

CHEHALIS CITY COUNCIL AGENDA
 CITY HALL
 350 N MARKET BOULEVARD, CHEHALIS, WA 98532

Terry F. Harris, District 1, Mayor Pro Tem Daryl J. Lund, District 2 Dr. Isaac S. Pope, District 4	Anthony E. Ketchum Sr., District 3 Mayor	Dennis Dawes, Position at Large Chad E. Taylor, Position at Large Bob Spahr, Position at Large
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Regular Meeting of Monday, November 26, 2012

6:00 p.m.

ITEM	ADMINISTRATION RECOMMENDATION	PAGE
1. <u>Call to Order.</u> (Mayor)		
2. <u>Pledge of Allegiance.</u> (Mayor)		

CITIZENS BUSINESS		
This is an opportunity for members of the audience to address the council on matters not listed elsewhere on the agenda. Speaker identification forms are available at the door and may be given to the city clerk prior to the beginning of the meeting.		

PUBLIC HEARING		
3. <u>Public Hearing on 2013 Proposed Budget and Revenue Sources, Taxes and Levies.</u> (City Manager, Finance Manager)	CONDUCT PUBLIC HEARING	

CONSENT CALENDAR		
4. <u>Minutes of the Regular Meeting of November 13, 2012.</u> (City Clerk)	APPROVE	1
5. <u>Vouchers and Transfers.</u> (Finance Manager)	APPROVE	10
6. <u>Approve Revised 2012 Budget for the Chehalis-Centralia Airport.</u> (Allyn Roe, Airport Manager)	APPROVE	11

ADMINISTRATION AND CITY COUNCIL REPORTS

7. <u>Administration Reports.</u>		
a. October financial report. (Finance Manager)	INFORMATION ONLY	13
b. Update on AT&T settlement agreement. (City Attorney)	INFORMATION ONLY	
c. Update on Community Development Director selection. (City Manager)	INFORMATION ONLY	
8. <u>Council Reports.</u>		
a. Councilor reports. (City Council)	INFORMATION ONLY	
b. Council committee reports. (City Council)	INFORMATION ONLY	

UNFINISHED BUSINESS

9. <u>Ordinance No. 903-B, Second and Final Reading – Revision of Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2013.</u> (City Manager, Public Works Director, Wastewater Superintendent)	PASS	18
10. <u>Ordinance No. 904-B, Second and Final Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2013.</u> (City Manager, Finance Manager)	PASS	24
11. <u>Ordinance No. 905-B, Second and Final Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2013.</u> (City Manager, Finance Manager)	PASS	27
12. <u>Ordinance No. 906-B, Second and Final Reading – Adopting the 2013 Budget.</u> (City Manager, Finance Manager)	PASS	28

NEW BUSINESS

13. <u>Ordinance No. 907-B, First Reading – Amending the 2012 Budget.</u> (City Manager, Finance Manager)	PASS	32
14. <u>Resolution No. 17-2012, First and Final Reading - Adopting the 2013 Budget for the Chehalis-Centralia Airport.</u> (Allyn Roe, Airport Manager)	ADOPT	39

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

NEXT REGULAR CITY COUNCIL MEETING WILL BE ON MONDAY, DECEMBER 10, 2012

November 13, 2012

The Chehalis city council met in regular session on Monday, October 22, 2012, in the Chehalis city hall. Mayor Pro-tem Harris called the meeting to order at 5:33 p.m. with the following council members present: Dr. Isaac Pope, Bob Spahr, Daryl Lund, and Dennis Dawes. Mayor Tony Ketchum and Councilor Chad Taylor were absent (excused). Staff present included Merlin MacReynold, City Manager; Amanda Vey, Assistant City Attorney; Judy Schave, City Clerk; Glenn Schaffer, Police Chief; Kelvin Johnson, Fire Chief; Bob Nacht, Community Development Director; Eva Lindgren, Finance Manager; Herta Fairbanks, Public Works Director; and Patrick Wiltzius, Wastewater Superintendent. Members of the media included Kyle Spurr from *The Chronicle*.

1. **Work Session – Discuss Regional Fire Protection Service Plan Annexation Draft.** Councilor Dawes reported the North Lewis County Regional Fire Authority Planning Committee had been meeting since March 2011, and were to the point where they need to make some decisions as far as continuing on. He stated before the chiefs start doing a lot more planning they need to know that the elected officials have bought into it and plan on continuing with the outlined timeline.

Councilor Dawes reported the four items for discussion included: governance; LEOFF 1 and Pre-LEOFF liabilities; assets and debt transfer; and taxation.

Councilor Dawes talked briefly about governance, noting when Centralia and Lewis County Fire District #12 first formed into the Riverside Fire Authority they started out with three elected commissioners and three members of the city council, who acted as fire commissioners. He indicated when the current board of commissioners' terms expire they will basically go to an at-large election.

Councilor Dawes stated he didn't see the LEOFF 1 and Pre-LEOFF liabilities being much of a discussion because by law the city would need to continue to take care of those liabilities. He noted the city levies the firemen's pension fund to take care of the Pre-LEOFF firefighters, and as for the LEOFF 1 firefighters, the city takes care of them much like it does any other LEOFF 1 employee, through the general fund.

Councilor Dawes talked briefly about assets and debt transfer. He noted, if approved, any asset such as equipment, personnel, and leave benefits (e.g., vacation/sick leave) would transfer to the fire authority, as well as any debt.

Councilor Dawes felt taxation would be the big issue of discussion since it involves money. He noted fire authorities are limited to \$2 per 1,000 (\$1.50 for fire services, and voted debt up to \$.50 for an EMS levy). Councilor Dawes reported he believed the city's current EMS levy was at \$.37 per 1,000, adding that taxation would transfer to the authority. He noted one of the decisions the council would need to make is whether the city gives up the \$1.50 that it currently taxes.

Councilor Dawes reported the city's general property tax brings in roughly \$1.3 million and the fire budget is \$1.7 million. He noted the only thing the city can keep out of the tax would be the Firemen's Pension Fund.

Councilor Dawes reported the planning committee and the various subcommittees have done a lot of work as far as identifying stations that could be closed down if not needed, potential equipment that could be surplussed if not needed, and how they would respond to emergencies.

Finance Manager Eva Lindgren reviewed the information provided on the potential net savings to the city should the council choose to move forward with the fire authority. She talked briefly about the maximum fire authority rate and what the city was currently levying, and two potential revenue reduction options.

Councilor Dawes felt the information provided by Ms. Lindgren was a little complex, adding he would like to be able to tell the citizens what they are going to be paying in total taxes versus what they are paying right now. He felt, based on the information provided, there appeared to be some savings to the taxpayers if they decide to move forward with the authority.

City Manager MacReynold asked for some clarification on the EMS levy information provided by Ms. Lindgren. He noted the initial savings to the city's general fund, without any adjustment, would be \$260,443; and if the council decided to reduce the levy amount by \$.25 that would still leave the city with \$118,783.20 annually for other services; and finally, if the council decided to further reduce it by another \$.21 it would basically put them at zero. Ms. Lindgren stated that was correct.

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City Manager MacReynold noted there would be some additional cost savings to the city, such as: insurance premiums, future purchases of new equipment, and building maintenance and upgrades. He noted even though it's a little complicated, there were basically some significant benefits to the city not only in providing a better service, but also to the city in general.

Councilor Dawes stated he wanted to be able to articulate to the taxpayer that if they vote to move to the authority they were going to get better service and their tax rate was either going to be the same or lower than it currently is.

Ms. Lindgren reported the cost savings information provided was based on 2013 assessed values. She noted the fire authority is allowed to go out for the full \$.50 for EMS and the \$1.50 for general fire authority property tax. Ms. Lindgren stated the numbers presented made the assumption that the fire authority would exceed what the city is currently levying for the EMS levy in 2013.

Fire Chief Kelvin Johnson stated under the current plan, where they are annexing into a current fire authority, they would go in under the current tax rate until such time the new year comes around and the fire organization comes up with a new budget.

Councilor Dawes stated the bottom line is, if the city elects not to levy the \$1.50, there would be a savings, or at least no change.

Councilor Spahr stated there was no doubt that on paper there could be a savings to the city, but he had concerns about the authority's budget. He noted the city uses sales tax revenue to help support our fire department, and wondered if the authority would be able to survive as a unit on \$2 per 1,000. Another concern is that the city is statutorily allowed to tax a certain amount, and currently we do not tax the full amount. He asked if junior taxing districts would be allowed to use the amount the city does not tax. Ms. Lindgren stated she would consult with her colleague at Lewis County and get back to the council with an answer to that question.

Councilor Dawes stated he would like to see the city continue to the point of where they determine if it's in the best interest of the city to move forward. He noted at some point it would be put to the voters who will make the ultimate decision.

Councilor Dawes briefly reviewed the four items again, noting the one issue they want to make sure is not a deal breaker is governance. He strongly recommended the city have representation on the board, equal to what everybody else has. Councilor Dawes didn't believe there was any reason to discuss the LEOFF 1 and Pre-LEOFF liabilities, adding he didn't think they were going to be able to convince anybody to take on those liabilities. He suggested if they decide to move forward, anything tied to the fire department, such as vehicles, equipment, and the building, should be transferred over to the fire authority. Councilor Dawes indicated there was no debt or reserve to be transferred because there was none. With regard to taxation, he suggested they do it in a manner in which it is at or below what the taxpayers are currently paying in totality.

Councilor Spahr stated the planning committee had been studying the information for about a year and a half now and it was clear as mud to them; however, to put it in front of the rest of council and have a 30 minute discussion and expect them to make some decisions on it seemed extremely unfair.

Mayor Pro-tem Harris said he felt the same way. He stated he understood the taxing issues and the idea of turning over the equipment, but he would like to get some more details and information on turning over the building.

Mayor Pro-tem Harris reported he didn't see anything about it that would scare him away, but didn't want to say yes and later, after further review, have questions come up. He stated he didn't want to send any mixed signals to the organization.

Councilor Pope stated the Chehalis fire department building was a condemned building as far as he was concerned, adding it wasn't safe as is and wondered why they would want it. Councilor Dawes suggested because that's where the current fire department is located. Councilor Spahr felt that issue could all be hammered out as they go along.

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Councilor Dawes stated if the council was second guessing things now it was not going to give the committee a clear line as to what they need to do.

Councilor Pope reported he couldn't take the short discussion to fully understand it, and suggested the city's three representatives meet with City Manager MacReynold to put together a proposal on what they would like to see the council support.

Mayor Pro-tem Harris thought that would be a good avenue to go down, adding he would rather have the committee members who've been doing the work give them some guidance.

Councilor Spahr suggested they tell the planning committee that yes the city is interested in pursuing it, but is not completely done studying the details yet.

Councilor Dawes stated he was kind of getting a read from the council, questioning whether they even want to continue with it. He stated it was a little troubling to him because he's been giving reports to the council on the progress of the planning committee.

Councilor Pope stated it was his understanding that the planning committee was to come to a conclusion about a workable infrastructure by which we can jointly have fire protection. He reported he still felt they should do that.

Mayor Pro-tem Harris stated, on the surface, he didn't see anything wrong with where they were going. He thought it was a good idea to meet with City Manager MacReynold to get a proposal laid out to bring back to the council. Mayor Pro-tem Harris suggested they do it as soon as possible, so they don't throw the timeline off.

Chief Johnson stated the committee was to the point of looking at any true deal breakers. He noted what he was hearing from the council was that they were still in agreement to go forth with it, but needed a little more time to come up with a definitive answer on the assets and taxation issues. Chief Johnson reported the timeline was built around the election dates and they backtracked from there. He reported the planning committee hoped to have a pretty concrete plan in place by April 1, 2013, and on May 1 they would start the functional consolidation process.

Chief Johnson stated the planning committee is realizing now that this was a transitional plan and if they do go forth and put it on the ballot, and the citizens pass it, they would implement the plan over a two to three year period. He noted during that time they would immediately start on strategic planning for the long haul, to see what it's going to look like in the future.

Councilor Spahr talked briefly about governance, noting the Authority suggested the districts make it cumbersome and a little more expensive, while the rural communities have concerns that if the elected body comes from the cities, all of the resources would pour into the cities and they would be left out.

City Manager MacReynold noted Councilor Dawes suggested each jurisdiction have representation to deal with that specific issue.

Councilor Dawes stated that would only be for us, noting they couldn't change what they do at Riverside Fire Authority. He suggested it would not be advantageous to put all of your resources in one place because of the insurance ratings.

2. Public Hearing on 2013 Proposed Budget and Revenue Sources, Taxes and Levies. Ms. Lindgren provided an overview of the 2013 tax levies and revenues. She indicated they were not requesting any increases to the property tax levy other than what's associated with new construction, which was clearly identified in the levy ordinances before the council. Ms. Lindgren reported, in terms of the general revenues, they were not expecting any significant increases. She added, based on the economy, they were expecting a relatively stagnant revenue stream and budgeted accordingly.

Ms. Lindgren briefly reviewed the new budgeting requirements of the State Auditor's Office, which are reflected in the 2013 budget. She noted there are now certain revenues the city is no longer allowed to reflect as revenues that show up as reductions in expenditures instead.

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City Manager MacReynold thanked Mayor Pro-tem Harris, Councilor Dawes and Councilor Spahr for serving on the budget committee this year. He stated it was helpful for the council committee to work with the administration and departments to have real discussions about what the policy issues and concerns are. He also thanked Ms. Lindgren and the department managers and their employees for the tireless effort they put into putting the budget together.

City Manager MacReynold provided a brief overview of the 2013 proposed budget, noting it did not include any increases in property tax or fees, with the exception of the recycling program. He noted the recent utility rate increases, as approved by the council, were included. City Manager MacReynold listed the council's 2012 accomplishments and 2013 goals, as follows:

2012 accomplishments:

- o Maintained fiscal viability of city during the continued economic downturn
- o Provided regional leadership and actively participated in Chehalis Basin Flood Authority
- o Worked cooperatively with local governments and organizations concerning the new FEMA Flood Maps
- o Received funding from the Chehalis Foundation for Pool Improvement Project
- o Developed programs for youth
- o Provided leadership and actively participated on North Lewis County Regional Fire Authority Planning Committee to regionalize fire and emergency medical services with Fire District #6 and others
- o Continued progress on planning, design and construction of the Louisiana Avenue Project with Lewis County and Washington State Department of Transportation
- o Completed and approved updated city Comprehensive Plan, which includes the Parks Comprehensive Plan and Chehalis PROS Plan
- o Held quarterly meetings between Centralia and Chehalis council committees and/or City Managers

2013 Goals:

- o Continue to maintain fiscal viability of city
- o Continue street maintenance throughout city
- o Continue downtown aesthetics and infrastructure improvements
- o Continue working cooperatively with other fire districts to explore feasibility of a Regional Fire Authority
- o Continue improvements to city parks and explore ongoing funding
- o Continue to cooperatively work on regional flood issues

City Manager MacReynold talked briefly about the city's revenue sources, noting 41 percent comes from sales and use tax, and 20 percent from property tax. He reported 56 percent of general fund revenues go toward fire and police services, and 16 percent toward Community Development.

City Manager MacReynold reported on the projected ending fund balance for 2013, noting the city tends to do a little better each year because we take a very cautious look at the revenues. He stated the 2013 estimated ending fund balance for all funds was \$5.7 million.

Mayor Pro-tem Harris closed the regular meeting at 6:33:00 p.m. and opened the public hearing. There being no public comment the public hearing was closed and the regular meeting was reopened at 6:33:22 p.m.

3. Chehalis-Centralia Airport Quarterly Report. Airport Manager Allyn Roe and City Representative Jim Buzzard gave a brief update on the quarterly activities at the airport. Mr. Roe reported the airport decided to forgo the \$100,000 grant for taxiway engineering services, primarily due to the costs. He noted because the grant was so specific to the engineering services they really couldn't utilize the funds for any other project. Mr. Roe reported the grant would be cancelled and the funds would be deposited back into their account that the FAA holds for them.

Mr. Roe reported, in looking long-term at what they want to do at the airport, the FAA mandates they have a master plan that looks out 10 to 20 years. However, they wanted something a little more specific and not so broad, so they were looking at putting together a 7-year capital improvement plan.

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Mr. Roe reported in the past they've consistently had a contingency fund of approximately \$100,000 and what they've done at the end of the year if they don't have to use it is apply it towards other projects.

Mr. Roe reported their ending fund balance for 2012 was looking very good due to the sale of some property and some additional income they received. He noted because it was getting too late in the year to do some projects he would be proposing to the Airport Board that they roll some of their 2012 expenses into 2013. He noted he would provide more information about that at the next council meeting when he brings the airport's 2013 budget to the council for consideration.

Mr. Roe reported the Pacific Cataract & Laser Institute (PCLI) hangar was moving along and they were moving forward with building a 3-bay garage to relocate the fuel truck for PCLI, their primary jet fuel purchaser.

Councilor Dawes reported the airport also added some fill in the "L" shaped property near Home Depot. He noted the new roundabout on Louisiana Avenue was probably one of the nicest he's seen and thanked Mr. Roe for their work on that project. Mr. Roe reported the fill in front of Home Depot was a benefit from the Louisiana Avenue/Airport Road Project, noting the contractor got ahold of him to say they had some fill material and he said they would take it. He noted the fill would have to sit for at least two years since it was not compacted as they lifted it in.

Councilor Spahr also thought the roundabout looked great, adding it really helped that whole area. Mr. Roe reported the costs for the project came in about \$10,000 under budget.

4. **Update on Children's Museum Pilot Project.** Mr. Roe reported they were looking at a February opening for the six-month Children's Museum Pilot Project, noting they found a location in the Twin City Town Center. He noted after interviewing a number of successful children's museums the one thing they all had in common was they all started with a pilot project.

5. **Consent Calendar.** Councilor Dawes moved to approve the consent calendar comprised of the following:

- a. Minutes of the regular meeting of October 22, 2012;
- b. Claim Vouchers No. 104475-104607 and EFT No. 92012 in the amount of \$206,649.17 dated October 31, 2012; and Payroll Vouchers No. 36081-36150, Direct Deposit Payroll Vouchers No. 3521-3594, and Electronic Federal Tax Payment No. 116 in the amount of \$653,019.62 dated October 31, 2012.

The motion was seconded by Councilor Pope and carried unanimously.

6. **Administration Reports.**

a. City Manager MacReynold reported they recently held the 2011 audit exit interview with the State Auditor's Office and had no findings; however, there were two management recommendations that the Auditor's Office continues to work with the city on. The first had to do with how the city pays the council with reference to the utility funds, and the second was regarding a prevailing wage issue on smaller city projects. City Manager MacReynold stated he believed every city is struggling with the prevailing wage issue because there's more scrutiny being placed on all of us. He noted, with regard to the first issue, the Auditor's Office does not agree with how the city calculates the percentage of work being done by the council with reference to utility issues.

Ms. Lindgren reviewed with the council the process she uses to calculate the percentages of time the council spends working on utility issues.

7. **Council Reports.**

a. **Update From Councilor Pope.** Councilor Pope reported he was very excited about the pool project, noting every time they have a discussion with someone new, the plan changes. He noted the initial kick-off for fundraising will be in December. Councilor Pope indicated they asked Architect Norm Pfaff to draft some design plans for the facility.

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b. **Update From Councilor Spahr.** Councilor Spahr reported he attended the Lewis County Economic Development Council meeting, as well as the Chehalis-Centralia Transportation Cooperative meeting. He noted the Transportation Cooperative would be coming to the council sometime early next year with some ideas that will help out both street departments.

c. **Update From Councilor Dawes.** Councilor Dawes stated it was nice to see the old police department sign up and working again, adding it brings back a lot of nice memories.

Councilor Dawes reported the Lewis County Historical Museum had its annual meeting on November 4, noting they got a real infusion of new blood in officers. He indicated Councilor Lund would take over his position as the city liaison starting the first of the year.

Councilor Dawes reported the monthly North Lewis County Regional Fire Authority Planning Committee meeting would take place on November 14, noting he would be letting Councilor Spahr give the explanation of what the council talked about during the work session this evening.

Councilor Dawes reported he recently attended the Association of Washington Cities (AWC) regional meeting in Longview, Washington. He noted he brought up the issue of the lodging tax, adding a letter was being sent from AWC Chief Executive Officer Mike McCarty to the council, the Lodging Tax Advisory Committee, and the city manager's office to say yes, AWC would be working on the issue. Councilor Dawes hoped something would be done during the first part of the Legislative session, rather than during the last part.

d. **Update from Mayor Pro-tem Harris.** Mayor Pro-tem Harris stated he wanted to thank the Chehalis Foundation again for the donation of funds for the holiday decorations. He noted the city's facility department was working diligently to get the decorations taken care of.

Mayor Pro-tem Harris reported he attended the Lewis County Solid Waste Advisory Committee meeting a couple of weeks ago. He noted the City of Centralia and Lewis County are currently using the city's yard waste recycling program as a model for their own programs, and inquired to see if they might be interested in looking at creating one facility that all three entities can utilize, and do some cost sharing on the staffing. Mayor Pro-tem Harris stated both agencies were interested and would be open to a location amenable to all of the communities. He indicated they would not be able to do it at the Transfer Station because there just wasn't enough room.

8. **Ordinance No. 903-B, First Reading -- Revising Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2013.** Herta Fairbanks reported the city charges Lewis County Water and Sewer District #4 and the City of Napavine to treat and dispose of their wastewater. She reported before the council was the agreed upon approach for calculating what the annual rate will be for each entity. Ms. Fairbanks reported the only thing calculated into this charge is the operations costs, adding both entities pay their share of the debt service separately outside of this forum. She noted since they are on a two-year lag with the calculation, because of the way the agreement was structured, the information being presented to the council is based on 2011 actuals.

Ms. Fairbanks reported the operational costs from 2010 to 2011 did go down; therefore, the rates for the two entities went down slightly. She credited Wastewater Superintendent Patrick Wiltzius for providing a five-year look at what the rates had done, noting the annual average has been right around three percent for each of the entities.

Councilor Spahr moved to pass Ordinance No. 903-B on first reading -- amending the sewer rates for Napavine and Lewis County Water and Sewer District #4.

The motion was seconded by Councilor Pope and carried unanimously.

9. **2013 Lodging Tax Advisory Committee (LTAC) Recommendations.** Mayor Pro-tem Harris stated the report and recommendations of the LTAC were included in the council packet and offered to answer any questions.

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Councilor Pope made a general statement in regards to the lodging tax and the entities that the city funds. He thought the lodging tax should be awarded to organizations to help sustain them for a period of time, and at such time they become self-sufficient, they should become sustainable on their own. Councilor Pope suggested if they don't become sustainable and the city continues to provide funding over a long period, the city should ask for more of an accounting than what it's currently asking for.

Councilor Pope noted at one time he's suggested the city go about it in one particular way, but that would have created a financial burden for some of the organizations. He felt the city needed to look at some of the organizations more closely, particularly those who have the potential to become self-sufficient and do not make the effort to do so.

Lewis County Museum Executive Director Johanna Jones stated she wanted to express her gratitude and the Board's gratitude for the council's consideration in funding them for \$15,000. She stated it was a big deal to them, particularly this year.

Mayor Pro-tem Harris stated, in sitting on the committee, he could tell Ms. Jones that the amount recommended really wasn't as much as the committee would have liked to have done, noting they were all worthy programs. He reported unless the Legislature changes their minds, they can't do anything except supply money for marketing and promotions after July 1, 2013.

Mayor Pro-tem Harris reported they had a wonderful interview with Jan Jutte, Director of Legal Affairs for the Washington State Auditor's Office, during their annual meeting. He noted they chatted with Ms. Jutte for about an hour, specifically going over different scenarios to determine what would apply and what wouldn't.

Mayor Pro-tem Harris thanked City Manager Administrative Assistant Caryn Foley for the way she laid things out ahead of time and for the minutes she provided from the meeting, so everyone can see what was discussed and some of the hardships that the committee experienced in trying to figure out what they could do.

Mayor Pro-tem Harris indicated there were some entities that were willing to give up some of their funding in order to help out the historical museum this year. He stated it just goes to show you what kind of community we have here.

Mayor Pro-tem Harris reported the biggest thing the committee pinned everything on was whether it passed the sniff test of putting head-in-beds. He noted the biggest item to put heads-in-beds was the ball tournaments put on by the city through the parks and recreation department.

Councilor Lund reported one of the agencies had a big problem last year and the city asked a local CPA to draw up a list of items the city could request from the agencies. He noted there was also some discussion about doing audits on certain groups, but didn't believe the council gave any direction on when that should kick in. Councilor Lund stated he would like to hear from the other councilors as to when an audit should be requested. He stated it wouldn't look good if they city was giving funding to a group that wasn't up to snuff.

Councilor Lund stated he also agreed with Councilor Pope, they have some organizations that could be doing better, but are not, and that wasn't fair to the rest of the organizations.

Councilor Pope stated it would be financially prohibitive to ask some of the organizations to do audits. He suggested if there were other avenues by which they can acquire the same information, he believed they should.

Ms. Lindgren reported there were different levels for financial reporting that the city could request from organizations, such as: compilation, review and audit reporting. She noted the more in-depth the procedure, the more expensive.

Councilor Spahr reported they had a good group of people who work on this every year and he trusted them to do what checking they do on the different organizations. He stated it doesn't make any sense to make an organization spend \$5,000 to get \$5,000.

Mayor Pro-tem Harris thanked the committee members, adding they were a wonderful group to work with.

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Councilor Spahr moved that the council approve the recommendations of the LTAC individually and collectively to fund the organizations as outlined in the report in the amount of \$172,435 for use of lodging tax funds for 2013.

Councilor Dawes seconded the motion.

Councilor Spahr moved to amend the motion to not include Pope's Kids Place (Item No. 9) in the amount of \$5,000 to allow Councilor Pope to vote on the other items.

Councilor Dawes seconded the motion.

The amended motion carried unanimously.

The main motion, with the exception of Item No. 9, carried unanimously.

Councilor Lund moved to approve the recommendation of the LTAC to fund Pope's Kids Place in the amount of \$5,000 for use of lodging tax funds for 2013.

The motion was seconded by Councilor Spahr and carried unanimously. Councilor Pope abstained from voting.

Councilor Lund moved that the council reappoint the memberships of Todd Chaput, Natalie Ketchum, Satpol Sohal, Rick Burchett, Chip Duncan, and Jim Valley to the Lodging Tax Advisory Committee.

The motion was seconded by Councilor Spahr and carried unanimously.

10. **Ordinance No. 904-B, First Reading – Determining and Fixing the Amounts of Revenue to be Raised by Ad Valorem Taxes During 2013; Ordinance No. 905-B, First Reading – Stating the Dollar Amounts and Percentages of Change in Property Tax Levies for 2013.** City Manager MacReynold reported, as described earlier, the administration was requesting action on both levy items.

Ms. Lindgren reported the \$1,352,000 listed in Ordinance No. 904-B included both the general fund and firemen's pension fund because they were not allowed to split the two out.

Councilor Dawes moved that the council pass Ordinance Nos. 904-B and 905-B on first reading.

Councilor Spahr seconded the motion.

Councilor Spahr asked if the firemen's pension fund had increased this year. Ms. Lindgren reported she calculated it based on the statutory rate, and for budgeting purposed she backed that entire calculation out of the total general levy. She noted last year the general fund levy included the firefighter's pension trust fund and includes it this year as well. Ms. Lindgren stated the change listed in the agenda report had to do with the decreased valuations.

The motion carried unanimously.

Councilor Pope was excused from the meeting at 7:20 p.m.

11. **Ordinance No. 906-B, First Reading – Adopting the 2013 Budget for the City of Chehalis.** City Manager MacReynold reported he provided a general review of the budget earlier in the meeting and thanked everyone again who participated in the development of the 2013 budget.

Ms. Lindgren reported because of the new account coding, certain accounts within the budget went away, such as the engineering division. She noted she worked with the public works director to direct charge those expenses to where the work is being done.

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Mayor Pro-tem Harris thanked Councilor Dawes for his participation on the budget committee, adding he appreciated all of his hard work. He also thanked Councilor Spahr for joining the committee, noting sitting down with the department heads and going through the budget line item by line item was about the only way to really do their job.

Councilor Spahr moved to pass Ordinance No. 906-B on first reading.

The motion was seconded by Councilor Dawes and carried unanimously.

There being no further business to come before the council, the meeting adjourned at 7:24 p.m.

Mayor



Attest:

City Clerk

SUGGESTED MOTION

I move that the council approve the minutes of the regular city council meeting of November 13, 2012.

CITY OF CHEHALIS
AGENDA REPORT

DATE: November 15, 2012
TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager 
PREPARED BY: Michelle White, Accounting Tech II 
SUBJECT: Vouchers and Transfers

ISSUE

Council approval is requested of the following financial transactions:

Claim Vouchers No. 104608 through 104728 in the amount of \$152,638.06 dated November 15, 2012 and the transfer of \$92,615.99 from the General Fund, \$306.25 from the HUD Block Grant Fund, \$466.03 from the Garbage Fund, \$37,232.35 from the Wastewater Fund, \$15,463.27 from the Water Fund, \$2,859.17 from the Storm & Surface Water Utility Fund, \$3,600.00 from the Firemen's Pension Fund and \$95.00 from the City Agency Fund.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the November 15, 2012 Claim Vouchers No. 104608 through 104728 in the amount of \$152,638.06.

SUGGESTED MOTION

I move to approve the November 15, 2012 Claim Vouchers No. 104608 through 104728 in the amount of \$152,638.06.

Reviewed by: , City Manager

Chehalis-Centralia Airport Budget
Revised 2012

Account	Account Name	Orig. - Exp	Revised Exp	Revised Delta	YTD (10/31/2012)	Remaining	Reason for Change
546.10.10.00	SALARIES & WAGES	201,000	220,000	19,000	184,873.08	35,626.92	Seasonal help, SS re-budget
	PERSONNEL BENEFITS	1,100	1,100	-	81.96	1,018.04	
546.10.21.00	INDUSTRIAL INSURANCE	4,500	4,500	-	3,912.37	587.63	
546.10.22.00	SOCIAL SECURITY	15,000	5,000	(10,000)	3,316.92	1,683.08	Reclass to Salaries
546.10.23.00	RETIREMENT	14,200	14,200	-	11,835.42	2,364.58	
546.10.24.00	MEDICAL INSUR	28,756	28,756	-	23,274.14	5,481.86	
546.10.24.08	H.S.A.-VEBA FUND	8,580	8,580	-	6,310.00	2,270.00	
546.10.31.00	OFFICE & OPER SUPPL	20,000	35,000	15,000	27,661.25	7,338.75	Roundabout, Appr Masts
546.10.32.00	FUEL CONSUMED	7,000	10,000	3,000	9,262.77	737.23	Fuel Prices
546.10.33.00	FUEL FOR RESALE	480,000	460,000	-	389,289.18	90,710.82	
546.10.35.00	SMALL TOOLS & MNR EQP	20,000	35,000	15,000	19,018.39	15,981.61	
546.10.41.00	PROFESSIONAL SERVICE	50,000	40,000	(10,000)	24,709.15	15,290.85	WH Pac \$5,000 & Health Assoc \$3,750
546.10.42.00	COMMUNICATIONS	5,000	5,000	-	3,711.14	1,288.86	
546.10.42.01	POSTAGE	800	800	-	625.05	174.95	
546.10.43.00	TRAVEL	6,000	5,000	(1,000)	3,153.87	1,846.33	Airport Mgt Accreditation
546.10.44.00	ADVERTISING	2,000	3,000	1,000	1,730.21	1,269.79	Learn to Fly, B-17 ads
546.10.45.00	OPER RENTALS & LEASE	5,000	6,500	1,500	5,197.75	1,302.25	Tyler Rental \$2,688.12
546.10.46.00	INSURANCE	12,500	12,500	-	4,091.04	8,408.96	
546.10.47.00	UTILITIES	19,000	19,000	-	12,976.17	6,023.83	
546.10.48.00	REPAIRS & MNTENANCE	125,000	30,000	(95,000)	25,219.24	4,780.76	Reduction of contingency fund
546.10.49.00	MISCELLANEOUS	2,000	2,000	-	1,513.57	486.43	
546.10.49.01	TRAINING	3,000	1,500	(1,500)	275.00	1,225.00	
546.10.49.02	DUES & SUBSCRIPTIONS	4,000	2,000	(2,000)	935.00	1,065.00	
546.10.51.00	INTRGOVTL-PROF SVCS	10,000	12,000	2,000	993.75	11,006.25	County & State Auditor
546.10.53.00	INTRGOVTL-EXTRNL TAX	2,500	3,000	500	2,847.67	152.33	
592.48.80.00	DEBT SERVICE:INTEREST	112,132	112,132	-	57,156.37	54,975.63	Interest
592.46.70.00	LONG TERM EXTL DEBT	204,073	204,073	-	100,946.54	103,126.46	Principal
594.46.64.00	MACHINERY & EQUIPMENT	0	0	-	0.00	-	
594.45.61.00	LAND	0	9,055	9,055	9,055.00	-	Avigation Easement (National Frozen)
594.46.64.00	BUILDINGS & STRUCTURES	0	39,000	39,000	0.00	39,000.00	Steel Building (Rigid Global)
595.10.00.00	ENGINEERING	100,000	0	(100,000)	0.00	-	Cancelled W.H Pacific Services
Total Expenses		1,443,141	1,328,696	(114,445)	913,471.80	415,224.20	

Account	Account Name	Org. - Rev	Revised Rev	Revised Delta	YTD (10/31/2012)	Remaining	Comments
331.20.10.60	FAA-AIRPORT IMPROVEM	100,000	-	(100,000)	0.00	-	WH Pacific, shifted to 2013
333.97.03.60	FEMA DISASTER RELIEF	0	41,448	41,448	41,448.41	-	FEMA payments from 2007
344.50.00.00	FUEL SALES	500,000	500,000	-	411,712.14	88,287.86	
361.11.00.00	INVESTMENT INTEREST	4,200	10,000	5,800	8,357.13	1,642.87	
362.30.00.00	PARKING/DEPOSITS	2,000	3,000	1,000	70.00	2,930.00	
362.50.00.00	SPC&FACL LSES-LONG	69,703	69,703	-	59,346.92	10,356.08	
369.10.00.00	SALE OF SCRAP/SURPLUS	0	350	350	322.80	27.20	
362.90.00.00	OTHR RNTS&USE CHRGS	1,000	6,000	5,000	3,200.00	2,800.00	
369.90.00.00	MISC REVENUE-OTHER	2,000	13,000	11,000	12,307.87	692.33	
391.50.00.00	LEASE RCPTS-CAPITAL	791,152	791,152	-	653,658.08	137,293.92	
395.10.00.00	CAPITAL ASSET SALE	0	169,664	169,664	169,664.00	-	Property sale to National Frozen Foods
Total Revenues		1,470,055	1,604,317	134,262	1,360,287.15	244,030.26	
Profit / Loss		26,914	275,621		446,815.35		
Estimated Ending Fund Balance: \$1,844,091							

NO REPORT – RECOMMENDED MOTION ONLY

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the revisions to the 2012 Chehalis-Centralia Airport budget.

SUGGESTED MOTION

I move that the council approve the revised 2012 Budget of the Chehalis-Centralia Airport.

Review:  _____, City Manager

To: The Honorable Mayor and Council
 Via: Merlin MacReynold, City Manager
 From: Eva K. Lindgren, Finance Manager
 Date: November 20, 2012
 Subject: Monthly Financial Reports for October

City of Chehalis
 Comparative Financial Reports
 October 2011 and 2012

GENERAL FUND (#001) REVENUES	A October 2011		B October 2011		C=B/A		D October 2012		E October 2012		F=E/D		G Expected % Rec'd*		H^ Variance Expected		I=F-G Variance %	
	Budget	Actual	Budget	Actual	% Rec'd	Budget	Actual	% Rec'd	% Rec'd	% Rec'd	% Rec'd	% Rec'd	% Rec'd	Expected	Actual	%	%	
General Property Taxes	\$1,219,000	\$694,894	\$1,235,000	\$696,796	57.0%	\$1,235,000	\$696,796	56.4%	83.3%	83.3%	(\$332,371)	-26.9%	(1)					
EMS Property Taxes	233,000	133,018	236,000	133,330	57.1%	236,000	133,330	56.5%	83.3%	83.3%	(63,337)	-26.8%						
Sales & Use Tax	3,000,000	2,559,900	3,000,000	2,544,279	85.3%	3,000,000	2,544,279	84.8%	83.3%	83.3%	44,279	1.5%						
Electricity Tax	375,000	315,642	400,000	276,204	84.2%	400,000	276,204	69.1%	83.3%	83.3%	(57,129)	-14.2%						
Gas/Natural Gas Tax	253,000	201,150	250,000	189,493	79.5%	250,000	189,493	75.8%	83.3%	83.3%	(18,840)	-7.5%						
Criminal Justice Tax	92,000	75,415	88,000	73,167	82.0%	88,000	73,167	83.1%	83.3%	83.3%	(166)	-0.2%						
Interfund Water/Sewer Tax	350,000	272,269	340,000	281,283	77.8%	340,000	281,283	82.7%	83.3%	83.3%	(2,050)	-0.6%						
Garbage Tax	65,000	58,453	62,000	57,418	89.9%	62,000	57,418	92.6%	83.3%	83.3%	5,751	9.3%						
Cable Tax	80,000	90,650	92,000	68,780	113.3%	92,000	68,780	74.8%	83.3%	83.3%	(7,887)	-8.5%						
Telephone Tax	335,000	262,232	325,000	263,494	78.3%	325,000	263,494	81.1%	83.3%	83.3%	(7,339)	-2.2%						
Leasehold Excise Tax	35,000	26,448	35,000	27,299	75.6%	35,000	27,299	78.0%	83.3%	83.3%	(1,868)	-5.3%						
Other Taxes	0	27	N/A	32	N/A	30	32	106.7%	83.3%	83.3%	7	23.4%						
Total Tax Revenues	6,037,000	4,690,098	6,063,030	4,611,575	77.7%	6,063,030	4,611,575	76.1%	83.3%	83.3%	(440,950)	-7.2%						
Licenses & Permits	120,200	65,823	63,630	44,426	54.8%	63,630	44,426	69.8%	83.3%	83.3%	(8,599)	-13.5%	(2)					
Intergov't Grants/Entitlements	337,414	265,793	720,239	238,550	78.8%	720,239	238,550	33.1%	83.3%	83.3%	(361,649)	-50.2%						
Charges for Goods and Svcs.	779,094	649,359	800,725	677,465	83.3%	800,725	677,465	84.6%	83.3%	83.3%	10,194	1.3%						
Fines and Forfeitures	147,824	131,710	167,080	132,113	89.1%	167,080	132,113	79.1%	83.3%	83.3%	(7,120)	-4.2%						
Interest Earnings	18,800	8,445	12,546	8,568	44.9%	12,546	8,568	68.3%	83.3%	83.3%	(1,887)	-15.0%						
Rents & Royalties	64,200	57,820	71,422	55,063	90.1%	71,422	55,063	77.1%	83.3%	83.3%	(4,455)	-6.2%						
Donations/Contributions	102,599	99,298	76,756	72,615	96.8%	76,756	72,615	94.6%	83.3%	83.3%	8,652	11.3%						
Misc. Revenue/Insurance	10,918	11,439	3,100	12,739	104.8%	3,100	12,739	410.9%	83.3%	83.3%	10,156	327.6%						
Non-Revenues	5,500	3,489	4,866	3,290	63.4%	4,866	3,290	67.6%	83.3%	83.3%	(765)	-15.7%						
Total Non-Tax Revenues	1,586,549	1,293,176	1,920,364	1,244,829	81.5%	1,920,364	1,244,829	64.8%	83.3%	83.3%	(355,474)	-18.5%						
Proceeds of Long-Term Debt	1,131,362	0	0	0	0.0%	0	0	N/A	83.3%	83.3%	0	N/A						
Operating Transfers-In	24,000	18,000	1,024,017	0	75.0%	1,024,017	0	0.0%	83.3%	83.3%	(853,348)	-83.3%	(3)					
Total Other Financing Sources	1,155,362	18,000	1,024,017	0	1.6%	1,024,017	0	0.0%	83.3%	83.3%	(853,348)	-83.3%						
TOTALS	\$8,778,911	\$6,001,274	\$9,007,411	\$5,856,404	68.4%	\$9,007,411	\$5,856,404	65.0%	83.3%	83.3%	(\$1,649,772)	-18.3%						

Key:

* The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

City of Chehalis
Comparative Financial Reports
October 2011 and 2012

GENERAL FUND (#001) EXPENDITURES	A October 2011		B		C=B/A		D October 2012		E		F=E/D		G		H^ Variance		I=G-F			
	Budget	Actual	Budget	Actual	% Exp'd	Budget	Actual	% Exp'd	% Exp'd	% Exp'd	% Exp'd	% Exp'd	% Exp'd	Expected	Actual	% Variance	% Variance			
City Council	\$101,063	\$82,639	\$100,319	\$85,172	81.8%	\$100,319	\$85,172	84.9%	83.3%	\$85,172	\$85,172	84.9%	83.3%	-\$1,573	\$85,172	-1.8%	-1.6%			
Municipal Court	334,798	259,295	348,378	265,108	77.4%	348,378	265,108	76.1%	83.3%	265,108	265,108	76.1%	83.3%	25,207	265,108	7.2%	7.2%			
City Manager	323,204	270,830	338,840	280,187	83.8%	338,840	280,187	82.7%	83.3%	280,187	280,187	82.7%	83.3%	2,180	280,187	0.6%	0.6%			
Finance	317,680	256,739	325,177	265,218	80.8%	325,177	265,218	81.6%	83.3%	265,218	265,218	81.6%	83.3%	5,763	265,218	1.7%	1.7%			
City Clerk	91,305	74,497	94,231	78,949	81.6%	94,231	78,949	83.8%	83.3%	78,949	78,949	83.8%	83.3%	(423)	78,949	-0.5%	-0.5%			
Non-Departmental	1,542,687	234,027	1,414,721	280,030	15.2%	1,414,721	280,030	19.8%	83.3%	280,030	280,030	19.8%	83.3%	898,904	280,030	63.5%	63.5%			
Human Resources	130,530	116,572	129,020	101,599	89.3%	129,020	101,599	78.7%	83.3%	101,599	101,599	78.7%	83.3%	5,918	101,599	4.6%	4.6%			
Police	2,269,433	1,792,783	2,348,788	1,921,032	79.0%	2,348,788	1,921,032	81.8%	83.3%	1,921,032	1,921,032	81.8%	83.3%	36,291	1,921,032	1.5%	1.5%			
Fire	1,766,840	1,426,442	1,729,924	1,405,782	80.7%	1,729,924	1,405,782	81.3%	83.3%	1,405,782	1,405,782	81.3%	83.3%	35,821	1,405,782	2.0%	2.0%			
Public Works - Streets	464,160	324,380	891,029	448,459	69.9%	891,029	448,459	50.3%	83.3%	448,459	448,459	50.3%	83.3%	294,065	448,459	33.0%	33.0%			
Public Works - Engineering	138,813	96,696	111,017	84,926	69.7%	111,017	84,926	76.5%	83.3%	84,926	84,926	76.5%	83.3%	7,588	84,926	6.8%	6.8%			
Community Development	1,218,672	1,011,851	1,177,982	1,061,270	83.0%	1,177,982	1,061,270	90.1%	83.3%	1,061,270	1,061,270	90.1%	83.3%	(79,618)	1,061,270	-6.8%	-6.8%			
TOTALS	8,699,185	5,946,751	9,009,426	6,277,732	68.4%	9,009,426	6,277,732	69.7%	83.3%	6,277,732	6,277,732	69.7%	83.3%	1,230,123	6,277,732	13.6%	13.6%			
Net Budget/Income/Variance:															\$79,726	\$54,523	(\$2,015)	(\$421,328)	(\$419,649)	-4.7%

Key:

* The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 is divided by 12-the number of months in the year.
 ^To calculate the dollar variance between expected and actual expenditures, the following formula is used:
 H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

(1) Property taxes are not collected evenly throughout the year.

(2) WSDOT and TIB-funded street projects are pending.

(3) Operating transfers are dependent upon FEMA elevation activity. Transfers will be made out of Non-Departmental, as necessary, to provide adequate cash-flow for the project. These funds will be transferred back to the General Fund from the Federal and State Grant Fund when not required.

City of Chehalis
Comparative Financial Reports
October 2011 and 2012

WASTEWATER FUND (#404) REVENUES	A October 2011		B		C=B/A		D		E		F=E/D		G		H^		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Actual	Budget	Actual	% Rec'd	% Actual	% Rec'd	% Actual	Expected	% Exp*	Expected	% Exp*	Variance	% Variance
Wastewater Fees	\$3,338,552	\$2,781,961	\$3,404,344	\$2,841,662	83.3%	83.5%	\$3,404,344	\$2,841,662	83.3%	83.3%	83.3%	83.3%	83.3%	83.3%	\$4,699	0.2%	\$4,699	0.2%
Sewer Connection/Misc. Fees	35,000	15,836	25,000	26,623	45.2%	106.5%	25,000	26,623	106.5%	106.5%	106.5%	106.5%	106.5%	106.5%	5,790	23.2%	5,790	23.2%
Rentals	3,750	3,750	3,750	3,323	100.0%	88.6%	3,750	3,323	88.6%	88.6%	88.6%	88.6%	88.6%	88.6%	198	5.3%	198	5.3%
Misc. Revenues/Insurance	2,500	8,706	22,000	25,796	348.2%	117.3%	22,000	25,796	117.3%	117.3%	117.3%	117.3%	117.3%	117.3%	7,463	34.0%	7,463	34.0%
Intergovernmental Revenues	0	0	0	1,025	N/A	N/A	0	1,025	N/A	N/A	N/A	N/A	N/A	N/A	1,025	N/A	1,025	N/A
Interfund Principal Repayment	565,681	0	0	0	0.0%	0.0%	0	0	0.0%	0.0%	0.0%	0.0%	0.0%	0	0.0%	0	0.0%	
Interfund Loan Received	0	0	1,200,000	250,000	N/A	20.8%	1,200,000	250,000	20.8%	20.8%	20.8%	20.8%	20.8%	(750,000)	-62.5%	(750,000)	-62.5%	
Interest Earnings	16,000	16,079	4,655	0	100.5%	0.0%	4,655	0	0.0%	0.0%	0.0%	0.0%	0.0%	(3,879)	-83.3%	(3,879)	-83.3%	
Totals:	\$3,961,483	\$2,826,332	\$4,659,749	\$3,148,419	71.3%	67.6%	\$4,659,749	\$3,148,419	67.6%	67.6%	67.6%	67.6%	67.6%	67.6%	(\$734,705)	-15.8%	(\$734,705)	-15.8%

WASTEWATER FUND (#404) EXPENSES	A October 2011		B		C=B/A		D		E		F=E/D		G		H^		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Actual	Budget	Actual	% Exp'd	% Actual	% Exp'd	% Actual	Expected	% Exp*	Expected	% Exp*	Variance	% Variance
Operating Expenses	\$2,427,364	\$1,982,098	\$2,533,710	\$2,046,767	81.7%	80.8%	\$2,533,710	\$2,046,767	80.8%	80.8%	80.8%	80.8%	80.8%	80.8%	\$64,658	2.5%	\$64,658	2.5%
Capital Outlay	290,000	108,073	650,000	250,613	37.3%	38.6%	650,000	250,613	38.6%	38.6%	38.6%	38.6%	38.6%	38.6%	291,054	44.7%	291,054	44.7%
Debt Principal	1,685,894	1,001,121	1,694,944	1,010,048	59.4%	59.6%	1,694,944	1,010,048	59.6%	59.6%	59.6%	59.6%	59.6%	59.6%	402,405	23.7%	402,405	23.7%
Interest Expense	50,166	48,486	40,660	39,103	96.7%	96.2%	40,660	39,103	96.2%	96.2%	96.2%	96.2%	96.2%	96.2%	(5,220)	-12.9%	(5,220)	-12.9%
Totals:	4,453,424	3,139,778	4,919,314	3,346,531	70.5%	68.0%	4,919,314	3,346,531	68.0%	68.0%	68.0%	68.0%	68.0%	68.0%	752,897	15.3%	752,897	15.3%

Net Budget/Income/Variance: (\$491,941) (\$313,446) (\$259,565) (\$198,112) \$18,192 -0.4%

Key:

* The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

(1) Interfund loan "revenues" are budgeted at \$1,200,000 for 2012. However, the City Council has only approved a loan of \$250,000, so far.

(See Ordinance 897-B.)

(2) Capital expenditures are not made evenly throughout the year.

(3) Debt is not paid evenly throughout the year.

**City of Chehalis
Comparative Financial Reports
October 2011 and 2012**

WATER FUND (#405) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H ^A		I=F-G	
	Budget	Actual	Budget	Actual	% Rec'd	% Exp'd	Budget	Actual	Budget	Actual	% Rec'd	% Exp'd	Expected	% Rec'd*	Expected	Var/nc Expected	% Variance	
Water Sales	\$2,541,852	\$2,087,011	\$2,456,633	\$2,166,807	82.1%	88.2%	20,000	44,246	\$2,166,807	\$2,166,807	88.2%	88.2%	\$119,613	83.3%	\$119,613	27,579	4.9%	
Water Connection/Misc. Fees	26,000	40,467	20,000	44,246	155.6%	221.2%	0	1,961	44,246	44,246	N/A	221.2%	83.3%	83.3%	27,579	137.9%		
Intergovernmental Revenues	14,520	14,520	0	1,961	100.0%	N/A	0	1,961	1,961	1,961	N/A	N/A	83.3%	83.3%	1,961	N/A		
Interfund Principal Repayment	565,681	0	0	0	0.0%	N/A	0	0	0	0	N/A	N/A	83.3%	83.3%	0	N/A		
Misc. Revenues/Insurance	0	1,274	0	2,278	N/A	N/A	0	2,278	2,278	2,278	N/A	N/A	83.3%	83.3%	2,278	N/A		
Interest Earnings	16,000	8,144	10,000	11,202	50.9%	112.0%	10,000	11,202	11,202	11,202	112.0%	112.0%	83.3%	83.3%	2,869	28.7%		
Totals:	\$3,164,053	\$2,151,416	\$2,486,633	\$2,226,494	68.0%	89.5%	\$2,486,633	\$2,226,494	\$2,226,494	\$2,226,494	89.5%	89.5%	\$154,300	83.3%	\$154,300	28.7%	6.2%	

WATER FUND (#405) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H ^A		I=G-F	
	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Budget	Actual	Budget	Actual	% Exp'd	% Exp'd	Expected	% Exp*	Expected	Var/nc Expected	% Variance	
Operating Expenses	1,940,075	1,522,458	1,902,438	1,475,971	78.5%	77.6%	790,000	324,661	1,475,971	1,475,971	41.1%	77.6%	83.3%	83.3%	109,394	5.7%		
Capital Outlay	320,768	196,293	790,000	324,661	61.2%	41.1%	1,200,000	250,000	324,661	250,000	20.8%	41.1%	83.3%	83.3%	333,672	42.2%		
Interfund Loan Disbursed	0	0	1,200,000	250,000	N/A	20.8%	130,077	130,077	250,000	250,000	100.0%	20.8%	83.3%	83.3%	750,000	62.5%		
Debt Principal	129,077	129,077	130,077	130,077	100.0%	100.0%	24,131	24,131	130,077	130,077	100.0%	100.0%	83.3%	83.3%	(21,680)	-16.7%		
Interest Expense	26,496	26,496	24,131	24,131	100.0%	100.0%	4,046,646	2,204,840	24,131	24,131	100.0%	100.0%	83.3%	83.3%	(4,022)	-16.7%		
Totals:	2,416,416	1,874,324	4,046,646	2,204,840	77.6%	54.5%	4,046,646	2,204,840	2,204,840	2,204,840	54.5%	54.5%	1,167,365	83.3%	1,167,365	28.8%		

Net Budget/Income/Variance: \$747,637 \$277,092 (\$1,560,013) \$21,654 \$1,321,665 35.0%

Key:

* The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 is divided by 12-the number of months in the year.

^To calculate the dollar variance between expected and actual expenditures, the following formula is used:

H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

(1) Capital expenditures are not made evenly throughout the year.

(2) Interfund loan "expenditures" are budgeted at \$1,200,000 for 2012. However, the City Council has only approved a loan of \$250,000, so far.
(See Ordinance 897-B.)

City of Chehalis
Comparative Financial Reports
October 2011 and 2012

STORM FUND (#406) REVENUES	A		B		C=B/A		D		E		F=E/D		G		H^		I=F-G			
	Budget	October 2011 Actual	% Rec'd	October 2012 Budget	October 2012 Actual	% Rec'd	Expected % Rec'd	Actual	% Exp'd	Expected % Exp'd	Actual	% Rec'd	Expected % Rec'd	Expected % Rec'd	Actual	Expected	Actual	Expected	% Variance	
Storm & Surface Water Fees	\$401,500	\$336,238	83.7%	\$407,780	\$337,679	82.8%	83.3%		82.8%	83.3%		83.3%		(2,138)	913		(2,138)	913	-0.5%	
Storm Connection/Misc. Fees	10,000	489	4.9%	5,477	5,477	100.0%	83.3%		100.0%	83.3%		83.3%		(417)	(417)		(417)	(417)	16.7%	
Interest Earnings	500	245	49.0%	500	0	0.0%	83.3%		0.0%	83.3%		83.3%		7,322	7,322		7,322	7,322	-83.3%	
Misc. Revenues/Insurance	0	398	N/A	0	7,322	N/A	83.3%		N/A	83.3%		83.3%		\$5,680	\$5,680		\$5,680	\$5,680	N/A	
Totals:	\$412,000	\$337,370	81.9%	\$413,757	\$350,478	84.7%	83.3%		84.7%	83.3%		83.3%								1.4%

STORM FUND (#406) EXPENSES	A		B		C=B/A		D		E		F=E/D		G		H^		I=G-F		
	Budget	October 2011 Actual	% Exp'd	October 2012 Budget	October 2012 Actual	% Exp'd	Expected % Exp'd	Actual	% Exp'd	Expected % Exp'd	Actual	% Exp'd	Expected % Exp'd	Expected % Exp'd	Actual	Expected	Actual	Expected	% Variance
Operating Expenses	\$363,139	\$252,343	69.5%	\$359,853	\$262,694	73.0%	83.3%		73.0%	83.3%		83.3%		\$37,184	\$37,184		\$37,184	\$37,184	10.3%
Capital Outlay	0	3,464	N/A	56,416	24,865	44.1%	83.3%		44.1%	83.3%		83.3%		22,148	22,148		22,148	22,148	39.2%
Totals:	363,139	255,807	70.4%	416,269	287,559	69.1%	83.3%		69.1%	83.3%		83.3%		59,332	59,332		59,332	59,332	14.2%

Net Budget/Income/Variance: \$48,861 \$81,563 (\$2,512) \$62,919 \$65,012 15.6%

Key:

- * The expected percentage is calculated as follows: since the report is for the 10th month of the year, 10 is divided by 12-the number of months in the year.
- ^To calculate the dollar variance between expected and actual expenditures, the following formula is used:
H=(D*G) -E (i.e.(annual budgeted amount x expected % expended) - actual expenditures.)

RECOMMENDATION/COUNCIL ACTION DESIRED

This report is for the Council's information only. No action is necessary.

Reviewed by  City Manager

CITY OF CHEHALIS

AGENDA REPORT

DATE: November 19, 2012

TO: The Honorable Mayor and City Council

FROM: Herta Fairbanks, Public Works Director
Patrick Wiltzius, Wastewater Superintendent

SUBJECT: Revision of Sewer Rates for Lewis County Water & Sewer District #4 and Napavine for 2013

ISSUE

Proposed new rates for the treatment of sewage for 2013 have been calculated for Lewis County Water & Sewer District #4 (LCSD #4) and the City of Napavine. The proposed rates are being presented for council review and approval.

DISCUSSION

In 1994, Chehalis, Napavine, and LCSD #4 modified their prior interlocal agreement for the provision of sewer services. Governance issues regarding the interceptor and sewage treatment are outlined in this agreement. The agreement provides that Napavine and LCSD #4 pay for the delivery and treatment of sewage based on applicable costs for operation and maintenance of the system.

It has been previously established that calculation of the rates for treatment are to be based on applicable expenditures and flow data from the previous year. No changes have been made to the rate calculation methodology that was initially adopted in 2002. Current and proposed new rates are presented in the table below for comparison.

	Napavine	LCSD #4
2012 rate/month	\$10,720	\$6,192
2013 rate/month	\$ 9,979	\$6,110
\$ change/month	-\$741	-\$82
% change/month	-6.9%	-1.3%

The rate changes proposed for next year are a result of differences in expenditures and flows used to calculate the rates. As compared to 2010, the applicable expenditures for 2011 were down by approximately 3.2%. This was primarily due to a decrease in administrative costs. As compared to 2010, the total flow to the Chehalis treatment plant in 2011 was about the same.

The flow contributed from LCSD #4 (as a percentage of total flow) was the same as 2010. The flow in 2011 from Napavine was down 6.3% as compared to 2010.

The result of the decrease in expenditures is that the proposed rates for 2013 are lower than those calculated for 2012. Over time the trend in rates should average out the annual highs and lows and show a modest increase due to inflation (The table below shows this). On average, rates for Napavine increase by 2.9% per year while those for LCSD #4 increase by 2.8%.

	2008	2009	2010	2011	2012	2013	avg.*
Napavine	\$10,194	\$8,122	\$10,454	\$8,482	\$10,720	\$9,979	\$9,360
% difference	13.0	-20.3	28.7	-18.9	26.4	-6.9	2.9
LCSD#4	\$5,908	\$4,522	\$6,230	\$5,064	\$6,192	\$5,540	\$5,540
% difference	9.7	-23.5	37.8	-18.7	22.3	-1.3	2.8

* since 2005

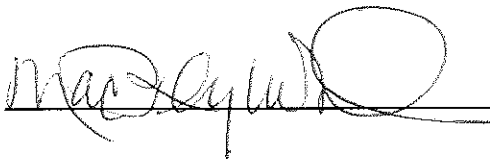
The attached ordinance has been prepared repealing rates for 2012 and establishing rates for 2013. The proposed rates have been discussed with LCSD #4 and the City of Napavine and no objections were raised to their implementation.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council pass Ordinance No. 903-B amending sewer rates for the City of Napavine and Lewis County Water & Sewer District #4 on second and final reading.

SUGGESTED MOTION

I move that the council pass Ordinance No. 903-B amending sewer rates for the City of Napavine and Lewis County Water & Sewer District #4 on second and final reading.

REVIEWED BY:  _____, CITY MANAGER

ORDINANCE NO. 903-B

**AN ORDINANCE OF THE CITY OF CHEHALIS,
WASHINGTON AMENDING SECTION 13.16.070, ORDINANCE
NO. 881-B, PASSED THE 28TH DAY OF NOVEMBER, 2011, AS
CODIFIED IN THE CHEHALIS MUNICIPAL CODE.**

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

Section 1. Section 13.16.070 of the Chehalis Municipal Code shall be, and the same hereby is, amended to read as follows:

13.16.070 Wastewater customers.

A. Rates charged to the city of Napavine and Lewis County Water & Sewer District #4 for the operation and maintenance of the interceptor and related facilities shared with the city and for the treatment of sewage by the city are as follows:

1. Napavine - \$9,979 per month; and
2. Lewis County Water & Sewer District #4 - \$6,110 per month.

B. These rates shall be adjusted annually based upon their flows and operations and maintenance costs of the interceptor and the wastewater treatment plant.

Section 2. Effective date.

The effective date of this ordinance shall be the 1ST day of January, 2013.

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 26th day of November, 2012.

Mayor

ATTEST:

City Clerk

Approved as to form and content:

City Attorney

O&M Rate Calculations for Napavine and LCSD#4

10/31/12

Introduction

In 1994, the cities of Chehalis and Napavine, along with Lewis County Water & Sewer District #4 (collectively known as the Sewer Operating Board) entered into an agreement for the provision of sewer services. Governance issues regarding the interceptor and sewage treatment are outlined in the agreement.

The agreement provides for the establishment of a rate to be charged to Napavine and Lewis County Water & Sewer District #4 (LCSD#4) for the delivery and treatment of sewage. The agreement states the rate shall be based on applicable costs for the operation and maintenance (O&M) of the system.

Last year's monthly rates, the eleventh year that the rates were based on flow, were \$10,720 for Napavine and \$6,192 for LCSD#4.

Rates for 2013

The calculation for setting the rates is unchanged from 2002 and is listed below:

$$\text{Monthly Sewer Charge} = ((\text{yearly Interceptor O\&M costs} \times \% \text{ of ownership of interceptor}) + (\text{yearly WWTP O\&M cost} \times \% \text{ of flow to the WWTP})) / 12$$

In this calculation, interceptor costs are calculated based on percentage ownership from segment A to G in the interceptor. (See attached ownership map)

The rate for any given year uses actual flows and expenditures from two years prior. This allows for actual yearly expenditures and flows to be tabulated and subsequent rate calculations to be provided to the entities during the budget process for the year in which the rate is to be charged.

Expenditures - The proposed rates for 2013 were developed using actual 2011 expenditures. 2014 rates will use actual expenditures from 2012. Expenditures also include any relevant capital costs but do not include any direct costs for the new wastewater treatment plant. (Napavine and Lewis County Sewer District are paying a percentage of the yearly loan repayment).

Flows - Flows for Napavine and LCSD#4 are measured at the North Star Rd. and Hamilton Rd. metering stations. Chehalis staff check and record flow data for Lewis County Sewer District from the North Star Rd. metering station and Napavine flow data from the Hamilton Rd. metering station on a daily basis. If problems are experienced with the flow meters, flows will be estimated from previous data on record.

Calculation of Yearly Interceptor O&M costs

1. Starting in 2006, O&M costs for the collection system were broken down specifically in a separate collection system budget. This was a change from past practice when costs for the collection system had to be calculated.
2. The percent of collection system costs due to interceptor O&M is calculated by using the ratio of sewer line (measured in feet) for the interceptor to the sewer line for Chehalis' entire collection system. The General Sewer Plan states that the interceptor is comprised of 28,565 feet of sewer line and the Chehalis collection system includes 249,003 feet of sewer line. This means the interceptor comprises 11.5% of collection system.

3. **Yearly interceptor O&M costs based on % of ownership** is then calculated by multiplying the total applicable collection system expenditures for 2011 by % of the interceptor as part of collection system by the % of ownership in the interceptor – from segment A to G. (LCSD#4 – 11.1%, Napavine – 23.7%)

Calculation of Yearly WWTP O&M cost based on % of flow to the WWTP

4. Yearly WWTP O&M expenditures were calculated utilizing the 2011 actual year end expenditures from the budgets for wastewater division administration, WWTP and poplar tree plantation.

5. WWTP O&M costs were then multiplied by the ratio of flow contributed by each entity to the total flow received by the WWTP in 2011. (Napavine = 66.3 MG / 649.6 MG = 10.2%, LCSD#4 = 41.3 MG / 649.6 MG = 6.4%) This portion of the rate factors in flow, so that inflow and infiltration (I&I) is paid for by the contributing entity.

6. To determine the final rate for each entity - **Yearly interceptor O&M costs** and **Yearly WWTP O&M cost based on % of flow to the WWTP** are added. This rate is then divided by 12 to get a monthly rate.

Informational Data

2011 Applicable Wastewater Expenditures	\$1,088,749
2011 Applicable Collection System Expenditures	\$ 315,809

	Ownership of Interceptor (A-G)	2011 Flow to WWTP	% Flow to WWTP
Chehalis	65.2%	542.0 MG	83.4%
Napavine	23.7%	66.3 MG	10.2%
LCSD#4	11.1%	41.3 MG	6.4%

Actual Calculations –

Napavine = $((\$1,088,749 \times 10.2\%) + (\$315,809 \times 11.5\% \times 23.7\%)) / 12 = \$9,979/\text{month}$

Old rate = \$10,720 New rate = \$9,979 % of decrease = -6.9%

LCSD#4 = $((\$1,088,749 \times 6.4\%) + (\$315,809 \times 11.5\% \times 11.1\%)) / 12 = \$6,110/\text{month}$

Old rate = \$6,192 New rate = \$6,110 % of decrease = -1.3%

Explanation of change

The rate changes proposed for 2013 are a result of differences in expenditures and flows used to calculate the rates. As compared to 2010, the applicable expenditures for 2011 were down by approximately 3.2%. This was primarily due to decrease in administrative costs. As compared to 2010, the total flow to the Chehalis treatment plant in 2011 was about the same. The flow contributed from LCSD #4 (as a percentage of total flow) was the same as 2010, and the flow from Napavine was down 6.3% from 2010.

The result of the decrease in expenditures and contributing flows is that the proposed rates for 2013 are lower than those calculated for 2012. Over time the trend in rates should average out the annual highs and lows and show a modest increase due to inflation.

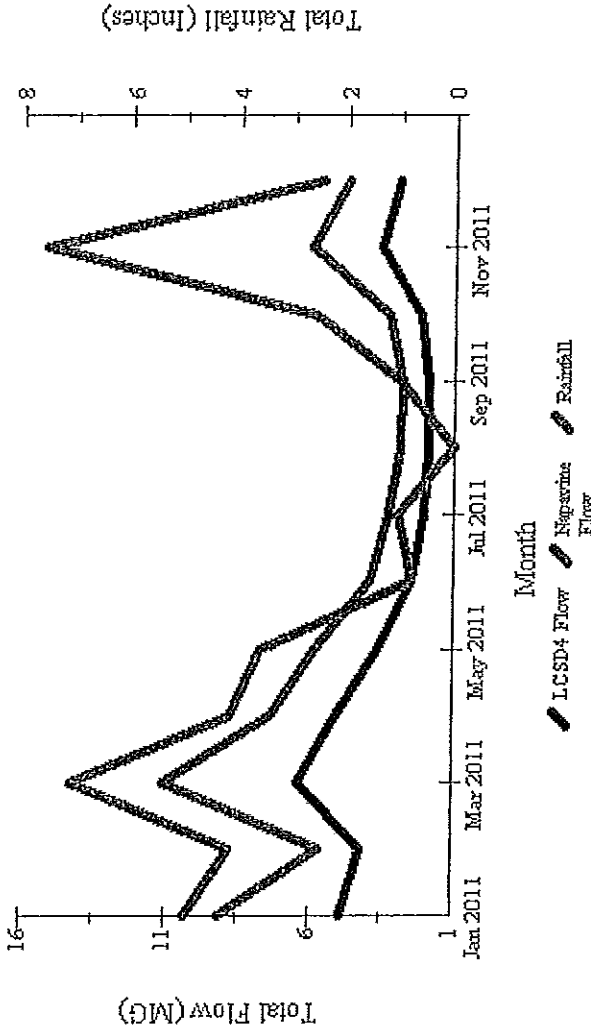
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LCSD4 & Napavine Monthly Flow Summary

Total Flow by Month

Month	LCSD4 Flow MGD	Napavine Flow MGD	Rainfall inches
Jan 2011	4.89	9.16	4.97
Feb 2011	4.20	5.66	4.17
Mar 2011	6.43	11.11	7.07
Apr 2011	5.09	7.43	4.15
May 2011	3.64	5.87	3.61
Jun 2011	2.44	3.93	0.78
Jul 2011	2.05	3.30	1.06
Aug 2011	1.89	2.91	0.01
Sep 2011	1.88	2.84	1.00
Oct 2011	2.20	3.32	2.61
Nov 2011	3.57	6.02	7.58
Dec 2011	2.98	4.76	2.49
Minimum	1.88	2.84	0.01
Maximum	6.43	11.11	7.58
Average	3.44	5.53	3.29
Total	41.26	66.31	39.50

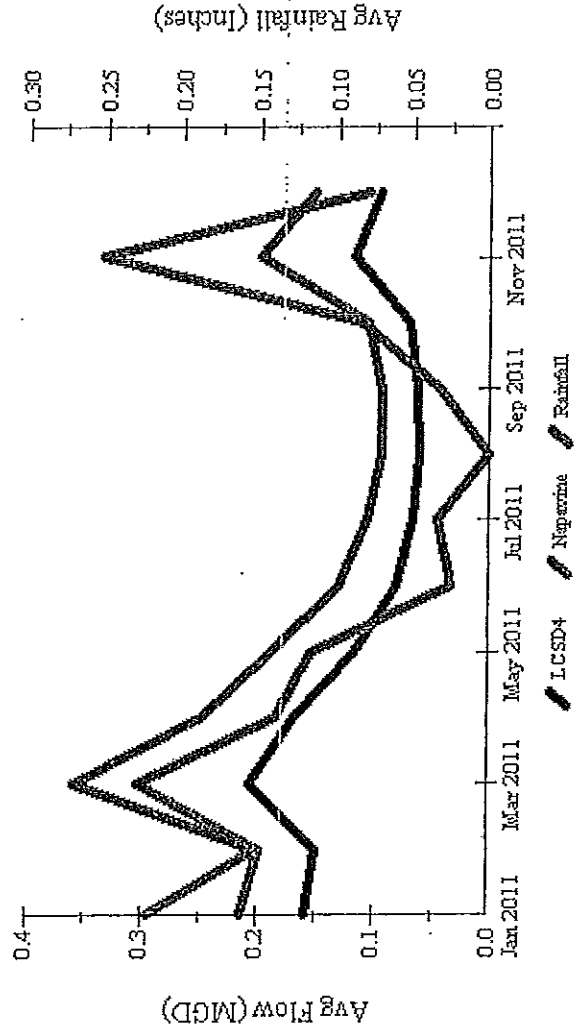
LCSD4 & Napavine Monthly Flow Summary



Avg. Flow by Month

Month	LCSD4 Flow MGD	Napavine Flow MGD	Rainfall inches
Jan 2011	0.16	0.30	0.16
Feb 2011	0.15	0.20	0.15
Mar 2011	0.21	0.36	0.23
Apr 2011	0.17	0.25	0.14
May 2011	0.12	0.19	0.12
Jun 2011	0.08	0.13	0.03
Jul 2011	0.07	0.11	0.03
Aug 2011	0.06	0.09	0.00
Sep 2011	0.06	0.09	0.03
Oct 2011	0.07	0.11	0.08
Nov 2011	0.12	0.20	0.25
Dec 2011	0.10	0.15	0.08
Minimum	0.06	0.09	0.00
Maximum	0.21	0.36	0.25
Average	0.11	0.18	0.11

LCSD4 & Napavine Monthly Flow Summary



**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager
DATE: November 20, 2012
SUBJECT: **Ordinances 904-B and 905-B - Adoption of Tax Levies**

ISSUE

Two ordinances have been prepared in connection with levying property taxes for collection in 2013. These are required in order for property taxes to be collected on behalf of the City.

DISCUSSION

Ordinance No. 904-B establishes the city's levies of ad valorem taxes (i.e., property taxes) for general operations; the Firefighters' Pension Fund; and Emergency Medical Services (EMS).

Ordinance No. 905-B is required under the provisions of Referendum 47. It identifies the changes, in both dollar amounts and percentage terms, in the City's general operations property tax levy; the firefighters' pension levy; and EMS levy for next year compared to this year.

The general property tax levy will increase slightly based upon the estimated value of new construction, improvements to property, any increase in the value of state assessed property, and any refunds made this year. However, general property taxes are not increasing by the one percent allowed by statute, and the City does not propose to use any of its banked capacity.

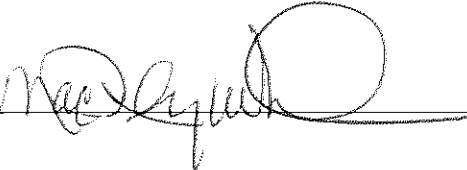
The tax rates for 2013 will be approximately \$2.375 for the general levy; and \$0.406 for the EMS levy per \$1,000 of assessed value. The rates for 2012 were \$2.217; and \$0.379 per \$1,000 of assessed value for the general levy, and the EMS levy, respectively.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council pass Ordinances 904-B and 905-B on second and final reading.

SUGGESTED MOTIONS

I move that the council pass Ordinance No. 904-B on second and final reading.
I move that the council pass Ordinance No. 905-B on second and final reading.

Reviewed by  _____, City Manager

ORDINANCE NO. 904-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, DETERMINING AND FIXING THE AMOUNT OF REVENUE TO BE RAISED BY AD VALOREM TAXES DURING THE CALENDAR YEAR 2013 AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.

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

Section 1. The amount of revenue to be raised by ad valorem taxes during 2013 for general city operations shall be, and the same hereby is, determined and fixed in the sum of One Million Three Hundred Fifty-Two Thousand Dollars (\$1,352,000).

Section 2. . The amount of revenue to be raised by ad valorem taxes during 2013 for emergency medical services shall be, and the same hereby is, determined and fixed in the sum of Two Hundred Thirty-One Thousand Dollars (\$231,000).

Section 4. The effective date of the ordinance shall be the 5th day of December 2012.

PASSED by the city council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this 26th day of November, 2012, on second reading.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

ORDINANCE NO. 905-B

**AN ORDINANCE OF THE CITY OF CHEHALIS,
WASHINGTON, STATING THE AMOUNTS AND
PERCENTAGES OF CHANGE IN PROPERTY TAX
LEVY IN CALENDAR YEAR 2013.**

WHEREAS, the City of Chehalis, Washington, properly gave notice of a public hearing held the 13th day of November, 2012, to consider the city budget for 2013, including possible property tax increases and other revenues, pursuant to RCW 84.55.120; and,

WHEREAS, the city's actual levy amounts for general operations; and Emergency Medical Services (EMS) levies were \$1,343,492; and \$229,641, respectively, in 2013; and,

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

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

Section 1. The 2012 general operations property tax levy for collection in 2013 is One Million Three Hundred Fifty-Two Thousand Dollars (\$1,352,000), which is an increase of Zero Dollars (\$0) and Zero Percent (0.0%) over the amount levied in 2011 for collection in 2012. Increases for the amounts allowed under the new construction and improvements to property provisions of RCW 84.55.010 and refunds, are only reflected in the total levy amount.

Section 2. The 2009 voter-approved EMS property tax levy for collection in 2012 is Two Hundred Thirty-One Thousand Dollars (\$231,000), which is an increase of Zero Dollars (\$0) and Zero Percent (0.0%) over the amount levied in 2011 for collection in 2012. Increases for the amounts allowed under the new construction and improvements to property provisions of RCW 84.55.010 and refunds are only reflected in the total levy amount.

PASSED by the city council of the city of Chehalis, Washington during a regularly scheduled open public meeting thereof this 26th day of November, 2012, on second reading.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager
DATE: November 20, 2012
SUBJECT: Ordinance 906-B – 2013 Budget Adoption, Second Reading

ISSUE

Ordinance 906-B has been prepared for the purpose of adopting the 2013 Budget. The two levy ordinances reflected in this budget are being presented to the Council concurrently.

DISCUSSION

Several changes have been made to the proposed 2013 Annual Budget, and, in consequence to Ordinance 906-B since it was presented for its first reading on November 13, 2012.

The following are the key changes reflected in this ordinance:

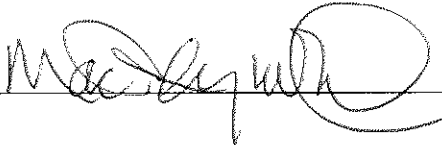
- The Lodging Tax Advisory Committee's funding recommendations for 2013 which were approved by the City Council at the November 13th council meeting are reflected in this ordinance.
- The reduced wastewater treatment rate charge to other agencies approved by the City Council at the November 13th council meeting are reflected in this ordinance.
- The previously unbudgeted annualized debt servicing costs of \$300 have been budgeted for in the 2011 G.O. Bond Fund. In consequence, the budgeted transfers out of the General Fund, the 1st Quarter REET Fund, and the 2nd Quarter REET Fund have been increased to cover this increase.
- Allocated expenditures have been recalculated for the General Fund's City Manager and Non-Departmental budgets due to changes in relative recurring budgeted expenditures between governmental and enterprise funds. The related offset changes are reflected in the Wastewater Fund's, Water Fund's, Storm and Surface Water Fund's, and Garbage Fund's budgets.
- Allocated expenditures for utility billings have been recalculated for the Water Fund due to the drop in the Wastewater Fund's revenues resulting from the approval of new reduced wastewater treatment rates to other agencies. The related offset changes are reflected in the Wastewater Fund's and Storm and Surface Water Fund's budgets.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends passage of Ordinances 906-B on second and final reading, as amended.

SUGGESTED MOTIONS

I move that the council pass Ordinance No. 906-B on second and final reading, as amended.

Reviewed by  _____, City Manager

ORDINANCE NO. 906-B

**AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON,
ADOPTING THE BUDGET OF THE CITY FOR THE YEAR 2013
AND PROVIDING FOR THE EFFECTIVE DATE HEREOF.**

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

Section 1. Attached hereto and identified as Exhibit "A", in summary form, are the total of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined for the budget of the city for 2013, and by this reference said Exhibit "A," showing a total estimated ending fund balance of \$5,538,382 is incorporated herein as set forth in full and the same is hereby adopted in full.

Section 2. This ordinance is a legislative act delegated by statute to the City Council of the City of Chehalis, is not subject to referendum and shall take effect January 1, 2013.

PASSED by the City Council of the City of Chehalis, Washington during a regularly scheduled open public meeting thereof this 26th day of November, on its second reading, as amended.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

Exhibit "A"
CITY OF CHEHALIS BUDGET
2013 Proposed Budget Summary (Revised)
All Funds

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expenditures	Operating Transfers Out	Est. End. Fund Balance
General Fund	840,843	6,974,141	500,000	7,083,803	524,632	706,549
Arterial Street Fund	23,682	153,000	0	172,120	0	4,562
Tourism Fund	67,285	165,150	0	172,435	0	60,000
Compensated Absence Fund	0	0	0	0	0	0
Community Dev. Block Grant Fund	19,904	5,050	0	0	0	24,954
HUD Block Grant Fund	322,036	3,600	0	0	0	325,636
Gambling Enforcement	77,881	0	0	77,881	0	0
Federal and State Grant Fund	0	585,152	500,000	585,152	500,000	0
2011 G.O. Bond Fund	0	0	98,827	98,827	0	0
Public Facilities Reserve Fund	884	0	0	0	0	884
Automotive/Equip. Res. Fund	147	0	0	0	0	147
1st Quarter REET Fund	122,074	28,400	0	0	42,002	108,472
2nd Quarter REET Fund	38,998	28,000	0	0	32,118	34,880
Wastewater Fund	2,190,390	4,204,941	0	4,869,928	0	1,525,403
Water Fund	1,353,419	2,931,887	0	2,575,471	0	1,709,835
Storms & Surface Water Fund	366,447	442,174	0	345,875	0	462,746
Garbage Fund	5,747	7,583	0	12,538	0	792
Firemen's Pension Fund	217,172	149,600	0	142,253	0	224,519
City Agency Fund	349,003	0	0	0	0	349,003
TOTALS	5,995,912	15,678,678	1,098,827	16,136,283	1,098,752	5,538,382

**CITY OF CHEHALIS
AGENDA REPORT**

TO: The Honorable Mayor and City Council
FROM: Eva Lindgren, Finance Manager
DATE: November 20, 2012
SUBJECT: Budget Amendment Ordinance 907-B; First Reading

ISSUE

Ordinance 907-B amending the 2012 Budget is hereby submitted to reflect the changes in estimates and the actual activity of the city. It is necessary to ensure compliance with appropriation requirements.

DISCUSSION

The attached spreadsheet provides detailed information on a line-by-line basis, as well as summary information of the proposed budget amendment.

The most significant reductions to revenues, transfers in, expenditures, and transfers out are the direct result of delays to the FEMA Home Elevation grant.

The administration has drafted Ordinance 907-B which results in city-wide net decreases to both revenues and appropriations to the 2012 Budget for all the items listed above and attached. The net decreases total \$2,634,550 and \$2,611,863 for revenues and transfers in; and expenditures and transfers out, respectively. The ordinance is presented for passage on the first of two required readings.

It is anticipated that this ordinance will be amended before being presented for its second and final reading.

RECOMMENDATION/COUNCIL ACTION DESIRED

The Administration recommends that the council pass Ordinance 907-B on first reading.

SUGGESTED MOTION

I move that the council pass Ordinance 907-B on first reading.

Reviewed  _____ City Manager

ORDINANCE NO. 907-B

AN ORDINANCE OF THE CITY OF CHEHALIS, WASHINGTON, AMENDING THE ANNUAL BUDGET OF THE CITY FOR THE CALENDAR YEAR 2012, BY INCREASING APPROPRIATIONS OF THE GAMBLING ENFORCEMENT FUND IN THE SUM OF EIGHT THOUSAND EIGHT HUNDRED AND FIFTY DOLLARS (\$8,850); THE 2012 G.O. BOND FUND IN THE SUM OF TWO HUNDRED AND NINETY-FIVE DOLLARS (\$295); THE 1ST QUARTER REET FUND IN THE SUM OF ONE HUNDRED AND TWENTY-FIVE DOLLARS (\$125); THE 2ND QUARTER REET FUND IN THE SUM OF NINETY-SIX DOLLARS (\$96); AND DECREASING APPROPRIATIONS OF THE GENERAL FUND IN THE SUM OF EIGHT HUNDRED EIGHTEEN THOUSAND SEVEN HUNDRED AND THIRTY-ONE DOLLARS (\$818,731); THE HOUSING AND URBAN DEVELOPMENT GRANT (HUD) FUND IN THE SUM OF TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500); AND THE FEDERAL AND STATE GRANT FUND IN THE SUM OF ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000); AND DIRECTING THE FINANCE MANAGER 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 2012 shall be, and the same hereby is, amended so as to increase the General Fund's revenues by \$65,155; decrease transfers in by \$900,000; increase expenditures by \$81,195; and decrease transfers out by \$899,926. The annual budget of the city for the calendar year 2012 shall be, and hereby is amended to decrease the appropriations of the General Fund in the sum of eight hundred eighteen thousand seven hundred and thirty-one dollars (\$818,731).

Section 2. The annual budget of the city for the calendar year 2012 shall be, and the same hereby is, amended so as to decrease the Housing and Urban Development Grant (HUD) Fund's expenditures by \$2,500. The annual budget of the city for the calendar year 2012 shall be, and hereby is amended to decrease appropriations of the HUD Fund in the sum of two thousand five hundred dollars (\$2,500).

Section 3. The annual budget of the city for the calendar year 2012 shall be, and the same hereby is, amended so as to increase the Gambling Enforcement Fund's expenditures by \$8,850. The annual budget of the city for the calendar year 2012 shall be, and hereby is amended to increase appropriations of the Gambling Enforcement Fund in the sum of eight thousand eight hundred and

fifty dollars (\$8,850).

Section 4. The annual budget of the city for the calendar year 2012 shall be, and the same hereby is, amended so as to decrease the Federal and State Grant Fund's revenues by \$900,000; transfers in by \$900,000; decrease expenditures by \$900,000, and decrease transfers out by \$900,000.

The annual budget of the city for the calendar year 2012 shall be, and hereby is amended to decrease appropriations of the Federal and State Grant Fund in the sum of one million eight hundred thousand dollars (\$1,800,000).

Section 5. The annual budget of the city for the calendar year 2012 shall be, and the same hereby is, amended so as to increase the 2011 G.O. Bond Fund's estimated beginning fund balance to \$4,272; increase transfers in by \$295; and increase expenditures by \$297. The annual budget of the city for the calendar year 2012 shall be, and hereby is amended to increase appropriations of the 2012 G.O. Bond Fund in the sum of two hundred and ninety-five dollars (\$295).

Section 6. The annual budget of the city for the calendar year 2012 shall be, and the same hereby is, amended so as to increase the 1st Quarter REET Fund's transfers out by \$125. The annual budget of the city for the calendar year 2012 shall be, and hereby is amended to increase appropriations of the 1st Quarter REET Fund in the sum of one hundred and twenty-five dollars (\$125).

Section 7. The annual budget of the city for the calendar year 2012 shall be, and the same hereby is, amended so as to increase the 2nd Quarter REET Fund's transfers out by \$96. The annual budget of the city for the calendar year 2012 shall be, and hereby is amended to increase appropriations of the 2nd Quarter REET Fund in the sum of ninety-six dollars (\$96).

Section 8. Attached hereto and identified as Exhibit A, in summary form, are 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 2012 for the amended 2012 budget as well as the budget as amended by Ordinance No. 907-B. The Exhibit A, as amended, shows a total estimated ending fund balance of \$5,794,709.

PASSED by the city council of the City of Chehalis, Washington, and **APPROVED** on its second reading by its mayor, at a regularly scheduled open public meeting thereof this 26th day of November, 2012.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

Exhibit A
CITY OF CHEHALIS AMENDED 2012 BUDGET
2012 Budget Summary - Revised with Ordinance 896-B
All Funds

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expenditures	Operating Transfers Out	Est. End. Fund Balance
General Fund	828,989	7,983,394	1,024,017	7,957,103	1,052,323	826,974
Arterial Street Fund	26,808	155,000	0	155,626	0	26,182
Tourism Fund	73,255	155,150	0	175,200	0	53,205
Compensated Absence Fund	4,036	10	0	4,046	0	0
Community Dev. Block Grant Fund	21,987	5,050	0	6,500	0	20,537
HUD Block Grant Fund	319,758	4,214	0	2,500	0	321,472
Gambling Enforcement	263,954	500	0	171,961	0	92,493
Federal & State Grant Fund	0	1,183,533	1,028,683	1,188,199	1,024,017	0
2011 G.O. Bond Fund	4,270	0	94,560	98,830	0	0
Public Facilities Reserve Fund	33,515	22,951	0	22,901	33,000	565
Automotive/Equip. Res. Fund	35,639	0	33,000	68,500	0	139
1st Quarter REET Fund	142,806	35,200	0	0	40,188	137,818
2nd Quarter REET Fund	50,659	35,075	0	0	30,732	55,002
Wastewater Fund	2,288,868	4,659,749	0	4,919,314	0	2,029,303
Water Fund	2,885,253	2,486,633	0	4,046,646	0	1,325,240
Storm & Surface Water Fund	364,776	413,757	0	416,269	0	362,264
Garbage Fund	11,089	6,500	0	12,580	0	5,009
Firemen's Pension Fund	189,349	157,100	0	135,000	0	211,449
City Agency Fund	349,742	0	0	0	0	349,742
TOTALS	7,894,753	17,303,816	2,180,260	19,381,175	2,180,260	5,817,394

CITY OF CHEHALIS AMENDED 2012 BUDGET
2012 Budget Summary - Revised with Ordinance 907-B
All Funds

FUND NAME	Est. Beg. Fund Balance	Revenue	Operating Transfers In	Expenditures	Operating Transfers Out	Est. End. Fund Balance
General Fund	828,989	8,048,549	124,017	8,038,298	152,397	810,860
Arterial Street Fund	26,808	155,000	0	155,626	0	26,182
Tourism Fund	73,255	155,150	0	175,200	0	53,205
Compensated Absence Fund	4,036	10	0	4,046	0	0
Community Dev. Block Grant Fund	21,987	5,050	0	6,500	0	20,537
HUD Block Grant Fund	319,758	4,214	0	0	0	323,972
Gambling Enforcement	263,954	500	0	180,811	0	83,643
Federal & State Grant Fund	0	283,533	128,683	288,199	124,017	0
2011 G.O. Bond Fund	4,272	0	94,855	99,127	0	0
Public Facilities Reserve Fund	33,515	22,951	0	22,901	33,000	565
Automotive/Equip. Res. Fund	35,639	0	33,000	68,500	0	139
1st Quarter REET Fund	142,806	35,200	0	0	40,313	137,693
2nd Quarter REET Fund	50,659	35,075	0	0	30,828	54,906
Wastewater Fund	2,288,868	4,659,749	0	4,919,314	0	2,029,303
Water Fund	2,885,253	2,486,633	0	4,046,646	0	1,325,240
Storm & Surface Water Fund	364,776	413,757	0	416,269	0	362,264
Garbage Fund	11,089	6,500	0	12,580	0	5,009
Firemen's Pension Fund	189,349	157,100	0	135,000	0	211,449
City Agency Fund	349,742	0	0	0	0	349,742
TOTALS	7,894,755	16,468,971	380,555	18,569,017	380,555	5,794,709


City of Chehalis
 2012 Budget Amendment No. 3 - Ordinance 907-B
 First Reading
 11/20/12

Fund No. and Name	Acct. Name	Reason for Amendment	Incr/(Decr) Rev.	Incr/(Decr) Exp.	Net Increase/(Decrease) to Fund Balance
Fund 001 - General Fund					
001.333.D97.04	12 Storm FEMA Disaster	Disaster Funding Awarded	4,108		
001.334.001.87	12 Mil. Dept. Disaster Grt	Disaster Funding Awarded	593		
001.334.003.50	WA Traffic Safety Comm.	School Zone Flashing Lights Proj.	7,500		
001.337.009.40	Chehalis School Dist.	School Zone Flashing Lights Proj.	2,954		
001.333.097.03	07 FEMA Disasters	Grant Close Out	50,000		
(1) 001.397.000.99	Transfer In - Grt. Fund	Delay in FEMA Home Elevation Grt	(900,000)		
(1) 001.G1.597.000.55.20	Transfer Out - Grt. Fund	Non-Depl: Delay in FEMA Grt.		74	
(2) 001.G1.597.000.55.20	Transfer Out - Debt Svc. Fu	Non-Depl: Incr. debt svc costs		2,500	
001.D1.513.010.41.00	Professional Services	CMO: Lobbying Services for Stan Hedwall Park		12,155	
001.G1.519.090.49.00	Miscellaneous	Non-Depl: AT & T Settlement		(8,850)	
001.H1.521.022.12.00	Overtime	PD: Expended in Gambling Enf. Fund		1,600	
001.53.558.020.41.02	Prof Svcs - Hearing Examinee	CD: Moved costs from HUD Fund		22,000	
001.53.574.020.41.00	Professional Services	CD: Recreation program contractors		8,250	
001.53.594.076.41.00	Professional Services	CD: Primarily for Pool Project		21,964	
001.53.576.080.21.07	Benefits - UI Taxes	CD: Unemployment Benefits		850	
001.53.574.020.45.00	Rentals	CD: Porta Potty Rentals		3,200	
001.53.576.080.32.00	Fuel	CD: Costs higher than anticipated		4,250	
001.B1.594.011.64.00	Equipment	Council: Multi-Purpose Machine Purchase		2,125	
001.D1.594.013.64.00	Equipment	CMO: Multi-Purpose Machine Purchase		2,125	
001.E4.594.014.64.00	Equipment	Clerks: Multi-Purpose Machine Purchase		9,026	
001.H1.594.021.64.00	Equipment	PD: Multi-Purpose Machine Purchase			
		Less Transfers	(834,845)	(818,731)	(16,114) General Fund 001
		Net Revenues/Expenditures	900,000	899,926	
			65,155	81,195	
Fund 197 - Housing and Urban Development (HUD) Fund					
197.07.558.020.41.02	Prof Svcs - Hearing Examinee	Moved to General Fund CD	0	(2,500)	2,500 HUD Fund 197
Fund 198 - Gambling Enforcement Fund					
198.H1.521.022.12.00	Overtime	Unbudgeted in Fund 198	0	8,850	(8,850) Gambling Fund 198

City of Chehalis
 2012 Budget Amendment No. 3 - Ordinance 907-B
 First Reading
 11/20/12

Fund No. and Name	Acct. Name	Reason for Amendment	Incr/(Decr) Rev.	Incr/(Decr) Exp.	Net Increase/(Decrease) to Fund Balance
Fund 199 - Federal and State Grant Fund					
	199.333.D97.03	FEMA Mitigation Grant Revs. Delay in FEMA Home Elevation Grt	(675,000)		
	199.334.D01.81	Military Dept. Grant Revs. Delay in FEMA Home Elevation Grt	(112,500)		
	199.367.011.59	Donations - Housing Delay in FEMA Home Elevation Grt	(112,500)		
(1)	199.397.000.01	Transfer In - General Fund Delay in FEMA Home Elevation Grt	(900,000)	(900,000)	
(1)	199.48.597.000.55.01	Transfer Out - Grt. Fund Non-Deptt: Delay in FEMA Grt.		(900,000)	
	199.48.559.D20.49.00	Miscellaneous		(900,000)	
		Less Transfers	(1,800,000)	(1,800,000)	0 Fed. & State Grt. Fund 199
		Net Revenues/Expenditures	900,000	900,000	
			(900,000)	(900,000)	
Fund 200 - 2011 G.O. Bond Fund					
(2)	200.397.000.01	Transfer In-General Fund	74		
(2)	200.397.000.35	Transfer In-1st Qtr. REET Fund	125		
(2)	200.397.000.36	Transfer In-2nd Qtr. REET Fund	96		
	200.OC.592.034.89.00	Other Debt. Svc. & Int. Costs Increase in debt service costs		149	
	200.OC.592.034.89.00	Other Debt. Svc. & Int. Costs Increase in debt service costs		148	
		Less Transfers	295	297	(2) G.O. Bond Fund 200
		Net Revenues/Expenditures	(295)		
			0	297	
Fund 305 - 1st Quarter REET Fund					
(2)	305.44.597.000.55.20	Transfer Out - Debt Svc. Fu Increase in debt service costs	0	125	
		Less Transfers	0	125	(125) Public Fac Fund 301
		Net Revenues/Expenditures	0	(125)	
2nd Quarter REET Fund					
(2)	306.44.597.000.20	Transfer Out - Debt Svc. Fu Increase in debt service costs	0	96	
		Less Transfers	0	96	(96) Auto/Equip. Fund 302
		Net Revenues/Expenditures	0	(96)	
			0	0	
			(2,634,550)	(2,611,863)	(22,687) City-wide

CITY OF CHEHALIS
AGENDA REPORT

Date: November 20, 2012
To: The Honorable Mayor and City Council
From: Merlin MacReynold, City Manager 
Subject: 2013 Airport Budget

ISSUE

The airport board has prepared a proposed budget for approval by Chehalis and Lewis County in accordance with RCW 14.08. A resolution of approval also has been prepared for your consideration.

DISCUSSION

Attached is a line item presentation of the recent and proposed 2013 airport revenues and operating and capital expenditures.

RECOMMENDATION/COUNCIL ACTION DESIRED

The administration recommends that the council approve the 2013 airport budget by adopting Resolution No. 17-2012 on first and final reading.

SUGGESTED MOTION

I move that the council approve the 2013 airport budget by adopting Resolution No. 17-2012 on first and final reading.

RESOLUTION NO. 17-2012

**A RESOLUTION OF THE CITY OF CHEHALIS,
WASHINGTON, APPROVING THE 2013 BUDGET FOR
THE CHEHALIS-CENTRALIA AIRPORT.**

WHEREAS, The Chehalis-Centralia Airport Governing Board is organized in accordance with Chapter 14.08 RCW and by agreement with the City of Chehalis, and the County of Lewis dated December 19, 2005; and

WHEREAS, the Chehalis-Centralia Airport Governing Board has proposed a budget for the airport for 2013; and

WHEREAS, said board has developed the proposed budget as part of its regular public meeting schedule; and

WHEREAS, the proposed budget is consistent with the current airport master plan; now, therefore,

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

Section 1. The City of Chehalis hereby approves the Governing Board's proposed 2013 Airport Budget (copy attached).

ADOPTED by the City Council of the city of Chehalis, Washington, and **APPROVED** by its Mayor, at a regularly scheduled open public meeting thereof this 26th day of November, 2012.

Mayor

Attest:

City Clerk

Approved as to form and content:

City Attorney

Chehalis-Centralia Airport
2013 Final Budget

REVENUE

Account	Account Name	2009	2010	2011	2012	2013
331.20.10.60	FAA-AIRPORT IMPROVEM	94,695	150,000	150,000	100,000	90,000
344.50.00.00	FUEL SALES	440,000	440,000	430,000	500,000	500,000
361.11.00.00	INVESTMENT INTEREST	33,000	15,000	4,500	4,200	8,200
362.30.00.00	PARKING	2,000	2,000	2,000	2,000	2,000
362.50.00.00	SPC&FAC LSES-LONG	68,447	68,447	68,447	69,703	69,703
362.60.10.00	MAIN HANGAR LEASE					
362.90.00.00	OTHR RNTS&USE CHRGS	1,000	1,000	1,000	1,000	1,000
369.90.00.00	MISC REVENUE-OTHER	2,000	2,000	2,000	2,000	2,000
391.50.00.00	LEASE RCPTS-CAPITAL	744,135	759,136	772,445	791,152	805,000
Total		\$ 1,385,277	\$ 1,437,583	\$ 1,430,392	\$ 1,470,055	\$ 1,477,903

CAPITAL EXPENDITURES

Account	Account Name	2009	2010	2011	2012	2013
592.46.80.00	DEBT SERVICE:INTERES	136,691	128,852	120,669	112,132	103,221
592.46.70.00	LONG TERM EXTL DEBT	179,516	187,355	195,535	204,073	212,985
594.46.61.00	LAND	150,000				
594.46.62.00	BUILDINGS & STRUCTRS					260,000
594.46.63.00	OTHER IMPROVEMENTS		150,000	150,000		70,000
594.46.64.00	MACHINERY & EQPMNT					115,000
594.46.65.00	CONSTRUCT IN PRGRESS					
595.10.00.00	ENGINEERING				100,000	
Total		\$ 466,207.00	\$ 466,207.00	\$ 466,204.00	\$ 416,205.00	\$ 761,206.00

OPERATING EXPENDITURES

Account	Account Name	2009	2010	2011	2012	2013
546.10.10.00	SALARIES & WAGES	173,463	180,000	185,540	201,000	210,000
546.10.10.00	457(b) EMPLOYER CONT.					12610
546.10.20.00	PERSONNEL BENEFITS	1,000	1,100	1,100	1,100	1,100
546.10.21.00	INDUSTRIAL INSURANCE	2,500	4,200	2,750	4,500	4,500
546.10.22.00	SOCIAL SECURITY	13,300	14,500	14,500	15,000	3500
546.10.23.00	RETIREMENT	11,000	12,000	9,900	14,200	14910
546.10.24.00	MEDICAL INSUR	22,488	23,000	18,756	28,756	30769
546.10.24.08	HSA-VEBA FUND			4,500	8,580	9181
546.10.31.00	OFFICE & OPER SUPPL	12,000	15,000	15,000	20,000	21,000
546.10.32.00	FUEL CONSUMED	8,000	5,000	5,000	7,000	8,000
546.10.33.00	FUEL FOR RESALE	407,000	407,000	395,000	460,000	460,000
546.10.35.00	SMLL TOOLS & MNR EQP	20,000	20,000	20,000	20,000	22,000
546.10.41.00	PROFESSIONAL SERVICE	100,000	50,000	50,000	50,000	50,000
546.10.42.00	COMMUNICATIONS	5,000	5,000	5,000	5,000	5,000
546.10.42.01	POSTAGE	800	800	800	800	800
546.10.43.00	TRAVEL	6,000	6,000	6,000	6,000	6,000
546.10.44.00	ADVERTISING	1,000	1,000	1,500	2,000	2,000
546.10.45.00	OPER RENTALS & LEASE	5,000	5,000	5,000	5,000	5,000
546.10.46.00	INSURANCE	12,000	12,000	12,000	12,500	13,000
546.10.47.00	UTILITIES	17,000	17,000	17,000	19,000	19,570
546.10.48.00	REPAIRS & MNTENANCE**	75,000	125,000	125,000	125,000	25,000
546.10.49.00	MISCELLANEOUS	2000	2000	12000	2000	2,000
546.10.49.01	TRAINING & REGISTRATION	2000	3000	3000	3000	4,000
546.10.49.02	DUES & SUBSCRIPTIONS	2,600	4,000	4,000	4,000	4,000
546.10.51.00	INTRGOVTL-PROF SVCS	10,000	10,000	10,000	10,000	12,000
546.10.53.00	INTRGOVTL-EXTRNL TAX	2,200	2,200	2,200	2,500	3,000
546.10.96.05	INTRFND-CNTY INS-NON					
Total		\$ 911,351	\$ 924,800	\$ 925,546	\$ 1,026,936	\$ 948,940

Total Revenue	\$ 1,385,277.00	\$ 1,437,583.00	\$ 1,430,392.00	\$ 1,470,055.00	\$ 1,477,903
Total Expenses	\$ 1,377,558.00	\$ 1,391,007.00	\$ 1,391,750.00	\$ 1,443,141.00	\$ 1,710,146
Profit (Loss)	\$ 7,719.00	\$ 46,576.00	\$ 38,642.00	\$ 26,914.00	\$ (232,243)

** Includes \$100,000 contingency fund

**CHEHALIS-CENTRALIA AIRPORT BOARD
2013 BUDGET DISCUSSION PAPER (FINAL)**

Revenues:

344.50.00.00	Fuel Sales	\$500,000
	<ul style="list-style-type: none"> • Revenue based on the sale of 100,000 gallons of fuel (including Jet-A and 100LL) with an average retail pump price of \$5.00 a gal. 	
361.11.00.00	Investment Interest Earnings	\$8,200
	<ul style="list-style-type: none"> • Revenue derived from interest on state investment pool account. Based on .513% return for 2013 with an average of \$1,600,000.00 invested. 	
362.30.00.00	Aircraft Parking / Deposits	\$2,000
	<ul style="list-style-type: none"> • Estimated revenue from tie down fees and lease deposits. 	
362.50.00.00	Special Facility Leases (Non-private Hanger Leases).	\$69,703
362.90.00.00	Other Rents and Use Charges.	\$1,000
	<ul style="list-style-type: none"> • This revenue source is for short term access rights for special events. Hay fields etc. 	
369.90.00.00	Misc Revenue - Other.	\$2,000
	<ul style="list-style-type: none"> • Electrical surcharges from private hangar lessees, late fees. 	
391.50.00.00	Lease Receipts - Capital (Long-term Land Leases).	\$805,000
Revenues from Airport Operations and Commercial Property:		\$1,387,903
FAA Grant – AIP Projects		\$90,000
<hr/> Total Estimated Revenue		<hr/> \$1,477,903

Operating Expenditures:

546.10.10.00	Salaries and Wages (2013 - TBD)	\$210,000
546.10.23.XX	457(b) Employer Contributions	\$12,610
	<ul style="list-style-type: none">In lieu of 6.2% Social Security (FT Employees Only)	
546.10.24.00	Medical HSA Insurance Premiums	\$30,769
546.10.24.08	Medical HSA Account Contributions	\$9,181
543.10.20.00	Personnel Benefits (Unemployment)	\$1,100
	<ul style="list-style-type: none">Total Salaries x Unemployment rate (\$205,298 x .0052)	
546.10.21.00	Industrial Insurance (Wash. L&I)	\$4,500
	<ul style="list-style-type: none">Rate x hours worked4904 Clerical Office NOC & Draftsman = .1658 x 41606804 Airport Operations Ground Crew = .8633 x 4300	
546.10.22.00	Social Security	\$3,500
	<ul style="list-style-type: none">Social security 6.2% and Medicare 1.45% x Total Salaries (PT Employ)Medicare 1.45% x Total Salaries (FT Employees – Medicare Only)	
546.10.23.00	Retirement	\$14,910
	<ul style="list-style-type: none">Washington State Public Employment Retirement System (PERS)7.21% x Total Salaries (Full Time) = \$199,298 x .0725	
546.10.31.00	Office and Operating Supplies	\$21,000
	<ul style="list-style-type: none">Amount for office and maintenance supplies which are consumable and used within one year. Examples are office supplies, chemicals, cleaning supplies, electrical supplies, lubricants and oils, paints, plumbing supplies, and landscaping.	
546.10.32.00	Fuel Consumed	\$8,000
	<ul style="list-style-type: none">Fuel for operating airport equipment including any rental machinery.	
546.10.33.00	Fuel for Resale	\$460,000
	<ul style="list-style-type: none">Based on fuel sales of 100,000 gallons @ \$4.60 per gallon cost	
546.10.35.00	Small Tools and Minor Equipment	\$22,000
	<ul style="list-style-type: none">Non consumable items expected to last over one year. Includes and airport or office equipment and tires.	
546.10.41.00	Professional Services	\$50,000
	<ul style="list-style-type: none">Any business providing a service which includes; surveys, appraisals, attorney fees, engineering, and cleaning services.	
546.10.42.00	Communications	\$5,000
	<ul style="list-style-type: none">Telephone expenses including AT&T cell phones, Qwest fuel island phone line, Vonage VoIP business lines, Qwest DSL service, and Dish Network TV.	
546.10.42.01	Postage	\$800
	<ul style="list-style-type: none">Includes stamps for all invoices and board packets. All other shipping expenses.	
546.10.43.00	Travel	\$6,000
	<ul style="list-style-type: none">Expenses related to travelling to conferences/training. Includes airfare, meals, lodging, rental cars, and taxis. Also covers employee reimbursable mileage.	
546.10.44.00	Advertising	\$2,000
	<ul style="list-style-type: none">Advertising to assist in airport events (AirFair) along with Chamber membership.	

546.10.45.000	Operatlon Rentals and Leasing	\$5,000
	• The rental of equipment for projects.	
546.10.46.00	Insurance	\$13,000
	• Underground Storage Tank \$1,500	
	• Airport & Hangar Liability \$8,000	
	• Property Insurance (County) \$3,000	
546.10.47.00	Utilities	\$19,570
	• PUD, Water, Garbage	
546.10.48.00	Repairs and Maintenance	\$25,000
	• \$25,000 for general operating maintenance work that is contracted including labor and supplies.	
546.10.49.00	Miscellaneous	\$2,000
	• Recording Fees, late fees, tuition, finance charges, mileage for non airport employees, and contractual services not otherwise classified.	
546.10.49.01	Training & Registration	\$4,000
	• Training expenses related to continued education and professional development.	
546.10.49.02	Dues & Subscriptions	\$4,000
	• WAMA, AAAE, CAA, NADIN AWOS data services.	
546.10.53.00	Intergovernmental External Taxes	\$3,000
	• Forest Patrol Assessment - \$100	
	• B&O Tax \$460,000 x .00471	
546.10.51.00	Intergovernmental Professional Services	\$12,000
	• Cost for county accounting services & State audit.	
Total Estimated Operating Expenditures for 2013:		\$944,128
Capital Expenses:		
	• CIP Base Expenses (Shop, Jet-A Tank, Vehicle, Fuel Truck, PCLI, Garage)	\$445,000
	• Debt Service-Principle-Long Term Debt (\$3.5M BofA Bond)	\$212,985
	• Debt Service-Interest (\$3.5M BofA Bond)	\$103,221
Total Estimated Capital Expenditures for 2013:		\$761,206
Total Revenues		\$1,477,903
Total Expenses		\$1,705,334
Profit / (Loss)		(227,431)*
*Loss offset from 2012 profit of \$275,621		
Estimated 2013 ending fund balance		\$1,611,849

CIP Integration Financial Forecast

	2012	2013	2014	2015	2016	2017	2018	2019
Estimated Operating Revenues	\$ 1,604,317	\$ 1,387,903	\$ 1,436,621	\$ 1,467,651	\$ 1,508,502	\$ 1,517,751	\$ 1,526,751	\$ 1,561,911
FAA Grants	\$ 90,000	\$ 140,000			\$ 720,000			\$ 200,000
Total Revenues	\$ 1,604,317	\$ 1,477,903	\$ 1,576,621	\$ 1,467,651	\$ 2,228,502	\$ 1,517,751	\$ 1,526,751	\$ 1,761,911
Estimate Operating Expenses	\$ 973,491	\$ 948,940	\$ 967,956	\$ 989,161	\$ 1,018,639	\$ 1,045,528	\$ 1,067,669	\$ 1,090,704
CIP Projects	\$ 39,000	\$ 445,000	\$ 280,000	\$ 153,000	\$ 842,000			\$ 720,000
Debt Service	\$ 316,205	\$ 316,205	\$ 316,205	\$ 316,205	\$ 316,205	\$ 1,532,672	Debt Free	
Total Expenses	\$ 1,328,696	\$ 1,710,145	\$ 1,544,161	\$ 1,458,366	\$ 2,176,844	\$ 2,578,200	\$ 1,067,669	\$ 1,810,704
Profit / (Loss)	\$ 275,621	\$ (232,242)	\$ 32,460	\$ 9,285	\$ 51,658	\$ (1,060,449)	\$ 459,082	\$ (48,793)
Estimated Reserves	\$ 1,844,091	\$ 1,611,849	\$ 1,644,309	\$ 1,653,594	\$ 1,705,252	\$ 644,803	\$ 1,103,885	\$ 1,055,093
FAA Fund Balance	\$ 220,307	\$ 280,307	\$ 280,307	\$ 440,307	\$ (129,693)	\$ 20,307	\$ 170,307	\$ 120,307

1. Conservative revenue projections based on lease rent schedules with Taco Time coming online in 2014 and an addition one acre lease in 2016. Hangar rate incre