



**CITY OF WENATCHEE
PUBLIC NOTICE**

**Re: Wenatchee City Council Special Meeting
November 5, 2020 @ 5:15 PM**

Due to the COVID-19 pandemic, and the Governor's Proclamation 20.28.9, for the health and safety of the community and city staff and councilmembers, City Hall is closed to the public. The public may view the City Council meeting which is broadcast live on the city's YouTube channel "[Wenatchee TV](#)". Members of the public without internet access may listen to the City Council meeting and participate in the public hearings by calling **(509) 888-3298, passcode 66516**.

En Español:

POR FAVOR TOME NOTA, en consideración a la actual pandemia COVID-19, para la salud y seguridad de la comunidad y el personal de la ciudad y los miembros del Concejo, no tendremos público presente en la junta del Concejo de Wenatchee.

El público puede tener acceso a la junta en el canal de YouTube de la ciudad "Wenatchee TV". Los miembros del público sin acceso a Internet pueden escuchar esta junta llamando al **(509) 888-3298, passcode, 66516**.

Tammy Stanger, City Clerk
301 Yakima Street, 3rd Floor • P.O. Box 519 • Wenatchee, WA 98807-0519
Telephone: (509) 888-6204 • Facsimile: (509) 888-3636 • TTY: 711
Email: cityclerk@wenatcheewa.gov • Web: www.wenatcheewa.gov



WENATCHEE CITY COUNCIL
Thursday, November 5, 2020
Wenatchee City Hall Council Chambers
301 Yakima Street, 2nd Floor
Wenatchee, WA 98801
AGENDA

Due to the COVID-19 pandemic, and the Governor's Proclamation 20-28.9, for the health and safety of the community and city staff and councilmembers, City Hall is closed to the public. The public may view the City Council meeting which is broadcast live on the city's YouTube channel "[Wenatchee TV](#)". Members of the public without internet access may listen to the City Council meeting and participate in the public hearing by calling **(509) 888-3298, passcode 66516**.

5:15 p.m. Special Meeting

1. Call to Order, Pledge of Allegiance, and Roll Call.

2. Consent Items:

- Motion to approve agenda, vouchers, and minutes from previous meetings.

Vouchers:

Payroll distribution in the amount of \$346,145.00 for October 20, 2020
Claim checks #196798 through #196861 in the amount of \$852,452.18 for October 22, 2020
Wires #1507-#1510 in the amount of \$61,739.98 for October 26, 2020
Payroll distribution (retirees) in the amount of \$12,701.38 for October 30, 2020
Claim checks #196862 through #196939 in the amount of \$492,490.13 for October 29, 2020

3. Proclamation.

* Veterans Day Proclamation

4. Action Items.

- A.** Adoption of Resolution No. 2020-33 for the appointment of Armando Bedito to the Housing Authority of Chelan County and City of Wenatchee Board.
Presented by Executive Services Director Laura Merrill
Action Requested: Staff recommends that the City Council adopt Resolution No. 2020-33 to approve the appointment of Armando Bedito to the Housing Authority of Chelan County and City of Wenatchee Board to fill an unexpired two-year term ending December 31, 2021.

- B.** Lease with Wenatchee Aerie #204 for a space for Veterans Hall. Monthly rent of \$3,305.
Presented by Development Project Manager Matt Shales
Action Requested: Staff recommends the City Council accept the terms provided in both lease documents and further authorize the Mayor to sign, thereby allowing the Veterans Hall to continue uninterrupted operations.

- C.** UPS Peak Season Facility proposal to operate on vacant City property
Presented by Development Project Manager Matt Shales
Action Requested: Staff recommends the City Council accept the terms provided in the license agreement and further authorize the Mayor to sign, allowing temporary peak season operations by UPS on vacant City property.

5. Public Hearing Items.

The Mayor will call the Public Hearing to order and state the ground rules, the purpose of the hearing, the action that the hearing body may take on the matter, will address the appearance of fairness doctrine, and will state the manner in which the hearing will proceed. Staff will first give a report, followed by testimony of experts and/or the applicant, followed then by public testimony. All speakers must speak into the telephone and clearly state their names and addresses. All comments should be addressed to the hearing body, should be relevant to the application, and should not be of a personal nature. Public testimony may be limited to three minutes, unless further time is granted by the Mayor. If there are a large number of speakers, a representative may be appointed to speak on behalf of the group.

- D.** 2021 Property Tax Ordinance and Resolutions
Presented by Finance Director Brad Posenjak
Action Requested: Staff recommends the City Council approve Resolution 2020-34 authorizing a levy limit factor of 101% upon a finding of substantial need, approve Ordinance 2020-30 authorizing an increase in the regular property tax levy to be collected in the 2021 tax year, and approve Resolution 2020-35 requesting the Chelan County Assessor to collect sufficient funds to address debt service requirements of a voter approved bond levy.

6. Presentation.

- E.** Preview the Final 2021 Budget

7. Reports.

- a. Mayor's Report
- b. Reports/New Business of Council Committees

8. Announcements.

9. Adjournment.



WENATCHEE CITY COUNCIL WORK SESSION

City Hall Council Chambers
301 Yakima Street, 2nd Floor
Wenatchee, WA 98801

DRAFT

MINUTES

Thursday, October 15, 2020
5:15 p.m.

Present: Mayor Frank J. Kuntz, Councilmember Position 1 Jose Cuevas, Councilmember Position 2 Jim Bailey, Councilmember Position 4 Travis Hornby, Councilmember Position 5 Mark Kulaas, Councilmember At-Large "A" Linda Herald, Councilmember At-Large "B" Keith Huffaker (via telephone)

Staff Present: Executive Services Director Laura Merrill, City Clerk Tammy Stanger, IS Support Tim McCord, Community Development Director Glen DeVries, Planning Manager Stephen Neuenschwander, Building Official Cliff Burdick, Public Works Director Rob Jammerman, Finance Director Brad Posenjak, Operations Manager Aaron Kelly

DISCUSSION ITEMS:

A. Comprehensive Plan and Zoning Code Changes

Community Development Director Glen DeVries, Planning Manager Stephen Neuenschwander, and Building Official Cliff Burdick provided a Power Point presentation with the proposed Comprehensive Plan and Zoning Code amendments, which included: (1) Updates to the zoning district area calculations; (2) new section in the Land Use/Urban Growth Area Element on the proposed College District; (3) new goals and policies that further support the College District; (4) updates to the implementation table for the College District and to the RFL and RS districts; and (5) updated Land Use Map, and the next steps for implementation, with a final public hearing before the City Council on December 10, 2020.

B. Solid Waste Contract

Operations Manager Aaron Kelly and Waste Management Representatives Tyler Mackay and Tami Yager, presented the 2021 new service options for the solid waste contract. It was the consensus of the Council that option 1 was the best for consideration and further negotiation.

The Mayor announced that the Supreme Court rejected the \$30 car tab initiative. The City will be able to now allocate the Transportation Benefit District funds that it had set aside pending the outcome of this case.

He announced that we were now in Phase 2 and thanked the good work of Chamber Executive Director Shiloh Burgess and the Health District for working with the Governor's office to get us there.

He and staff are still negotiating the jail contract.

With nothing further to discuss, the meeting adjourned at 6:37 p.m.

Frank J. Kuntz, Mayor

Attest:

Tammy L. Stanger, City Clerk



WENATCHEE CITY COUNCIL
Thursday, October 22, 2020

Wenatchee City Hall Council Chambers
301 Yakima Street, 2nd Floor
Wenatchee, WA 98801
MINUTES

DRAFT

Present: Mayor Frank Kuntz, Councilmember District 1 José Cuevas, Councilmember District 2 Jim Bailey, Councilmember District 3 Ruth Esparza, Councilmember District 4 Travis Hornby, Councilmember District 5 Mark Kulaas, Councilmember At-Large “A” Linda Herald, Councilmember At-Large “B” Keith Huffaker

Staff Present: Executive Services Director Laura Merrill, City Attorney Steve Smith (via phone), City Clerk Tammy Stanger, IS Support Tim McCord, Parks, Recreation & Cultural Services Director David Erickson, Public Works Director Rob Jammerman, Community Development Director Glen DeVries

5:15 p.m. Regular Meeting

1. Call to Order, Pledge of Allegiance, and Roll Call. Mayor Frank J. Kuntz called the regular meeting to order at 5:15 p.m. Councilmember Keith Huffaker led the Pledge of Allegiance.

2. Consent Items:

Motion by Councilmember Keith Huffaker for City Council to approve agenda, vouchers, and minutes from previous meetings; to accept the work performed by the contractor J&K Earthworks, LLC on the North Wenatchee Stormwater Project Phase 1, Project No. 1617, and further authorize the Mayor to sign the Final Contract Voucher Certificate on behalf of the City of Wenatchee; to accept the work performed by the contractor, Central Washington Asphalt, on the 2019 Pavement Preservation project, City Project 1901, and further authorize the Mayor to sign the Final Contract Voucher; and to approve Resolution No. 2020-32 designating the Mayor as an on-going alternate voting representative to the Rivercom Administrative Board. Councilmember Travis Hornby seconded the motion. Motion carried (7-0).

3. Action Items.

A. Arts, Recreation and Parks Commission Appointment

Parks, Recreation & Cultural Services Director David Erickson presented the staff report.

Motion by Councilmember Ruth Esparza for City Council to approve Resolution 2020-29 appointing Lukas Hedtke to position six of the Wenatchee Arts Recreation and Parks Commission with a term expiring December 31, 2021. Councilmember Jose Cuevas seconded the motion. Motion carried (7-0).

B. RCO-RTP Grant Application Authorization

Parks, Recreation & Cultural Services Director David Erickson presented the staff report and provided the City Council with a handout showing the city's project history with the grant program. Council asked questions.

Motion by Councilmember Linda Herald for City Council to approve Resolution 2020-30 authorizing application to the State Recreation Conservation Office for a Recreation Trail Program Grant. Councilmember Travis Hornby seconded the motion. Motion carried (7-0).

C. Code Enforcement Board Re-appointment – Luis Gonzalez

Community Development Director Glen DeVries presented the staff report. Council asked questions.

Motion by Councilmember Jim Bailey for City Council to Resolution No. 2020-31, designating the re-appointment of Luis Gonzalez to the Code Enforcement Board for a two-year term ending December 31, 2022. Councilmember Jose Cuevas seconded the motion. Motion carried. (7-0).

4. Public Hearing Items.

The Mayor explained the public hearing process.

D. Adoption of Ordinance No. 2020-29 specifically relating to the assessment rate on lodging businesses located within the tourism promotion area codified at WCC 1.108.020

Executive Services Director Laura Merrill presented the staff report. Councilmember Linda Herald recused herself from this item due to a conflict of interest.

Council asked questions and commented.

Freyda Stephens, Chair of the Tourism Promotion Area Board, spoke to the Council about the TPA's decision to increase the assessment to \$2.00 per room per night, and thanked the Council.

Jerri Barkey, Marketing Director for the Wenatchee Valley Chamber of Commerce, said she was appreciative of the opportunity to work together with the city to support the tourism industry.

Motion by Councilmember Travis Hornby for City Council to adopt Ordinance No 2020-29 specifically relating to the assessment rate on lodging businesses located within the tourism promotion area codified at WCC 1.108.020 from \$1.00 per room per day to \$2.00 per room per day. Councilmember Keith Huffaker seconded the motion. Motion carried (6-0) (Herald conflict).

5. Reports.

a. Mayor's Report. The Mayor reported on the following:

1. He met with Keni Sturgeon, Director of the Wenatchee Valley Museum & Cultural Center, and the Chair of the Board for the WVMCC, this week where they provided an overview of their new comprehensive plan which does contain some capital improvement requests. They may be looking to the city to help facilitate those improvements.
2. The library may be interested in purchasing the newly renovated building. He will work with staff to take a look at that.
3. He met with Steve Wright to discuss the LRF funds and they discussed a possible partnership with the PUD to renovate the waterfront from Pybus to Fifth Street, rather than improvements to the 5th Street underpass.
4. Armando Bendito has agreed to serve on the Housing Authority Board. A resolution for his appointment will be on the next meeting agenda.
5. Sales taxes are now holding steady compared to August of last year.
6. He attended an online meeting with the Governor's office earlier this week.
7. The City has received a safety award from AWC/RMSA. Councilmember Jim Bailey, who proudly serves on the RMSA board, said the award is for a reduction in risk claims.

b. Reports/New Business of Council Committees

1. Councilmember Keith Huffaker recently attended the Chamber meeting. He said everyone seems to be doing good and hanging in there. Shiloh Burgess spoke briefly about the contract negotiations between the City and the Chamber. He also mentioned that businesses need to apply for the CARES Act funding. Executive Services Director Laura Merrill provided an update on the status of those grants. At this time, out of the \$500,000 available for awards, only \$180,000 has been applied for. The application closes on October 30.
2. Councilmember Ruth Esparza reported that she and Councilmember Linda Herald participated in a "Women in Politics" forum hosted by the Wenatchee Valley Museum & Cultural Center. It can be viewed on the Museum's facebook page and on youtube.
3. Councilmember Mark Kulaas said the Museum was able to open up this week, now that we are in Phase 2.

The Mayor added that Social Security has moved into their new location (the old City Hall). He had no updates on the new City Hall remodel project – staff continues to work through it. The budget is just about wrapped up, and is looking to be about \$400,000 out of line, for which reserves could be used to balance. Four outstanding budget issues remain – jail, two union contracts, and Rivercom. He hopes Rivercom will be agreeable to a reduction in costs for this year, considering the pandemic and their high reserve balance, while other agencies are struggling.

6. Announcements. Mayor Kuntz announced the next meeting will be a special meeting on November 5, with a regular meeting on November 12 to adopt the final budget.

7. Adjournment. With no further business, the meeting adjourned at 6:02 p.m.

Frank J. Kuntz, Mayor

Attest:

Tammy L. Stanger, City Clerk

PROCLAMATION

WHEREAS,

On November 11 of each year we honor our Veterans, men and women who have served our country with honor and distinction. On Veterans Day we show them our deepest thanks. Their sacrifices have helped secure more than two centuries of American progress, and their legacy affirms that no matter what confronts us or what trials we face, there is no challenge we cannot overcome, and our best days are still ahead.

WHEREAS,

Although much has changed since Americans first took up arms to advance freedom's cause, the spirit that moved our forebears is the same spirit that has defined each generation of our service members. Our men and women in uniform have taught us about strength, duty, devotion, resolve – cornerstones of a commitment to protect and defend that has kept our country safe for over 200 years. In war and in peace, their service has been selfless and their accomplishments have been extraordinary.

WHEREAS,

Even after our Veterans take off the uniform, they never stop serving. Many apply the skills and experience they developed on the battlefield to a life of service here at home. They take on roles in their communities as doctors and police officers, engineers and entrepreneurs, mothers and fathers. As a grateful Nation, it is our task to make that transition possible – to ensure our returning heroes can share the opportunities they have given so much to defend. The freedoms we cherish endure because of their service and sacrifice, and our country must strive to honor our Veterans by fulfilling our responsibilities to them and upholding the sacred trust we share with all who have served.

WHEREAS,

On days like this, we are called to reflect on immeasurable burdens that have been borne by so few. We pay tribute to our wounded, our missing, our fallen, and their families – men and women who have known the true costs of conflict and deserve our deepest respect, now and forever.

NOW, THEREFORE, I, Frank J. Kuntz, Mayor of the City of Wenatchee, with respect for and in recognition of the contributions our service members have made to the cause of peace and freedom around the world, do hereby proclaim November 11, 2020, as Veterans Day in the City of Wenatchee, and encourage all citizens to recognize the valor and sacrifice of our Veterans through appropriate public ceremonies and private prayers.



IN WITNESS WHEREOF, I have caused the seal of the City of Wenatchee to be affixed on this 5th day of November, 2020.

FRANK J. KUNTZ, Mayor



CITY COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council

FROM: Laura Merrill, Executive Services Director
Mayor's Office

MEETING DATE: November 5, 2020

I. SUBJECT

Adoption of Resolution No. 2020-33 for the appointment of Armando Bendito to the Housing Authority of Chelan County and City of Wenatchee Board.

II. ACTION REQUESTED

Staff recommends that the City Council adopt Resolution No. 2020-33 to approve the appointment of Armando Bendito to the Housing Authority of Chelan County and City of Wenatchee Board to fill an unexpired two-year term ending December 31, 2021.

III. OVERVIEW

The City of Wenatchee provides representation to the Housing Authority of Chelan County and City of Wenatchee Board (CCWHA). Recently, a position was vacated and a call for applications was announced on October 1, 2020. At the request of the City Council, the Mayor also searched for potential candidates and reached out to Mr. Armando Bendito regarding the role. Mr. Bendito, a local accountant, was recently awarded the 30 under 35 award for his community advocacy efforts for affordable housing to support low income families. Mr. Bendito's experience aligns well with the CCWHA's mission to provide affordable housing to households that are 80% or below the area's median income as well as support efforts to encourage short term housing assistance. Staff recommends that the City Council adopt Resolution No. 2020-33 to approve the appointment of Armando Bendito to the CCWHA for a two-year term ending December 31, 2021.

IV. FISCAL IMPACT

Not applicable.

VI. REFERENCE(S)

1. Resolution 2020-33

VII. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
Brad Posenjak, Finance Director

RESOLUTION NO. 2020-33

A RESOLUTION, appointing a member to the board of directors for the Housing Authority of Chelan County and the City of Wenatchee to fill an unexpired term ending December 31, 2021.

WHEREAS, Armando Bendito has expressed interest in being appointed to the board of directors for the Housing Authority of Chelan County and the City of Wenatchee; and

WHEREAS, the Housing Authority of Chelan County and the City of Wenatchee interviewed and voted to recommend Armando Bendito to fill the current vacancy on the Board.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF WENATCHEE makes the following appointment to the Housing Authority of Chelan County and the City of Wenatchee:

NAME & ADDRESS

Armando Bendito
1316 Rosewood Avenue
Wenatchee, WA 98801

TERM EXPIRES

December 31, 2021

PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE at a regular meeting thereof this _____ day of _____, 2020.

CITY OF WENATCHEE, a Municipal
Corporation

By: _____
FRANK KUNTZ, Mayor

ATTEST:

By: _____
TAMMY STANGER, City Clerk

APPROVED:

By: _____
STEVE D. SMITH, City Attorney

**COUNCIL AGENDA REPORT
ECONOMIC DEVELOPMENT DEPARTMENT**



CITY COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council

FROM: Matt Shales, Development Project Manager

MEETING DATE: November 5, 2020

I. SUBJECT

Lease with Wenatchee Aerie #204 for a space for Veterans Hall. Monthly rent of \$3,305.

II. ACTION REQUESTED

Staff recommends the City Council accept the terms provided in both lease documents and further authorize the Mayor to sign, thereby allowing the Veterans Hall to continue uninterrupted operations.

III. OVERVIEW

A Veterans Hall currently operates out of the City's community center on Chelan Avenue. Prior to COVID, Veterans groups held meetings, events, and social gatherings there. However, beginning in January Pinnacles Prep charter school will move into the community center and this space will no longer be available for the Veterans Hall. In response, City staff have been looking for another location for the Veterans Hall to reside, visiting several locations in the process. Staff have identified a location in a vacant portion of our local chapter of the Fraternal Order of Eagles (Wenatchee Aerie#204) building. Veteran contacts that currently administer the Veterans Hall have accepted this space. The Wenatchee Aerie #204 or more commonly known as the "Eagles" would be the landlord.

This new location will provide a new space for a Veteran's Hall to continue providing meeting and event space. Additionally, there is an opportunity to use this space to provide expanded services such as; counseling, providing donations, and other resources to serve veterans.

In the attached sub lease for this space the City is identified as the tenant, however, the only ongoing responsibility of the City will be to provide the monthly rent payment to landlord. The attached and subsequent assignment of lease between the City and the Wenatchee Valley Veteran's Hall assigns the Veterans all roles and responsibilities of "tenant". The lease term will be for 5 years with a 5-year extension option. The year 1 lease amount is \$3,305.00 a month. The lease amount for year 2 and any subsequent years may increase based on the same percent increase of the Revised Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (1967 = 100). The landlord will provide water, sewer, heat,

**COUNCIL AGENDA REPORT
ECONOMIC DEVELOPMENT DEPARTMENT**

electricity, solid waste disposal and building operation and maintenance. The Wenatchee Valley Veterans will provide janitorial service and their own insurance.

IV. FISCAL IMPACT

The new lease expense has already been included in the 2020 and 2021 General Fund operating budgets. Reviewed at the October 22 Finance Committee meeting.

VI. REFERENCE(S)

1. Eagles Sub-Lease
2. Assignment of Lease

VII. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
Laura Merrill, Executive Services Director
Brad Posenjak, Finance Director
Steve Smith, Wenatchee City Attorney

COMMERCIAL LEASE/SUB-LEASE

THIS AGREEMENT, made and entered into this ____ day of _____, 2020, by and between Wenatchee Aerie No. 204, hereinafter referred to as Landlord, and the City of Wenatchee, a municipal corporation of the State of Washington, hereinafter referred to as Tenant,

RECITALS:

WHEREAS, Landlord owns certain real property located at 1202 N. Wenatchee Avenue, Wenatchee, Chelan County, Washington legally described as follows (“Landlord’s property”):

The easterly 224 feet of Lots 3 and 4, Block 13, Suburban Home Addition to Wenatchee, according to the plat thereof, recorded in Volume 1 of Plats, Page 22, Chelan County, Washington,
EXCEPT the North 110 feet of said Lot 3.

WHEREAS, Landlord is the assignee by instrument dated February 8, 2008 from Rusell D. Hartley and Diane L. Hartley of a Sub-lease dated September 16, 1993 between Renner L. Rhodes and Elizabeth E. Rhodes to Russell D. Hartley and Diane L. Hartley, of the Lease dated January 30, 1961 from Grace L. Zufall Boston, Emma E. Baughman, Alta Zufall Gwin, Hazel Zufall Nelson, Ralph W. Zufall, Willis A. Zufall, and J. Wilbur Zufall to Rhodes, of the real property located at (unassigned street address) N. Wenatchee Avenue, Wenatchee, Chelan County, Washington legally described as follows (“Zufall’s property”):

The east 207.5 feet of the North 100 feet of Lot 2, and the East 100 feet of the South 50 feet of the North 150 feet of said Lot 2, Block 14, Suburban Home Addition to Wenatchee, Chelan County, Washington, according to the plat thereof, recorded in Volume 1 of Plats, Page 22,
EXCEPT any portion conveyed to Chelan County by Auditor’s No. 592457.

WHEREAS, Landlord owns a building that is located in part on it’s property located at 1202 N. Wenatchee Avenue, Wenatchee, Washington as described above, and located in part on the Zufall property at (unassigned street address) N. Wenatchee Avenue, Wenatchee, Washington described above.

WHEREAS, Landlord desires to lease and sub-lease that portion of its building as shown on the attached Exhibit "A" to the City of Wenatchee who in turn desires to sub-lease/sub-sub-lease it to the Wenatchee Valley Veteran's Association ("the Leased Premises"). The Leased Premises is located in part on Landlord's property and in part on Zufall's property.

WITNESSETH:

1. Recitals. The foregoing recitals are incorporated herein and made a part hereof by this reference.

2. Premises. Landlord hereby Leases / Sub-leases to Tenant, upon the terms and conditions herein set forth, the real property located at 1202 N. Wenatchee Avenue and (unassigned street address) N. Wenatchee Avenue, Wenatchee, Chelan County, Washington, depicted on Exhibit "A" attached hereto and situated on a portion of the following described premises:

Leased premises:

The easterly 224 feet of Lots 3 and 4, Block 13, Suburban Home Addition to Wenatchee, according to the plat thereof, recorded in Volume 1 of Plats, Page 22, Chelan County, Washington,
EXCEPT the North 110 feet of said Lot 3.

AND

Sub-leased premises.

The east 207.5 feet of the North 100 feet of Lot 2, and the East 100 feet of the South 50 feet of the North 150 feet of said Lot 2, Block 14, Suburban Home Addition to Wenatchee, Chelan County, Washington, according to the plat thereof, recorded in Volume 1 of Plats, Page 22,

EXCEPT any portion conveyed to Chelan County by Auditor's No. 592457.

3. Term. This Lease/Sub-lease shall be for a term of five (5) years commencing November 15, 2020.

Tenant may extend the term of this Lease/Sub-lease for a period of five (5) years, commencing November 15, 2025 and ending November 14, 2030, by giving Landlord notice of intention so to do at least six (6) months prior to expiration of the original term hereof, provided Tenant is not in default hereunder at the time of giving such notice. Such extended term shall be upon all the provisions applicable to the original term of this Lease/Sub-lease, other than the provisions of this Section 2 relating to extension.

4. Rental. Tenant agrees to pay Landlord, at Landlord's address set forth in Section 22 hereof or at such other place as Landlord may designate in writing, rental in the amount of Three

Thousand Three Hundred Five Dollars (\$3,305.00) per month, payable in advance on the first day of each and every month during the term hereof.

In the event, during the original term or any extension hereof, any installment of rent is not paid within 7 (7) days after it becomes due, a late fee of five percent (5%) of monthly rental shall be charged.

Rent shall be deemed paid when received by Landlord.

The monthly rent payable under this Lease/Sub-lease shall be increased for the second twelve (12) month period of this Lease/Sub-lease or any extension thereof and on each and every annual anniversary thereafter, by the same percent of increase as the All Items Revised Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (1967 = 100), as published by the United States Department of Labor, Bureau of Labor Statistics, for Seattle-Everett, has increased for the preceding twelve (12) month period. If figures for such Index are not available for the first and last months of such twelve (12) month period, the closest months for such figures which are available prior to the beginning and ending of each such period shall be used. If the Index remains unchanged or decreases, the monthly rental for the previous year will continue for the following one (1) year rental period.

5. Security Deposit. No security deposit has been paid.

6. Use. The premises may be used by Tenant for the purpose of a military veteran's meeting and event hall and veteran's assistance office through the local Wenatchee Valley Veteran's Hall group. Tenant covenants that it will not allow said premises to be used for any illegal or immoral purpose, and that it will not do or suffer to be done, in or about said premises, any act or thing which may be a nuisance, annoyance, inconvenience, or damage to Landlord, the occupants of adjoining property or the neighborhood.

7. Acceptance of Premises. Taking of possession of the premises by the Tenant shall constitute acknowledgment by Tenant that the premises and the equipment thereon, except as provided otherwise herein, were in good and tenantable condition and working order.

8. Alterations. Tenant shall make no changes, improvements or alterations to the premises without the prior consent of Landlord. All such changes, improvements and alterations, if any, made by Tenant shall remain on the premises and shall become the property of Landlord upon the expiration or sooner termination of this Lease/Sub-lease.

Landlord has also agreed to allow for these improvements:

- a. Interior dividing walls for offices and meeting spaces.
- b. Kitchenette.

c. Hallways.

9. Maintenance by Landlord. Landlord shall maintain in good condition the structural and exterior components of the building, except glass, which shall be the responsibility of the Tenant. Landlord shall maintain in good condition and repair the heating, ventilation and air conditioning systems, plumbing and electrical systems. Landlord shall keep the sidewalks and parking areas adjacent to the demised premises at all times in reasonably safe and condition and repair, reasonably free from snow and ice thereon. Landlord shall be solely responsible for all costs associated with landscape maintenance for any landscape abutting the premises and located in proximity to the parking area serving the premises. Landlord shall not be obligated to repair or replace any fixtures or equipment installed by Tenant and Landlord shall not be obligated to make any repair or replacement occasioned by act or omission of Tenant, its employees, agents, invitees or licensees.

10. Maintenance and Repairs by Tenant. Tenant shall keep the premises in a neat, clean and sanitary condition. Tenant, at its own expense, shall maintain the premises and all items therein, including items installed by Tenant, in good condition and repair. In the event of any damage or injury to the glass in the demised premises, including exterior windows, Tenant shall cause the damage or injury to be repaired as speedily as possible at its own cost and expense. Tenant shall be responsible for its' own janitorial services, carpet cleaning, window cleaning, maintaining lighting and plumbing fixtures, and basic maintenance supplies (light bulbs and cleaning agents.)

11. Utilities and Other Services. Landlord shall pay for all electricity, water, heat, sewer charges and solid waste services for the Leased/Sub-leased premises. Tenant shall, at Tenant's expense, provide for and pay for all other services to the premises required by Tenant.

12. Signs. Tenant may erect suitable signage identifying the premises as the location of its business occupancy; provided, however, any such signage shall generally conform to and be of the same general quality, character and style as the signage in front of existing tenants.

13. Taxes. Landlord shall pay, before the same become delinquent, all taxes and special assessments levied against the Leased/Sub-leased premises. Tenant shall pay, before the same become delinquent, all taxes assessed against the furniture, fixtures, equipment and other property, including inventory, which is owned by the Tenant located on the premises.

14. Liability Insurance. Tenant shall, at Tenant's expense, maintain liability and property damage insurance insuring against any and all claims for injury to or death of persons and loss of or damage to property occurring upon, in or about the premises. Such insurance shall have liability limits of not less than One Million Dollars (\$1,000,000) in respect of injury or death to any one person, not less than Two Million Dollars (\$2,000,000) in respect of any one occurrence or

accident, and not less than One Million Dollars (\$1,000,000) for property damage with a maximum deductible amount of Fifty Thousand Dollars (\$50,000).

Tenant may self-insure through a municipal risk pool with coverages equal to or greater than those specified herein and provide evidence of such insurance to Landlord upon commencement of this Lease/Sub-lease. Tenant shall not be required to name Landlord as an additional insured on the municipal risk pool.

15. Tenant's Fire Insurance. Tenant shall, at Tenant's expense, maintain on all of Tenant's personal property and leasehold improvements and alterations on the premises a policy of fire insurance, in the amount of their replacement value. All proceeds of any such insurance shall be applied to the restoration of fixtures, improvements and alterations. Any proceeds of such insurance remaining after such restoration shall belong to Tenant. Tenant may self-insure through a municipal risk pool with coverages equal to or greater than those specified herein and provide evidence of such insurance to Landlord upon commencement of this Lease/Sub-lease. Tenant shall not be required to name Landlord as an additional insured on the municipal risk pool.

16. Assignment and Subletting. Neither this Lease/Sub-lease nor any right hereunder may be assigned, transferred, encumbered, or sublet, in whole or in part, by Tenant, by operation of law or otherwise, without Landlord's prior written consent; provided; however, such consent shall not be unreasonably withheld; provided, further, that Tenant shall have the right, without Landlord's prior consent, to sublet any portion or portions of the Leased/Sub-leased premises for the use and purpose permitted under this Lease/Sub-lease. A sub-lease or assignment of Lease/Sub-lease by Tenant to the Wenatchee Valley Veteran's Hall or affiliate entities is specifically authorized by Landlord.

17. Inspection. Landlord shall have the right of reasonable inspection of the Leased/Sub-leased premises at all reasonable times and for said purpose shall have free access thereto.

18. Damage or Destruction. If the Leased/Sub-leased premises are damaged or destroyed by fire or any cause other than act or omission of Tenant, its employees, agents, invitees or licensees, Landlord shall restore the Leased/Sub-leased premises, except for such fixtures, improvements and alterations as are installed by Tenant, as nearly as practicable to their condition immediately prior to such damage or destruction. Tenant, at Tenant's expense, shall so restore all such fixtures, improvements and alterations installed by Tenant. Landlord, at Tenant's expense, shall so restore the Leased/Sub-leased premises with respect to all damage caused by any act or omission of Tenant, its employees, agents, invitees or licensees, and Tenant agrees to reimburse Landlord upon demand for all sums expended from time to time for such restoration. The obligations to restore provided in this paragraph shall be subject to Landlord's termination rights provided below. Any restoration shall be promptly commenced and diligently prosecuted. Landlord shall not be liable for any consequential damages by reason of any such damage or destruction.

Notwithstanding any of the foregoing provisions of this Section, in the event the premises shall be destroyed or damaged to such an extent that Landlord deems that it is not economically feasible to restore the same, then Landlord may terminate this Lease/Sub-lease as of the date of the damage or destruction by giving Tenant notice to that effect.

If Landlord undertakes to restore the premises as provided above in this Section, then commencing with the date of the damage or destruction and continuing through the period of restoration, the rent for the premises shall be abated for such period in the same proportion as the untenable portion of the premises bears to the whole thereof, except that there shall be no abatement to the extent that any such damage or destruction is caused by any act or omission of Tenant, its employees, agents, invitees or licensees.

19. Condemnation. If all of the premises is taken by any public authority under the power of eminent domain, this Lease/Sub-lease shall terminate as of the date possession is taken by said public authority pursuant to such condemnation.

If any part of the premises is so taken and, in the opinion of either Landlord or Tenant, it is not economically feasible to continue this Lease/Sub-lease in effect, either party may terminate this Sub-lease. Such termination by either party shall be made by notice to the other given not later than thirty (30) days after possession is taken, the termination to be effective as of the later of thirty (30) days after said notice or the date possession is so taken.

If part of the premises is so taken, and neither Landlord nor Tenant elects to terminate this Lease/Sub-lease, or until termination is effective, as the case may be, the rental shall be abated in the same proportion as the portion of the premises so taken bears to the whole of the premises, and Landlord shall make such repairs or alterations, if any, as are required to render the remainder of the premises tenable.

All damages awarded for the taking or damaging of all or any part of the premises shall belong to and be the property of Landlord, and Tenant hereby assigns to Landlord any and all claims to such award, but nothing herein contained shall be construed as precluding Tenant from asserting any claim Tenant may have against such public authority for disruption or relocation of Tenant's business on the premises.

20. Default; Remedies. The occurrence of any of the following events shall be deemed a breach of this Lease/Sub-lease, namely: if Tenant shall make an assignment for the benefit of creditors or shall file a voluntary petition under any bankruptcy act or any other law for the relief of debtors; or if an involuntary petition is filed against Tenant under any such law and is not dismissed within sixty (60) days after filing; or if a receiver be appointed for the property of Tenant and is not discharged or removed within sixty (60) days; or if any department of any government or any officer thereof shall take possession of the business or property of Tenant; or if the Tenant is

adjudicated a bankrupt. Upon any such occurrence Landlord, at its option, may terminate this Lease/Sub-lease by notice to Tenant and upon such termination Tenant shall quit and surrender the premises to Landlord, but Tenant shall remain liable as hereinafter provided.

IF TENANT SHALL DEFAULT IN PERFORMANCE OF ANY OF TENANT'S OBLIGATIONS UNDER THIS LEASE/SUB-LEASE OR SHALL VIOLATE ANY TERM OR PROVISION OF THIS LEASE/SUB-LEASE, OR IF THE PREMISES SHALL BE LEFT VACANT OR UNOCCUPIED FOR A PERIOD OF TEN (10) DAYS, LANDLORD MAY, UPON GIVING TENANT ANY NOTICE REQUIRED BY LAW, TERMINATE THIS LEASE/SUB-LEASE AND UPON SUCH TERMINATION TENANT SHALL QUIT AND SURRENDER THE PREMISES TO LANDLORD, BUT THE TENANT SHALL REMAIN LIABLE AS HEREINAFTER PROVIDED.

If this Lease/Sub-lease shall be terminated as herein provided, Landlord may immediately or at any time thereafter re-enter the premises and remove any and all persons and property therefrom; by any suitable proceeding, law or otherwise, without liability therefor, and re-enter the premises, without such re-entry diminishing Tenant's obligation to pay rental for the full term hereof, and Tenant agrees to pay Landlord any deficiency arising from re-entry and reletting of the premises at a lesser rental than provided herein.

Landlord shall apply the proceeds of any reletting first to the payment of such reasonable expenses as Landlord may have incurred in recovering possession of the premises, and removing persons and property therefrom, and in putting the same into good order or condition or preparing or altering the same for reletting, and all other expenses incurred by Landlord for reletting the premises; and then to Tenant's obligation to pay rental. Any such reletting may be for the remainder of the term of this Lease/Sub-lease or for a longer or shorter period. In any case and whether or not the premises or any part thereof be relet, Tenant shall pay to Landlord the rent and all other charges required to be paid by Tenant up to the time of such termination of the Lease/Sub-lease, and, thereafter, Tenant agrees to pay the equivalent of the amount of all rent reserved herein and all other charges required to be paid by Tenant, less the net proceeds of reletting, if any, and the same shall be due and payable by Tenant monthly as the amount thereof is ascertained by Landlord, and Landlord may bring an action therefor as such monthly deficiencies arise. In any of the circumstances hereinabove mentioned, Landlord shall have the option, instead of holding Tenant liable for the amount of all the rent and all other charges required to be paid by Tenant less the net proceeds of reletting if any, forthwith to recover from Tenant an aggregate sum representing, at the time of such termination of this Lease/Sub-lease, the then present worth of the excess, if any, of the aggregate of the rent and all other charges payable by the Tenant hereunder that would have accrued until the end of the Lease/Sub-lease term over the aggregate rental value of the premises during such term.

21. Liens. Tenant shall not suffer or permit any lien to be filed against the premises, any building thereof, or any part thereof or the Tenant's leasehold interest, by reason of work, labor,

services or materials performed or supplied to Tenant or anyone holding the premises or any part thereof under Tenant. If any such lien is filed against the premises or any improvement thereon or Tenant's leasehold interest, Tenant shall cause the same to be discharged of record within thirty (30) days after the date of filing the same.

22. Indemnity by Tenant. Tenant agrees that Landlord shall not be liable for any claims for death of or injury to person or damages to or destruction of property sustained by Tenant, its sublessees, licensees, invitees, or by any other person in the premises, including without limiting the generality of the foregoing, any claims caused by or arising from the condition or maintenance of any part of the premises unless such damage is caused by the sole negligence of Landlord. Tenant hereby waives all claims therefor and agrees to indemnify and save Landlord harmless against any such claim, loss, damage or liability or any expense incurred by Landlord in connection therewith.

23. Notices. All notices, demands and requests to be given by either party to the other shall be in writing. All notices, demands and requests by Landlord to Tenant shall be sent by United States registered or certified mail, postage prepaid, addressed to Tenant at City of Wenatchee, Attn: Mayor's Office, 301 Yakima Street, Wenatchee, WA 98801, or at such other place as Tenant may from time to time designate by notice to Landlord. All notices, demands and requests by Tenant to the Landlord shall be sent by United States registered or certified mail, postage prepaid, addressed to Landlord at 1208 N. Wenatchee Avenue, Wenatchee, WA 98801, or at such other place as Landlord may from time to time designate by notice to Tenant. Notice, demands, and requests served upon Landlord or Tenant as provided in this Section in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand, or request shall be so mailed in any post office in Wenatchee, Washington.

24. Performance of Covenants. If Tenant shall fail to make any payment or perform any of the Tenant's obligations under this Lease/Sub-lease, Landlord may, without notice to or demand upon Tenant and without waiving or releasing Tenant from any obligations of Tenant under this Lease/Sub-lease, make such payment or perform such obligation in such manner and to such extent as Landlord deems desirable. All sums so paid by Landlord and all necessary costs and expenses in connection with the performance of any such obligation by Landlord, together with interest thereon at the rate of twelve percent (12%) per annum, compounded monthly, from the date of the making of such expenditure by Landlord, shall be deemed additional rent hereunder and shall be payable to Landlord on demand.

25. Surrender of Premises. Tenant, at the expiration or sooner termination of this Lease/Sub-lease, shall quit and surrender the premises in good, neat, clean and sanitary condition, except for reasonable wear and tear and damage not caused by any act or omission by Tenant, its employees, agents, invitees or licensees.

26. Holdover. If Tenant lawfully holds over after the expiration of the term of this Lease/Sub-lease, such tenancy shall be a month-to-month tenancy. During such tenancy Tenant agrees to pay Landlord the same rate of rental as provided herein, and to be bound by all of the terms, covenants and conditions herein specified.

27. Force Majeure. Landlord's failure to perform any of its obligations under this Lease/Sub-lease shall be excused if due to causes beyond the control and without fault or negligence of Landlord, including but not restricted to acts of God, acts of the public enemy, acts of any government, fires, floods, epidemics and strikes.

28. Light, Air and View. Landlord does not guarantee the continued present status of light, air or view over any premises adjoining or in the vicinity of the premises.

29. Miscellaneous.

(a) Non-waiver. No failure of Landlord to insist upon the strict performance of any provision of this Lease/Sub-lease shall be construed as depriving Landlord of the right to insist on strict performance of such provision or any other provision in the future. No waiver by Landlord of any provision of this Lease/Sub-lease shall be deemed to have been made unless expressed in writing and signed by Landlord. No acceptance of rent or of any other payment by Landlord from Tenant after any default by Tenant shall constitute a waiver of any such default or any other default. Consent by Landlord in any one instance shall not dispense with necessity of consent by Landlord in any other instance.

(b) Attorneys' Fees. If an action be commenced to enforce any of the provisions of this Lease/Sub-lease, the prevailing party shall, in addition to its other remedies, be entitled to recover its reasonable attorneys' fees.

(c) Captions and Construction. The captions in this Lease/Sub-lease are for the convenience of the reader and are not to be considered in the interpretation of its terms.

(d) Partial Invalidity. If any term or provision of this Lease/Sub-lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease/Sub-lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Sub-lease shall be valid and be enforced as written to the fullest extent permitted by law.

(e) Governing Law. This Lease/Sub-lease shall be governed by the law of the State of Washington.

(f) Estoppel Certificates. Landlord and Tenant agree from time to time promptly to execute, acknowledge and deliver to the other party a statement in writing certifying that this Lease/Sub-lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), whether any party is in default or breach of this Lease/Sub-lease, and the dates to which the basic rent and other charges have been paid in advance, if any.

(g) Entire Agreement. This document contains the entire and integrated agreement of the parties and may not be modified except in writing signed and acknowledged by both parties.

(h) Landlord's Consent. Landlord shall not unreasonably withhold its consent where such consent is expressly provided for in this Sub-lease.

(i) Remedies Cumulative. The specified remedies to which Landlord may resort under the terms of this Lease/Sub-lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which Landlord may lawfully be entitled in case of any breach or threatened breach by Tenant of any provisions of this Lease/Sub-lease. In addition to the other remedies in this Lease/Sub-lease provided, Landlord shall be entitled to the restraint by injunction of the violations, or attempted or threatened violation, of any of the covenants, conditions, or provisions of this Sub-lease.

(j) Number; Gender; Permissive Versus Mandatory Usage. Where the context permits, references to the singular shall include the plural and vice versa, and to the neuter gender shall include the feminine and masculine. Use of the word "may" shall denote an option or privilege and shall impose no obligation upon the party which may exercise such option or privilege; use of the word "shall" shall denote a duty or an obligation.

(k) Time. Time is of the essence to this Lease/Sub-lease.

(l) Conflict of Provisions. In case of conflict, the more specific provision of this Lease/Sub-lease shall control.

(m) Binding Effect. Subject to the provisions of Section 15 hereof, this Lease/Sub-lease shall be binding upon the parties hereto and upon their respective executors, administrators, legal representatives, successors and assigns.

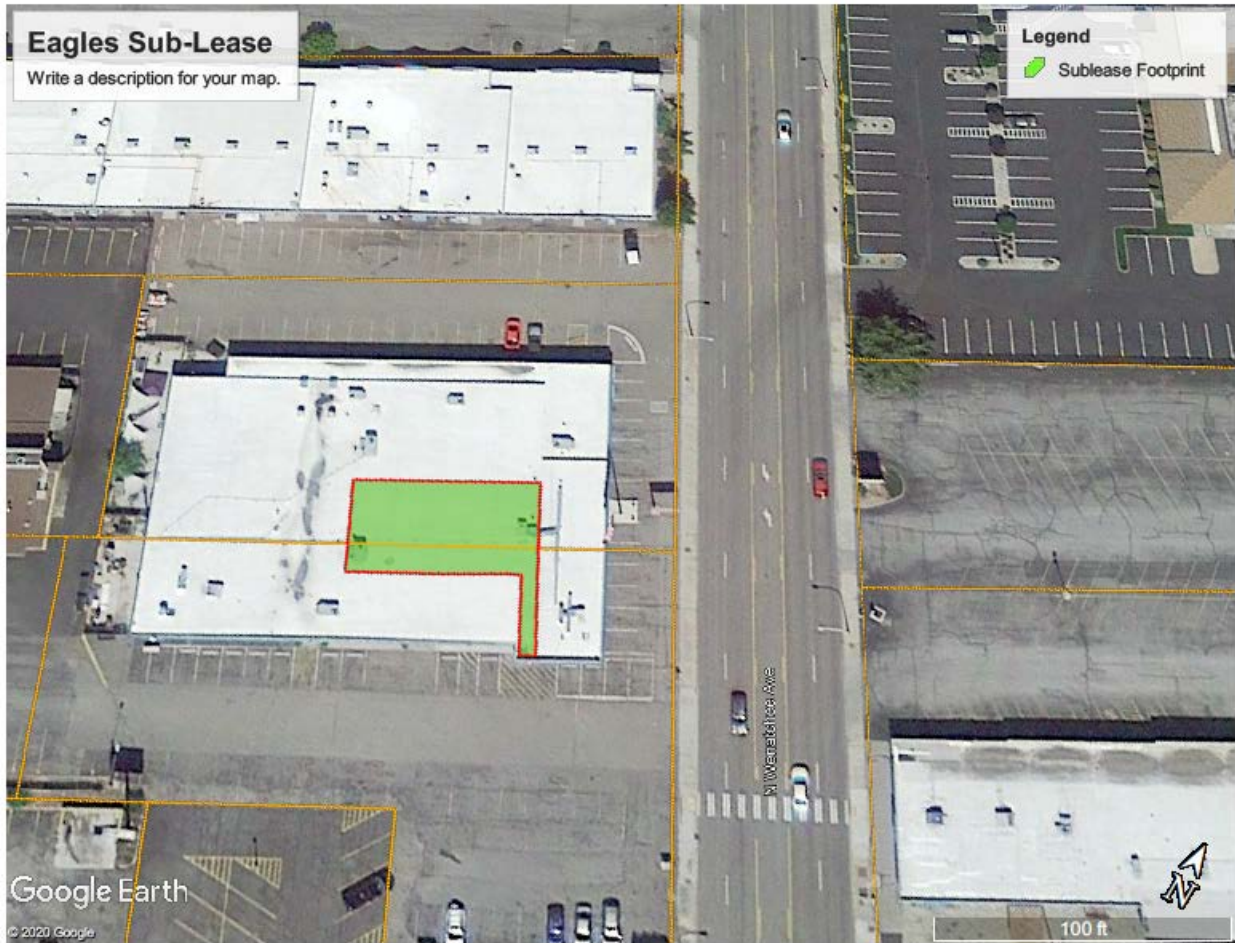
30. Landlord's Fire Insurance. Landlord shall, at Landlord's expense, maintain on the premises a policy of standard fire insurance with extended coverage in an amount of its replacement value. Landlord may cause such insurance to name Tenant as a co-insured. All proceeds of any such insurance shall be payable to Landlord and shall be applied to the restoration of the premises

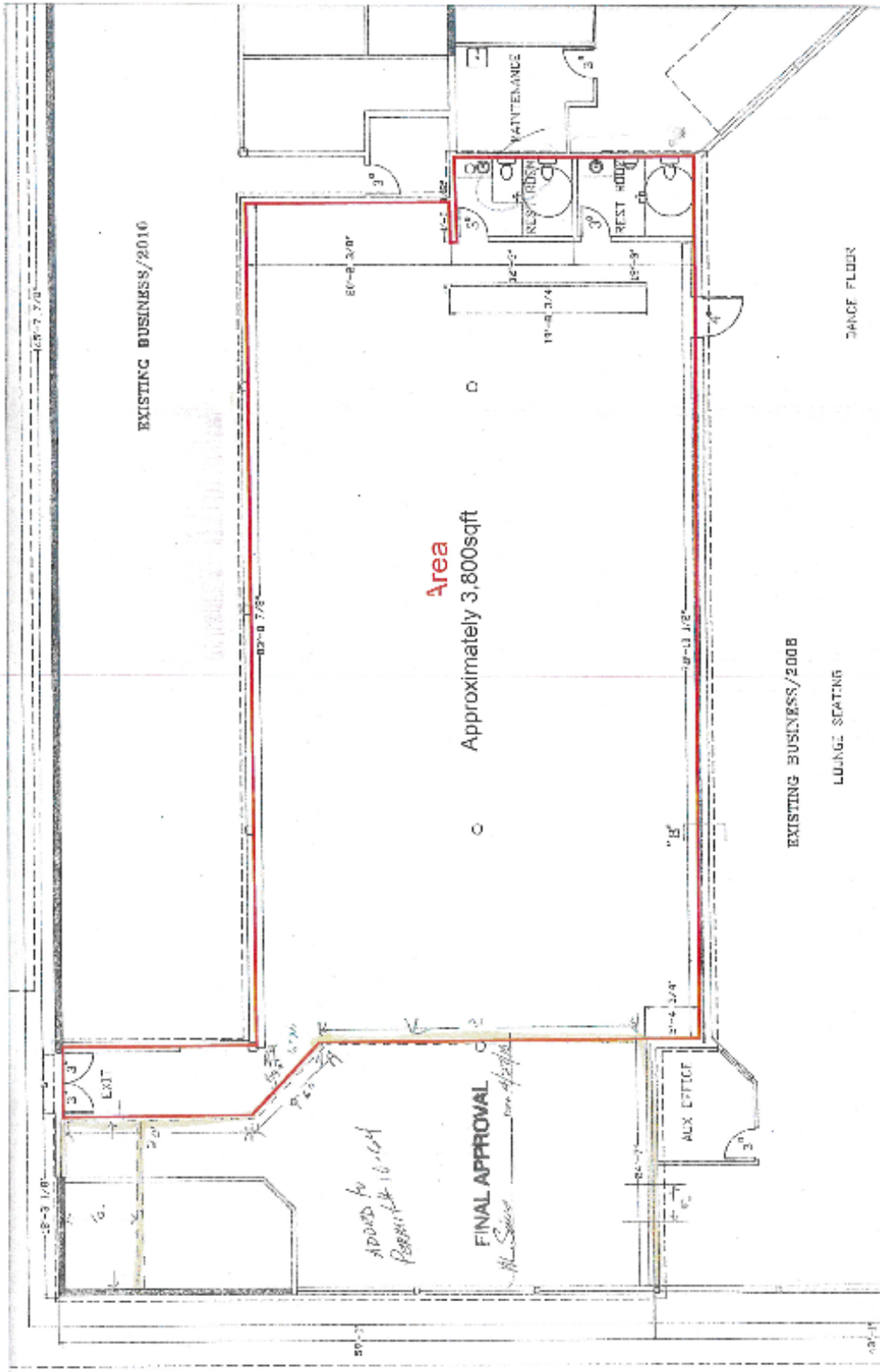
(printed or typed name)

NOTARY PUBLIC, State of Washington

My Commission Expires _____

EXHIBIT "A"





LEASE/SUB-LEASE

ASSIGNMENT OF LEASE/SUBLEASE

I. PARTIES

1.1 Assignor. City of Wenatchee, a municipal corporation of the state of Washington.

1.2 Assignee. Wenatchee Valley Veterans Hall, an unincorporated association of multiple veterans groups in the Wenatchee vicinity.

II. PRIOR DOCUMENTS

2.1 Lease. That Lease dated January 30, 1961, between Grace Zufall Boston, et al., and Renner L. Rhodes and Elizabeth E. Rhodes, recorded October 3, 1961, under Auditor's File No. 585147.

2.2 Sublease. That Sublease dated September 16, 1993, between Cathy Lingo and Russell D. Hartley and Diane L. Hartley recorded September 17, 1993, under Auditor's File No. 9309170099.

2.3 Assignment. That Quit Claim Deed dated August 1, 1997, between Renner L. Rhodes and Elizabeth E. Rhodes, and Cathy Lingo recorded September 5, 1997, under Auditor's File No. 2012577.

2.4 Lease/Sublease. That Lease/Sublease dated November ____, 2020, between Wenatchee Aerie #204 and the City of Wenatchee.

III. CONSIDERATION

3.1 The City of Wenatchee desires to provide assistance to the poor and infirm.

3.2 The Wenatchee Valley Veterans Hall provides a space for veterans related gatherings, mental health services, food and financial support to veterans in need.

3.3 The City of Wenatchee agrees to provide the leased/subleased premises and pay the rental therefor in return for the Wenatchee Valley Veterans Hall providing a space for veterans related gatherings, mental health services, food and financial support to veterans in need and to fulfill the remaining obligations of the Lease/Sublease. The parties acknowledge that this is adequate consideration for this Assignment.

IV. PROPERTY

4.1 Property Description. The Lease/Sublease identified in paragraph 2.4 above pertains to the following described real property located in Chelan County, Washington:

Leased premises:

The easterly 224 feet of Lots 3 and 4, Block 13, Suburban Home Addition to Wenatchee, according to the plat thereof, recorded in Volume 1 of Plats, Page 22, Chelan County, Washington, EXCEPT the North 110 feet of said Lot 3.

AND

Sub-leased premises.

The east 207.5 feet of the North 100 feet of Lot 2, and the East 100 feet of the South 50 feet of the North 150 feet of said Lot 2, Block 14, Suburban Home Addition to Wenatchee, Chelan County, Washington, according to the plat thereof, recorded in Volume 1 of Plats, Page 22, EXCEPT any portion conveyed to Chelan County by Auditor's No. 592457.

V. ASSIGNMENT

5.1 Assignment of Lease/Sublease. The City of Wenatchee hereby assigns, transfers and sets over to the Wenatchee Valley Veterans Hall its interest in the Lease/Sublease identified in paragraph 2.4 above, and the Wenatchee Valley Veterans Hall hereby assumes and agrees to fulfill the conditions of said Lease/Sublease except as set forth in section 5.2 hereof.

5.2 Compliance with Original Lease/Sublease. Wenatchee Valley Veterans Hall shall perform and observe the terms and conditions to be performed on the part of the City of Wenatchee under the provisions of the Lease/Sublease between Wenatchee Aerie #204 and the City of Wenatchee

described in paragraph 2.4 above, except for the covenant for the payment of rent, for which the City of Wenatchee will remain responsible.

VI. MISCELLANEOUS

6.1 Use. The premises shall be used solely by Wenatchee Valley Veterans Hall for the purpose of providing a space for veterans related gatherings, mental health services, food and financial support to military veterans. Wenatchee Valley Veterans Hall covenants that it will not allow said premises to be used for any illegal or immoral purpose, and that it will not do or suffer to be done, in or about said premises, any act or thing which may be a nuisance, annoyance, inconvenience, or damage to the owner of the property, the occupants of adjoining property or the neighborhood.

6.2 Indemnity. Wenatchee Valley Veterans Hall agrees that the City of Wenatchee shall not be liable for any claims for death of or injury to person or damages to or destruction of property sustained by the Wenatchee Valley Veterans Hall, its sublessees, licensees, invitees, or by any other person in the premises, including without limiting the generality of the foregoing, any claims caused by or arising from the condition or maintenance of any part of the premises unless such damage is caused by the sole negligence of the City of Wenatchee. Wenatchee Valley Veterans Hall hereby waives all claims therefor and agrees to indemnify and save the City of Wenatchee harmless against any such claim, loss, damage or liability or any expense incurred by the City of Wenatchee in connection therewith.

6.3 Insurance. Wenatchee Valley Veterans Hall shall, at its' expense, maintain liability and property damage insurance insuring against any and all claims for injury to or death of persons and loss of or damage to property occurring upon, in or about the premises. Such insurance shall have liability limits of not less than One Million Dollars (\$1,000,000) in respect of injury or death

to any one person, not less than Two Million Dollars (\$2,000,000) in respect of any one occurrence or accident, and not less than One Million Dollars (\$1,000,000) for property damage with a maximum deductible amount of Fifty Thousand Dollars (\$50,000).

6.4 Default. If Wenatchee Valley Veterans Hall shall default in performance of any of its' obligations under this Assignment, or if the premises shall be left vacant or unoccupied for a period of thirty (30) days, the City of Wenatchee may, upon giving Wenatchee Valley Veterans Hall any notice required by law, terminate this Assignment and upon such termination Wenatchee Valley Veterans Hall shall quit and surrender the premises to the City of Wenatchee. If this Assignment shall be terminated as herein provided, the City of Wenatchee may immediately or at any time thereafter re-enter the premises and remove any and all persons and property therefrom; by any suitable proceeding, law or otherwise, without liability therefor, and re-enter the premises.

6.5 Termination. The City of Wenatchee shall have the right to terminate this Assignment on thirty (30) days written notice to Wenatchee Valley Veterans Association in the event its Lease/Sublease with Wenatchee Aerie #204 terminates, in the event its funding sources or budgetary constraints in its' discretion make the Assignment undesirable, or for any other reason it determines is in its best interest.

DATED this ____ day of November, 2020.

CITY OF WENATCHEE

By _____
FRANK J. KUNTZ, Mayor



CITY COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council

FROM: Matt Shales,
Development Project Manager

MEETING DATE: November 5, 2020

I. SUBJECT

UPS Peak Season Facility proposal to operate on vacant City property

II. ACTION REQUESTED

Staff recommends the City Council accept the terms provided in the license agreement and further authorize the Mayor to sign, allowing temporary peak season operations by UPS on vacant City property.

III. OVERVIEW

Every year during the peak holiday season (November thru January) the United Parcel Service (UPS) expands operations to provide its services. The peak holiday demand is very high this year and in response UPS needs to setup a temporary facility to accommodate. After many failed attempts at securing an alternative location UPS asked the City to consider if it had available space to offer. Our North Wenatchee Redevelopment property with its open and paved lot is a great option for this short- term need. UPS has requested the use of this property and provided this graphic to depict its operation.

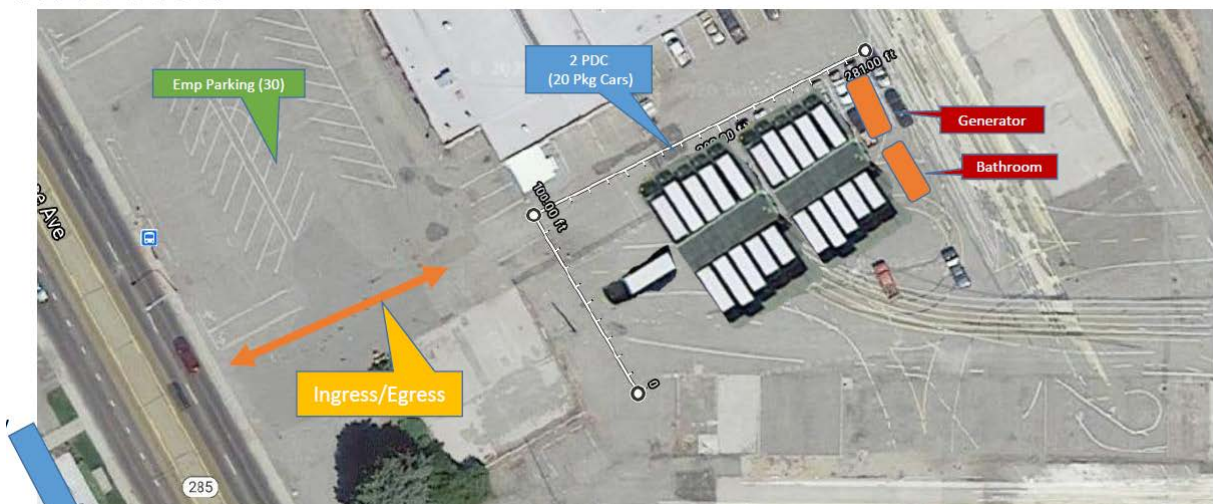


Exhibit A of License Agreement

This facility is completely mobile, with no site work or other alterations necessary. The City has provided a short-term parking agreement to allow UPS to stage equipment while they wait to secure a location. If the City approves this use, operating hours will be from 5:00 am until 9:30 am daily. Inbound packages from other statewide facilities will arrive via semi-trailer for offloading. Delivery trucks will be loaded and drivers will depart around 9:30 for destination delivery. The City is not providing access to existing site facilities or site utilities. UPS will be responsible for its own site maintenance such as snow removal. UPS will pay the City \$4,500 per month, plus leasehold excise tax.

IV. FISCAL IMPACT

Proceeds from this temporary use will be \$4,500 per month.

V. PROPOSED SCHEDULE

November thru January 2021

VI. REFERENCE(S)

1. License Agreement

VII. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
Laura Merrill, Executive Services Director
Brad Posenjak, Finance Director

LICENSE AGREEMENT

This License Agreement (the “License”) is by and between City of Wenatchee (“Licensor”) and United Parcel Service, Inc., an Ohio corporation (“Licensee”) and is dated as of the later date set forth on the signature blocks below.

RECITALS

- A. Licensor owns or leases the property located at 1551 North Wenatchee Ave., Wenatchee, WA 98801 (the “Property”).
- B. Licensor desires to license to Licensee, and Licensee desires to license, a portion of the Property (“License Area”) as such License Area is shown on the attached Exhibit A.

AGREEMENT

The parties therefore agree as follows:

1. **License: License Term.** Licensor hereby licenses to Licensee the right to enter upon the License Area over and across the Property as may be necessary to access the License Area and to exclusively use the License Area for the Permitted Use for the period commencing on October 27, 2020 and expiring on January 31, 2021 (the “License Term”). Licensee shall have access to and from the License Area from a public road twenty-four (24) hours a day, seven (7) days a week.

2. **License Fee.** In consideration for such License, Licensee shall pay Licensor the sum of \$4,500 per month, for the entire term (the “License Fee”). License Fee shall be paid within 10 business days following full execution of License. If the License commences on a date which is not the first day of the month, then the License Fee shall be appropriately prorated for such month. If for any reason Licensee is prevented from using the License Area for the entire License Term then Licensor shall refund to Licensee, on a pro rata basis, any unearned License Fee paid in advance within five (5) business days after Licensee ceases use of the Licensed Area.

Licensee shall be responsible for any and all leasehold excise tax due on the License Fee paid hereunder. The leasehold excise tax shall be paid to Licensor together with the License Fee and Licensor shall remit it to the State of Washington, Department of Revenue. Leasehold excise tax is currently 12.84% of the License Fee.

3. **Use.** Licensor permits Licensee to use the License Area for the purposes of parking and staging the trucks, trailers and equipment and/or the parking of passenger vehicles of the Licensee, and/or Licensee’s employees, contractors, customers or agents (the “Permitted Use”).

4. **Maintenance.** Licensee shall keep the premises in a reasonably neat, clean and sanitary condition. Licensee shall be responsible for snow removal as it deem necessary.

5. **Alterations.** Licensee shall make no changes, improvements or alterations to the premises without the prior consent of Licensor.

6. **Utilities.** Licensor will provide no utilities to Licensee. Licensee shall arrange for and pay for any utilities desired at the Property. If generators are brought in by Licensee they shall not be unreasonably loud or offensive to the neighboring properties.

7. **Insurance.** Licensee shall maintain general liability insurance during the License Term insuring against loss, damage or liability for personal injury, bodily injury or death of any person or loss or damage to property occurring in, upon or about the License Area. Such insurance shall be in an amount not less than one million dollars (\$1,000,000.00) as to injury to person or persons and Five Hundred Thousand Dollars (\$500,000.00) property damage and shall name Licensor as additional insured.

8. **Termination Right.** Notwithstanding anything to the contrary herein, Licensee shall have the right to terminate this agreement upon notice to Licensor (“Licensee’s Notice”) in the event (i) that the Permitted Use, as herein defined, is prohibited, burdened or impaired by any governmental body or agency in any manner; (ii) it should become unlawful or illegal for Licensee to use the License Area or any part thereof for the Permitted Use or otherwise; or (iii) continuous access to or from the License Area from a public road shall be prevented or materially impaired. Upon the termination date set forth in Licensee’s Notice, all of the rights, obligations and liabilities between the parties shall be terminated and of no further force and effect.

9. **As-Is: Licensee Indemnity.** Licensee accepts the License Area in its “As-Is” condition. Except for any claims of injury, death or damage caused by Licensor, its agents, employees, invitees, or licensees, Licensee shall indemnify, defend, and hold Licensor harmless from and against any and all liabilities, losses, costs, damages, injuries or expenses, including reasonable attorneys’ fees and court costs, caused by claims of injury to and death of persons or damage occurring on the License Area to the extent caused by the negligence or willful misconduct of Licensee, its employees, and its agents acting within the scope of their agency on the License Area.

10. **License.** This agreement shall be construed as a license and does not convey any real estate interest to Licensee in the License Area whatsoever. This License is personal to Licensee and may not be assigned or transferred in any manner to any other party.

11. **Notice.** All notices, demands, consents and requests required or permitted hereunder shall be in writing and shall be deemed given when delivered by hand or deposited with the United States Postal Service and sent by prepaid certified mail, return receipt requested, or deposited with United Parcel Service and sent by prepaid UPS Next Day Air® delivery, and if by the United States Postal Service or United Parcel Service, properly addressed to the party to be notified at the address for such party as follows:

Licensee: UPS Corporate Real Estate
55 Glenlake Pkwy
Atlanta, GA 30328
Attn: Rad Heroman
Phone: 225.614.8368

Licensor: City of Wenatchee
301 Yakima Street
Wenatchee, Washington 98801
Attn: Mayor’s office

If any notice mailed or sent by the United States Postal Service or by UPS Next Day Air® delivery service is properly addressed with appropriate charges prepaid but is returned because the intended recipient refuses delivery or can no longer be found at the current notice address, such notice shall be deemed effective notice and to be given on the date such delivery is refused or cannot be accomplished.

10. **Counterparts Allowed.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one agreement. To facilitate execution of this Agreement by the parties, pdf signatures shall have the same validity and effect as original signatures.

11. **Waiver of Jury Trial.** To the extent that they may lawfully do so, the parties hereto waive trial by jury in any action or proceeding brought on, under or by virtue of this Agreement.

12. **Authority.** Licensor represents and warrants to Licensee that (i) it is has the full right and authority to execute this License, convey the license herein, and perform the obligations of Licensor herein; and (ii) this License will not violate any existing agreement, lease, agreement, law, or judicial order to which Licensor or the Property is subject.

13. **Entire Agreement.** This Agreement sets forth the entire agreement of the parties and may not be modified except by an instrument in writing duly executed by all of the parties hereto. The License shall be governed by the laws of the state in which the Property is located.

Each party is signing this Agreement as of the date next to their respective signatures below.

LICENSEE:
United Parcel Service, Inc., an Ohio corporation

LICENSOR:

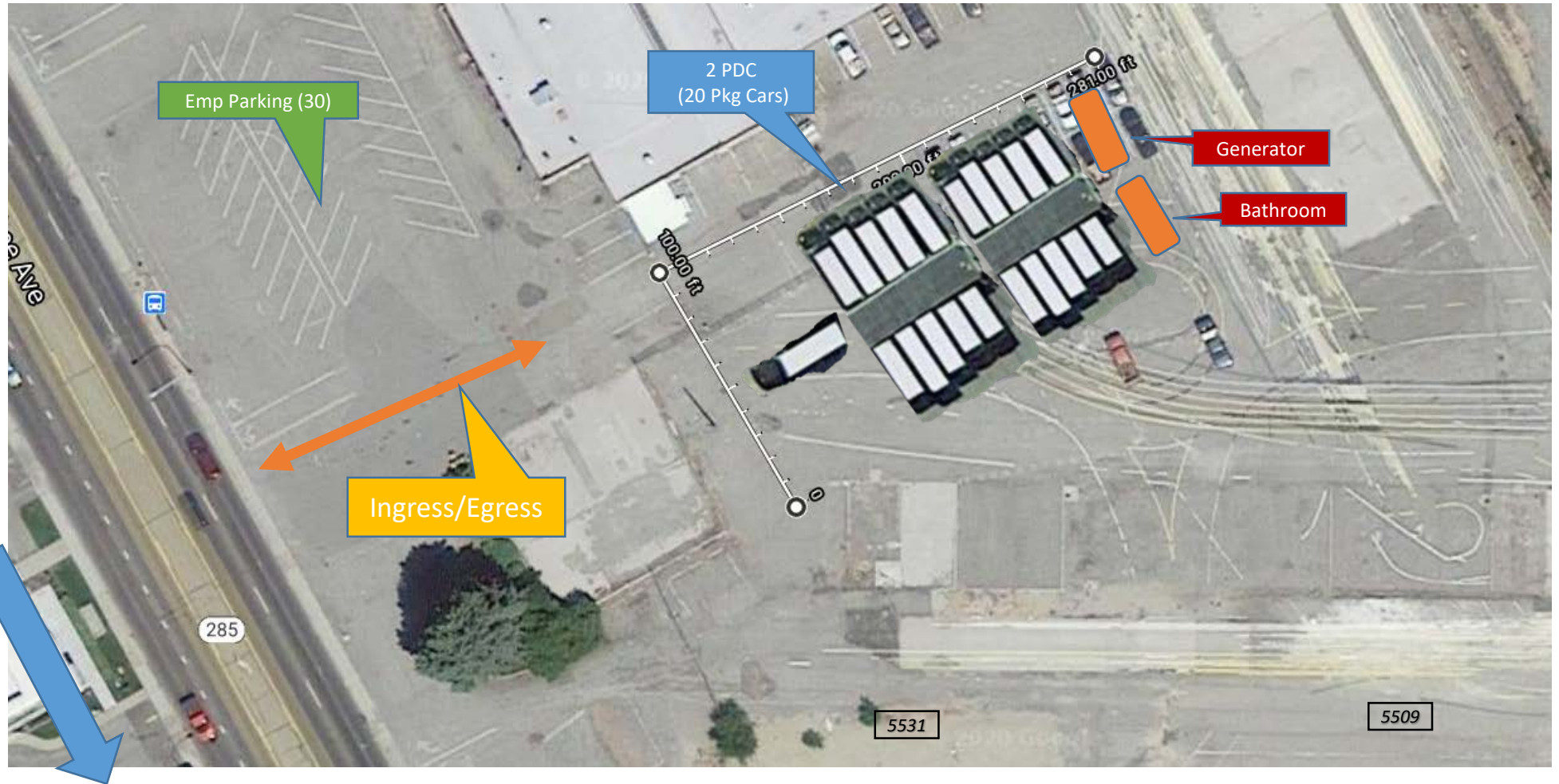
By: Rad Heroman
Name: Rad Heroman
Title: District Real Estate Manager
Date: 10/28/2020

By: _____
Name: _____
Title: _____
Date: _____

Exhibit A

1551 N Wenatchee Ave
Wenatchee, WA 98801

Former WSDOT Site



Center is 2.8 miles away
to the south
on WA-285



CITY COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council

FROM: Brad Posenjak, Finance Director
Finance Department

MEETING DATE: November 5, 2020

I. SUBJECT

2021 Property Tax Ordinance and Resolutions

II. ACTION REQUESTED

Staff recommends the City Council approve Resolution 2020-34 authorizing a levy limit factor of 101% upon a finding of substantial need, approve Ordinance 2020-30 authorizing an increase in the regular property tax levy to be collected in the 2021 tax year, and approve Resolution 2020-35 requesting the Chelan County Assessor to collect sufficient funds to address debt service requirements of a voter approved bond levy.

III. OVERVIEW

Resolution 2020-34 declares that the City of Wenatchee has a substantial need to increase the property tax levy the full 1%. Initiative #747 was approved by the voters on November 6, 2001, and adopted into law by the State Legislature in a special session in November 2007. This limits the increase in property tax to the lower of 1% or the rate of inflation as measured by the IPD (implicit price deflator). The 2020 IPD is 0.60152%, less than 1% maximum allowed. The City may increase the levy rate to the full 1% by passage of Resolution 2020-34, declaring a “substantial need”. This action would require the Council vote to be a majority plus 1, or 5 of the 7 Councilors voting in favor of the action.

Due to the COVID-19 pandemic that negatively impacted the City’s revenues, as well and constantly increasing costs, staff believe there is substantial need to keep up with the 1% property tax increases.

Ordinance 2020-30 authorizes an increase in the regular property tax levy on behalf of the City by Chelan County during 2021. With the passage of this ordinance, the City will collect approximately \$4,305,417 in 2021. Of this levy amount, \$3,000,000 is budgeted for Streets, \$589,500 for repaying bonds for the new City Hall remodel, and \$715,917 to support ongoing General fund operations.

This property tax levy was prepared in accordance with the provision of Initiative 747, which was approved by the voters on November 6, 2001, and adopted into law by the State Legislature in a special session in November 2007. Initiative 747 limits the increase in property tax to the lower of 1% or the rate of inflation as measured by the IPD.

Regular Levy Calculation	
2020 certified levy	4,186,668.67
+ 1.00% increase	41,866.69
2021 regular levy after 1.00% increase	4,228,535.36
+ Estimated new construction	54,163.01
+ Annexations	1,531.87
+ Refund	21,186.58
+ Banked capacity	0.00
Total 2021 regular levy	4,305,416.82

In addition to the 1% maximum, the property tax levy is also increased by new construction and annexations. For the 2021, the City is not utilizing any additional banked property tax capacity. Currently the City has over \$2,200,000 in banked capacity.

It is estimated that this property tax levy will decrease the 2021 levy rate to almost \$1.09 per thousand. A 15 year history of levy rates and assessed values are listed in the “Regular Levy History” chart to the right. The 2021 figures are estimates based on the County Assessor’s preliminary values.

Resolution #2020-35 requests that Chelan County collect additional voter approved property taxes to meet the debt service payment on the police station construction bonds issued in December 2001. The issuance of these bonds was approved by the citizens of Wenatchee on September 18, 2001, through a voter approved proposition to issue \$4.8 million in UTGO bonds.

The 2021 levy of \$326,035 marks the 20th installment of a 20-year bond issue that will be completely paid off in 2021. The levy is estimated to stay below \$0.10 per \$1,000 of assessed value. The levy rate since the passage of the bond is presented in the chart on the right. The 2021 figure is an estimate based on the County Assessor’s preliminary values.

When the voted levy expires after 2021, the City intends to replace it by utilizing an additional \$330,000 in banked property tax capacity to assist in future City Hall debt service payments.

IV. FISCAL IMPACT

Ordinance 2020-30 results in an overall 2.8% increase in regular property tax revenue. Approximately 70% of the regular levy will be transferred to Streets and the rest will be used for General fund and debt service purposes. Resolution 2020-35 provides just enough revenue to make the annual debt service payments for the Police building. These items were reviewed by Finance Committee.

VI. REFERENCE(S)

1. Resolution 2020-34
2. Ordinance 2020-30
3. Resolution 2020-35

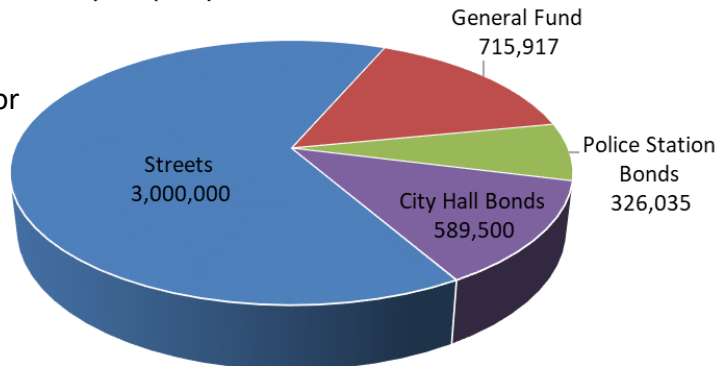
VII. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
Laura Merrill, Executive Services Director

Regular Levy History				
Year	Levy Rate /\$1,000	Change in Levy Rate	Taxable Assessed Value	Change in Assessed Value
2021	1.08950	(0.02161)	3,951,745,016	952,689,726
2020	1.11111	0.04463	3,766,853,491	874,162,672
2019	1.06648	(0.04826)	3,462,296,482	569,605,663
2018	1.11474	0.00159	2,999,055,290	106,364,471
2017	1.11315	(0.04018)	2,892,690,819	482,774,337
2016	1.15333	(1.49557)	2,409,916,482	129,121,241
2015	2.64890	(0.09601)	2,280,795,241	110,621,081
2014	2.74491	0.12185	2,170,174,160	(41,522,987)
2013	2.62306	0.15826	2,211,697,147	(102,927,396)
2012	2.46480	0.11918	2,314,624,543	(53,485,284)
2011	2.34562	(0.11307)	2,368,109,827	162,531,288
2010	2.45869	(0.25853)	2,205,578,539	225,355,608
2009	2.71722	0.01517	1,980,222,931	85,426,030
2008	2.70205	0.02695	1,894,796,901	46,266,598
2007	2.67510	(0.31596)	1,848,530,303	259,252,543
2006	2.99106	(0.07594)	1,589,277,760	91,977,781

Bond Levy History	
Year	Levy Rate /\$1,000
2021	0.09400
2020	0.09892
2019	0.10815
2018	0.12036
2017	0.13711
2016	0.14565
2015	0.14592
2014	0.15501
2013	0.17115
2012	0.16446
2011	0.15479
2010	0.16823
2009	0.18736
2008	0.19453
2007	0.20016
2006	0.23410
2005	0.24870
2004	0.25470
2003	0.25746
2002	0.27114

City Property Tax Levies



RESOLUTION NO. 2020-34

A RESOLUTION, authorizing a levy limit factor of one hundred one percent (101%) upon a finding of substantial need pursuant to RCW 84.55.0101.

WHEREAS, the City Council has met and considered its budget for the calendar year 2021; and

WHEREAS, the population of the City of Wenatchee is in excess of 10,000; and

WHEREAS, the City Council has determined that due to the recession created by the COVID-19 pandemic, increasing operational expenses and insufficient revenues from sales tax and fees, there is a substantial need to set the levy limit at one hundred one percent (101%) for the budget year 2021.

NOW, THEREFORE, BE IT RESOLVED by the City Council to raise the levy limit factor to one hundred one percent (101%) in calculating the highest lawful levy for tax year 2021.

PASSED BY A MAJORITY PLUS ONE OF THE CITY COUNCIL OF THE CITY OF WENATCHEE at a regular meeting thereof this 5th day of November, 2020.

CITY OF WENATCHEE, a Municipal Corporation

By: _____
FRANK KUNTZ, Mayor

ATTEST:

By: _____
TAMMY STANGER, City Clerk

APPROVED:

By: _____
STEVE D. SMITH, City Attorney

ORDINANCE NO. 2020-30

AN ORDINANCE, of the City of Wenatchee authorizing an increase in the regular property tax levy to be collected in the 2021 tax year.

WHEREAS, the City Council of the City of Wenatchee has met and considered its budget for the calendar year 2021; and

WHEREAS, the City's actual levy amount from the previous year was \$4,186,668.67; and

WHEREAS, the population of the City is more than 10,000.

NOW, THEREFORE, the City Council of the City of Wenatchee, do ordain that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2021 tax year. The dollar amount of the increase over the actual levy amount from the previous year shall be \$41,866.69 which is a percentage increase of 1.00% from the previous year. This increase is exclusive of additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE, at a regular meeting thereof, this 5th day of November, 2020.

CITY OF WENATCHEE, a Municipal
Corporation

By: _____
FRANK KUNTZ, Mayor

ATTEST:

By: _____
TAMMY STANGER, City Clerk

APPROVED:

By: _____
STEVE D. SMITH, City Attorney

RESOLUTION NO. 2020-35

A RESOLUTION, requesting the Chelan County Assessor to collect sufficient funds to address debt service requirements of a voter approved bond levy.

WHEREAS, on September 18, 2001, the voters of the City of Wenatchee approved a Bond sale in the amount of \$4,800,000 for the purpose of providing funds for the acquisition, construction and equipping of a Police Station; and

WHEREAS, the bonds are for a term of twenty (20) years; and

WHEREAS, sufficient funds must be collected annually to ensure debt service payments for both principal and interest.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF WENATCHEE requests the Chelan County Assessor to collect \$326,035.35 in ad valorem taxes during 2021 to ensure payment of the principal and interest for the Police Station Bonds in the year 2021.

PASSED BY THE CITY COUNCIL OF THE CITY OF WENATCHEE at a regular meeting thereof this 5th day of November, 2020.

CITY OF WENATCHEE, a Municipal
corporation

By: _____
FRANK KUNTZ, Mayor

ATTEST:

By: _____
TAMMY STANGER, City Clerk

APPROVED:

By: _____
STEVE D. SMITH, City Attorney



CITY COUNCIL AGENDA REPORT

TO: Frank Kuntz, Mayor
City Council

FROM: Brad Posenjak, Finance Director
Finance Department

MEETING DATE: November 5, 2020

I. SUBJECT

Preview the final 2021 Budget

II. ACTION REQUESTED

None. This is an informational presentation

III. OVERVIEW

The City of Wenatchee expects to adopt the 2021 budget on November 12, 2020. The preliminary budget was presented to council on October 8. After the council presentation, some minor changes were made and the attached version of the budget was provided to council on October 27.

Changes from the preliminary version include:

- Updates to equipment replacement rates across many departments and funds
- Rollover balance of a non-recurring General Fund request for WDA historic preservation
- Adjustment to property tax revenue per County Assessor estimates
- Increases related to the Tourism Promotion Area \$2 rate change
- Increase to Transportation Benefit District revenue in light of the Court overturning I-976
- Updated Economic Development capital project budget
- Corrections in the Utility fund budgets
- Increase in AWC RMSA (insurance) premium.

The Finance Department does not anticipate any further changes to this budget before the final adoption on November 12.

IV. FISCAL IMPACT

The adoption of the 2021 budget is legally required for any City expenditure to be incurred in 2021.

VI. REFERENCE(S)

A. 2021 Budget Summary

VII. ADMINISTRATIVE ROUTING

Tammy Stanger, City Clerk
Laura Merrill, Executive Services Director

2021 Final Budget Summary As of 10/27/2020

	2019 Actual	2020 Original Budget	2021 Preliminary Budget	2021 Final Budget	Change Over Preliminary Budget
General Fund					
Total					
Revenues	28,631,065	27,928,130	27,560,070	27,584,170	24,100
Expenses	30,928,381	29,926,050	28,417,120	28,268,750	(148,370)
Net Income	(2,297,316)	(1,997,920)	(857,050)	(684,580)	
Recurring					
Recurring Revenues	26,529,126	27,188,730	26,881,070	26,905,170	24,100
Recurring Expenses	24,316,152	27,166,880	27,505,320	27,348,820	(156,500)
Net Recurring	2,212,974	21,850	(624,250)	(443,650)	
Non-Recurring					
Non-Recurring Revenues	2,101,939	739,400	679,000	679,000	-
Non-Recurring Expenses	6,612,229	2,759,170	911,800	919,930	8,130
Net Non-Recurring	(4,510,290)	(2,019,770)	(232,800)	(240,930)	
Beginning fund balance	10,678,130	8,000,000	7,500,000	7,500,000	-
Ending fund balance	8,380,814	6,002,080	6,642,950	6,815,420	172,470
	34%	22%	24%	25%	

	2019 Actual	2020 Original Budget	2021 Preliminary Budget	2021 Final Budget	Change Over Preliminary Budget
All Other Funds					
Total					
Revenues	69,514,593	53,050,220	62,267,400	63,561,510	1,294,110
Expenses	58,855,419	77,529,610	74,599,910	75,488,440	888,530
Net Income	10,659,174	(24,479,390)	(12,332,510)	(11,926,930)	

	2019 Actual	2020 Original Budget	2021 Preliminary Budget	2021 Final Budget	Change Over Preliminary Budget
001 - General Fund					
005 - Defender/Court/Jail					
Expenses	2,870,822	3,561,460	3,222,630	3,222,630	-
007 - Human Resources					
Salaries & Benefits	236,618	253,130	262,790	262,790	-
Supplies & Services	47,011	55,690	54,380	54,380	-
Expenses	283,629	308,820	317,170	317,170	-
008 - Community & Building Safety					
Salaries & Benefits	831,776	905,900	896,950	896,950	-
Supplies & Services	169,543	155,040	172,640	152,880	(19,760)
Expenses	1,001,319	1,060,940	1,069,590	1,049,830	(19,760)
009 - Mayor/Council					
Salaries & Benefits	557,538	591,300	600,900	600,900	-
Supplies & Services	179,555	173,010	173,000	173,000	-
Expenses	737,094	764,310	773,900	773,900	-
010 - Civil Service					
Expenses	14,963	15,540	15,620	15,620	-
011 - Engineering					
Salaries & Benefits	1,114,671	1,056,020	1,052,880	1,052,880	-
Supplies & Services	205,317	210,820	207,810	201,180	(6,630)
Expenses	1,319,988	1,266,840	1,260,690	1,254,060	(6,630)
012 - Economic Development					
Salaries & Benefits	233,378	292,900	126,570	126,570	-
Supplies & Services	39,370	43,680	36,600	36,600	-
Expenses	272,748	336,580	163,170	163,170	-
013 - Finance					
Salaries & Benefits	639,857	649,460	670,050	670,050	-
Supplies & Services	157,840	158,540	171,510	171,510	-
Expenses	797,696	808,000	841,560	841,560	-
014 - Legal					
Expenses	475,898	520,000	525,200	525,200	-
015 - Community Development & Planning					
Salaries & Benefits	875,196	929,610	977,960	977,960	-
Supplies & Services	141,819	156,330	154,560	147,430	(7,130)
Expenses	1,017,015	1,085,940	1,132,520	1,125,390	(7,130)

	2019 Actual	2020 Original Budget	2021 Preliminary Budget	2021 Final Budget	Change Over Preliminary Budget
016 - Parks, Recreation and Cultural Services					
Salaries & Benefits	751,147	775,060	859,820	859,820	-
Supplies & Services	176,884	202,080	199,500	188,700	(10,800)
Expenses	928,031	977,140	1,059,320	1,048,520	(10,800)
017 - Museum					
Expenses	403,966	452,690	448,040	448,040	-
018 - Police					
Salaries & Benefits	6,779,930	7,615,070	7,922,040	7,922,040	-
Supplies & Services	1,431,559	1,458,880	1,516,030	1,434,890	(81,140)
Expenses	8,211,489	9,073,950	9,438,070	9,356,930	(81,140)
019 - Other Administration					
Supplies & Services	1,360,515	1,486,070	1,857,040	1,857,040	-
Transfers Out	3,618,000	4,033,330	3,967,260	3,967,260	-
Expenses	4,978,515	5,519,400	5,824,300	5,824,300	-
022 - Parks Ground Maintenance					
Salaries & Benefits	906,631	953,820	944,950	944,950	-
Supplies & Services	369,096	461,450	468,590	437,550	(31,040)
Expenses	1,275,727	1,415,270	1,413,540	1,382,500	(31,040)
023 - Non-Recurring Expenditures					
Salaries & Benefits	43,350	83,040	28,800	28,800	-
Supplies & Services	1,051,808	984,130	520,500	528,630	8,130
Capital Outlay	715,221	110,000	-	-	-
Transfers Out	4,529,101	1,582,000	362,500	362,500	-
Expenses	6,339,481	2,759,170	911,800	919,930	8,130
Total Expenses	30,928,381	29,926,050	28,417,120	28,268,750	(148,370)
General Revenues					
Sales Tax	9,714,332	9,600,000	9,500,000	9,500,000	-
Sales Tax (non-recurring)	679,103	650,000	650,000	650,000	-
Utility Taxes	6,886,486	7,234,240	7,319,240	7,319,240	-
Property Tax	3,638,106	4,176,890	4,281,310	4,305,410	24,100
Other Taxes	1,175,215	1,475,000	1,135,000	1,135,000	-
Licenses & Permits	1,127,901	1,077,000	872,000	872,000	-
Intergovernmental	843,221	744,800	785,600	785,600	-
Grants (non-recurring)	337,316	72,400	29,000	29,000	-
Charges for Services	1,687,992	1,505,580	1,653,160	1,653,160	-
Fines & Penalties	1,030,317	982,000	991,500	991,500	-
PILOT	250,500	241,300	262,100	262,100	-
Miscellaneous	175,057	151,920	81,160	81,160	-
Miscellaneous (non-recu)	1,085,519	17,000	-	-	-
Total General Revenue	28,631,065	27,928,130	27,560,070	27,584,170	24,100

	2019 Actual	2020 Original Budget	2021 Preliminary Budget	2021 Final Budget	Change Over Preliminary Budget
005 - Rainy Day					
Expenses	-	-	-	-	-
Revenues	32,148	25,000	15,000	15,000	-
Net Income	32,148	25,000	15,000	15,000	-
Beginning Fund Balance	1,543,034	1,560,000	1,560,000	1,560,000	-
Ending Fund Balance	1,575,183	1,585,000	1,575,000	1,575,000	-
101 - Public Arts					
Expenses	4,870	14,500	7,000	7,000	-
Revenues	143,029	16,200	32,500	32,500	-
Net Income	138,159	1,700	25,500	25,500	-
Beginning Fund Balance	72,615	70,000	250,000	250,000	-
Ending Fund Balance	210,774	71,700	275,500	275,500	-
102 - PFD .2% Sales Tax					
Expenses	2,382,259	2,600,000	2,600,000	2,600,000	-
Revenues	2,382,259	2,600,000	2,600,000	2,600,000	-
Net Income	-	-	-	-	-
Beginning Fund Balance	-	-	-	-	-
Ending Fund Balance	-	-	-	-	-
103 - Paths & Trails					
Expenses	-	-	20,000	20,000	-
Revenues	3,443	3,200	3,200	3,200	-
Net Income	3,443	3,200	(16,800)	(16,800)	-
Beginning Fund Balance	16,549	18,000	22,000	22,000	-
Ending Fund Balance	19,992	21,200	5,200	5,200	-
104 - Tourism Promotion Area					
Expenses	257,663	275,000	200,000	345,250	145,250
Revenues	254,787	241,800	200,500	375,500	175,000
Net Income	(2,876)	(33,200)	500	30,250	-
Beginning Fund Balance	116,138	100,000	50,000	50,000	-
Ending Fund Balance	113,263	66,800	50,500	80,250	-
105 - Hotel/Motel Tax - Cap Outlay					
Expenses	353,499	370,000	300,000	300,000	-
Revenues	357,763	370,000	300,000	300,000	-
Net Income	4,264	-	-	-	-
Beginning Fund Balance	46,612	-	-	-	-
Ending Fund Balance	50,875	-	-	-	-

	2019 Actual	2020 Original Budget	2021 Preliminary Budget	2021 Final Budget	Change Over Preliminary Budget
106 - Convention Center					
Expenses	1,531,875	1,360,110	972,640	971,200	(1,440)
Revenues	1,431,447	1,428,920	1,002,500	1,002,500	-
Net Income	(100,428)	68,810	29,860	31,300	
Beginning Fund Balance	468,121	350,000	200,000	200,000	
Ending Fund Balance	367,693	418,810	229,860	231,300	
107 - Hotel/Motel Tax - Tourism					
Expenses	754,772	753,620	600,000	600,000	-
Revenues	720,757	744,000	602,000	602,000	-
Net Income	(34,015)	(9,620)	2,000	2,000	
Beginning Fund Balance	296,884	260,000	220,000	220,000	
Ending Fund Balance	262,869	250,380	222,000	222,000	
108 - Streets					
Expenses	3,628,010	4,775,050	3,915,970	3,696,440	(219,530)
Revenues	3,793,800	3,580,500	3,634,100	3,634,100	-
Net Income	165,790	(1,194,550)	(281,870)	(62,340)	
Beginning Fund Balance	2,546,711	2,000,000	1,500,000	1,500,000	
Ending Fund Balance	2,712,501	805,450	1,218,130	1,437,660	
109 - Arterial Streets					
Expenses	3,624,440	4,374,710	6,840,540	6,840,540	-
Revenues	3,423,576	4,157,570	6,296,340	6,296,340	-
Net Income	(200,863)	(217,140)	(544,200)	(544,200)	
Beginning Fund Balance	761,516	500,000	700,000	700,000	
Ending Fund Balance	560,652	282,860	155,800	155,800	
110 - LEOFF 1 Long Term Care					
Expenses	38,946	55,500	187,000	187,000	-
Revenues	63,263	50,000	7,500	7,500	-
Net Income	24,317	(5,500)	(179,500)	(179,500)	
Beginning Fund Balance	630,739	616,000	580,000	580,000	
Ending Fund Balance	655,056	610,500	400,500	400,500	
111 - Street Overlay					
Expenses	2,359,473	1,536,000	235,900	235,900	-
Revenues	1,439,074	590,000	582,000	582,000	-
Net Income	(920,399)	(946,000)	346,100	346,100	
Beginning Fund Balance	2,148,996	2,100,000	100,000	100,000	
Ending Fund Balance	1,228,597	1,154,000	446,100	446,100	

	2019 Actual	2020 Original Budget	2021 Preliminary Budget	2021 Final Budget	Change Over Preliminary Budget
112 - Impact Fees					
Expenses	4,443	-	-	-	-
Revenues	5,540	200	200	200	-
Net Income	1,097	200	200	200	-
Beginning Fund Balance	33,453	32,700	40,000	40,000	-
Ending Fund Balance	34,550	32,900	40,200	40,200	-
113 - Low Income Housing					
Expenses	49,925	56,710	56,710	56,710	-
Revenues	54,158	40,250	111,000	111,000	-
Net Income	4,233	(16,460)	54,290	54,290	-
Beginning Fund Balance	74,211	30,000	70,000	70,000	-
Ending Fund Balance	78,444	13,540	124,290	124,290	-
114 - Community Center					
Expenses	105,240	178,560	54,590	45,090	(9,500)
Revenues	155,393	105,140	8,500	8,500	-
Net Income	50,153	(73,420)	(46,090)	(36,590)	-
Beginning Fund Balance	90,488	120,000	100,000	100,000	-
Ending Fund Balance	140,642	46,580	53,910	63,410	-
115 - CDBG Entitlement					
Expenses	165,982	301,500	500,090	500,090	-
Revenues	132,804	236,140	465,090	465,090	-
Net Income	(33,179)	(65,360)	(35,000)	(35,000)	-
Beginning Fund Balance	(5)	65,360	35,000	35,000	-
Ending Fund Balance	(33,184)	-	-	-	-
116 - LEOFF 1 Retiree Health Insurance					
Expenses	356,089	358,000	316,000	316,000	-
Revenues	150,722	250,000	245,000	245,000	-
Net Income	(205,367)	(108,000)	(71,000)	(71,000)	-
Beginning Fund Balance	636,770	472,400	390,000	390,000	-
Ending Fund Balance	431,403	364,400	319,000	319,000	-
117 - Homeless Funds					
Expenses	1,252,092	1,634,440	2,663,220	2,663,220	-
Revenues	1,331,871	1,435,040	2,508,160	2,508,160	-
Net Income	79,779	(199,400)	(155,060)	(155,060)	-
Beginning Fund Balance	763,128	400,000	400,000	400,000	-
Ending Fund Balance	842,908	200,600	244,940	244,940	-

	2019 Actual	2020 Original Budget	2021 Preliminary Budget	2021 Final Budget	Change Over Preliminary Budget
118 - Abatement					
Expenses	11,328	40,000	40,000	40,000	-
Revenues	24,636	11,100	13,100	13,100	-
Net Income	13,308	(28,900)	(26,900)	(26,900)	
Beginning Fund Balance	74,344	80,000	100,000	100,000	
Ending Fund Balance	87,652	51,100	73,100	73,100	
119 - Transportation Benefit District					
Expenses	614,188	1,000,000	-	-	-
Revenues	644,273	605,000	-	601,000	601,000
Net Income	30,085	(395,000)	-	601,000	
Beginning Fund Balance	509,518	500,000	-	600,000	
Ending Fund Balance	539,602	105,000	-	1,201,000	
201 - Police Station GO Bonds					
Expenses	326,035	326,040	326,040	326,040	-
Revenues	327,409	327,830	327,830	327,830	-
Net Income	1,373	1,790	1,790	1,790	
Beginning Fund Balance	(8,446)	-	-	-	
Ending Fund Balance	(7,073)	1,790	1,790	1,790	
203 - LID 2010-01 Poplar Sewer					
Expenses	12,148	-	-	-	-
Revenues	10,634	-	3,630	3,630	-
Net Income	(1,513)	-	3,630	3,630	
Beginning Fund Balance	1,869	-	-	-	
Ending Fund Balance	356	-	3,630	3,630	
204 - LID Guaranty					
Expenses	74	-	-	-	-
Revenues	2,843	-	500	500	-
Net Income	2,769	-	500	500	
Beginning Fund Balance	136,148	-	140,000	140,000	
Ending Fund Balance	138,917	-	140,500	140,500	
205 - Councilmanic Bond					
Expenses	2,088,140	2,107,950	1,702,570	1,702,570	-
Revenues	2,095,777	2,109,950	1,704,220	1,704,220	-
Net Income	7,636	2,000	1,650	1,650	
Beginning Fund Balance	13,578	5,000	5,000	5,000	
Ending Fund Balance	21,215	7,000	6,650	6,650	

	2019 Actual	2020 Original Budget	2021 Preliminary Budget	2021 Final Budget	Change Over Preliminary Budget
207 - Riverside Dr. LID #2008-1					
Expenses	35,720	-	29,690	29,690	-
Revenues	482	-	29,690	29,690	-
Net Income	(35,238)	-	-	-	-
Beginning Fund Balance	35,408	-	-	-	-
Ending Fund Balance	170	-	-	-	-
301 - RE Excise Tax Cap Projects					
Expenses	473,932	1,221,350	221,250	221,250	-
Revenues	628,791	582,000	588,000	588,000	-
Net Income	154,859	(639,350)	366,750	366,750	-
Beginning Fund Balance	880,944	1,200,000	300,000	300,000	-
Ending Fund Balance	1,035,803	560,650	666,750	666,750	-
302 - Parks & Recreation Capital Projects					
Expenses	4,244,877	3,305,940	4,106,990	4,106,990	-
Revenues	3,417,117	2,950,040	4,107,490	4,107,490	-
Net Income	(827,760)	(355,900)	500	500	-
Beginning Fund Balance	286,440	360,000	80,000	80,000	-
Ending Fund Balance	(541,320)	4,100	80,500	80,500	-
304 - Economic Development Capital Projects					
Expenses	8,904,492	3,971,400	3,701,000	4,701,500	1,000,500
Revenues	6,706,901	2,760,400	8,240,000	8,701,500	461,500
Net Income	(2,197,591)	(1,211,000)	4,539,000	4,000,000	-
Beginning Fund Balance	(3,463,255)	1,211,000	(4,500,000)	(4,000,000)	-
Ending Fund Balance	(5,660,846)	-	39,000	-	-
307 Local Revitalization Financing Program					
Expenses	829,157	1,694,950	982,300	982,300	-
Revenues	1,068,301	550,000	565,000	565,000	-
Net Income	239,143	(1,144,950)	(417,300)	(417,300)	-
Beginning Fund Balance	4,427,177	4,100,000	3,500,000	3,500,000	-
Ending Fund Balance	4,666,320	2,955,050	3,082,700	3,082,700	-
308 New City Hall Remodel					
Expenses	198,777	6,354,010	7,500,000	7,500,000	-
Revenues	10,694,836	-	20,000	20,000	-
Net Income	10,496,059	(6,354,010)	(7,480,000)	(7,480,000)	-
Beginning Fund Balance	-	10,000,000	9,000,000	9,000,000	-
Ending Fund Balance	10,496,059	3,645,990	1,520,000	1,520,000	-
309 Foothills Street Projects					
Expenses	38,977	414,300	1,274,600	1,274,600	-
Revenues	2,038,264	-	4,000	4,000	-
Net Income	1,999,287	(414,300)	(1,270,600)	(1,270,600)	-
Beginning Fund Balance	-	2,000,000	1,800,000	1,800,000	-
Ending Fund Balance	1,999,287	1,585,700	529,400	529,400	-

	2019 Actual	2020 Original Budget	2021 Preliminary Budget	2021 Final Budget	Change Over Preliminary Budget
401 - Water Utility					
Expenses	5,802,531	7,838,140	6,416,270	6,368,250	(48,020)
Revenues	5,461,166	5,873,250	5,914,500	5,914,500	-
Net Income	(341,365)	(1,964,890)	(501,770)	(453,750)	
Beginning Fund Balance	2,023,088	3,000,000	750,000	750,000	
Ending Fund Balance	1,681,723	1,035,110	248,230	296,250	
405 - Sewer Utility					
Expenses	8,119,198	15,418,440	14,657,220	15,012,800	355,580
Revenues	9,096,202	9,001,600	9,580,000	9,580,000	-
Net Income	977,003	(6,416,840)	(5,077,220)	(5,432,800)	
Beginning Fund Balance	14,255,074	10,000,000	8,000,000	8,000,000	
Ending Fund Balance	15,232,078	3,583,160	2,922,780	2,567,200	
410 - Storm Drain Utility					
Expenses	2,789,886	4,487,230	5,713,860	5,356,970	(356,890)
Revenues	2,611,049	3,278,250	4,283,090	4,283,090	-
Net Income	(178,838)	(1,208,980)	(1,430,770)	(1,073,880)	
Beginning Fund Balance	4,197,860	4,500,000	3,000,000	3,000,000	
Ending Fund Balance	4,019,022	3,291,020	1,569,230	1,926,120	
415 - Regional Water					
Expenses	1,003,752	1,103,120	1,194,940	1,194,020	(920)
Revenues	1,619,249	1,627,680	1,906,000	1,906,000	-
Net Income	615,498	524,560	711,060	711,980	
Beginning Fund Balance	3,248,639	3,000,000	3,900,000	3,900,000	
Ending Fund Balance	3,864,137	3,524,560	4,611,060	4,611,980	
420 - Solid Waste Utility					
Expenses	126,214	10,000	10,000	10,000	-
Revenues	8,482	5,000	2,500	2,500	-
Net Income	(117,732)	(5,000)	(7,500)	(7,500)	
Beginning Fund Balance	321,490	200,000	150,000	150,000	
Ending Fund Balance	203,757	195,000	142,500	142,500	
430 - Cemetery					
Expenses	397,291	460,700	472,810	465,520	(7,290)
Revenues	513,033	427,200	406,900	406,900	-
Net Income	115,742	(33,500)	(65,910)	(58,620)	
Beginning Fund Balance	(17,187)	33,500	70,000	70,000	
Ending Fund Balance	98,555	-	4,090	11,380	
501 - Equipment Rental O&M					
Expenses	1,104,997	1,153,490	1,193,300	1,182,480	(10,820)
Revenues	1,119,851	911,800	911,300	1,101,150	189,850
Net Income	14,854	(241,690)	(282,000)	(81,330)	
Beginning Fund Balance	392,420	330,000	450,000	450,000	
Ending Fund Balance	407,274	88,310	168,000	368,670	

	2019 Actual	2020 Original Budget	2021 Preliminary Budget	2021 Final Budget	Change Over Preliminary Budget
502 - Self Insurance Fund					
Expenses	981,895	1,170,000	1,220,000	1,296,870	76,870
Revenues	1,016,813	995,000	1,270,000	1,270,000	-
Net Income	34,918	(175,000)	50,000	(26,870)	
Beginning Fund Balance	1,548,242	1,700,000	1,520,000	1,520,000	
Ending Fund Balance	1,583,160	1,525,000	1,570,000	1,493,130	
503 - Equipment Rental Replacement					
Expenses	583,235	1,186,510	1,205,700	1,189,000	(16,700)
Revenues	1,493,390	989,100	984,100	850,860	(133,240)
Net Income	910,155	(197,410)	(221,600)	(338,140)	
Beginning Fund Balance	2,896,316	2,800,000	4,000,000	4,000,000	
Ending Fund Balance	3,806,471	2,602,590	3,778,400	3,661,860	
504 - Facility Maintenance Fund					
Expenses	1,746,179	3,988,890	1,364,190	1,350,210	(13,980)
Revenues	1,577,089	2,712,830	1,302,700	1,302,700	-
Net Income	(169,090)	(1,276,060)	(61,490)	(47,510)	
Beginning Fund Balance	2,002,452	1,500,000	800,000	800,000	
Ending Fund Balance	1,833,362	223,940	738,510	752,490	
505 - Information Systems					
Expenses	1,405,744	1,437,950	1,638,020	1,633,440	(4,580)
Revenues	1,357,389	1,385,230	1,422,260	1,422,260	-
Net Income	(48,355)	(52,720)	(215,760)	(211,180)	
Beginning Fund Balance	352,530	300,000	340,000	340,000	
Ending Fund Balance	304,175	247,280	124,240	128,820	
610 - Cemetery Endowment Fund					
Expenses	-	-	-	-	-
Revenues	43,821	28,000	28,000	28,000	-
Net Income	43,821	28,000	28,000	28,000	
Beginning Fund Balance	1,153,275	1,190,000	1,210,000	1,210,000	
Ending Fund Balance	1,197,096	1,218,000	1,238,000	1,238,000	
611 - Firemens' Pension Fund					
Expenses	147,075	195,500	159,500	159,500	-
Revenues	60,966	45,000	39,000	39,000	-
Net Income	(86,110)	(150,500)	(120,500)	(120,500)	
Beginning Fund Balance	1,581,644	1,550,000	1,300,000	1,300,000	
Ending Fund Balance	1,495,534	1,399,500	1,179,500	1,179,500	