Lodging Tax funds. Mr. Mattson stated that most of the funds will go towards marketing. He showed some of the print advertising and promotional products such as t-shirts that the museum has produced for their various events. Explaining the breakdown of how exactly the funds would be used, Mr. Mattson said that \$5,000 will be used to hire a celebrity

speaker for the Chehalis Flying Saucer Party since having a high-profile speaker will attract more visitors to the event. An additional \$2,000 will also go towards speaker expenses, and \$3,000 will go towards renting event spaces. A total of \$7,000 will be spent on social media promotion, print and radio advertisements. \$3,000 will be dedicated to updating the museum's website. Mr. Mattson explained that the museum's existing website needs to be revamped, and they plan on adding several resources for visitors online, such as a historical photo database, an interactive map of historic sites throughout the county, and suggested itineraries to help visitors plan their trips to Chehalis. The remaining \$5,000 will go towards additional promotions and advertising for events throughout the year.

Lilly Wall asked Mr. Mattson where the museum visitors typically travel from. He stated that the museum collects visitors' zip codes when they visit, and that many come from Portland and Seattle.

Councilor Carns asked Mr. Mattson how the museum targets their advertisements. Mr. Mattson explained that advertisements on Facebook are targeted to users living within a 250-mile radius of the museum, and that so far event advertisements are only broadcast on local radio stations due to lack of funding for advertising space on larger, wider-spread radio stations.

Centralia-Chehalis Chamber of Commerce

Initial ask: \$15,000

Cynthia Mudge presented on behalf of the Centralia-Chehalis Chamber of Commerce. Ms. Mudge stated that the Chamber's main goal for the year is to keep their visitor center open 6 days per week. She explained that the visitors' center is a marketing tool; it is a welcoming, safe place for visitors to check in and learn more about local businesses and things to do in the area. The Chamber hopes to be able to keep the visitors' center open and staffed on Saturdays to accommodate weekend visitors. Last year, the Chamber of Commerce hosted the first annual 3-on-3 Streetball Festival in Chehalis, which Ms. Mudge reported was a great success that she anticipates to grow in popularity if it is advertised more heavily. The Chamber of Commerce also hosts lodging at Penny Playground for riders in the Seattle to Portland bike ride that takes place in July, coordinates the annual Santa Parade, promotes local businesses with their annual Holiday Shop Local campaign, and produces the annual Home & Garden Show. Ms. Mudge passed out copies of the Centralia-Chehalis Chamber of Commerce 2024 Annual Directory & Visitor Information to the committee, which is a guide that is provided to patrons who stop by the visitors' center.

Chip Duncan asked how the Chamber would allot the funds that they are asking for. Ms. Mudge stated that \$10,000 would be spent on operating costs to keep the visitors' center open Monday-Saturday, rather than Monday-Friday. The remaining \$5,000 would be spent on marketing for this year's 3-on-3 Streetball Festival, which Ms. Mudge says would benefit from expanded promotion. A total of 14 teams participated in the festival in 2023, and this year it is expected that 60 teams will be participating. She said that nearly all the players who came to the Streetball Festival in 2023 purchased meals from local restaurants, and many spent the night in hotels. The Chamber is planning to attract more out-of-town visitors by advertising this year's Streetball Festival outside of Lewis County, and they would also like to expand the event to include youth basketball and to include both casual and competitive circuits. LTAC funding will help the Chamber increase marketing and draw more visitors to the Streetball Festival in years to come.

Lilly Wall asked Ms. Mudge how the Chamber tracks where visitors travel from for various events. Ms. Mudge said that for the Streetball Festival, each player's address is provided on their registration. For other events such as the Home & Garden Show, zip codes are collected with the sale of raffle tickets.

Washington Association of Culture and Arts (WACA)

Initial ask: \$60,000

Cameron McGee presented on behalf of WACA. He began by summarizing the organization's mission: cultivating and enhancing arts and culture in the community by creating culturally diverse, equitable, and accessible educational programs, facilities, and events. WACA is already partnered with the Chehalis, Centralia, and Morton school districts and plans on hosting a series of shows including high-profile performers (musicians, comedians, etc.) to raise money to provide arts education to these students at no cost to the schools.

Annalee Tobey asked Mr. McGee how the lodging tax funds would be used. He said that the funding would be used to purchase talent for 12 live shows at McFiler's theatre. Mr. McGee explained that booking talent of a high caliber attracts more attendees than marketing does, as exemplified by the organization's first show, featuring comedian Adam Ray, which sold out (event capacity of 450) with only 31 tickets purchased by Lewis County residents, and all the rest bringing guests from farther away including many from Seattle and Portland. Annalee asked when the upcoming shows will take place. Mr. McGee said that the majority will take place in the fall, however the schedule is dependent on when the talent is available to perform.

Chip Duncan asked Mr. McGee if WACA has a bank account with available funds, as their application did not include any bank statements. Mr. McGee said that WACA has an account with a balance of about \$15,000. He said that they are currently fundraising.

Chip Duncan asked how many grants the organization has applied for. Mr. McGee stated that there are 7 grants going out relating to obtaining arts education for participating school districts.

Lilly Wall asked how the school districts use the funds that WACA raises. Mr. McGee explained that the arts education that they provide is supplemental to what the schools already provide. This includes special electives like guitar class, drama, etc. since many local school districts only offer basic, general courses ~~for~~in the arts.

Katie Blurton asked Mr. McGee what age group their educational programs are targeted to. Mr. McGee stated that WACA will initially focus on students in high school, with the goal of expanding the curriculum to younger students.

4. Review 2024 Revenue Projections and Determine Funding Recommendations to City Council:

Lewis County Historical Museum

- The committee recognized the success of the events held by the Lewis County Historical Museum, particularly the Flying Saucer Party and the train livestream, which has a dedicated fanbase. It was mentioned that the museum's website could benefit from an upgrade, and while Mr. Mattson explained

that \$3,000 of the lodging tax funds would be used to update the website, the committee felt concerned that bringing the website up to date and adding the features that were discussed (interactive map, photo archive, etc.) would cost much more than \$3,000.

- Councilor Carns asked if the committee can specify how much funds awarded need to go towards certain expenditures. For example, could the committee recommend that the museum receive their full ask, but specify that \$20,000 must be used to improve digital assets like advertising and updating the website? Jill Anderson said that the committee is allowed to specify what the funds are used for, and a stipulation can be added to the award contract to address this.
- The committee is recommending to the Council that the Lewis County Historical Museum receive the full ask of \$25,000 with the stipulation that \$20,000 go toward digital marketing and assets, including a website revamp. The funds can be used to contract these services if the museum decides to. The remaining \$5,000 may be used to fund planned events such as the Flying Saucer Party.

Centralia-Chehalis Chamber of Commerce

- The committee expressed excitement about the 3-on-3 Streetball Festival, likening it to Chehalis's own version of Spokane's Hoopfest. It was agreed that this event has the potential to bring in many tourists who then support the local economy by purchasing meals at local restaurants and lodging within the city.
- Though the committee was impressed by the Chamber's plans for 2024, it was argued that since information for visitors is so easy to access and readily available online, they did not agree that lodging tax funding should be used for the operation of the visitors' center and thought that a better use of the funds would be to put it towards planned events, rather than using it to keep the visitors' center open on Saturdays.
- The committee is recommending to the Council that the Centralia-Chehalis Chamber of Commerce receive \$5,000 of lodging tax funds, to be spent on events that promote tourism (such as the 3-on-3 Streetball Festival), and no funding for operating the visitors' center.

Washington Association of Culture and Art (WACA)

- The committee reiterated that they support WACA's mission and that they see the need for improved arts education in the community.
- According to the Chronicle, Eddie McNally, and Patrick McNally, who are the owners of McFiler's Theatre, sit on WACA's Board of Directors. The committee expressed concern about potential conflict of interest since McFiler's will be hosting the 12 shows that WACA intends on using lodging tax funding to hire talent for.
- WACA's application ~~to the committee for lodging tax funding was incomplete. The organization~~ did not ~~provide~~ include IRS Form 990, balance sheets for 2022 and 2023, income statements for 2022 and 2023, or bank statements from 2022 and 2023, which were required to be submitted as part of the application process.
- Since the organization did not include IRS Form 990 with their application, it was discussed by the committee that it may be beneficial to require that organizations who apply for lodging tax funds must have been established for at least one year before applying. According to the IRS, "Form 990 is due on the 15th day of the 5th month following the end of the organization's taxable year. For organizations on a calendar year, the Form 990 is due on May 15th of the following year." ~~acknowledging~~ Adding a requirement that organizations receiving lodging tax funding must have been established for at least a year

at the time of application would acknowledge that organizations under a year old—such as WACA—likely do not have an IRS Form 990, thus making it so that they were not able to provide all required documents with their application.

- The committee is recommending to the Council that WACA not receive lodging tax funding at this time, due to not having provided ~~having submitted an incomplete application~~ all required documents with their application.
- The committee also requests guidance from the Council as to whether a requirement should be added requiring that organizations applying for lodging tax funding must be established for at least one year before applying for funding, to allow the organization time to obtain all documents required at the time of application.

Organization	Initial Ask	LTAC Recommendation
Lewis County Historical Museum	\$25,000	\$25,000
Chehalis-Centralia Chamber of Commerce	\$15,000	\$5,000
Washington Association of Culture and Arts	\$60,000	\$0

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The 2024 Lodging Tax fund had a beginning balance of \$236,044. With an estimated \$334,000 in revenues for the year, the total is brought to \$570,744. After subtracting \$71,819 from the fund to pay the annual debt service for the Recreation Park bond, \$50,000 as a base ending balance, and \$302,900 that has already been appropriated to several organizations for lodging tax funding in 2024, the total amount of \$146,025 that can be awarded at this time. If the following recommendations are approved by council, the Lodging Tax fund will have an ending balance of \$166,025.

The meeting adjourned at 1:40 P.M.

LTAC recommendations will be presented to City Council on Monday, March 25th at the regularly scheduled council meeting.

**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: March 25, 2024

SUBJECT: Ordinance No. 1091-B, Establishing an Emergency Fund and
Ordinance No. 1092-B, Establishing a Sales Tax Revenue Stabilization Fund
(First Readings)

ISSUE

As a part of the 2023 year-end fund balance designation discussions at the City Council meeting on February 26, 2024, the City Council approved setting aside funds for emergencies and sales tax revenue stabilization purposes. The Ordinance No. 1090-B designating 2023 year-end fund balances includes commitments of \$414,400 for Emergency Fund and \$406,200 for Sales Tax Revenue Stabilization Fund.

At that meeting, staff informed the City Council that ordinances establishing these two new funds, including proposed polices for funding source, use, and replenishment, will be presented at the next City Council meeting in March 2024. The following two ordinances have been prepared and presented for the City Council consideration:

- Ordinance No. 1091-B: Establishing an Emergency Fund
- Ordinance No. 1092-B: Establishing a Sale Tax Revenue Stabilization Fund

DISCUSSIONS

EMERGENCY FUND (FUND 005)

Ordinance No. 1091-B establishes, pursuant to [RCW 35A.34.250](#), the City of Chehalis Emergency Fund (Fund number 005), a sub-fund of the General Fund, for the purpose of providing funds for unanticipated and unbudgeted emergencies as defined in [RCW 35A.34.140](#) and [35A.34.150](#).

1. Funding Source and Size:

The City Council may appropriate budget with specific funding source including any tax, other revenue sources that are not restricted in use by law, and/or year-end budget surplus for the emergency fund.

The accumulated balance shall not exceed the limitation set by [RCW 35A.34.250](#) of \$0.375 per \$1,000 assessed valuation of the property within the city limits, or as hereafter amended by the Legislature. Any moneys in the emergency fund at the end of the fiscal year shall not lapse except upon reappropriation by the City Council to another fund in the adoption of a subsequent budget.

The Ordinance No. 1090-B designating 2023 year-end fund balances includes a commitment of \$414,400 for the establishment of an Emergency Fund. The amount is below the maximum fund balance limit of \$414,467.31 (2023 assessed valuation \$1,105,246,154/\$1,000 x \$0.375 = \$414,467.31). The \$414,400 will be transferred from the General Fund to the Emergency Fund during the 2024 budget amendment.

The City Council may appropriate additional funding on an annual basis in subsequent year(s) up to the statutory fund balance limit for that year.

2. Use and Replenishment:

Expenditures for Nondebtable Emergencies (RCW 35A.34.140): Upon the happening of any emergency as defined in [RCW 35A.34.140](#), city council may, upon the adoption of an ordinance, by a majority plus one, stating the facts constituting the emergency and the estimated amount required to meet it, may make the expenditures therefor without notice or hearing.

The emergencies defined in RCW 35A.34.140 include, but are not limited to:

“Any emergency caused by violence of nature, casualty, riot, insurrection, war, or other unanticipated occurrence requiring the immediate preservation of order or public health, or for the property which has been damaged or destroyed by accident, or for public relief from calamity, or in settlement of approved claims for personal injuries or property damages, or to meet mandatory expenditures required by law enacted since the last budget was adopted, or...”

Expenditures for Other emergencies (RCW 35A.34.150): In the case of an emergency not defined in [RCW 35A.34.140](#), city council may, upon adoption of an ordinance, by majority plus one, stating the facts constituting the emergency and the estimated amount required to meet it and declaring that an emergency exists, make the expenditure therefor. The ordinance shall not be voted on until five days have elapsed after its introduction. Any taxpayer may appear at the meeting at which the emergency ordinance is to be voted on and be heard for or against the adoption thereof.

The City intends to replenish the fund balance as soon as possible given existing economic conditions and budgetary constraints. It intends that replenishments are the priority use for unanticipated unrestricted revenues and end of year surplus funds.

SALE TAX REVENUE STABILIZATION FUND (FUND 006)

Ordinance No. 1092-B establishes the Sales Tax Stabilization Fund (Fund number 006) to accumulate funds to cover a budget deficit caused by sales tax revenue shortfall.

Sales tax is the largest revenue source for the City’s General Fund and makes up over 50% of the total General Fund revenues, thus is a significant influencing factor for the City’s general fund budget. While the property tax and utility tax revenues are predictable and less susceptible to fluctuations, the sales tax revenue is highly volatile and susceptible to changes in economic conditions.

The year-over-year growth rate for the City’s local sales tax revenue has varied from an increase of 14.2% to a decrease of 18.0%, with an average annual growth rate of 4% over the 15-year period of 2009 – 2023. Looking back at the history, the City’s local sale tax revenue declined 18% in 2009 after the 2008 economic downturn and another 10% decline in 2010 after 2009, a year of continuing economic decline. The sales tax revenue returned to the 2008 level in 2016, which is an 8-year recovery period.

The actual local sales tax revenue in 2023 was \$6,544,009. A 5% decline would mean \$327,000 in sales tax revenue loss, which will have a significant impact to the general fund budget. By setting aside money

in a designated fund to cover revenue deficit due to local sale tax revenue decline will enable the City to prevent or mitigate potential need for major cuts, particularly in staffing levels.

1. Funding Source and Size:

It is proposed that the source of funding shall be up to seventy percent (70%) of the annual construction sales tax, which is a portion of the total local sales tax revenue. Construction sales tax is classified as North American Industry Classification System (NAICS) Code 236 (Construction of Buildings), Code 237 (Heavy and Civil Engineering Construction), and Code 238 (Specialty Trade Contractors) reported to the City by Washington Department of Revenue. The reason for using construction sales tax as the funding source is because construction sales tax revenue fluctuates significantly more than other sales tax classifications and typically is considered as one-time in nature. The average annual construction sales tax revenue was about \$326,700 over the last 10-year periods from 2014-2023.

The accumulated fund balance is capped at 10% of the average annual total local sales tax receipts in the 3 years immediately preceding the current year. The three-year average annual receipts for total local sales tax for the years 2021-2023 was \$6,213,021. For the year 2024, the maximum fund balance allowed in the Sales Tax Revenue Stabilization Fund would be \$621,302.

The Ordinance No. 1090-B designating 2023 year-end fund balances includes a commitment of \$406,200, which is 70% of 2023 construction sales tax revenue, for the establishment of a Sales Tax Revenue Stabilization Fund. The committed amount will be transferred from the General Fund to the Sales Tax Revenue Stabilization Fund with the 2024 budget amendment.

The City Council may appropriate additional funding on an annual basis in subsequent year(s) up to 70% of construction sales tax for that year, not exceeding the maximum fund balance limit.

2. Use and Replenishment

With City Council appropriation, funds may be utilized to cover revenue deficit when annual actual local sales tax revenue growth rate is below 2%.

The City intends to replenish the fund balance as soon as possible given existing economic conditions and budgetary constraints, by contributing up to 70% of construction sales tax on an annual basis.

FISCAL IMPACTS

Use of the funds accumulated in these two reserve funds is limited for specific purposes according to the established reserve fund policies.

However, these constraints may be lifted by the City Council by adoption of an ordinance, by majority vote of the entire city council, and the fund balance remaining in these funds can be transferred to the operating fund authorized by the ordinance and used for any governmental purposes.

Careful consideration will be needed for adoption of a balanced budget, which means that regular ongoing revenue should be sufficient to provide funding for the regular ongoing expenditure for each budget year. Specific reserve funds can be used for other planned expenditures that are one-time and non-recurring in nature (i.e., vehicle replacement, retiree cash outs, or public facility repairs, etc.). Other non-recurring, special items may be appropriated by using the beginning operating reserves.

RECOMMENDATION

It is recommended that the City Council approve Ordinance No. 1091-B and 1092-B on first reading, authorizing the establishment of an Emergency Fund and a Sales Tax Revenue Stabilization Fund and conduct the second reading at the City Council meeting on April 8, 2024.

SUGGESTED MOTION

I move that the City Council approve Ordinance No. 1091-B and 1092-B on first reading, authorizing the establishment of an Emergency Fund and a Sales Tax Revenue Stabilization Fund and conduct the second reading at the City Council meeting on April 8, 2024.

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ORDINANCE NO. 1091-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, ESTABLISHING A NEW FUND, THE EMERGENCY FUND

WHEREAS, as a part of the 2023 year-end fund balance designation discussions at the City Council meeting on February 26, 2024, the City Council approved setting aside funds for emergencies; and

WHEREAS, the Ordinance No. 1090-B designating 2023 year-end fund balance includes commitment of \$414,400 of the General Fund's 2023 year-end fund balance to be reserved for emergencies; and

WHEREAS, the City, pursuant to [RCW 35A.34.250](#) may create and maintain a contingency fund to provide moneys with which to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting the annual budget, or from which to provide moneys for those emergencies described in [RCW 35A.34.140](#) and [35A.34.150](#); and

WHEREAS, the City desires to establish and maintain a separate reserve fund named an Emergency Fund to account for these monies.

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

Section 1. There is hereby established a city fund known as Emergency Fund (Fund number 005), a sub-fund of the General Fund, for the purpose providing funds for unanticipated and unbudgeted emergencies described in [RCW 35A.34.140](#) and [35A.34.150](#).

Section 2. The sources of funding shall be by a budget appropriation by the city council from any tax, other revenue source not restricted in use by law, and/or year-end budget surplus at the close of the fiscal year. However, the maximum fund balance accumulated in this fund at any time shall not exceed the equivalent of thirty-seven and one-half cents (\$0.375) per one thousand dollars (\$1,000) of assessed valuation of property within the city limit at such time.

Section 3. The Emergency Fund shall be used exclusively for unanticipated and unbudgeted emergencies as defined in [RCW 35A.34.140](#) and [35A.34.150](#).

Section 4. Upon the happening of any emergency as defined in [RCW 35A.34.140](#), the city council may, upon the adoption of an ordinance, by a majority plus one, stating the facts constituting the emergency and the estimated amount required to meet it, make the expenditures therefor without notice or hearing.

Section 5. In the case of other emergencies not defined in [RCW 35A.34.140](#) the city council may, before allowing any expenditures therefore, adopt an ordinance by majority plus one, stating the facts constituting the emergency and the estimated amount required to meet it,

and declaring that an emergency exists. The ordinance shall not be voted on until five days have elapsed after its introduction. Any taxpayer may appear at the meeting at which the emergency ordinance is to be voted on and be heard for or against the adoption thereof.

Section 6. The City intends to replenish the fund balance as soon as possible given existing economic conditions and budgetary constraints. It intends that replenishments are the priority use for unanticipated unrestricted revenues and end of year surplus funds.

Section 7. No money shall be withdrawn from the emergency fund except by transfer to the appropriate operating fund authorized by a resolution or ordinance of the city council, adopted by majority vote of the entire legislative body, clearing stating the facts constituting the reason for the withdrawal or the emergency as the case may be, specifying the fund to which the withdrawn money shall be transferred.

PASSED by the City Council of the City of Chehalis, Washington, **APPROVED** on its first reading on the ____ day of _____, 2024 and the second and final reading on the ____ day of _____, 2024

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

ORDINANCE NO. 1092-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, ESTABLISHING A NEW FUND, THE SALES TAX REVENUE STABLIZATION FUND

WHEREAS, the city's sales tax is the largest revenue source for the City's General Fund and makes up over fifty percent of the total general fund revenues; thus is a significant influencing factor for the City's general fund budget; and

WHEREAS, the sale tax revenue is highly volatile and susceptible to changes in economic conditions; and

WHEREAS, the city desires to accumulate funds to stabilize its general fund budget to cover revenue shortfalls due to sales tax revenue decline to mitigate or prevent major cuts; and

WHEREAS, the Ordinance No. 1090-B designating 2023 year-end fund balances includes commitment of \$406,200 of the General Fund's 2023 year-end fund balance for a sales tax revenue stabilization purpose; and

WHEREAS the City desires to establish and maintain a separate reserve fund named as the Sales Tax Revenue Stabilization Fund to provide funding and account for these monies.

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

Section 1. There is hereby established, a city fund known as Sales Tax Revenue Stabilization Fund (Fund number 006), a sub-fund of the General Fund, to accumulate funds to cover revenue shortfalls due to local sales tax revenue decline.

Section 2. The sources of funding shall be up to seventy percent (70%) of the construction sales tax revenue classified as North American Industry Classification System (NAICS) Code 236-Construction of Buildings, Code 237-Heavy and Civil Engineering Construction, and Code 238-Specialty Trade Contractors reported to the City by Washington Department of Revenue. The accumulated fund balance shall not exceed 10% of the average total annual local sales tax receipts in the 3 years immediately preceding the current year.

Section 3 The funds may be utilized, with the city council appropriation, to cover revenue deficit when actual annual local sales tax revenue growth rate is below 2%.

Section 4. The City intends to replenish the fund balance as soon as possible given existing economic conditions and budgetary constraints, by contributing up to 70% of construction sales tax on an annual basis.

PASSED by the City Council of the City of Chehalis, Washington, **APPROVED** on its first reading on the ____ day of _____, 2024 and the second and final reading on the

_____ day of _____, 2024.

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: Justin Phelps, Wastewater Superintendent

MEETING OF: March 25, 2024

SUBJECT: Equalization Basin Intertie Project – Bid Award

ISSUE

Bids have been received for the EQ Intertie Project. The results of the bidding and a recommendation to award a contract have been prepared for the City Council's consideration. A review of this project was provided to the City Council on February 26 prior to the release of the contract bid invitation.

DISCUSSION

The Equalization Basin Intertie Project aims to address critical issues within our wastewater treatment system, specifically targeting the limitation of treatment violations. The Project allows for more flexibility within our treatment plant by combining both equalization basins with a 24" pipe and operate them in tandem. By implementing this project, we can effectively mitigate the number of violations and ensure compliance with regulatory standards, safeguarding both public health and the environment.

The bid request was advertised in the Chronicle and Seattle's Daily Journal of Commerce on March 4th and March 11th 2024, and closed on March 19th, 2024. Eight (8) bids were submitted, opened, and read publicly for the above referenced project. The low bid was submitted by Barcott Construction, LLC of Chehalis, Washington in the amount of \$345,504.24.

The total bids from both submissions for this project ranged from \$345,504.24 to \$546,951.00. Please see the attached bidder's tabulation. Gibbs and Olson, the City's consultant engineer for this project, reviewed the bids and found that Barcott Construction, LLC correctly completed the required forms included in the Bid Package. Gibbs and Olson recommends that the City of Chehalis award a contract in the amount of \$345,504.24 to Barcott Construction, LLC of Chehalis, Washington for the Equalization Basin Intertie Project.

Eight bids were received for this project as shown in the following table:

Bidder	Amount
Barcott Construction LLC	\$345,504.24
JQ Construction, Inc.	\$392,386.22
Midway Underground, LLC	\$393,415.20
Grade Werks Excavating, LLC	\$398,554.70
Brumfield Construction	\$444,669.54
Nylund, Inc.	\$464,722.25
Rognlins, Inc.	\$481,490.00
Clark and Sons	\$546,951.00

Barcott Construction LLC has met the qualifications needed to be able to complete the job and is the lowest bidder, with a bid of \$345,504.24. The Project Engineer, Gibbs and Olson, and the Administration recommend Barcott Construction LLC be awarded the contract to complete the work.

FISCAL IMPACT

- The Equalization Basin Intertie Project has been endorsed within the Capital Improvement Program, designated to receive funding from the Wastewater's Capital Fund Budget (414). \$250,000 was earmarked for the project and the remainder of the funds will be reallocated from the I & I (Infiltration and Inflow) rehabilitation projects.
- It is also recommended that the construction budget include a 20% contingency (\$69,100.00) to address potential issues that may come up in the field during construction. With the recommended contingency and tax the total cost would be authorized for a not-to exceed budget of \$414,604.24.

RECOMMENDATION

It is recommended that the City Council:

- Award the Equalization Basin Intertie Project to Barcott Construction, LLC, in the amount of \$345,504.24.
- Authorize a 20% contingency budget of \$69,100.00

- Authorize the City Manager to execute all project related documents, including change orders, not-to exceed a total project cost of \$414,604.24.

SUGGESTED MOTION

I move the City Council award the Equalization Basin Intertie Project to Barcott Construction, LLC, in the amount of \$414,604.24 to include the contingency budget and estimated taxes and authorize the City Manager to execute all project related documents.



Memorandum

To: Justin Phelps -City of Chehalis
From: Michael Marshall, PE
Date: March 20, 2024
Re: EQ Basin Interconnect Project Contract Award Recommendation

The City advertised for bids for the EQ Basin Interconnect Project on March 4, 2024 to construct a new HDPE pipeline to connect the two equalization storage basins at the wastewater treatment plant. The City opened eight bids that were submitted on March 19, 2014 at 1:30 PM. The bids ranged from \$345,504.24 to \$546,951.00 including sales tax. The low bid was offered by Barcott Construction and is less than the Opinion of Probable Cost which is \$419,275.00 including sales tax.

Barcott Construction's bid is the low bid submitted and is properly filled out including signatures and is deemed to be responsive.

I have attached the bid tabulation.

I have verified that Barcott Construction is in good standing with the state of Washington. I have also checked their references which were all good. We have used Barcott Construction before with good results.

We recommend that the City award the contract for EQ Basin Interconnect to Barcott Construction.

City of Chehalis
EQ Basin Interconnect Project
Bidder's Tabulation
Bid Opening: March 19, 2024, 1:30 p.m.
Gibbs & Olson Project Number 0155.1085



Item No.	Item	Qty	Unit	Engineer's Estimate		Barcott Construction LLC		JQ Construction, Inc.		Midway Underground, LLC		Grade Werks Excavating, LLC	
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1	Miscellaneous Construction	1	FA	\$ 20,000	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
2	Mobilization	1	LS	\$ 33,000	\$ 33,000.00	\$ 27,500.00	\$ 27,500.00	\$ 34,949.00	\$ 34,949.00	\$ 45,290.00	\$ 45,290.00	\$ 35,000.00	\$ 35,000.00
3	CSTC	1,000	Ton	\$ 40	\$ 40,000.00	\$ 28.00	\$ 28,000.00	\$ 31.50	\$ 31,500.00	\$ 28.00	\$ 28,000.00	\$ 25.00	\$ 25,000.00
4	HMA Class 1/2- PG58H-22	70	Ton	\$ 250	\$ 17,500.00	\$ 254.00	\$ 17,780.00	\$ 315.00	\$ 22,050.00	\$ 280.00	\$ 19,600.00	\$ 265.00	\$ 18,550.00
5	24-inch HDPE SDR 17 pipe and fittings	350	LF	\$ 300	\$ 105,000.00	\$ 320.00	\$ 112,000.00	\$ 315.00	\$ 110,250.00	\$ 370.00	\$ 129,500.00	\$ 380.00	\$ 133,000.00
6	Connect to EQ Basins 2 places	1	LS	\$ 30,000	\$ 30,000.00	\$ 9,000.00	\$ 9,000.00	\$ 50,133.00	\$ 50,133.00	\$ 20,510.00	\$ 20,510.00	\$ 15,000.00	\$ 15,000.00
7	Piping, Fittings, Valves and Accessories	1	LS	\$ 111,000	\$ 111,000.00	\$ 85,500.00	\$ 85,500.00	\$ 81,625.00	\$ 81,625.00	\$ 81,010.00	\$ 81,010.00	\$ 105,000.00	\$ 105,000.00
8	Trench Safety Systems	1	LS	\$ 25,000	\$ 25,000.00	\$ 7,500.00	\$ 7,500.00	\$ 4,382.00	\$ 4,382.00	\$ 3,290.00	\$ 3,290.00	\$ 800.00	\$ 800.00
9	Pipe Concrete Encasement	40	LF	\$ 150	\$ 6,000.00	\$ 301.00	\$ 12,040.00	\$ 194.00	\$ 7,760.00	\$ 410.00	\$ 16,400.00	\$ 400.00	\$ 16,000.00
Subtotal					\$ 387,500.00		\$ 319,320.00		\$ 362,649.00		\$ 363,600.00		\$ 368,350.00
Sales Tax (8.2%)					\$ 31,775.00		\$ 26,184.24		\$ 29,737.22		\$ 29,815.20		\$ 30,204.70
Total					\$ 419,275.00		\$ 345,504.24		\$ 392,386.22		\$ 393,415.20		\$ 398,554.70

Item No.	Item	Qty	Unit	Engineer's Estimate		Brumfield Construction		Nylund, Inc.		Rognlin's, Inc.		Clark nd Sons	
				Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1	Miscellaneous Construction	1	FA	\$ 20,000	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
2	Mobilization	1	LS	\$ 33,000	\$ 33,000.00	\$ 50,000.00	\$ 50,000.00	\$ 40,000.00	\$ 40,000.00	\$ 50,000.00	\$ 50,000.00	\$ 34,000.00	\$ 34,000.00
3	CSTC	1,000	Ton	\$ 40	\$ 40,000.00	\$ 35.00	\$ 35,000.00	\$ 40.00	\$ 40,000.00	\$ 20.00	\$ 20,000.00	\$ 42.00	\$ 42,000.00
4	HMA Class 1/2- PG58H-22	70	Ton	\$ 250	\$ 17,500.00	\$ 650.00	\$ 45,500.00	\$ 275.00	\$ 19,250.00	\$ 100.00	\$ 7,000.00	\$ 350.00	\$ 24,500.00
5	24-inch HDPE SDR 17 pipe and fittings	350	LF	\$ 300	\$ 105,000.00	\$ 375.00	\$ 131,250.00	\$ 425.00	\$ 148,750.00	\$ 400.00	\$ 140,000.00	\$ 610.00	\$ 213,500.00
6	Connect to EQ Basins 2 places	1	LS	\$ 30,000	\$ 30,000.00	\$ 28,000.00	\$ 28,000.00	\$ 11,909.00	\$ 11,909.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
7	Piping, Fittings, Valves and Accessories	1	LS	\$ 111,000	\$ 111,000.00	\$ 85,000.00	\$ 85,000.00	\$ 125,194.00	\$ 125,194.00	\$ 126,000.00	\$ 126,000.00	\$ 95,000.00	\$ 95,000.00
8	Trench Safety Systems	1	LS	\$ 25,000	\$ 25,000.00	\$ 7,500.00	\$ 7,500.00	\$ 10,000.00	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00	\$ 8,500.00	\$ 8,500.00
9	Pipe Concrete Encasement	40	LF	\$ 150	\$ 6,000.00	\$ 218.00	\$ 8,720.00	\$ 360.00	\$ 14,400.00	\$ 300.00	\$ 12,000.00	\$ 450.00	\$ 18,000.00
Subtotal					\$ 387,500.00		\$ 410,970.00		\$ 429,503.00		\$ 445,000.00		\$ 505,500.00
Sales Tax (8.2%)					\$ 31,775.00		\$ 33,699.54		\$ 35,219.25		\$ 36,490.00		\$ 41,451.00
Total					\$ 419,275.00		\$ 444,669.54		\$ 464,722.25		\$ 481,490.00		\$ 546,951.00