



REGULAR MEETING AGENDA SEQUIM CITY COUNCIL

Sequim Civic Center
152 West Cedar Street
Sequim, WA
November 14, 2016
5:00 PM

Times are approximate and subject to change. All agenda items including public hearings may be addressed at any time once the meeting begins.

WORK SESSION

1. City Manager Compensation
2. Proposed Legislative Agenda

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

CEREMONIAL

REPORTS

Committee, Board and Liaison

Presiding Officer

City Manager

- Celebrating Arbor Day Event
- West Fir Street Improvements Grant Update
- Fireworks Ballot Results

Student Liaison Report

PUBLIC COMMENTS *Please limit comments to 3 minutes. Please see "Public Comments" rules attached.*

INFORMATION/COUNCIL QUESTIONS INVITED

3. Healthy Families Third Quarter Report

PUBLIC HEARINGS (Legislative)

4. Ordinance 2016-10 Plat Vacation/Alterations (con't from 10/10/2016)
5. 2017 Budgets
 - a. City of Sequim Budget - Ordinance No. 2016-14
 - b. Transportation Benefit District - Ordinance No. TBD2016- 01
6. Revenue Sources
 - a. Property Tax Levy – Resolution No. R2016-25
 - b. 2017 Rates and Fees – Ordinance No. 2016-12

CONSENT AGENDA

7. Approve/Acknowledge
 - a. City Council Meeting Minutes – October 24, 2016
 - b. Claim Voucher Recap Dated 11/14/16 Total Payments \$592,158.48
 - c. Approve Guy Cole Bid Award

TBD BUSINESS

- 8. Resolution TBD-R-2016-02 Adopting Interlocal Agreement with Association of Washington Cities Risk Management Service Agency

UNFINISHED BUSINESS

- 9. Resolution No. R2016-27 Protesting the FCC Regulations Limiting Local Jurisdiction Regulatory Capabilities

NEW BUSINESS

- 10. Resolution No. R2016-28 Adopting Interlocal Agreement with Association of Washington Cities Risk Management Service Agency

PUBLIC COMMENTS *(Please limit comments to 3 minutes each)*

EXECUTIVE SESSION

NEXT MEETING DATE *These times are subject to change. Please check our website for any updates. You may also sign up for email notifications at <http://sequimwa.gov/list.aspx>.*

ADJOURNMENT

PUBLIC HEARING PROCEDURES

- 1) Members of the public wishing to comment at the public hearing are to sign in with the Clerk giving their names, address, and the agenda item.
- 2) The Mayor may limit the speaker time for each speaker subject to council concurrence and may also change the order of testimony to maintain a logical sequence.
- 3) All comments by speakers shall be made from the speaker’s rostrum and any individual making comments shall first give their name and address for the official record.
- 4) No comments shall be made from any other location and anyone making “out of order” comments shall be subject to removal from the meeting.
- 5) There will be no demonstrations during or at the conclusion of anyone’s presentation.
- 6) These rules are intended to promote an orderly system of holding a public hearing, to give every person an opportunity to be heard and to ensure that no individuals are embarrassed by exercising their right of free speech.

NOTE: Items presented by members of the public during the Council meeting become a public document. Please submit them to the Clerk or her representative. Copies of public documents from Council meetings are available at the City Clerk’s Office.

PUBLIC COMMENTS

Although *no* public comment is *required* to be provided for at City Council meetings, City Council members have provided for two public comment periods.

Not all agenda items are appropriate for public comment. Matters which are or were the subject of a public hearing for which required notice was given are topics where public comment outside of the public announced hearing are not allowed by law. Matters that may affect liability for the City are not appropriate for comments from the public even though it may be an agenda item. Frequently questions from the audience to the council or to staff or to consultants are not appropriate to answer at a council meeting. The chairperson will explain when public comment is not appropriate as the need may arise. If you wish to comment on a Public Hearing item, please sign up on the specific Public Hearing sign up sheet.

Public Comment Rules:

- 1. Come to the lectern; state your name, address, and topic for the record.
- 2. Please limit your comments to 3 minutes.
- 3. Please refer to the sign-in sheet for additional rules.

SEQUIM CITY COUNCIL AGENDA COVER SHEET

MEETING DATE: November 14, 2016

FROM: Susanne Connelly, Human Resources Director
 Connie Anderson, Deputy Admin Services Director

SUBJECT/ISSUE: City Manager Compensation - Non-union compensation wage survey information

Discussion dates	11/14/16		
CATEGORY	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Information Only	Time Needed for Presentation
	<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda	
	<input type="checkbox"/> Unfinished Business	<input type="checkbox"/> New Business	
Reviewed by	Initials	Date	
Kristina Nelson-Gross, City Attorney	KNG	11/9/2016	

PROBLEM / ISSUE STATEMENT:

HR has been advised that the City Council may want to discuss the compensation survey methodology used for non-union positions. In August and September, HR conducted a market wage study for all non-union positions, which included market data on the position of City Manager. Because City Council determines the City Manager wage for the year, we are bringing this information to you for any questions you may have.

DISCUSSION/ANALYSIS:

What cities were used as salary comparables in the compensation study?

- To determine which cities were the most appropriate comparables, we used the most recent MRSC Washington cities data on population, property and sales tax. We sorted by population and then by cities having at least 2 of the 3 following items in common - population, property tax, sales tax.
- The primary data source was the AWC 2016 salary survey published late July, which reports data for 269 of the State's 281 cities and 38 of 39 counties.
- To confirm another city job match to our jobs, we used the same population size grouping then looked for a minimum of 5 good job AWC matches per position. This meant mostly cities with populations of 7,500 or less, and in no case did we consider any I-5 corridor or large city data.

- When HR was not positive the job descriptions were a good match, we consulted the employee and their supervisor for input, then combined this with our HR knowledge of industry standards, compensation practices and benchmarks.
- Is the Consumer Price Index (CPI) used when analyzing non-union wages, and if so, how is it applied?
- The actual market wage survey process used for non-represented staff is the same as used in union contract labor negotiations. The difference is all of the City's labor contracts have CPI language with a math formula included as part of union compensation philosophy, and the City's non-represented compensation policy written in 2010 does not.
- Our union contracts provide CPI language, which is re-negotiated each contract cycle based on current economic market conditions. For example, for non-commissioned: "If the US all-urban (CPI-U) exceeds 5% from July through June in any year of this agreement, the Union may request a wage re-opener be negotiated the following calendar year."
- Information on pay compression
- This is a compensation principle that refers to: when employees in lower-level jobs are paid almost as much as their colleagues in higher-level jobs, including managerial positions. Looking at this most recent salary data, I have some concern that there could be compression in regards to the current City Manager's salary. I suggest HR and Payroll staff research this topic more fully in the next month.

FINANCIAL IMPLICATIONS:

There is approximately \$25k in the 2017 Budget contingency to allow for adjustments to non-represented salaries, if needed, to ensure they are in line with the salary survey conducted.

RECOMMENDATION:

The information regarding Non-union positions has been brought forward for information only.

**SEQUIM CITY COUNCIL
AGENDA COVER SHEET**

MEETING DATE: **November 14, 2016**

FROM: Charlie Bush
 City Manager

 CPB
Initials

SUBJECT/ISSUE: **2017 State Legislative Agenda**

Discussion dates	N/A			
CATEGORY	<input type="checkbox"/> City Manager Report	<input checked="" type="checkbox"/> Information Only	Time Needed for Presentation 10 mins.	
	<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda		
	<input type="checkbox"/> Unfinished Business	<input type="checkbox"/> New Business		
Reviewed by			Initials	Date
Kristina Nelson-Gross, City Attorney			KNG	11/9/2016
Karen Kuznek-Reese, City Clerk				

PROBLEM/ISSUE STATEMENT:

Staff prepared a state legislative agenda to guide City Council and staff interactions with State Legislators prior to and during the upcoming session. This item is submitted for initial consideration and input by the City Council.

ATTACHMENTS:

1. 2017 Legislative Priorities

DISCUSSION/ANALYSIS:

The Washington State Legislature will reconvene in January 2017 for a long session. The attached document, if approved, would guide staff and City Council interactions with legislators prior to and throughout the upcoming session. The document is modeled after one used during the 2016 session. It is updated to include emerging issues over the past year, including a request for Phase II of the Guy Cole Remodel and encouraging the State to make Highway 101 safety improvements along the east end of Sequim.

FINANCIAL IMPLICATIONS:

N/A, this is a policy document

RECOMMENDATION:

With this Council's support and input, this item will be brought back for possible action at the November 28 meeting. Staff will recommend approval at that time.

MOTION:

N/A



City of Sequim

2017 Legislative Priorities

Public Works

- Transportation Benefit Districts – Eliminate the provision that requires a voted Transportation Benefit Districts to be renewed by vote every 10 years. Sequim has an existing voted TBD, representing 50% of its street budget. Sequim will be asking the public to renew it in 2018. There is also a limit on renewals that we would like to see eliminated.
- Simdars Interchange - Provide WSDOT funding for the completion of the US 101/Simdars Road interchange, critical for the development of the entire east side of the city of Sequim. Right of way has already been acquired and WSDOT has a preliminary design.
- 101 Safety Improvements - Provide dedicated, adequate funding for rural State Highway safety projects, including improvement of the US 101/Happy Valley intersection in Sequim.
- Bidding Laws and Procedures are Outdated - Allow greater latitude in using the design-build method of public works processing. Also allow greater latitude in electronic bids.
- Water & Utilities - Pass a reclaimed water statute defining it as a resource and not as waste water. Provide clarification of how all new reclaimed water recharge or agricultural contributions will be credited towards water rights applications – similar to how carbon and other air pollutants can be offset or traded using market tools.
- Dungeness Off Channel Reservoir – Approve trust land transfer between DNR and Clallam County to acquire DNR trust property southwest of Sequim to construct an off channel reservoir that will keep water in the Dungeness River during the critical Chinook salmon spawning period and provide water for agricultural irrigation and aquifer recharge.

Economic Development

- Funding for Phase II of the Guy Cole Center - The City of Sequim is growing as a cultural and economic center for East Clallam County. The City owns the Guy Cole Mini Convention Center, which is roughly 8,000 square-feet. In 2015, the City received \$450,000 through a State Capital Programs Grant to remodel the Center. We will soon award a contract with the intent to have the first phase of the remodel project completed by March 31, 2017. The City's hope is to secure funding to upgrade the rest of the facility as part of phase 2. Phase 2 would include a complete kitchen remodel and the addition of attached storage rooms on the building's north and east sides. Additionally, phase 2 would include a south facing patio to accommodate outdoor community events. To complete phase 2, the City will need to secure an additional \$700,000.

- Funding for Tourism/Filmmakers - Support the continued funding of the Washington State Film Office/ Washington Filmworks, which sunsets in 2017. Support the legislation providing for State collection of the self-assessment to tourism related businesses as outlined by the Washington Tourism Alliance to develop a state-wide marketing organization. It does not cost the State a penny.
- Apply Lean Principles to Lodging Tax Reporting Requirements – The new system is cumbersome, time consuming, and unrealistic for small organizations to gather the information required. Municipalities vary greatly on what they are reporting. The reporting requirements should be changed or eliminated. We agree that lodging tax should not be used for inappropriate expenses, like aquatic centers.

Human Services

- Mental Health Funding on North Olympic Peninsula – Due to nearly constant State funding reductions, the mental health system in rural areas features many gaps through which people with mental illness fall. Our Police Department consistently responds to some of the same individuals with mental illness. These individuals are not in a severe enough state to be involuntarily committed yet are a significant drain on resources due to not having a sufficient support network. We encourage the State to appropriately fund mental health services to support individuals with varying levels of mental illness. Providing this funding would be far less costly, far more effective, and an overall better option for the people involved than having responding officers repeatedly contact these individuals and having higher cost jails serve as a de facto mental health system.
- Opioids – Provide additional technical assistance and resources to replicate leading practices that make Washington a leader in overcoming the Opioid epidemic.

Public Safety

- Basic Law Enforcement Academy Funding – Restore full funding for the Basic Law Enforcement Academy.
- Support Preparation for the Cascadia Quake and other Emergencies – Change laws to allow medical professionals to practice outside of their typical work buildings during a large scale disaster and to allow practitioners from other states to assist here. Properly fund public education and other preparedness measures, such as pre-stockpiling food.

General Government

- Public Records - Allow agencies to recover staff time incurred in compiling and redacting public records, unless certified as indigent. The State Auditor’s Office report on public records demonstrates the staggering amount of uncompensated time agencies are spending on public records. Requests are becoming larger and more complex, which places additional strain on agencies. Further, the strict liability nature of the Act sets agencies up for failure. Transparency is what is important; requestors who have the ability to pay should be required to do so. Doing otherwise creates requestor “hobbyists” who are looking for “gotcha” documents and then use

that to extract money from the “offending” agency. In addition, the amount of personal information on a public employee available to anyone upon request places public employees at a profound risk for identity theft. Case law has made clear that rates of pay, publicly paid fringe benefits, vacation and sick leave, are all available to the general public. When that information is coupled with the amount of other information generally available without the need to make a public records request, public employees face an increased risk of identity theft.

- Publication Requirements – Amend the publication requirements to allow publication on city websites, including through press releases. This saves taxpayer money and provides more timely notice.
- Amend Joint and Several Liability for Government – Governments would still be fully liable for their acts, but not for the acts of others. Some state agencies refuse to change the boilerplate provisions in their contracts; these provisions require the contracting agency to indemnify the state agency in full even if the state is responsible in some way.
- Municipal Research Services Center (MRSC) – Continue full funding for MRSC. The City of Sequim uses MRSC extensively for assistance in areas such as legal advice, planning, finance, public works, and general research. MRSC also provides thousands of hours of training to local governments each year, including the City of Sequim. MRSC has an effective and cost efficient service delivery model. MRSC is funded by the revenues already allocated to cities and counties.
- Association of Washington Cities (AWC) Agenda – The City of Sequim supports the AWC Legislative Agenda.

Sequim will provide bill language for any requested bills.



Human Services Funding 2016

Reporting Period (Circle One)

Jan-Mar Apr-June **July-Sept** Oct-Dec

Healthy Families of Clallam County			
Provide domestic violence and sexual assault victim assistance and child abuse prevention services to the low income and infirm who might otherwise not be able to afford such victim assistance and abuse prevention services			
Quarterly Payment Amount \$2,812.50		Annual Payment Amount \$11,250	
Resolution #R-2014-21 established that human services funding would focus on the below-listed areas. Please mark an X to indicate your area of focus:			
Vulnerable (early childhood development (0-4YOA), Youth, Seniors	Essential medical/dental access for uninsured	Mental health services for school-age children and adults	Youth and senior development activities which include education, life skills, intellectually stimulating activities, physical exercise/ recreational activities and social connections
		X	
Describe how income levels are verified. At intake each client is asked about their source and the amount of their income. The majority of clients served are forthright in their income disclosure. A majority of HFCC clients are one of four categories: Employed; TANF recipients (Temporary assistance to needy Families); no income, or Social Security Disability. HFCC's major grantors stipulate that income level and disclosure is not a requirement for provision of services. HFCC protocol is to ask income information in the case the agency can be of assistance in attaining or maintaining an income to promote stability in housing and basic needs.			
Describe how residency in the City of Sequim is determined. Residency in the City of Sequim is determined at intake. Clients of Healthy Families of Clallam County are assigned a number at intake; this number includes a code for city and county of residency. If a client is unsure if they live within city boundaries then an advocate refers to a map of the city to determine residency of a client.			
Indicate number of patients living in the Sequim city limits who used the following services			
Domestic violence assistance	Sexual assault victim assistance	Child abuse prevention services	
127	58	0	
Describe what you were able to provide with funding from the City of Sequim that you would otherwise not have been able to provide. The City of Sequim funding allows Healthy Families of Clallam County to provide 1:1 therapy services with a Master's Level Licensed Mental Health Counselor to residents of Sequim that are victims of Domestic Violence, Sexual Assault, and/or Child Abuse. HFCC contracts with			

the therapist three days a week, at our office. During this quarter, 30% of the therapists' time has been devoted to City of Sequim residents that are victims of Domestic Violence, Sexual Assault, and/or Child Abuse. HFCC continues to work to increase its' prevention education to the City of Sequim adolescents and teenagers, with a curriculum that is specifically targeting bullying, healthy relationships, and technology safety. The HFCC Prevention Educator communicated with teachers and administration in the Sequim School District to provide and expand prevention education services to the youth in Sequim for school year 16-17. HFCC Prevention Educator scheduled presentations at Sequim High School for fall semester, 2016. First Semester presentations for Sequim Middle School 7th and 8th graders have also been scheduled. Additional services provided to City of Sequim residents are: 24/7 crisis line; Advocacy Based Counseling; Information and Referrals; Medical/System/Legal Advocacy to victims of Domestic Violence, Sexual Assault, and Child Abuse.

Dated this 31st day of October, 2016 .

Name of person completing this report Becca Korby

Phone number 360-452-3811 Email healfam2@olympen.com

**SEQUIM CITY COUNCIL
AGENDA COVER SHEET**

MEETING DATE: November 14, 2016

FROM: Kristina Nelson-Gross, City Attorney; Chris Hugo, Director – DCD

SUBJECT/ISSUE: Ordinance 2016-10 Amending Title 17 for Plat Vacations/Alterations

Discussion dates	August 8, 2016	PC 9/20/2016 10/4/2016	CC 9/26/2016	CC 10/10/2016
CATEGORY	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Work Session	Time Needed for Presentation	
	<input checked="" type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda		
	<input type="checkbox"/> Unfinished Business	<input type="checkbox"/> New Business		
Reviewed by			Initials	Date
Charles P. Bush, City Manager			CPB	11/09/16
Chris Hugo, Director of Community Development				

PROBLEM/ISSUE STATEMENT: The City’s ordinances regarding final plat and binding site plan alterations are not user-friendly for staff or the public. Processes for final plat and binding site plan vacations are not addressed in our code at all.

LIST OF ATTACHMENTS:

1. Ordinance 2016-10
2. Attachment A

DISCUSSION/ANALYSIS:

Current municipal code provisions governing the plat alteration and vacation process need to be revised to better inform staff and the public as to the City’s requirements. Our existing code does not make clear what is required, and this new chapter provides clarity for staff and the general public.

This is a continued public hearing from October 10th, 2016. Staff intended to bring this back to Council for action on October 24th, however, this item did not make it onto the agenda. Generally, the rules of parliamentary procedure state that when an item has been continued to a specific date and the item is not addressed at that meeting, it is carried over until the next regular meeting. The record remains open for public comment and staff re-published notice of this hearing as an extra procedural safeguard.

RECOMMENDATION: To close the public hearing and adopt Ordinance 2016-10.

MOTION: I move to adopt Ordinance 2016-10, repealing sections SMC 17.21.060 and 17.24.170, and adopting a new SMC Chapter 17.25 regarding vacation and alteration of binding site plans and subdivisions.

ORDINANCE NO. 2016-10

**AN ORDINANCE OF THE CITY OF SEQUIM, WASHINGTON ADOPTING
NEW MUNICIPAL CODE CHAPTER COVERING PLAT AND BINDING
SITE PLAN AMENDMENTS AND VACATIONS AND REPEALING
EXISTING SMC 17.21.060 AND SMC 17.24.170**

WHEREAS, Sequim Municipal Code 17.21.060 covers amendment of final plats; and

WHEREAS, Sequim Municipal Code 17.24.170 covers amendment of binding site plans;
and

WHEREAS, plat vacations are not addressed at all in the Sequim Municipal Code; and

WHEREAS, Chapter 58.17 of the Revised Code of Washington largely pre-empts local discretion and sets forth the criteria for plat vacations and alterations; and

WHEREAS, deciphering requirements set forth in statutes can be difficult for the public and staff; and

WHEREAS, SMC 17.21.060 and 17.24.170 have been difficult to interpret due to lack of clarity on specific processes and on extent of available discretion; and

WHEREAS, a new chapter of the Sequim Municipal Code devoted to plat amendments and vacations would be useful for staff and the public; and

WHEREAS, the Sequim Planning Commission held a public meeting on October 4th, 2016 and recommended adoption of this ordinance to the City Council;

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

Section 1. Repeal of Code Provisions. SMC 17.21.060 and 17.24.170 are repealed.

Section 2. Adoption of New Code Chapter. A new chapter of the Sequim Municipal Code, entitled "Vacation and Alteration of Final Plats" SMC 17.25, is adopted, with the language set forth in attached Exhibit A.

Section 3. Corrections. The City Clerk and the codifiers of this ordinance are authorized to make necessary clerical corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. Savings Clause. Those portions of Ordinances 2007-014 and 98-005 which are repealed or amended by this ordinance shall remain in force and effect until the effective date of this ordinance.

Such repeals and amendments shall not be construed as affecting any existing right acquired under the ordinances repealed or amended, nor as affecting any proceeding instituted thereunder, nor any rule, regulation, or order promulgated thereunder, nor the administrative action taken thereunder. Notwithstanding the foregoing actions, obligations under such ordinances or permits issued thereunder and in effect on the effective date of this ordinance shall continue in full force and effect, and no liability thereunder, civil or criminal, shall be in any way modified. Further, it is not the intention of these actions to reenact any ordinances or parts of ordinances previously repealed or amended, unless this ordinance specifically states such intent to reenact such repealed or amended ordinances.

Section 5. Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 6. Effective Date. This Ordinance shall become effective five days after publication of the ordinance, or a summary thereof, in the official newspaper of the City.

ADOPTED BY THE CITY COUNCIL this ____ day of _____, 2016.

Dennis Smith, Mayor

Attest:

Approved as to form:

Karen Kuznek-Reese, MMC, City Clerk

Kristina Nelson-Gross, City Attorney

Approved Date

Publication Date

Effective Date

EXHIBIT A

Repealed Sections:

~~17.21.060 Alteration of final plats.~~

~~When any person is interested in the alteration of any subdivision within the city or the altering of any portion thereof, except as provided in RCW [58.17.040](#)(6), that person shall submit an application to the city of Sequim planning department.~~

~~The application shall be in conformance with requirements established in RCW [58.17.215](#), [58.17.217](#), [58.17.218](#), [58.17.225](#) and [58.17.275](#). (Ord. 2007-014 § 2)~~

~~17.24.170 Amendment.~~

~~An approved binding site plan may be amended upon application to the planning director. The applicant must make the request to amend the binding site plan in writing. The planning director shall approve the amendment if it meets all of the following criteria:~~

~~A. No new building pads are proposed;~~

~~B. No building shall be greater than 10 percent larger than shown of the final binding site plan; and~~

~~C. The amendment would not result in increased amounts of traffic, nor propose circulation patterns which are different than those proposed by the original application, nor significantly increase or cause unanticipated environmental impacts.~~

~~All amended site plans shall meet the requirements associated with a final site plan as described in SMC [17.24.120](#). All amendments shall be numbered successively (i.e., first amendment to the binding site plan).~~

~~If the proposed amendment does not meet the above referenced criteria, a new binding site plan application shall be required. (Ord. 98-005 § 4)~~

NEW SECTIONS

Vacation and Alteration of Final Plats.

Sections:

17.25.010 Purpose/Conflicts.

17.25.020 Administration.

17.25.030 Procedure.

17.25.040 Requirements for a Complete Application.

17.25.050 Criteria for Approval.

17.25.060 Time Limitation for Final Decision.

17.25.070 Recording.

17.25.010 Purpose.

A. The purpose of this chapter is to regulate and allow vacation or alteration of approved final plats and approved binding site plans. It does not allow modification or revision of preliminary plats or preliminary binding site plans. The procedure for vacation of plats does not apply to the vacation or alteration of any plat of state-granted tide or shore lands.

B. When the vacation application is specifically for a city street, the procedures for street vacations in RCW 35.79 RCW shall be utilized for the street vacation. When the application is for the vacation of the plat or binding site plan together with the roads/streets, the procedure for vacation in this chapter shall be used, but vacations of streets subject to RCW 35.79.035 may not be made under this procedure.

C. Nothing in this Chapter is intended to conflict with Washington State law, RCW 58.17 as now enacted or hereafter amended. If any portion of this Chapter conflicts with state law, state law shall control.

17.25.020 Administration. The Director, or designee, is authorized and directed to administer the provisions of this chapter. The authority to approve, approve with conditions or deny proposed plat and binding site plan vacations or alterations is granted to the City Council after a public hearing.

17.25.030 Procedure. The following steps shall be followed in the processing of vacation or alteration applications.

<u>A.</u>	<u>20.01.130</u>	<u>Submission and acceptance of application – Determination of completeness, Additional information and project revisions;</u>
<u>B</u>	<u>20.01.140</u>	<u>Application review – Notice of application – Referrals;</u>
<u>C.</u>	<u>Title 16</u>	<u>Environment;</u>
<u>D.</u>	<u>20.01.140</u>	<u>Application review – Notice of application – Referrals. – See 10. and, 20.01.170 Application review – Scope</u>

		<u>of review;</u>
E.	20.01.190	<u>Notice of Public Hearing (see also, additional public hearing notice below);</u>
F.	20.01.100	<u>Type B and Type C-1 and C-2 procedures – Quasi-judicial decisions – Process overview;</u>
G.	20.01.200	<u>Procedures for public hearings;</u>
H.	20.01.230	<u>Final decision; and</u>
I.	20.01.240	<u>Appeals</u>

Additional Notice of Public Hearing. In addition to the notice provided above, the City shall provide notice of an application for vacation or alteration to all owners of property within the subdivision (excluding the owners of property submitting the application), and as provided for in RCW 58.17.080 and 58.17.090. The notice shall establish the date of the public hearing.

17.25.040 Requirements for a Complete Application. The following materials shall be submitted to the City for a complete application:

A. Vacation Application:

1. Date, name, address and telephone number of the applicant and/or property owner;
2. The reason(s) for the proposed vacation;
3. Signatures of all parties having an ownership interest in the subdivision or that portion of the subdivision proposed to be vacated;
4. If the subdivision or binding site plan is subject to restrictive covenants which were filed at the time of the approval of the subdivision, and the application for the vacation would result in the violation of a covenant, the application shall include an agreement signed by all parties subject to the covenants, which provides that the parties agree to terminate or alter the restrictive covenants to accomplish the purpose of the vacation of the subdivision or portion thereof;
5. Acknowledgement that if any street is included in the application for a vacation, that the applicant shall be required to pay the amount contemplated in RCW 35.79.030, if the vacation is granted;
6. A copy of the approved plat or binding site plan sought to be vacated, together with all plat or binding site plan amendments recorded since the date of the original approval;
7. A recent title report for each property affected by the vacation, confirming that the title of the lands as described and shown in the proposed vacation area is in the name of the owner(s) signing the application; and
8. If the vacation is for a portion of the subdivision or binding site plan, the applicant must demonstrate that the partial vacation will not violate the terms of subdivision or binding site plan approval or this Chapter.
9. Electronic version of all submittal documents on optical disc, flash drive or downloadable from ftp site, in either Adobe PDF or Microsoft Word format.
10. An application fee.

B. Alteration Application.

1. Date, name, address and telephone number of the applicant and/or property owner;
2. The reason(s) for the proposed alteration;
3. Signatures of the majority of those persons having an ownership interest in the lots, tracts, parcels, sites or divisions in the subdivision proposed to be altered;
4. If the subdivision or binding site plan is subject to restrictive covenants which were filed at the time of the approval of the subdivision or binding site plan, and the application for the alteration would result in the violation of a covenant, the application shall contain an agreement signed by all parties subject to the covenants, providing that the parties agree to terminate or alter the relevant covenants to accomplish the purpose of the alteration of the subdivision or binding site plan;
5. A copy of the proposed plat sought to be altered, together with all plat amendments recorded; and
6. A recent title report for each property affected by the vacation, confirming that the title of the lands as described and shown in the proposed vacation area is in the name of the owner(s) signing the application.
7. If the alteration is for a portion of the subdivision or binding site plan, the applicant must demonstrate that the alteration will not violate the terms of subdivision or binding site plan approval or this Chapter
8. Electronic version of all submittal documents on optical disc, flash drive or downloadable from ftp site, in either Adobe PDF or Microsoft Word format.
9. An application fee.

17.25.050 Criteria for Approval.

A. Vacation Criteria.

1. *Vacation.* The plat or binding site plan vacation may be approved, approved with conditions or denied after a written determination, with findings and conclusions, is made whether the public use and interest will be served by the vacation. If any portion of the land contained in the subdivision or binding site plan was dedicated to the public for public use and benefit, such land, if not already deeded to the City, shall be deeded to the City as a condition of approval, unless the City decision-maker shall make findings that the public use would not be served in retaining title to those lands. Easements established by a dedication are property rights that cannot be extinguished or altered without the approval of the easement owner or owners, unless the plat, binding site plan or other document creating the dedicated easement provides or an alternative method or methods to extinguish or alter the easement.

2. *Street Vacation.* When the vacation application is specifically for vacation of a City street, the City's street vacation procedures (and/or the procedures in chapter 35.79 RCW) shall be utilized. When the procedure is for the vacation of a plat

or binding site plan together with the streets, the vacation procedure in this chapter shall be used, but vacation of streets may not be made that are prohibited under RCW 35.79.035 or the City's street vacation ordinance.

3. *Title to Vacated Property.* Title to the vacated property shall vest with the rightful owner as shown on the county records. If the vacated land is land that was dedicated to the public, for public use other than a road or street, and the legislative authority has found that retaining title to the land is not in the public interest, title thereto shall vest with the person(s) owning the property on each side thereof, as determined by the legislative authority. When the road or street that is to be vacated with contained wholly within the subdivision or binding site plan and is part of the boundary of the subdivision or binding site plan, title to the vacated road or street shall vest with the owner(s) of property contained within the vacated subdivision or binding site plan.

B. *Alteration Criteria.* The alteration may be approved, approved with conditions or denied after a written determination, with findings and conclusions, is made whether the public use and interest will be served by the alteration. If any land within the alteration area is part of an assessment district, any outstanding assessments shall be equitably divided and levied against the remaining lots, parcels or tracts, or be levied equitably on the lots resulting from the alteration. If any land within the alteration contains a dedication to the general use of persons residing within the subdivision, such land may be altered and divided equitably between the adjacent properties.

17.25.060 Time Limitation for Final Decision. A vacation or alteration application shall be approved, approved with conditions or denied within one hundred-twenty (120) days after a complete application has been submitted, unless the applicant consents in writing to an extension of such time period.

17.25.070 Recording. After approval of the alteration or vacation, the City shall order the applicant to produce a revised drawing of the approved alteration or vacation of the short plat, final plat or binding site plan. The Council shall authorize the Mayor to sign the approved short plat or final plat, and then the City shall file it with the County auditor at the applicant's cost, to become the lawful plat of the property (or to vacate the previously approved plat). The Director shall sign the approved binding site plan and arrange for filing with the county auditor at the applicant's cost.

SEQUIM CITY COUNCIL AGENDA COVER SHEET

MEETING DATE: November 14, 2016

FROM: Sue Hagener, Administrative Services Director **SH**
Initials

SUBJECT/ISSUE: Public Hearing: 2017 Budget and First Reading of Ordinance 2016-14 to Adopt the 2017 Budget

Discussion Dates	6/27/16 Kick-off 8/08/19 Council Goal Work Plan	9/26/16 City-Wide Budget Presentation	10/10/16 & 10/24/16 Department Presentations	11/14/16 PH and 1 st Reading
CATEGORY	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Information Only	Time Needed for Presentation	
	<input checked="" type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda		
	<input type="checkbox"/> Unfinished Business	<input type="checkbox"/> New Business		
Reviewed by	Initials		Date	
Charlie Bush, City Manager	CPB		11/09/16	
Kristina Nelson-Gross	KNG		11/9/2016	

PROBLEM/ISSUE STATEMENT:

Budget requirements are set forth in RCW 35.34. The legislative body must hold public hearings on revenue sources and on the budget. Tonight's public hearing satisfies the requirement for the public hearing on the budget.

LIST OF ATTACHMENTS:

1. Ordinance 2016-14 Adopt the 2017 Budget
2. Exhibit A: 2017 Budget Summary
3. Exhibit B: 2017 Salary Schedule

DISCUSSION/ANALYSIS:

Funds available for expenditures come from revenue generated during the year and from fund balance. Revenues that are in excess of expenditures accumulate in fund balance. Each fund has its own sources of revenues. General Fund revenues can be used for any purpose. Other revenues have restrictions. Revenues sources and uses are identified in the City Manager's Proposed 2017 Budget.

Council considers the anticipated revenues and expenses for the budget year through review of the budget book and discussion at Council meetings. The following budget meetings have occurred:

January	Council review and approval of Financial Policies
February	2015 City and TBD Financial Results
March	Management Retreat
April	1 st Q 2016 Financial Results City Council Planning Retreat
June	2017 Budget Kick-Off: Council Input on 2017 Budget Programs Budget Development Policy Review
July	Public Hearing to adopt the 2017-2022 CIP/TIP Mid-Year 2016 Financial Results Staff engages in 2-day "Budget Scrub"
August	Council Approves 2016 Mid-Year Budget Amendments Council Review of Council Priorities Work Plan
September	Review of 2017 Proposed Rates and Fees Proposed City Manager Budget delivered to City Council with Citywide Overview
October	Proposed City Manager Budget – Review of Departments Proposed City Manager Budget – Review of Capital Projects
November	Public Hearings on Revenue Sources, Rates & Fees, Property Tax Levy and Proposed Budget Adoption of Rates & Fees, Property Tax Levy and 2017 Budget

Information on Budget Timeline is included in the Proposed 2017 Budget. All deadlines have been met.

Budget Considerations

Developing the final budget is an iterative process and involves a tremendous amount of detail. Additional adjustments deemed necessary will be addressed in the Mid-Year Review of the City's actual performance against the 2017 budget.

FINANCIAL IMPLICATIONS: Establishes the budget for the upcoming year. When the budget is adopted, it is adopted at the fund level (General Fund, Water, Sewer, etc.). However, information during the budget review and approval process is often discussed at a sub-fund or department level.

RECOMMENDATION:

The meeting tonight satisfies the requirement of a first reading of the Ordinance and public hearing on the 2017 Budget. Council is to consider public testimony and to make adjustments if necessary. Staff is recommending continuing the public hearing to November 28 and the adoption of the budget at that time.

MOTION

I move to continue the public hearing for Ordinance 2016-14, adopting the 2017 Budget as presented in Exhibits A and B, to the City Council meeting of November 28, 2016.

ORDINANCE NO. 2016-014

**AN ORDINANCE APPROVING AND ADOPTING THE BUDGET
FOR THE CITY OF SEQUIM FOR THE FISCAL YEAR 2017**

WHEREAS, the Budget for the City of Sequim for the year 2017 as prepared by the City Manager has been finally amended, fixed and determined as to each fund total by the City Council in open meetings; and

WHEREAS, the City Council held several open meetings in October and November, and held public hearings on revenues and the budget on November 14 and November 28, 2016; and notice of said hearings having been given and published in the manner provided by law;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SEQUIM DO HEREBY ORDAIN AS FOLLOWS:

Section 1. The budget for the City of Sequim for the year 2017 is hereby adopted in its final form and content, copies of which are on file in the office of the City Clerk.

Section 2. The summary of the total of estimated resources and uses for each separate fund and the aggregate totals for such funds combined is in Exhibit A: Budget Summary

Section 3. This Ordinance shall be in full force and effect after its passage, approval and publication as provided by law.

Section 4. A complete copy of the final budget as adopted shall be transmitted to the State Auditor, and to the Association of Washington Cities.

Passed by the City Council at a regular meeting held this ____ day of _____ 2016.

Dennis Smith, Mayor

ATTEST:

APPROVED AS TO FORM:

Karen Kuznek-Reese, MMC, City Clerk

Kristina Nelson-Gross, City Attorney

Approved Date

Publication Date

January 1, 2017
Effective Date

**EXHIBIT A
City of Sequim
2017 Budget**

	A Beginning Fund Balance	B Revenues	C Expenses	D=B-C Surplus / (Deficit)	E=A+D Ending Fund Balance
General Fund					
001 General Fund	1,871,829	9,281,017	9,280,473	544	1,872,373
Special Revenue Funds					
101 Street UnRestricted	159,138	914,519	905,010	9,509	168,647
111 Street Restricted	916,700	1,939,059	2,122,351	(183,292)	733,408
107 StormWater UnRestricted	40,893	240,475	240,475	0'	40,893
117 StormWater Restricted	28,706	80,000	0	80,000	108,706
115 Lodging Tax Hotel/Motel	268,438	284,460	276,789	7,671	276,109
120 Police Restricted	73,345	348,263	331,181	17,082	90,427
121 Police Asset Seizure	20,014	20,274	30,000	(9,726)	10,288
140 Parks Restricted	147,354	688,472	671,647	16,825	164,179
150 Real Estate Excise Tax	272,283	319,200	495,000	(175,800)	96,483
160 Arts & Culture-Arts Commission Progr	37,555	15,000	49,480	(34,480)	3,075
164 Equipment Reserve	317,504	533,591	432,038	101,553	419,057
Debt Service Funds					
206 Debt Service Fund	49,742	665,000	659,390	5,610	55,352
Capital Funds					
306 Capital Facilities Fund	53,248	90,205	124,947	(34,742)	18,506
Enterprise Funds					
401 Water UnRestricted	942,515	2,071,984	2,100,230	(28,246)	914,269
411 Water Restricted	2,579,390	2,274,000	3,562,027	(1,288,027)	1,291,363
402 Sewer UnRestricted	1,649,602	3,979,574	3,983,797	(4,223)	1,645,379
422 Sewer Restricted	6,053,133	3,143,962	4,470,583	(1,326,621)	4,726,512
Trust, Agency & Permanent Funds					
500 Unemployment Compensation Reserve	43,419	7,500	27,000	(19,500)	23,919
611 Flex Benefits	1,318	45,000	45,000	0	1,318
621 Police Expendable Trust	0	20,000	20,000	0	0
631 Construction Deposits	0	325,000	324,999	1	0
635 Intergovernmental Agency Fund	12,976	178,627	168,328	10,299	23,275
645 Utility Security Deposits	141,945	58,000	43,000	15,000	156,945
701 Haller Park Fund	38,402	440	10,000	(9,560)	28,842
	15,719,449	27,523,622	30,373,745	(2,850,123)	12,869,325

(1)

5,805,423	5,805,422	Transfers In / Out
21,718,199	24,568,323	Net of Transfers

2,672,287	2,672,287	InterFund Service Charges*
19,045,912	21,896,036	Net Revenues/Expenses w/o Transfers & Interfund Services

16,487,569	16,509,985	Operating Funds
11,036,053	13,863,760	Restricted/Project Funds
27,523,622	30,373,745	

**CITY OF SEQUIM
2017
Salary & Wage Schedule**

Division Dept	Union Range	Compensation Schedule by Job Title	FTE budgeted	FTE actual	Salary & Wage Range		
					Minimum	< ---- >	Maximum
		Council	7	7	1,800	< ---- >	4,920
		Non-Represented Exempt / Non-Exempt					
		City Manager	1	1	120,000	< ---- >	136,500
ADM		Admin Services Director/Treasurer	1	1	87,906	< ---- >	112,700
PW		Public Works Director	1	1	87,906	< ---- >	112,700
POL		Chief of Police	1	1	87,906	< ---- >	112,700
ADM		City Attorney	1	1	87,906	< ---- >	112,700
DCD		Community Development Director	-	1	87,906	< ---- >	112,700
ADM		Assistant City Manager	1	1	87,906	< ---- >	112,700
PW		City Engineer	1	1	76,908	< ---- >	98,600
POL		Deputy Chief	1	1	76,908	< ---- >	98,600
ADM		HR Director	0.52	0.52	76,908	< ---- >	98,600
ADM		Deputy Admin Services Director	1	1	76,908	< ---- >	98,600
DCD		DCD Manager	1	-	76,908	< ---- >	98,600
ADM		City Clerk	1	1	69,342	< ---- >	88,900
ADM		Comm. & Marketing Director	1	1	69,342	< ---- >	88,900
ADM		IT Manager	1	1	69,342	< ---- >	88,900
PW		Operations Manager	1	1	62,010	< ---- >	79,500
PW		Utilities Operations Manager	1	1	62,010	< ---- >	79,500
PW		PW Senior Finance Analyst	1	1	62,010	< ---- >	79,500
PW		Resources Manager	1	1	62,010	< ---- >	79,500
ADM		Deputy City Clerk	1	1	51,408	< ---- >	64,260
ADM		Payroll Administrator/HR Assistant	1	1	51,408	< ---- >	64,260
POL		Executive Admin Assistant	1	1	47,560	< ---- >	59,450
ADM		Legal/Police Dept Assistant	1	1	47,560	< ---- >	59,450
		Reserves, Seasonal & Temporary					
PW		Temp. Engineering Project Manager	0.64	0.64	62,010	< ---- >	79,500
POL		Police Reserve	0.12	0.12			
PW		Seasonal Maint. Workers	2.5	2.5	\$14.50/hr	< ---- >	\$17.00/hr
		Union Represented					
		Non-Uniformed			Step A	Effective 1/1/2017	Step E
DCD	26	Senior Planner	1	1	60,882	..B..C..D..	72,634
DCD	26	Building Official	1	1	60,882	..B..C..D..	72,634
PW	21	WRF Lead	1	1	52,520	..B..C..D..	62,587
PW	20	Chief Mechanic	1	1	50,981	..B..C..D..	60,798
ADM	20	IT Systems Analyst	1	1	50,981	..B..C..D..	60,798
PW	19	Engineering Tech II	2	2	49,504	..B..C..D..	59,072
PW	19	WRF Operator IV	2	2	49,504	..B..C..D..	59,072
PW	18	Lead Water	1	1	48,069	..B..C..D..	57,304
ADM	18	Accounting Assistant IV	1	1	48,069	..B..C..D..	57,304
DCD	17	Code Compliance Officer	1	1	46,675	..B..C..D..	55,661
PW	17	Maint Worker III (Leads)	3	3	46,675	..B..C..D..	55,661
PW	17	WRF Operator III	1	1	46,675	..B..C..D..	55,661
PW	16	Water Operator	2	2	45,323	..B..C..D..	54,038
PW	15	Maint Worker II	5	5	44,013	..B..C..D..	52,458
DCD	14	DCD Specialist	1	1	42,723	..B..C..D..	50,939
ADM	14	IT Tech I	1	1	42,723	..B..C..D..	50,939
ADM	13	Accounting Assistant II	2	2	41,454	..B..C..D..	49,442
POL	12	Police Specialist	2	2	40,269	..B..C..D..	48,006
PW	11	Maint Worker I	3	3	39,083	..B..C..D..	46,634
ADM	10	Accounting Assistant I	1	1	37,960	..B..C..D..	45,261
DCD/PW	9	Administrative Assistant II	2	2	36,837	..B..C..D..	43,909
		Uniformed			Step A	Effective 1/1/2017	Step E
POL		Police Sergeant	4	4	72,426	..B..C..D	77,002
POL		Police Officer	13	13	55,515	..B..C..D..	65,936
		Total Employees (excluding Council)	76.78	76.78			

* By approving the budget Council authorizes the City Manager to adjust duties & salaries within the number of FTEs & within the budgeted salaries & benefits amounts.

TRANSPORTATION BENEFIT DISTRICT AGENDA COVER SHEET

MEETING DATE: November 14, 2016

FROM: Sue Hagener, Administrative Services Director
as the ex officio Treasurer

SH
Initials

SUBJECT/ISSUE: Public Hearing: Revenue Sources and Expenditures for the 2017 Budget and First Reading of TBD Ordinance 2016-001 for the Adoption of the 2017 Budget

Discussion dates	6/27/16 Kick-off 8/08/19 Council Goal Work Plan	9/26/16 City- Wide Budget Presentation	10/24/16 Department Presentations	11/14/16 PH and 1 st Reading
CATEGORY	<input type="checkbox"/> Exec Director Report	<input type="checkbox"/> Information Only	Time Needed for Presentation 5	
	<input checked="" type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda		
	<input type="checkbox"/> Unfinished Business	<input type="checkbox"/> New Business		
Reviewed by			Initials	Date
Charlie Bush, City Manager as ex officio Executive Director			CPB	11/09/16
Kristin Nelson-Gross, City Attorney as ex officio TBD Attorney			KNG	11/9/2016
David Garlington, City Public Works Director				

PROBLEM/ISSUE STATEMENT:

Although there is not a specific RCW on the budget process for a Transportation Benefit District (TBD), it is prudent to follow the budget process for a city since the TBD was formed to provide funding for city transportation infrastructure. According to RCW 35A.33 Budget in Code Cities, the legislative body must hold a public hearing on revenue sources and expenditures for the coming year's budget. A budget must be adopted before funds can be spent.

TBD capital projects and safety and maintenance services were presented to council on September 26, 2016 and October 24, 2016 within the City of Sequim 2017 Budget discussions.

LIST OF ATTACHMENTS:

1. Proposed Ordinance TBD2016-001 2017 Budget
2. 2017 Budget

DISCUSSION/ANALYSIS:

Funds must be used according to the ordinances that established the TBD and any subsequent amendments for projects. Funds may also be used for debt service to provide for the construction of a large project. Eligible expenditures can be grouped into the following categories:

Category	Expenditure (not all inclusive list)	Applicability	Comments
Safety Enhancement	striping, pavement marker/delineators, traffic control devices, sight improvements, traffic configuration; signage, ice control	All streets, sidewalks, trails or other connectivity.	Since safety is a priority, it appears that funds can be used on any city street, to improve public safety.
Street Maintenance & Operations	pavement repair, patching, crack sealing or other activity that maintains the current useful life of the infrastructure	arterial streets and streets of regional significance, such as collectors and intermodal connectivity	
Street Preservation	improvements that extend life cycle of street, sidewalk or intermodal section	arterial streets and streets of regional significance, such as collectors and intermodal connectivity	
Capital Projects	replacement or upgrade of existing infrastructure and new infrastructure	arterial streets and streets of regional significance, such as collectors and intermodal connectivity	

Revenues of \$616,000 are budgeted to increase in 2017 over the 2016 budget by 6%, which is a conservative estimate given 2016 actual revenue performance.

Total proposed expenditures of \$398,350 for 2017 include the following:

- \$104k for Pavement Rehabilitation
- \$100k for safety enhancements and street maintenance and operations
- \$ 71k for 3rd Avenue Bike Lane
- \$ 60k for City Wide Safety Improvements
- \$ 20k for Street LED Upgrades

The 2016 budget also includes \$12,750 as a 5% contingency on capital projects, \$25,500 as a 10% management fee on capital projects and \$5,100 for insurance coverage and audit expenses.

FINANCIAL IMPLICATIONS:

Establish the budget for the upcoming year.

RECOMMENDATION:

Take public testimony, consider the issues and make any necessary adjustments. Continue the Public Hearing until November 28, 2016 for adoption of Ordinance TBD 2016-001 and the 2017 TBD budget.

MOTION: I move to continue the Public Hearing until November 28, 2016 for adoption of Ordinance TBD 2016-001 and the 2017 TBD budget.

ORDINANCE NO. TBD 2016-001

**AN ORDINANCE APPROVING AND ADOPTING THE BUDGET
FOR THE SEQUIM TRANSPORTATION BENEFIT DISTRICT
FOR THE FISCAL YEAR 2017**

WHEREAS, the Budget for the Sequim Transportation Benefit District (TBD) for the year 2017 as prepared by the Executive Director has been finally amended, fixed and determined as to each fund total by the Board of Directors in open meetings; and

WHEREAS, the Board of Directors held an open meeting and public hearing on revenues and expenses on November 28, 2016; and notice of said hearings having been given and published in the manner provided by law;

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE SEQUIM TRANSPORTATION BENEFIT DISTRICT DO HEREBY ORDAIN AS FOLLOWS:

Section 1. The budget for the Sequim TBD for the year 2017 is hereby adopted in its final form and content, as specified in Section 2.

Section 2. The summary of the total of estimated resources and uses for each separate fund and the aggregate totals for such funds combined is as follows:

Beginning Fund Balance	\$549,876
Total Revenues	616,000
Total Expenses	398,350
Net Surplus / (Deficit)	217,650
Ending Fund Balance	\$767,526

Section 3. This Ordinance shall be in full force and effect after its passage, approval and publication as provided by law.

Passed by the Board of Directors at a regular meeting held this ___ day of _____, 2016.

Dennis Smith, Chairperson

ATTEST:

Karen Kuznek-Reese, MMC, City Clerk ex officio TBD Clerk

APPROVED AS TO FORM:

Kristin Nelson-Gross, City Attorney ex officio TBD Attorney

Published: _____

January 1, 2017
Effective Date

Sequim

Transportation Benefit District (TBD)



West Sequim Bay Overlay



Budget for Fiscal Year 2017

Requested 11-14-2016

Sequim

Transportation Benefit District (TBD)

Fiscal Year 2017

Budget Message	Pg 1-2
Board of Directors	Pg 3
The Budget Calendar	Pg 4
2017 Budget	Pg 5



Transportation Benefit District 152 W. Cedar Street, Sequim, Washington 98382 Phone (360) 683-4139 Fax (360) 681-3448

2017 BUDGET MESSAGE

Requested 11-14-2016

Dear TBD Board of Directors,

I am pleased to present the proposed 2017 Budget for the Transportation Benefit District (TBD) for the City of Sequim.

Sales and use taxes of two-tenths of one percent (.2%) are collected and distributed by the state on a monthly basis. These tax revenues are used to fund projects which include street preservation, replacing or upgrading all modes of transportation infrastructure (streets, sidewalks, bicycle lanes, trails, etc.), creating new infrastructure, and district-wide safety enhancements as part of street maintenance and operations.

The Forecast for 2016 tax revenue is \$595,000, which represents 103% of budget. The tax revenues budgeted for 2017 of \$612,000 anticipate reasonable growth (given 2016 trends) of 6%. We've also budgeted \$4,000 in interest earnings.

The Forecast for 2016 projects includes the completion of the following on or before year-end: LED Upgrades (at \$25k), City-Wide Safety Enhancements (Oak Tree Sidewalk repair at \$54k), Blake Avenue Sidewalks (at \$54k) and Pavement Rehabilitation (at \$199k), plus management fees.

The 2017 expenditure budget for capital projects is \$255k, not including a 10% management fee. This is a decrease in the overall project budget of 38% from the 2016 budget due to the significant size of the 2016 pavement preservation project. 2017 projects anticipated include the following:

- \$20k for Street LED Upgrades
- \$60k for City-Wide Safety Enhancements
- \$71k for 3rd Avenue Bike Lane
- \$104k for Pavement Rehabilitation

The 2017 budget also includes \$12.8k as a 5% contingency on capital projects and \$5.1k for insurance coverage and audit expenses.

In 2016 reimbursement of district-wide safety enhancement and street maintenance services totaled \$80k. Efforts included city-wide improvements and maintenance within the public right-of-way, such as crosswalk markings, pavement striping, pavement patching, signage, signal maintenance, and snow and ice removal. The 2017 reimbursement is budgeted at \$100k.

Services will continue to be performed per the inter-local agreement with the City of Sequim, dated March 8, 2010. The project management and administration services fees are comprised of indirect costs which exclude certain overhead charges such as facilities, technology, and equipment. The City of Sequim calculates the indirect costs based on all capital projects to create an indirect rate based on project costs. The City of Sequim does not charge the TBD for indirect costs related to district-wide safety enhancements that are part of Street maintenance and operations. The indirect rate for capital projects in 2017 is budgeted at 10%, 12.4% lower than 2016 due a lower percentage of TBD street projects, compared to all projects city-wide, as called for in the Capital Improvement Program.

Sincerely,

Charlie Bush
Executive Director

Transportation Benefit District
2017 Budget
Board of Directors/Executive Director form of Organization

Board Members:

Dennis Smith (Chairperson)
Candace Pratt
Pam Leonard-Ray
Genaveve Starr

Ted Miller (Vice Chairperson)
Bob Lake
John Miller

Executive Director:

Charlie Bush

Services will continue to be provided by the City of Sequim, per the Interlocal Agreement, dated March 8, 2010. Ordinance 2010-004 established the following positions:

Treasurer shall be the City Finance/Administrative Services Director, Sue Hagener
Secretary shall be the City Clerk, Karen Kuznek-Reese

Transportation Benefit District
Annual Budget Calendar

Introduction: We are not aware of any rules or regulations governing transportation benefit district requirements for key budgeting steps and timelines. To simplify the TBD budget process and closely coordinate these activities with the City of Sequim, the key steps and timing will attempt to mirror that of the City's. The following are key budget steps and the suggested timing:

<u>Steps in Budget Preparation</u>	<u>Timing</u>
1. Chief administrative officer prepares preliminary budget with budget message.	At least 60 days before the ensuing fiscal year. October 30, 2016 has been established for the TBD.
2. Clerk publishes notice of filing of preliminary budget with city clerk and publishes notice of public hearing on it once a week for two consecutive weeks.	Published during the first two weeks in November. November 2 through November 15, 2016 is the timeframe established for the TBD.
3. The legislative body must schedule hearings on the budget.	Prior to the final hearing. November 2 through November 30, 2016 is the timeframe established for the TBD.
4. Copies of the preliminary budget are made available to citizens upon request.	No later than six weeks before January 1, 2017. November 14, 2016 is the date established for the TBD.
5. Final hearing on proposed budget.	On or before first Monday of December and may be continued to not later than the 25 th day prior to the next fiscal year. November 28 th has been established for the TBD.
6. Adoption of budget for next fiscal year. Send copies of final budget to the State Auditor's Office.	Adopt by ordinance. Following the public hearing and prior to the beginning of the ensuing fiscal year.

Sequim Transportation Benefit District
2017 Budget

	2013	2014	2015	2016	2016	2017	2017 Budget - 2016 Budget	
	Actuals	Actuals	Actuals	Forecast	Budget	Budget	Amount	Percent
Beginning Fund Balance	\$ 291,551	\$ 246,352	\$ 486,251	\$ 437,444	\$ 319,531	\$ 549,876	\$ 230,345	72%
Revenues								
TBD Sales & Use Tax	532,577	554,863	596,621	595,000	578,000	612,000	34,000	6%
Interest Income	7,902	5,859	7,582	8,900	4,000	4,000	-	
Total Revenue	\$ 540,479	\$ 560,723	\$ 604,203	\$ 603,900	\$ 582,000	\$ 616,000	\$ 34,000	6%
Expenses								
Professional Services								
Safety and Maintenance	100,000	100,000	100,000	80,000	80,000	100,000	20,000	25%
Capital Projects								
Street Projects	443,699	179,847	481,856	332,000	408,000	255,000	(153,000)	-38%
<i>Indirect Rate</i>	<i>17%</i>	<i>19%</i>	<i>Mixed*</i>	<i>22%</i>	<i>22%</i>	<i>10%</i>		
Project Management & Administration Fee	38,319	34,171	59,778	74,368	91,392	25,500	(65,892)	-72%
Contingency Rate								
Contingency	-	-			5% 20,400	5% 12,750	(7,650)	-38%
Other								
AWC Insurance & Annual Audit	3,660	6,807	11,377	5,100	5,100	5,100	-	0%
Total Expenses	\$ 585,678	\$ 320,825	\$ 653,011	\$ 491,468	\$ 604,892	\$ 398,350	\$ (206,542)	-34%
Surplus / (Deficit)	\$ (45,199)	\$ 239,898	\$ (48,808)	\$ 112,432	\$ (22,892)	\$ 217,650	\$ 240,542	-1051%
Ending Fund Balance	\$ 246,352	\$ 486,250	\$ 437,444	\$ 549,876	\$ 296,639	\$ 767,526	\$ 470,887	159%

The budget is adopted on a fund basis, not by individual line item.
Services are performed per the Interlocal Agreement with the City of Sequim dated 03/08/10.

SEQUIM CITY COUNCIL AGENDA COVER SHEET

MEETING DATE: November 14, 2016

FROM: Connie Anderson, Deputy Admin. Services Director _____
Initials

SUBJECT/ISSUE: Public Hearing for 2017 Revenue Sources
Proposed Property Tax Levy Resolution R2016-25

Discussion Dates	09-26-16 City Manager 2017 Proposed Budget Presentation	10-10-16 Department Review	10-24-16 Public Works & Capital Project Review	11-14-16 Public Hearing on Budget
CATEGORY	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Information Only	Time Needed for Presentation 5 minutes	
	<input checked="" type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda		
	<input type="checkbox"/> Unfinished Business	<input type="checkbox"/> New Business		
Reviewed by	Initials		Date	
Charlie Bush, City Manager	CPB		11/09/16	
Kristina Nelson-Gross, City Attorney	KNG		11/9/2016	
Sue Hagener, Administrative Services Director	SH		11/09/16	

PROBLEM/ISSUE STATEMENT:

The legislative body must hold a public hearing on revenue sources for the coming year's budget which includes the property tax levy. Washington State law provides for a 1% increase each year or an election to bank that percentage for consideration in future years. (The City of Sequim has banked capacity in previous years.) A 1% increase in the property tax levy was included in the revenue estimates for the proposed 2017 Budget.

Each levy district has a maximum Statutory Levy Rate. Sequim's shared levy district includes the City of Sequim, Fire District #3 and the Library. The preliminary assessed values released by the County Assessor's office on November 3, 2016, indicate over a \$70 million increase in assessed values this past year. New construction represents \$16 million or about 25% of the increased value. This increase in assessed value helps to ease the compression on the statutory levy rate limits felt in recent years.

LIST OF ATTACHMENTS:

1. Resolution R2016-25 Authorizing the Regular Property Tax Levy for 2016 for the year 2017.
2. 2017 Levy Certification

DISCUSSION/ANALYSIS:

The actual property tax levy amount per the Clallam County Assessor's Office for tax year 2016 was \$1,371,065.23. The property tax revenue for 2017 is estimated with a 1% increase or \$13,710, as allowed by state law. In addition, taxes would be received for new construction and annexations. The estimate of new construction per the County Assessor's Office is \$16.8 million which could add approximately \$27,675 in additional property taxes. There have been no significant annexations in the calculation period.

The overall assessed values in the City of Sequim show an estimated increase of 5.4%. For a homeowner in the City of Sequim with a current assessed value of \$200,000, the 1% increase is estimated at a \$1 increase on the City's portion of their 2017 property tax. The actual change in property tax will be relative to individual assessed value. The levy rate in the City of Sequim is projected to decrease, due to the increase in Assessed Values and new construction. The total impact to a homeowner's property taxes in 2017 will be dependent upon the actions of other taxing districts in Clallam County.

FINANCIAL IMPLICATIONS:

The adopted property tax levy will be available for the 2017 budget.

RECOMMENDATION:

The public hearing of November 14, 2016 satisfies the requirements for a public hearing on the property tax levy. Council is to consider public testimony and to make adjustments if necessary. Staff is recommending continuing that public hearing to November 28 and approval of the resolution at that time.

Motion:

I move to continue the public hearing on Resolution R2016-25 to the City Council meeting of November 28, 2016 for final action.



Ordinance / Resolution No. R2016-25
RCW 84.55.120

WHEREAS, the City Council of City of Sequim has met and considered
(Governing body of the taxing district) (Name of the taxing district)
its budget for the calendar year 2017; and,

WHEREAS, the districts actual levy amount from the previous year was \$ 1,371,065; and,
(Previous Year's Levy Amount)

WHEREAS, the population of this district is more than or less than 10,000; and now, therefore,
(Check One)

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy
is hereby authorized for the levy to be collected in the 2017 tax year.
(Year of Collection)

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 13,710
which is a percentage increase of 1% % from the previous year. This increase is exclusive of
(Percentage increase)

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.

Adopted this 28 day of November, 2016.

If additional signatures are necessary, please attach additional page.

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30th. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at: <http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc>.

For tax assistance, visit <http://dor.wa.gov/content/taxes/property/default.aspx> or call (360) 570-5900. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.



Levy Certification

Submit this document to the county legislative authority on or before November 30 of the year preceding the year in which the levy amounts are to be collected and forward a copy to the assessor.

In accordance with RCW 84.52.020, I, Sue Hagener,
(Name)

Administrative Services Director, for City of Sequim, do hereby certify to
(Title) (District Name)

the Clallam County legislative authority that the City Council
(Name of County) (Commissioners, Council, Board, etc.)

of said district requests that the following levy amounts be collected in 2017 as provided in the district's
(Year of Collection)

budget, which was adopted following a public hearing held on 11/28/16:
(Date of Public Hearing)

Regular Levy: \$1,413,733.90
(State the total dollar amount to be levied)

Excess Levy: _____
(State the total dollar amount to be levied)

Refund Levy: \$1,621.70
(State the total dollar amount to be levied)

Signature: _____

Date: 11/28/16

To ask about the availability of this publication in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users, please call (360) 705-6718. For tax assistance, call (360) 534-1400.

SEQUIM CITY COUNCIL AGENDA COVER SHEET

MEETING DATE: November 14, 2016

FROM: Sue Hagener, Administrative Services Director

SH
Initials

SUBJECT/ISSUE: Public Hearing: Proposal for an Ordinance 2016-12 Amending 2017 Rates and Fees

Discussion dates	Various dates in 2013, 2014 and 2015 (including Utility Rate Study Discussions)	09/26/2016 2017 Rates and Fees Preview	11/14/2015 Public Hearing	
CATEGORY	<input type="checkbox"/> City Manager Report <input checked="" type="checkbox"/> Public Hearing <input type="checkbox"/> Unfinished Business	<input type="checkbox"/> Information Only <input type="checkbox"/> Consent Agenda <input type="checkbox"/> New Business		Time Needed for Presentation
Reviewed by		Initials	Date	
Charlie Bush, City Manager		CPB	11/09/16	
Kristina Nelson-Gross, City Attorney		KNG	11/9/2016	
David Garlington, Public Works Director				

PROBLEM/ISSUE STATEMENT:

The City Council must hold a public hearing on revenue sources for the coming year's budget. Although the City may establish or amend various fees and charges during the year, Council has approved all fees and charges as one ordinance, codified in Chapter 3.68 Rates and Fees, for the budget process.

The City undertakes an annual review of all rates and fees and recommends changes to City Council. The adoption of this Ordinance on an annual basis provides the rates and fees for the next fiscal year, helps to ensure that the City's costs are reimbursed, and are critical to sound financial management. *As such, City services that provide private benefit or serve limited interests should be supported by fees in order to provide maximum flexibility in the use of general City taxes to meet the cost of services of broader public benefit.* In other words, this process is important because general taxes should not subsidize a private benefit or limited interests.

LIST OF ATTACHMENTS:

1. Ordinance 2016-012 Amending 2017 Rates and Fees
2. Exhibit A – 2017 Rates and Fees
3. Utility Rate Study Implementation Schedule

DISCUSSION/ANALYSIS:

Rates and fees are evaluated for appropriateness by staff every year. At a minimum, the processes and labor required to deliver services are reviewed for *significant* changes that would impact the fees charged for those services. Some years, detailed cost-of-service studies are conducted to determine the time and supplies required to deliver a particular service like inspecting a sewer connection. For 2017, because processes have remained relatively consistent in most areas, and because detailed cost studies require significant resources, no formal studies were performed. However, staff is adhering to the Utility Rate Study recommendations accepted by the Council in 2013, and the rate structure implementation schedule accepted by Council in 2014.

Budget Policy

The approach to the annual review of rates and fees for 2017 is consistent with the following important Budget Policy requirements:

1. *Fee for Service Revenues: City services that provide private benefit or service limited interests should be supported by fees and charges in order to provide maximum flexibility in use of general City taxes to meet the cost of services of broader public benefit.*
 - a) *Recover Full Cost: Fees should be set to recover full costs, including all direct costs and indirect costs (capital costs, department overhead and city-wide overhead (cost allocations).*
 - b) *Justify Subsidy: Charging less than full costs results in using general city taxes to subsidize the cost of the service. A subsidy must be justified, and may be considered if it meets other City interests and objectives, such as remaining competitive. Intentional subsidies will be documented and periodically reviewed with City Council.*
 - c) *Cost Studies: Departments that impose fee for service charges should periodically prepare and update cost-of-service studies. These studies may be performed and documented internally. An external consultant may be required for complex studies or where fee surveys are not available or where fees may be contested.*
 - d) *Human Needs Type Services: Exception may be considered for human needs type services to persons with limited ability to pay.*

2017 Rates and Fees Recommendations

For 2017, certain fee increases are needed to keep pace with the increase in the cost of those services. An analysis of just the actual salary and benefit increases reveals a 2.1% increase in costs that impact our operations. Therefore, we are proposing modest increase to most service-related fees by a factor of 2%.

With regard to utility rates, the Utility Rate Study conducted by Peninsula Financial Consulting in 2013/2014 recommended structural changes in our rates to more equitably distribute utility operating costs, encourage conservation and simplify City code. It also recommended annual revenue requirements in order to fund both increasing operational costs as well as planned capital costs. According to the Study, the City needs to generate additional revenues of 4% annually through growth, rate increases or structural changes in both water and sewer utilities.

Specifically for 2017 and in adherence to the Study's implementation schedule and Sequim Municipal Code, we propose the following:

Water:

- Set Multi-Family unit rates at 95% of Single-Family Residents
- Set Hotel/Motel unit rate at 75% of Single-Family Residents
- Reclassify Adult Care Facilities from Commercial to Multi-Family

Sewer:

- Complete AWWA factor implementation for Commercial
- Set Multi-Family unit rates at 95% of Single-Family Residents
- Implement a per unit fee for Hotel/Motel at 75% of Single-family Residents

These changes will have a positive impact on the equitable distribution of operating costs related to service delivery. Lastly, due to effective structural changes and minor rate increases in 2015 and 2016, as well as additional revenue from growth in our customer base, we are proposing a 2% increase in water rates to meet our 4% revenue requirement. A residential customer that uses 650 cubic feet per month would see a monthly increase in their bill of \$0.60 per month.

Council Materials

In the following materials, Council will find that Facility rental fees have been simplified and/or reduced in order to encourage use of our facilities to "connect our community." Some fees associated with the City's Fats, Oils and Grease (FOG) program are also being simplified to encourage participation in the program and eliminate red-tape. Council will also see increases in service related fees by a factor of 2% (roughly the increase in salaries and benefits across the organization). Staff recommends minor increases in water rates of 2% and no increases in sewer rates other than those that bring our Commercial customer base rates in line with AWWA meter factors. Council will finally see the staff recommendation to increase General Facility Charges (GFCs) for both water and sewer by \$250 in adherence with the Study Implementation Schedule, still leaving GFC's below the recommended charge of \$7,100 and \$9,050 for water and sewer, respectively.

In an effort to simplify the Rates/Fees/Charges schedule for 2017, we have rounded certain numbers.

Exhibit A: 2017 Proposed Rates and Fees

This schedule identifies both the current 2016 fee/charge and the proposed 2017 fee/charge. It is organized by department. The rate and fee schedule is highlighted for revisions as follows:

~~Strikethrough:~~ Deleting or Changing Fee, Rate or Charge
Underline: New/Proposed Fee, Rate or Charge

We have organized this document so that it can be approved and codified in the required format (~~striketrough~~ font for deleted fees and underlined for new and revised fees). There are also “comments” to describe the change in the right hand margin of Exhibit A. This is an example:

Comment [SH1]:
Moving these fees to
Public Works

FINANCIAL IMPLICATIONS:

The financial impact from the fee changes are expected to be minimal unless specifically noted (see attached Implementation Schedule). Changes in rate and fee revenues depend on activity or use of services and changes to the fee structure. The total revenue increases or decreases from changes in the rates and fees ordinance cannot be quantified at this time.

RECOMMENDATION:

Staff recommends continuation of this Public Hearing until November 28, 2016 and subsequent adoption of Ordinance 2016-012 Amending 2017 Rates and Fees.

MOTION:

I move to continue the Public Hearing until November 28, 2016 on Ordinance 2016-012 Amending 2017 Rates and Fees.

ORDINANCE NO. 2016-012

**AN ORDINANCE OF THE CITY OF SEQUIM, WASHINGTON,
AMENDING CHAPTER 3.68 RATES AND FEES EFFECTIVE
JANUARY 1, 2017; AND PROVIDING FOR SAVINGS,
SEVERABILITY AND EFFECTIVE DATE.**

WHEREAS, the City of Sequim intends to amend various rates, fees and charges in the City of Sequim and has all fees and charges located in Sequim Municipal Code Chapter 3.68; and

WHEREAS, ordinances and resolutions have been previously adopted establishing fees and charges; and.

WHEREAS, the City of Sequim reviewed current rates, fees and charges and cost of providing services; and

WHEREAS, this ordinance adds some new fees and charges and amends or repeals previously established fees and charges which have not been codified; and

WHEREAS, this ordinance is necessary for the support of city government and its existing public institutions;

NOW, THEREFORE, the City Council of the City of Sequim, Washington, do ordain as follows:

Section 1. The City of Sequim Municipal Code Chapter 3.68 RATES AND FEES is hereby AMENDED as set forth in Exhibit "A".

Section 2. Rates and fees set forth in this Chapter are intended to provide one code location for all city rates and fees. However, additional rates and fees may be located elsewhere in the Sequim Municipal Code and in various adopted codes such as the International Building Code and in other uniform codes.

Section 3. Future Amendment. Any of the fees or charges, which are allowed to be adopted by Resolution, may be established or modified by a future fee Resolution referencing this Ordinance and to Chapter 3.68 of the Sequim Municipal Code.

Section 4. Corrections. The City Clerk and the codifiers of this ordinance are authorized to make necessary clerical corrections to this ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 5. Savings Clause. Those portions of Ordinances 2008-016, 2009-002, 2009-016, 2010-024, 2011-009, 2012-014, 2013-015, 2014-018 and 2015-008 Sequim Municipal Code which are repealed or amended by this ordinance shall remain in force and effect until the effective date of this ordinance and as set forth below.

Such repeals and amendments shall not be construed as affecting any existing right acquired under the ordinances repealed or amended, nor as affecting any proceeding instituted thereunder, nor any rule, regulation, or order promulgated thereunder, nor the administrative action taken thereunder. Notwithstanding the foregoing actions, obligations under such ordinances or permits issued thereunder and in effect on the effective date of this ordinance shall continue in full force and effect, and no liability thereunder, civil or criminal, shall be in any way modified. Further, it is not the intention of these actions to reenact any ordinances or parts of ordinances previously repealed or amended, unless this ordinance specifically states such intent to reenact such repealed or amended ordinances. Any Ordinances or Sequim Municipal Code sections for which fees were provided in Ordinances 2008-16, 2009-002, 2009-016, 2010-024, 2011-009, 2012-014, 2013-015, 2014-018 and 2015-008 which do not show a fee or reference in Exhibit "A," remain in full force and effect.

Section 6 Severability. If any section, sentence, clause or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this Ordinance.

Section 7. Effective Date. This Ordinance shall become effective January 1, 2017, after publication of the ordinance, or a summary thereof, in the official newspaper of the City.

Dennis Smith, Mayor

Attest:

Approved as to form:

Karen Kuznek-Reese, MMC
City Clerk

Kristina Nelson-Gross, City Attorney

Approved Date

Publication Date

January 1, 2017
Effective Date

“Exhibit A”
Chapter 3.68
2017 Proposed Rates and Fees

Strikeout:	Deleting or changing fee
<u>Underline:</u>	New/proposed fee

A. City Clerk Department.

<u>Code Reference</u>	<u>Title</u>	<u>2016</u>	<u>2017 Rate/Fee/Charge</u>
-	<u>Follow Through Signs</u>	<u>Installation</u>	<u>\$200</u>
			-
		<u>Annual Permit</u>	<u>\$35</u>

B. Facility Rental.^[SH2]

Facility Rentals		
Carrie Blake Park, 202 North Blake Avenue		
Covered Picnic Shelter	City Resident	Non-City Resident
	0 – 4 hours \$25	0 – 4 hours \$35
	5 – 8 hours \$45	5 – 8 hours \$55
	9 – 12 hours \$65	9 – 12 hours \$75
	<u>Reservation Fee \$25</u>	<u>Reservation Fee \$35</u>
Softball Field(s) for softball/baseball related events East and West Fields	No charge. <u>\$25 -Reservation required</u> <u>Fee unless per contract.</u>	No charge. <u>\$35</u> <u>Reservation required</u> <u>Fee unless per contract.</u>
Softball Fields for all other events	\$65 per day	\$75 per day

"Exhibit A"
Chapter 3.68

2017 Proposed Rates and Fees

Facility Rentals		
Guy Cole – Fee waived for Clallam County Governmental Agencies		
Small Conference Room	<u>\$10/hour, city resident per reservation/per day</u>	<u>\$20/hour, non-city resident per reservation/per day</u>
Large Conference Room	<u>\$25/hour, city resident per reservation/per day</u>	<u>\$30/hour, non-city resident per reservation/per day</u>
Hall	<u>\$90/day, city resident per reservation/per day</u>	<u>\$100/day, non-city resident per reservation/per day</u>
Kitchen	By contract only	
Cleaning/damage deposit	\$150	
Kitchen cleaning/damage deposit	By contract only	
Centennial Place	Per temporary activity permit	
Civic Center, 152 West Cedar Street – Fee waived for Clallam County Governmental Agencies		
Cleaning/damage deposit	\$150	\$150
Community Meeting Room	<u>\$25/hour, city resident per reservation/per day</u>	<u>\$35/hour, non-city resident per reservation/per day</u>
Council Chambers	<u>\$50 per reservation/per day/hour, city resident</u>	<u>\$60 per reservation/per day/hour, non-city resident</u>
Kitchen	<u>\$10/hour</u>	<u>\$20/hour</u>
Outdoor Plaza	<u>\$50/hour, \$450/day or by contract, city resident</u> <u>Per</u>	<u>Per Temporary Activity Permit</u> <u>\$60/hour, \$500/day or by</u>

“Exhibit A”
Chapter 3.68
2017 Proposed Rates and Fees

Facility Rentals		
	<u>Temporary Activity Permit</u>	contract, non-city resident
<u>Use of audio/visual equipment</u>	\$10, city resident	\$20, non-city resident ^[SH3]
Water Reuse Demonstration Site		
Interpretive Center, 500 North Blake Avenue	\$20/hour, city resident <u>per reservation/per day</u>	\$30/hour, non-city resident <u>per reservation/per day</u>
Cleaning/damage deposit	\$100	
James Center for the Performing Arts	\$90/hour, city resident <u>per Temporary Activity Permit</u>	\$100/hour, non-city resident <u>per Temporary Activity Permit</u>
Cleaning/damage deposit	\$250	\$250
Sequim Transit Center – Fee waived for Clallam County Governmental Agencies		
Small Conference Room	\$10/hour, city resident <u>per reservation/per day</u>	\$20/hour, non-city resident <u>per reservation/per day</u>
Large Conference Room/Training Room	\$25/hour, city resident <u>per reservation/per day</u>	\$35/hour, non-city resident <u>per reservation/per day</u>
Kitchen usage (may only be used in conjunction with room rental)	\$10/hour, city resident <u>per reservation/per day</u>	\$20/hour, non-city resident <u>per reservation/per day</u>
Cleaning/damage deposit	\$150	\$150
Use of audio/visual equipment - <u>All Facilities</u>	\$10, city resident	\$20, non-city resident

C. Finance Department.

"Exhibit A"

Chapter 3.68

2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
SMC Title 5	Business License	
	Registration	\$ 55 <u>56</u>
	Renewal	\$ 55 <u>56</u>
	Handling fee – Department of Revenue (DOR)	Per DOR
	Door-to-door sales (peddler) license	\$ 55 <u>56</u>
	Seasonal (per week), not to exceed 7 weeks	\$ 10 or as set by contract
	Amusement device	\$ 55 <u>56</u>
SMC 5.28.115	For-hire vehicle driver permit (taxi driver)	\$ 55 <u>56</u>
	Miscellaneous Admin.	
	Copy of CD or electronic data copies <u>Copies on CD or thumb Drive</u>	\$ 5 <u>Actual Cost of device</u>
	Color plotter large planning map	\$ 15
	Comprehensive plan/zoning road maps	\$ 25
	Blueprints	
	18" x 24"	\$1 per sheet

"Exhibit A"

Chapter 3.68

2017 Proposed Rates and Fees

Code Reference	Title	2016/2017 Rate/Fee/Charge
	24" x 36"	\$1.50 per sheet
	42" x 48"	\$3 per sheet
RCW 42.56.070(8)	Photocopies cost per page	\$0.15 for all sizes or actual cost if sent out
	Scanning cost per page	\$0.15 for letter size
		\$0.25 for legal size <u>or larger</u>
		\$0.25 for larger than legal size
		Or actual cost if sent out
SMC 3.52.060	Returned check (NSF)	\$ 43
	Certified mailings	\$15 plus postage
	Cost reimbursement – Property damage/other	Actual cost (including wages and benefits) + 15% admin. fee
SMC 20.05.010	Legal document preparation	Actual cost + 15% admin. fee
	Taxes	
SMC 3.08.010	Leasehold	4% of the taxable rent
SMC 3.72.010	Lodging	4% of the sale or charge made for the furnishing of lodging
SMC 3.62.020	Real estate excise REET 1	1/4 of 1% of the selling price
SMC 3.62.020	Real estate excise REET 2	1/4 of 1% of the selling price
Chapter 5.32 SMC, RCW	Utility Business and	

"Exhibit A"

Chapter 3.68

2017 Proposed Rates and Fees

Code Reference	Title	2016/2017 Rate/Fee/Charge
35.21.870, 35A.11.050, 35A.82.020	Occupation (B and O) Tax	
Chapter 5.32 SMC, RCW 35.21.870	Electric utility tax	6% of the total gross operating revenue
Chapter 5.32 SMC	Garbage utility tax	8% of the total gross operating revenue
Chapter 5.32 SMC	Gas utility tax (Ord. 2008-015 excludes propane)	6% of the total gross operating revenue
Chapter 5.32 SMC, RCW 35.21.870	Telephone (and similar communication services) utility tax	6% of the total gross operating revenue
Chapter 5.32 SMC	Water utility tax	8% of the total gross operating revenue
Chapter 5.32 SMC	Sewer utility tax	8% of the total gross operating revenue
Cable Communications Policy Act of 1984	Cable franchise fee	5% of the total gross operating revenue
	Utility Deposits	
	Residential	
	Water	
	Inside city limits	\$150 or letter of credit
	Outside city limits	\$185 or letter of credit
	Sewer for customers on city water	
	Inside city limits	\$130 or letter of credit

"Exhibit A"
Chapter 3.68

2017 Proposed Rates and Fees

Code Reference	Title	2016/2017 Rate/Fee/Charge
	Outside city limits	Depends on sewer rate or letter of credit
	Sewer only customers	Deposit required
	Inside city limits	\$ 130
	Outside city limits	Depends on sewer rate (see below)
	1.5 times the rate	\$ 195
	1.6 times the rate	\$ 210
	2 times the rate	\$ 260
	Commercial	
	Water	2 times estimated monthly usage or letter of credit showing no delinquencies in previous 12-month period
	Sewer	2 times estimated monthly usage or letter of credit showing no delinquencies in previous 12-month period
	Miscellaneous Utility Fees	
	Debit card and credit card payments over the phone	\$ 3
SMC 3.52.050	Delinquent utility account	\$5 plus 1% on outstanding balance
	Duplicate copy of utility invoice for owner/property manager	\$7.50 per account annually
SMC 3.52.070(C)	Reconnection fee for shut-off	\$ 82 84

"Exhibit A"
Chapter 3.68
2017 Proposed Rates and Fees

D. Police Department (Some Fines for Crimes Are Not Governed by This Chapter).

Code Reference	Title	2016 2017 Rate/Fee/Charge
SMC 8.28.050	Alarms Response	
	First call offense	\$ -
	Second call offense	\$ -
	Third call offense	\$ 50
	Fourth and successive call offenses	\$ 100
	Bail, Permits and Certifications	
	Bail	As set by municipal court
	Concealed weapons permit	As established by state statute
	Temporary non-vehicle use of streets permit	\$5 per day not to exceed 14 days
18 U.S.C., Title 926C	Retired non-SPD police concealed carry	\$ 25
	Fines	
SMC 10.12.100	Parking Infractions	
	Improper parking	\$ 25
	Expired parking	\$ 25
RCW 46.61.381	Parking in disabled/handicap	\$ 450

"Exhibit A"

Chapter 3.68

2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
	space	
	Violation of limited time or restricted zone	\$ 25
	Moving Vehicle Violations	
SMC 10.08.020	Speeding in alley	\$ 101
SMC 10.21.060	Human-powered vehicle violation	\$25 each violation
Chapter 10.21 SMC	Wheeled device violation	\$ 25
	Miscellaneous Fees	
RCW 42.56.070(8)	Photocopies cost per page	\$0.15 for all sizes or actual cost if sent out
	Copy of CD or electronic data copies	\$ 5
	Off-duty hiring of Sequim police personnel	Set by current collective bargaining agreement (CBA) (includes wages and benefits) + 15% admin. fee
	Fingerprinting (per set)	\$ 15

E. Community Development.

Code Reference	Title	2016 2017 Rate/Fee/Charge
SMC 20.05.010	Notice of application publication	Actual cost
SMC 20.05.010	Notice of public hearing	Actual cost

“Exhibit A”

Chapter 3.68

2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
	publication	
SMC 20.05.010	Public notice, publication fees and certified mailings	Actual cost
SMC 5.40.100	Adult Entertainment License	
	Nonrefundable processing fee	\$ 375 <u>380</u>
	Establishment permit	\$ 1,615 <u>1,645</u>
	Model/escort fee	\$ 1,080 <u>1,100</u>
	Manager license	\$ 1,080 <u>1,100</u>
	Entertainment license	\$ 540 <u>550</u>
	Entertainment acts	\$ 540 <u>550</u>
SMC 20.05.010	Notices and Event Permits	
RCW 70.77.555	Fireworks sales permit (maximum allowed per RCW 70.77.555)	\$ 100
SMC 8.20.100(D)	Fireworks refundable clean-up deposit (performance bond)	\$ 110
SMC 18.68.020	Temporary activity permit	Group A – \$25 Group B – \$105 <u>110</u> Group C – \$210 <u>215</u> (or as provided by contract) Group D – \$210 <u>215</u> plus \$52 <u>53</u> per hour of additional staff time over 4 hours (or as provided by contract)

“Exhibit A”

Chapter 3.68

2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
SMC 18.58.030(E)	Sign permit	\$ 190 <u>195</u>
SMC 18.58.067	Temporary signs for events (on private property)	\$ 15
SMC 20.01.240(F)	Appeals and Land Use Changes	
	Annexation	\$ 1,900 <u>1,935</u>
	Administrative	\$ 590 <u>600</u>
	SEPA	$\$0 - \$250,000 = \$\del{590} \underline{600}$ $\$250,000 - \$500,000 = \$\del{810} \underline{825}$ $\$500,000 - \$1,000,000 = \$\del{1,510} \underline{1,540}$ $\$1,000,000 + = \$\del{2,595} \underline{2,645}$
SMC 18.20.015	Similar use determination	\$ 515 <u>525</u>
	Quasi-judicial appeal	\$ 895 <u>910</u>
SMC 20.05.010	Variance	\$ 1,190 <u>1,210</u>
SMC 17.22.030 and 20.05.010	Boundary and lot line adjustment	\$ 590 <u>600</u>
SMC 17.22.030 and 20.05.010	Lot merger	\$ 590 <u>600</u>
	Final boundary line adjustment	\$ 235 <u>240</u>
SMC 18.88.040(B)(9), 18.88.050(C)(16), 18.88.070(D)(17), and Chapter 20.05 SMC	Comprehensive plan amendment	\$ 1,615 <u>1,645</u>

"Exhibit A"

Chapter 3.68

2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
SMC 18.88.070(D)(17) and 20.05.010	Zoning code amendment, Type 1 and 2	\$ 1,615 <u>1,645</u>
	Critical Areas	
	Environmental review (e.g., transportation study, EIS, etc.)	Actual cost of city-retained consultant plus \$55- <u>56</u> per hour for staff time
SMC 18.80.050 and Chapter 20.05 SMC	Critical areas	\$ 485 <u>495</u>
	Essential public facility use permit	\$ 1,900 <u>1,935</u>
	Reasonable uses permit	\$ 540 <u>550</u>
	Slope encroachment	\$ 485 <u>495</u>
	Wetland buffer averaging	\$ 485 <u>495</u>
	Land Use Development	
	Home occupation permit	\$ 55 <u>56</u>
	Mobile food service vendor permit	\$ 110 <u>115</u>
SMC 20.01.110(I) and Chapter 20.05 SMC	Preapplication consultation (includes preliminary design review (not board) and preliminary plat)	\$ 380 <u>385</u>
Chapter 18.24 SMC	Design standards and review meeting	\$505- <u>515</u> plus 10% building permit
Chapters 18.60 and 20.05 SMC	Major conditional use	\$ 1,350 <u>1,375</u>

"Exhibit A"

Chapter 3.68

2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
	Minor conditional use	\$ <u>810 825</u>
Chapter 18.56 SMC and SMC 20.05.010	Special use permit	\$ 1,080 <u>1,100</u>
SMC 20.05.010	Subdivision	
	Major subdivision	\$ 1,350 <u>1,375</u>
	Major subdivision final plat	\$ 650 <u>665</u>
	Minor subdivision	\$ 810 <u>825</u>
	Minor subdivision final plat	\$ 325 <u>330</u>
	Plat Amendments	
	Major plat amendment	\$ 1,350 <u>1,375</u>
	Major plat amendment final plat	\$ 650 <u>665</u>
	Minor plat amendment	\$ 915 <u>935</u>
	Minor plat amendment final plat	\$ 325 <u>330</u>
	Plat extension	\$ 235 <u>240</u>
	Binding site plan	\$ 1,350 <u>1,375</u>
	Binding site plan final map	\$ 405 <u>415</u>
SMC 18.66.040	Administrative permit – Accessory dwelling unit	\$ 265 <u>270</u>
SMC 20.05.010	Unspecified land use and development fees	\$ 1,435 <u>1,465</u>

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2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
	Shoreline Development	
	Shoreline development permit (primary, secondary, conditional use)	\$ 675 <u>690</u>
	Shoreline exemption	\$ 215 <u>220</u>
	Variance	\$ 475 <u>485</u>
	Latecomers’ Fees	
	Base fee	\$540 <u>550</u> plus 1% of construction costs
	Parcel fee	\$ 110 <u>115</u>
	Segregation fee	\$ 380 <u>385</u>
	Miscellaneous Fees	
	Research services fees	\$55 <u>56</u> per hour after the first hour of work
	Permit software fee	\$15 per stand-alone permit

F. Community Development – Building.

Code Reference	Title	2016 2017 Rate/Fee/Charge
Chapter 15.04 SMC	Building Permit	
	Permit Software Fee	\$15 per standalone permit
SMC 15.04.030	Building permit	97 UBC Building Valuation Schedule plus

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2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
		10%
	Plan check	65% residential; 80% commercial building permit
	Plan check (after initial approval)	\$ 110 <u>115</u> for first 3 hours plus \$36/hour thereafter
SMC 15.04.050	Mechanical permit base fee	As established by Uniform Mechanical Code
SMC 15.04.050	Mechanical application fee	As established by Uniform Mechanical Code
SMC 15.04.070	Plumbing permit base fee	As established by Uniform Plumbing Code
SMC 15.04.070	Plumbing and fixture permit	\$7.70 per fixture
	Site, R-O-W, building permit re-inspection	\$ <u>55</u> <u>56</u>
	Final inspection Certificate of occupancy for final inspection	\$ <u>110</u> <u>115</u>
SMC 15.04.070	Manufactured home placement	\$ <u>250</u> <u>255</u>

G. Department of Community Development – Code Compliance/Enforcement.

Code Reference	Title	2016 2017 Rate/Fee/Charge
SMC 6.16.010	Animal License	
SMC 6.04.015	License (spayed/neutered)	Per Clallam County fee schedule

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2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
	Dog and cat Cat licensing is voluntary	
	License (intact = not spayed/neutered)	Per Clallam County fee schedule
	License for micro-chipped (spayed/neutered)	Per Clallam County fee schedule
	License lifetime for micro-chipped (spayed/neutered)	Per Clallam County fee schedule
	Certified assist./companion animal – Lifetime license	Per Clallam County fee schedule
	Registration or renewal potentially dangerous dog – Spayed/neutered – Annual	\$ 150
	Registration or renewal potentially dangerous dog – Intact – Annual	\$ 450
	Registration or renewal dangerous dog – Spayed/neutered – Annual	\$ 250
	Registration and renewal of dangerous dog – Intact – Annual	\$ 550
	Impound fees and costs	Appropriate fees per Humane Society contract costs plus 25% admin. fee
	Replacement tag (animal licenses)	Per Clallam County fee schedule

H. Public Works Department.

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2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
	Banners	
	Community banner reservation	\$ 175 180 per week
	Permits	
	Public Improvement Permit	
	Application deposit – Nonrefundable (This deposit will be applied to the fee determined for the public improvement permit if permit is obtained within one year of design approval)	\$ 1,000 Due with application
	Single parcel	2% of estimated construction costs due at application Due at plan approval
	Subdivision	2% of estimated construction costs due at application Due at plan approval
	Commercial	2% of estimated construction costs due at application Due at plan approval
	Fats, Oil, and Grease (FOG) Program	[SH4]
-	FOG – Trap permit	\$ 315
-	FOG – Annual renewal w/inspect report	\$ 40

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2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
-	FOG – Failure to adopt management plan	\$ 250
	FOG – Failure to allow inspection	\$ 500
	FOG – Failure to install required equipment or process	\$ 500
	FOG – Failure to meet discharge standards	\$ 500
	FOG – Failure to maintain records	\$ 100
	Sewer Inspections	
	Sewer inspection – Inside city limits	\$ 162 <u>165</u>
	Sewer inspection – Outside city limits	\$ 325 <u>330</u>
Ord. 2010-007	Transportation Impact Fee	Effective June 1, 2016 2017
	Transportation impact fees	Rate generated from formula set forth in transportation study. Fees are automatically adjusted by the Engineering News Record Construction Price Index change, unless otherwise adjusted by council.
Ord. 2010-008	Park Impact Fee	
	Park impact fees	Rate generated from formula set forth in parks study. Fees are automatically adjusted by the Engineering News Record Construction Price Index change, unless otherwise adjusted by council.

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Chapter 3.68
2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
	Miscellaneous Services Fees	
	Deferred impact fee administration	\$ <u>225,230</u>
	Engineering and consulting (internal and outsourced)	Actual cost (direct and indirect)

I. Public Works Department – Streets.

Code Reference	Title	2016 2017 Rate/Fee/Charge
	Right-of-Way Usage/Work Within:	
	Water line installation/repair	2% of estimated construction costs
	Reclaimed water line install/repair	2% of estimated construction costs
	Sewer line installation/repair	2% of estimated construction costs
	Stormwater system install/repair	2% of estimated construction costs
	Electrical utilities installation/repair	2% of estimated construction costs
	Telecommunications install/repair	2% of estimated construction costs
	Cable TV line installation/repair	2% of estimated construction costs

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2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
	Gas line installation/repair	2% of estimated construction costs
	Jack and bore	2% of estimated construction costs
	Open cut of street/road	2% of estimated construction costs
	Open cut of alley	2% of estimated construction costs
	Other right-of-way work	2% of estimated construction costs
	Other misc. R-O-W permits	2% of estimated construction costs
	Renewal fee for expired permit	\$ 82 83
	Street/right-of-way vacation	Actual costs (direct and indirect)

J. Public Works Department – Solid Waste.

Code Reference	Title	2016 2017 Rate/Fee/Charge
	Yard Waste	
	Spring clean-up fees for in-city residents/utility customers	First load free with coupon; \$10 each additional load
	<u>Miscellaneous PW Fees</u>	
	<u>Follow-Through Signs</u>	<u>Installation</u> \$ 200 [SH5]

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2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
		Annual Permit \$35 [SH6]

K. Public Works Department – Utilities.

Code Reference	2016 2017 Rate/Fee/Charge	
SMC 13.72.010	Meter install	
	Meter Size	City-Installed Service
		Water
	Less than 2"	\$242- 245 plus meter kit, roadway and replacement costs in-city service
	Less than 2"	\$485- 495 plus meter kit, roadway and replacement costs out-of-city service
	Note: Greater than 2"	Developer installed
SMC 13.72.010	Inspection Fees	
	Water	
	Inspection fee for developer-installed meters	\$76- 77 for in-city-limit inspections \$152- 154 for out-of-city-limit inspections
	Sewer	
	Inspection fee for developer-installed side sewer service line	\$76- 77 for in-city-limit inspections \$152- 154 for out-of-city-limit inspections
SMC 13.72.020	General Facility Charges (GFC)	

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2017 Proposed Rates and Fees

Code Reference	2016 2017 Rate/Fee/Charge	
	Sewer	
	Type of Connection	GFC (per Unit)
		Residential
	Residential living unit	\$ 8,550 8,800 ^(SH7) (1 equivalent residential unit (ERU)) includes condo units, mobile home park units and multifamily units 2 units or under
	Multifamily units (3 units or more)	0.7 ERU per unit
	Service outside the city limits = 2 times the city rate	
	Temporary Residential Units	
	Motel/hotel rooms, seasonal overnight travel trailer parks and RV parks	0.3 ERU per unit
	Rest homes, nursing homes, assisted care facilities	0.6 ERU per unit
	Commercial and Industrial Units and Other Units	
SMC 13.72.020	Based on the Following Meter Size as Outlined in the Code	
	Meter size (inches)	ERU
	0.625	1.0
	0.75	1.5

“Exhibit A”

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2017 Proposed Rates and Fees

Code Reference	2016/2017 Rate/Fee/Charge	
	1.00	2.5
	1.50	5.0
	2.00	8.0
	Meters sized greater than 2 inches or any use requiring an industrial pretreatment plan requires an approved engineering analysis of equivalent ERUs.	
SMC 13.72.025	General Facility Charges (GFC)	
	Water	
	Type of Connection	GFC (per Unit)
		Residential
	Residential living unit	\$6,600 6,850 ^{SH8} 1 equivalent residential unit (ERU) includes condo units, mobile home park units and multifamily units 2 units or under
	Multifamily units (3 units or more)	0.7 ERU per unit
	Service outside the city limits = 2 times the city rate	
	Temporary Residential Units	
	Motel/hotel rooms, seasonal overnight travel trailer parks and RV parks	0.3 ERU per unit
	Rest homes, nursing homes, assisted care facilities	0.6 ERU per unit

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2017 Proposed Rates and Fees

Code Reference	2016 2017 Rate/Fee/Charge	
	Commercial and Industrial Units and Other Units	
	Based on the Following Meter Size as Outlined in the Code	
	Meter size (inches)	ERU
	0.625	1.0
	0.750	1.5
	1.000	2.5
	1.500	5.0
	2.000	8.0
	Meters sized greater than 2 inches or any use requiring an industrial pretreatment plan requires an approved engineering analysis of equivalent ERUs.	
	Irrigation Water Rates	
	Irrigation Base Rate for Each Meter Size ^[SH9]	
	5/8" and 3/4"	\$23.80 <u>24.28</u>
	1"	\$39.75 <u>40.55</u>
	1-1/2"	\$79.26 <u>80.85</u>
	2"	\$126.87 <u>129.41</u>
	3"	\$238.00 <u>242.76</u>
	Irrigation Usage Charges	
	Single-Family Residential, Duplex and Multifamily	

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2017 Proposed Rates and Fees

Code Reference	2016 2017 Rate/Fee/Charge	
	Up to 600 cubic ft.	\$ 0.008270 <u>0.00844</u> /cubic ft.
	Over 600 cubic ft. and up to 1,600 cubic ft.	\$ 0.024480 <u>0.02497</u> /cubic ft.
	Over 1,600 cubic ft.	\$ 0.03060 <u>0.03121</u> /cubic ft.
	Commercial and Public Authority	
	Up to 600 cubic ft.	\$ 0.008270 <u>0.00844</u> /cubic ft.
	Over 600 cubic ft.	\$ 0.024480 <u>0.02497</u> /cubic ft.
	Hotel/Motel	
	First 600 cubic ft.	\$ 0.008270 <u>0.00844</u> /cubic ft.
	Over 600 cubic ft.	\$ 0.024480 <u>0.02497</u> /cubic ft.
SMC 13.112.060	Reclaimed Water (Reuse) Rates	
	Reclaimed Water Base Rate for Each Meter Size (per Month)	
	5/8" and 3/4"	\$5.40
	1"	\$7.25
	1-1/2"	\$11.52
	2"	\$16.98
	3"	\$31.21
	Reclaimed Water Usage Charge for Each Service per Month	
	0 – 5,000 cubic ft.	\$0.00506/cubic ft.

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2017 Proposed Rates and Fees

Code Reference	2016/2017 Rate/Fee/Charge	
	5,001 – 20,000 cubic ft.	\$0.00380/cubic ft.
	20,001 – 50,000 cubic ft.	\$0.00252/cubic ft.
	50,001 cubic ft. and above	\$0.00126/cubic ft.
	Rates to customers outside the current city limits shall be 2 times higher than the specified class base rate and the usage fee charged per unit or 2 times the total bill as computed by the in-city rate	
SMC 13.80.030	Sewer Rates	
	Usage Charges	
	Sewer Rates for Single-Family Residential – Inside City Limits	
	Winter water average up to 600 cubic ft.	\$60.59
	Winter water average over 600 cubic ft.	\$70.31
	One-Tier Sewer-Only Single-Family Residential – Inside City	
	Base rate	\$63.97
	Sewer Rates for Multifamily Residential (per Unit)	
	Base rate	\$65.68 57.56 ^[SH10]
	Sewer Rates for Commercial and Public Authority ^[SH11]	
	Base rate per meter size	
	3/4"	\$63.88

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2017 Proposed Rates and Fees

Code Reference	2016 2017 Rate/Fee/Charge	
	1"	\$79.85 78.06
	1-1/2"	\$148.44 155.64
	2"	\$227.97 249.12
	3"	\$424.16 467.40
	Usage rate over 600 cubic ft.	\$0.06335/cubic ft.
	Sewer Rates for Hotel/Motel (per unit)	
	Base rate	\$63.88 45.44[SH12]
	Over 600 cubic ft.	\$0.06335/cubic ft.
	Outside City Limits	
	Two times the rate	
SMC 13.80.080	Reduced Sewer Rates	
	Residential low income rate reduction program for individually metered water (only qualifying account holders). Up to 50% reduction of base charge for qualifying low income customers.	
SMC 13.84.030	Water Rates[SH13]	
	Water Rates for Single-Family Residential	
	Base rate	\$23.80 24.28
	Up to 600 cubic ft.	\$0.008270 0.00844/cubic ft.
	Over 600 cubic ft. and up	\$0.024480 0.02497/cubic ft.

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2017 Proposed Rates and Fees

Code Reference	2016 2017 Rate/Fee/Charge	
	to 1,600 cubic ft.	
	Over 1,600 cubic ft.	\$0.03060 <u>0.03121</u> /cubic ft.
Water Rates for Multifamily Residential, Including Adult Care Facilities (Per Unit) _[SH14]		
	Base rate	\$22.81 <u>23.06</u> _[SH15]
	Up to 600 cubic ft.	\$0.008270 <u>0.00844</u> /cubic ft.
	Over 600 cubic ft. and up to 1,600 cubic ft.	\$0.024480 <u>0.02497</u> /cubic ft.
	Over 1,600 cubic ft.	\$0.030600 <u>0.03121</u> /cubic ft.
Water Rates for Commercial and Public Authority		
	Base rate per meter	
	5/8" and 3/4"	\$23.80 <u>24.28</u>
	1"	\$39.75 <u>40.55</u>
	1-1/2"	\$79.26 <u>80.85</u>
	2"	\$126.87 <u>129.41</u>
	3"	\$238.00 <u>242.76</u>
	Up to 600 cubic ft.	\$0.008270 <u>0.00844</u> /cubic ft.
	Over 600 cubic ft.	\$0.024480 <u>0.02497</u> /cubic ft.
Water Rates for Hotel/Motel (Per Unit)		

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2017 Proposed Rates and Fees

Code Reference	<u>2016</u> <u>2017</u> Rate/Fee/Charge	
	Base rate	\$22.38 <u>18.21</u> <small>[SH16]</small>
	Up to 600 cubic ft.	\$0.008270 <u>0.00844</u> /cubic ft.
	Over 600 cubic ft.	\$0.024480 <u>0.02497</u> /cubic ft.
	Outside City Limits	
	1-1/2 times base	
	Example – Residential	
	Base rate outside city limits	\$35.70 <u>36.42</u>
	Up to 600 cubic ft.	\$0.012400 <u>0.01266</u> /cubic ft.
	Over 600 cubic ft.	\$0.036720 <u>0.03746</u> /cubic ft.
SMC 13.84.080	Reduced Water Rates	
	Residential low income rate reduction program (only qualifying account holders). Up to 50% reduction of base charge for qualifying low income customers.	

L. Miscellaneous Utility Fees.

Code Reference	Title	<u>2016</u> <u>2017</u> Rate/Fee/Charge
SMC 13.92.040	Water: service availability fee (standby charge for single-family residents inside city limits)	\$23.80 <u>24.28</u> (water)
SMC 13.80.030	Sewer: service availability fee (standby charge for single-family residents inside city limits who are also connected to city water)	\$23.80 <u>24.28</u> (sewer)
SMC 13.92.020,	Water on/off at customer request	Water Off – \$44 <u>45</u>

"Exhibit A"

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2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
13.92.030		Water On – No charge
	Non-emergency after hours call out	\$137 <u>140</u>

3. Where a commercial property is connected to sewer service but not to water service, the director of public works shall determine the sewer volume to be charged on a case-by-case basis, using an estimated figure for water consumption to be charged in addition to the established base rate.

4. The commercial volume rate shall be set as follows:

a. Monthly water usage of <601 cubic feet

b. Monthly water usage of > 600 cubic feet

5. Beginning in FY 2016 the commercial account shall be billed solely on the size of the installed meter and volume. All additional unit charges are removed.

6. Beginning in FY 2016 the commercial sewer base rate shall increase by one half the difference between the current Meter Equivalent Factor and 75% of the AWWA Meter Equivalent Factor for ¾" meters.

7. Beginning in FY 2017 the commercial sewer base rate shall increase to 75% of the full AWWA Meter Equivalent Factor for ¾" meters.

D. Hotel/Motel.

1. *Repealed by Ord. 2007-021.*

2. The overage rate will only apply to the balance of excess consumption after 800,600 cubic feet has been subtracted.

a. Beginning in FY2017 Hotel/motel shall be billed at 75% of the Single-Family residential rate per unit

b. Beginning in 2017 the overage rate for excess consumption will only apply after 600 cubic feet PER UNIT has been subtracted

E. RV Sites with Sewer Hookups. Each permitted transient RV site located within the city limits will be charged at the hotel/motel sewer rate.

**CITY OF SEQUIM
CITY COUNCIL MINUTES
SEQUIM CIVIC CENTER
152 WEST CEDAR STREET
SEQUIM, WA
OCTOBER 24, 2016**

Admin. Services Director Hagener reported that the A/V system has not been working as expected. Chris Wright of Jaymarc is attending tonight's meeting to see if he can fix the issues we are having. We will have a presentation first to see what issues are happening.

2. Small Business Development Center

Duane Fladland, State Director of the SBDC, stated they are an accredited member of the America's Small Business Development Center with 29 advisors statewide. They meet with clients one-on-one to guide them through the process of making the most informed business decisions they can. They have access to databases that many businesses are not aware of. He provided information on the services they provide and their successes.

Kevin Hoult shared information concerning some of the local businesses they have helped.

Christina Norman, who has been one of their clients, provided information concerning assistance she received from the SBDC. The SBDC is supported by the federal government. People can learn of them through the statewide website, North Peninsula Business Development Center. Representatives attend chamber meetings and will attend the business expo or referrals. He explained how they work with the EDC. They teach people how to work on their business, not in their business.

Consensus was to have staff make a presentation to provide more information.

1. Jaymarc Audio Training

Chris provided information concerning the adjustments that have been made and how to use the microphones.

Mayor Smith called for a five minute break at 5:50.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Bob Lake, Pam Leonard-Ray, Dennis Smith, Ted Miller, John Miller, Candace Pratt, Genaveve Starr, Emily Straling

CHANGES TO THE AGENDA

CEREMONIAL

REPORTS

Committee, Board and Liaison

Lake participated in the EOC at the Transit Center. He provided information concerning the activities. Sequim and Forks were the only 2 cities that participated.

T. Miller provided information on the October 11 town hall meeting on Alzheimer's.

Starr provided information on the CTS board meeting. A public meeting on the budget is being scheduled. CTS will hire an accountant.

Leonard-Ray visited Japan with the Sister City Association. She explained the value of the program.

Presiding Officer

Mayor Smith reported on the October Planning Commission meeting. He provided information on the discussion at CTS concerning electric busses or reconfiguring busses to reduce fossil fuel.

City Manager

Garlington displayed the LEED plaque that was received today.

Irvin provided information on the EOC activation on October 15. It started about 3:30. He reported on the damage to the Johnson Creek trestle.

Rally in the Alley took place on October 15. Colleen Robinson reported Waste Management donated over \$2,000 in kind for the dumpsters. A senior intern provided information concerning the event. 8.28 tons of garbage was collected. Over 83 volunteers and many organizations participated.

Emily Straling provided information on the hunger drive taking place at the school. Their goal is to collect 12,000 pounds of food to Boo Hunger Away. Haunted Hallways occurred on October 29. Winter Wishes assembly is on December 15.

PUBLIC COMMENTS Please limit comments to 3 minutes. Please see "Public Comments" rules attached.

Joseph Fulop lives on 5th Street. He requests that a crosswalk be installed on Spruce Street so people can feel safer crossing.

INFORMATION/COUNCIL QUESTIONS INVITED

3. Third Quarter Human Services Reports
 - a. Parenting Matters
 - b. Boys & Girls Club
 - c. Dungeness Valley Health & Wellness Clinic

Leonard-Ray responded to a question from Bob Lake that the clinic refers people to a local insurance agency that provides information concerning insurance. Lake asked the success rate for getting people signed up for insurance. Pam indicated there is no tracking on that.

PUBLIC HEARINGS (Legislative)

4. Ordinance No. 2016-18 Establishing SMC 12.25 Protection and Preservation of Public Trees in Parks and Rights-of-Way (Tree City Designation)

Mayor Smith read the rules that will apply to this evening's public hearings. The public hearing was opened at 6:30.

Irvin stated the City would like to become a tree city. This ordinance relates to protection and preservation of public trees in rights of way. This was discussed with the Park Board. They, along with the Planning Commission, have endorsed it unanimously.

T. Miller was concerned about not making a distinction between pine and non-pine trees.

Mayor Smith asked for speakers. Hearing no response the public hearing was closed at 6:33 p.m.

MOTION to approve Ordinance No. 2016-18 adopting a new municipal code chapter 12.25, which establishes a public tree care ordinance by Bob Lake; seconded by Candace Pratt. **Carried Unanimously.**

5. WCF (WiFi) Moratorium Extension

The public hearing was opened at 6:35 p.m.

Nelson-Gross advised that the moratorium expires tomorrow. The ordinances do not go into effect until 5 days after passage. The moratorium is for a period not to exceed 28 days. The FCC places parameters on local jurisdictions. When you adopt the ordinance, the moratorium will be repealed once the ordinance becomes effective.

Mayor Smith asked for speakers. Hearing no response, the public hearing was closed at 6:40 p.m.

MOTION to approve Resolution R2016-26 adopting Findings of Fact and Ordinance No. 2016-17 extending an immediate moratorium on the acceptance of applications for land use permits for new wireless communication support towers and declaring an emergency by Ted Miller; seconded by Candace Pratt. **Carried Unanimously.**

6. Ordinance No. 2016-15 Wireless Communication Facilities

Starr feels we have the responsibility to protect the health of our citizens. We cannot reject these towers. She proposes a resolution of protest.

Nelson-Gross stated that can be added into the legislative history file.

T. Miller supports the resolution. There is nothing we can do about the laws that currently stand. We don't appreciate our ability to protect our citizens being preempted.

Lake supports it also. He would like to be able to look at the best science and regulate.

Pratt agrees. She doesn't believe the FCC is keeping up with current science.

Smith supports this as well. The County Commissioners passed a resolution previously stating the cities are required to regulate.

Nelson-Gross will have a draft for the November 14 meeting.

Mayor Smith opened the public hearing at 6:45 p.m.

Nelson-Gross stated that council directed staff to draft a resolution of protest limiting local agencies regulations. Local agencies are limited in what they can regulate. Staff researched obtaining an RF meter. If a jurisdiction has concerns about a particular site, the FCC recommends hiring a qualified radio professional that can make the appropriate determinations. The FCC would review the information. The staff recommends following that avenue.

Hugo provided information concerning the various zones in the City that are included in the proposed ordinance. There are 4 zones where these facilities can be located and he reviewed the applicable requirements. All other zones require a Conditional Use Permit and must meet various requirements.

Starr feels children are at greater risk because they absorb radiation more readily. Can we indicate that towers not be placed near children?

Nelson-Gross responded that she does not feel we can regulate that. Hugo provided information where towers may be placed in the future. Nelson-Gross added that applicants are required to show there are coverage gaps when they are locating in a specific area. There are some existing towers and some are going out into the county. If these structures fill the need and do not leave any gaps in coverage, we might be able to avoid the issue because there won't be any coverage gaps. Hugo added that this will be revisited when we go through the zoning code. This matrix will be kept current to make all the standards associated with the new zones.

Darlene Schanfeld appreciates the sensitivity to this important issue. She was the recipient of a film showing actions in California. That information was provided to the County planning commission. These poles are dangerous. She suggests we start talking to Derek Kilmer and our senators and have them force the FCC to take some action. This is a serious health issue and congress needs to revisit this.

Mayor Smith asked for additional speakers. Hearing no response, the public hearing was closed at 7:20 p.m.

Straling added that the brain isn't fully developed until your 20s. She agrees with passing the no protest resolution.

MOTION to approve Ordinance No. 2016-016 Wireless Communications Facilities that adds new SMC Chapters 18.61 and 18.61A and amends existing Chapters 18.20, 18.44, 18.56 and 18.57 and repeals Ordinance No. 2016-017 upon its effective date by Candace Pratt; seconded by Ted Miller. **Carried Unanimously.**

CONSENT AGENDA

7. Approve/Acknowledge
 - a. City Council Meeting Minutes - October 10, 2016
 - b. Claim Voucher Recap Dated 10/24/16 Total Payments \$639,692.23
 - c. Approve City Invoice to Transportation Benefit District for 3rd Quarter 2016 Safety & Maintenance Services

MOTION to approve CONSENT AGENDA by Genaveve Starr; seconded by Candace Pratt. **Carried Unanimously.**

UNFINISHED BUSINESS

8. 3rd Quarter Financial Reports - City and Transportation Benefit District

Hagener provided information concerning the 3rd quarter financials. All funds are doing well. There are no concerns. Lodging Tax and REET are doing well. Hagener

responded to Lake's questions about how the TBD monies are used. The City bills the TBD on a quarterly basis for the allowed expenses.

9. Presentation of 2017 City of Sequim and Transportation Benefit District Budget - Public Works and Capital Projects

Hagener provided an overview of the Public Works and Capital Projects budgets. There are some personnel shifts that will be made in 2017. She explained the structural changes that have been made to the utility rates. This results in a 2% increase in water rates and 0% in sewer.

10. Ordinance No. 2016-16 Amending SMC 2.62 Park, Arbor and Recreation Board

Irvin stated this is an additional requirement for the Tree City ordinance.

MOTION to approve Ordinance No. 2016-017 amending Sequim Municipal Code Chapter 2.62 establishing the Parks, Arbor and Recreation Board by Bob Lake; seconded by Genaveve Starr. **Carried Unanimously.**

NEW BUSINESS

11. Approve Cooperative Agreement with Washington Department of Natural Resources

Garlington stated that the Department of Natural Resources looks for cities that are participating in the Tree City Program. They then provide an urban forestry group which is a Western Washington conservation program to come to cities and provide assistance. They protect water quality through vegetation. We are applying to become a Tree City. This group will start in our parks. This will help open up park spaces and plant native vegetation.

MOTION to approve and authorize the Mayor to enter into a Cooperative Agreement with the Department of Natural Resources to receive the services of a SoundCorps urban forestry crew by Candace Pratt; seconded by Ted Miller. **Carried Unanimously.**

GOOD OF THE ORDER

Pratt stated that the front doors are too heavy. She continually hears from the public. Pratt asked how many have done a ride along with the police department. She encourages all Councilors to do so.

Mayor Smith reported that the YMCA opened today. Next Sunday at 1pm will be its grand opening with tours. They will be in full operation on October 31.

PUBLIC COMMENTS (Please limit comments to 3 minutes each)

A resident suggested placing positions on the name tags so people know who everyone is.

NEXT MEETING DATES of November 14, 2016 (5:00 p.m.) and November 28, 2016 (6:00 p.m.)

ADJOURNMENT at 8:15 p.m.

Respectfully submitted,

Karen Kuznek-Reese, MMC
City Clerk

Dennis Smith
Mayor

Minutes approved at a regular Council meeting held on November 14, 2016.

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SEQUIM CITY COUNCIL
CONSENT AGENDA RECAP - November 14, 2016

Number	Voucher Date	Type	Payment Detail	Amount
1	10/17/2016 AP Vendor	Check	Ck 70630 thru Ck 70690	\$ 185,536.03
		Electronic	E 3903 & E 3904	\$ 873.51
				\$ -
<i>Comments: None</i>				Total \$ 186,409.54
2	10/21/2016 Payroll	Check	Ck 70691 thru Ck 70695	\$ 7,550.18
		Direct Debit	Count of 71	\$ 133,453.10
		Electronic	E 3906	\$ 57,364.11
<i>Comments: For Pay Period 10/01/16 - 10/15/16</i>				Total \$ 198,367.39
3	10/21/2016 AP Vendor	Check	Ck 70696 thru Ck 70738	\$ 74,869.44
		Treasury	TC 9191 thru TC 9196	\$ 828.83
		Electronic	E 3905	\$ 338.95
<i>Comments: Voided TC 9192, 9194, 9195 - Clerical Error</i>				Total \$ 76,037.22
4	10/21/2016 PY Liabilities	Check	Ck 70739 thru Ck 70748	\$ 12,954.71
		Electronic	E-3907 thru E-3911	\$ 42,865.57
				\$ -
<i>Comments: For Pay Period 10/01/16 - 10/15/16</i>				Total \$ 55,820.28
5	10/21/2016 Utility Refunds	Check	Ck 70749 thru Ck 70751	\$ 746.52
				\$ -
				\$ -
<i>Comments: None</i>				Total \$ 746.52
6	10/28/2016 AP Vendor	Check	Ck 70752 thru Ck 70800	\$ 28,388.83
		Electronic	E 3912 thru E 3919	\$ 46,388.70
				\$ -
<i>Comments: Voided Ck 70797 - Clerical Error</i>				Total \$ 74,777.53

Finance Certification: 
 Sue Hagener,
 Admin. Svcs. Director

TOTAL PAYMENTS: \$ 592,158.48

**SEQUIM CITY COUNCIL
AGENDA COVER SHEET**

MEETING DATE: November 14, 2016

FROM: Matt Klontz, City Engineer

MDK
Initials

SUBJECT/ISSUE: Award and Contract Execution for Guy Cole Remodel,
City Project No CFL-003

Discussion dates	March 28, 2016 – CC	June 27, 2016 – CC	Oct. 10, 2016 – CC	
CATEGORY	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Information Only	Time Needed for Presentation 5 Mins.	
	<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda		
	<input checked="" type="checkbox"/> Unfinished Business	<input type="checkbox"/> New Business		
Reviewed by			Initials	Date
Charlie Bush, City Manager			CPB	11/09/16
Kristina Nelson-Gross, City Attorney			KNG	11/9/2016
Sue Hagener, Administration Services Director			SH	11/09/16
David Garlington, Public Works Director			dmg	11/9/16

PROBLEM/ISSUE STATEMENT:

Staff is presenting the bid results for the first phase of the Guy Cole Center remodel. Staff has completed evaluation of the bids for contractor responsiveness and responsibility and is recommending Award and Contract Execution with Hoch Construction of Port Angeles, Washington for their bid amount of \$361,528.59.

ATTACHMENTS:

- 1) Bid Tabulation

DISCUSSION/ANALYSIS:

Staff advertised the construction contract on Friday, October 7, 2016. During the advertisement there were two optional open-houses held to provide contractors the opportunity to evaluate the building to better understand the scope of work. On November 4, 2016 the City received four sealed bids that were opened in public at 2:00PM. Bids were evaluated and it was determined that Hoch Construction was the lowest responsive and responsible bidder, submitting a bid in the amount of \$361,528.59. The bid tabulation has been provided for reference. The published Engineer's Estimate for this project was a cost estimate range between \$200,000 and \$400,000.

In general the scope of work includes;

- a metal roof,
- exterior paint,
- assembly area; interior paint, acoustical ceiling, lighting, carpet tiles, tiled entryways chair rail, exterior and interior doors, blinds, and installation of the elk window, and
- main bathrooms; sinks, counters, toilets, paint, doors, partitions, and lighting.

FINANCIAL IMPLICATIONS:

Funding for this project is through a grant totaling \$436,500. The grant does not require City matching funds. Any remaining grant funding not expended during the course of this contract will be applied towards remodeling the kitchen and/or the meeting rooms. The subsequent work will require a second advertisement and construction contract.

There is \$450,000 in the 2016 Mid-Year Amended budget for this project. If the project extends into 2017, a budget amendment may be needed to the 2017 budget.

RECOMMENDATION:

Staff recommends the City Council award the project to Hoch Construction and authorizes the City Manager to enter into the contract with Hoch Construction in the amount of \$361,528.59 including a 10% City-held construction contingency, totaling \$397,681.45.

MOTION:

Approval of the Consent Agenda includes the following motion:

I move to Award of the Guy Cole Remodel project to Hoch Construction and authorize the City Manager to enter into a contract with Hoch Construction in the amount of \$361,528.59, and further authorize an additional 10% of the contract amount for a City-held construction contingency.

BID TABULATION
GUY COLE REMODEL
CITY PROJECT NO. : CFL-003

Pacific West Construction 1730 1st Ave S. Seattle, WA 98134	Olympic Peninsula Const. P.O. Box 553 Poulsbo, WA 98370	Alpenglow Construction Ser. 1264 NW Chrey Lane Bremerton, WA 98312	Hoch Construction 4201 Tumwater Truck Rt Port Angeles, WA 98365
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BID ITEM SCHEDULE A (Base Scope):

NO.	ITEM	QUANTITY		AMOUNT	AMOUNT	AMOUNT	AMOUNT
1	Removals	1	LS	\$14,500.00	\$35,000.00	\$15,000.00	\$23,307.00
2	Roof Covering (Metal Panel)	1	LS	\$123,500.00	\$40,000.00	\$44,000.00	\$67,218.00
3	Roof repairs	1	LS	\$10,300.00	\$9,000.00	\$11,000.00	\$7,152.00
4	Exterior Windows	1	LS	\$9,050.00	\$8,000.00	\$7,000.00	\$6,453.00
5	Special Decorative Window	1	LS	\$2,400.00	\$2,500.00	\$9,000.00	\$2,401.00
6	Lighting	1	LS	\$37,300.00	\$30,000.00	\$34,500.00	\$32,920.00
7	Carpet Tile	1	LS	\$36,100.00	\$30,000.00	\$22,000.00	\$31,200.00
8	Tile	1	LS	\$1,350.00	\$3,500.00	\$4,000.00	\$3,108.00
9	Baseboard Trim	1	LS	\$2,850.00	\$5,000.00	\$3,000.00	\$1,004.00
10	Chair Rail	1	LS	\$8,150.00	\$8,000.00	\$16,000.00	\$5,450.00
11	Horizontal Blinds	1	LS	\$4,325.00	\$3,000.00	\$2,000.00	\$3,155.00
12	Interior Paint	1	LS	\$4,950.00	\$19,000.00	\$12,000.00	\$6,580.00
13	Exterior Paint	1	LS	\$5,850.00	\$19,000.00	\$15,000.00	\$8,379.00
14	Drop Ceiling	1	LS	\$45,900.00	\$25,000.00	\$33,000.00	\$36,133.00
15	Miscellaneous Construction	1	EST	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00
16	Minor Changes	1	EST	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
17	Structural Engineering	1	EST	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
SUBTOTAL				\$363,025.00	\$293,500.00	\$284,000.00	\$290,960.00
TAX (8.7%)				\$31,583.18	\$25,534.50	\$24,708.00	\$25,313.52
TOTAL CONSTRUCTION COST SCHEDULE A				\$394,608.18	\$319,034.50	\$308,708.00	\$316,273.52

BID ITEM SCHEDULE B (Optional Scope):

NO.	ITEM	QUANTITY		AMOUNT	AMOUNT	AMOUNT	AMOUNT
18	Restroom Remodel	1	LS	\$50,700.00	\$60,000.00	\$57,000.00	\$41,633.00
SUBTOTAL				\$50,700.00	\$60,000.00	\$57,000.00	\$41,633.00
TAX (8.7%)				\$4,410.90	\$5,220.00	\$4,959.00	\$3,622.07
TOTAL CONSTRUCTION COST SCHEDULE B				\$55,110.90	\$65,220.00	\$61,959.00	\$45,255.07

TOTAL BID AMOUNT (SCHEDULE A + B)	\$449,719.08	\$384,254.50	\$370,667.00	\$361,528.59
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**BID TABULATION
GUY COLE REMODEL
CITY PROJECT NO.: CFL-003**

Pacific West Construction 1730 1st Ave S. Seattle, WA 98134	Olympic Peninsula Const. P.O. Box 553 Poulsbo, WA 98370	Alpenglow Construction Ser. 1264 NW Chrey Lane Bremerton, WA 98312	Hoch Construction 4201 Tumwater Truck Rt Port Angeles, WA 98365
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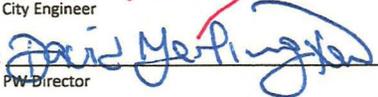
BID ITEM SCHEDULE C (Alternate Scope):

NO.	ITEM	QUANTITY	LS	AMOUNT	AMOUNT	AMOUNT	AMOUNT
19	Roof Covering (Asphalt Shingle)	1	LS	\$67,600.00	\$32,000.00	\$27,000.00	\$45,455.00
SUBTOTAL				\$67,600.00	\$32,000.00	\$27,000.00	\$45,455.00
TAX (8.7%)				\$5,881.20	\$2,784.00	\$2,349.00	\$3,954.59
TOTAL CONSTRUCTION COST SCHEDULE C				\$73,481.20	\$34,784.00	\$29,349.00	\$49,409.59

5% Bid Guaranty	Yes	Yes	Yes	Yes
Addenda Acknowledgement	Yes	Yes	Yes	Yes
Proposal Form Complete	Yes	Yes	Yes	Yes
Contractor Verification Complete	Yes	Yes	Yes	Yes

The lowest responsive and responsible bidder was determined to be Hoch Construction.

Approved: 
City Engineer

Approved: 
PW Director

 Denotes discrepancy exists between the price per unit and the extended amount of the Bid item, the price per unit controls.

**TRANSPORTATION BENEFIT DISTRICT
AGENDA COVER SHEET**

MEETING DATE: November 14, 2016

FROM: Sue Hagener, Administrative Services Director
as the ex officio Treasurer SH
initials

SUBJECT/ISSUE: Resolution TBD-R2016-02 Adopting Interlocal Agreement of the Association of Washington Cities (AWC) Risk Management Service Agency (RMSA)

Discussion dates				
CATEGORY	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Information Only	Time Needed for Presentation	
	<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda	5 min	
	<input type="checkbox"/> Unfinished Business	<input checked="" type="checkbox"/> New Business		
Reviewed by	Initials		Date	
Charlie Bush, Executive Director	CPB		11/09/16	
Kristina Nelson-Gross, City Attorney	KNG		11/9/2016	

PROBLEM/ISSUE STATEMENT:

The TBD has been a member of the AWC RMSA risk pool since 2012. Since AWC RMSA is a self-insured insurance pool, each member entity must sign an Interlocal agreement to formalize coverage. These agreements are regularly reviewed and updated by the RMSA Board and Operating Committee. All Interlocal agreements must be approved by the TBD Board.

LIST OF ATTACHMENTS:

1. Interlocal Agreement of the Association of Washington Cities (AWC) Risk Management Service Agency (RMSA) (red-lined)
2. Resolution TBD-R2016-02 Interlocal Agreement with AWC RMSA

DISCUSSION/ANALYSIS:

Chapter 48.62 RCW authorizes governing bodies to form or to join a pool for joint purchasing insurance, joint self-insuring, joint hiring and/or contracting for risk management services to the same extent that they may do so individually. Agreements to form pooling arrangements are made pursuant to RCW 39.34 RCW, the Interlocal Cooperation Act. AWC RMSA is one of the risk pools created under these statutes.

The TBD is a member AWC RMSA. RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime) coverage is a stand-alone policy which the RMSA procures for its members. All coverages are on an occurrence basis.

To receive coverage, members pay an annual assessment to RMSA. The TBD's assessment for 2016 was \$1,200 and is expected to remain the same for 2017. This is the lowest possible assessment for a benefit district as provided by RMSA. For that assessment, RMSA is responsible for paying all covered causes of loss against the jurisdiction. RMSA is proactive in encouraging and assisting its members to improve risk management practices in order to reduce claims. The TBD has also received Loss Control Grants from RMSA to reduce liability.

In accordance with WAC 200-100-02023, AWC RMSA is governed by a board of directors comprised of elected officials from participating member organizations. In 2015 and 2016, the Board, with the assistance of the Operating Committee, reviewed and revised the interlocal agreement. These revisions represent clarifications rather than changes in coverage. Sue Hagener, City Risk Manager, is currently a member of the RMSA Operating Committee. Under the Interlocal Agreement, Members contract to remain in the RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Board approval of the revised Interlocal Agreement is needed to maintain the TBD's membership and insurance coverage under AWC RMSA.

FINANCIAL IMPLICATIONS: The 2017 budget anticipates an assessment of \$1.2k. Assessments thereafter are dependent upon the TBD's membership in AWC RMSA, asset valuations, the number of work hours and claims history.

The TBD has yet to present RMSA with any claims.

RECOMMENDATION: Staff recommends waiving the three touch rule to expedite approval of this agreement and adoption of TBD-R2016-02 approving the interlocal agreement between the TBD and the AWC RMSA.

MOTION: I move to adopt Resolution TBD-R2016-02 approving the interlocal agreement between the TBD and the AWC RMSA.

INTERLOCAL AGREEMENT OF
THE ASSOCIATION OF WASHINGTON CITIES
RISK MANAGEMENT SERVICE AGENCY
(AWC-RMSA)

DRAFT

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DRAFT

**INTERLOCAL AGREEMENT:
OF THE ASSOCIATION OF WASHINGTON CITIES
RISK MANAGEMENT SERVICE AGENCY**

PREAMBLE

State law authorizes the formation of pooling organizations to provide such insurance, to reduce the amount and frequency of the Members' losses, and to decrease the cost incurred by the Members in the handling and litigation of claims. This Agreement provides for self-insurance pooling and/or the economical purchase of primary Insurance and/or Excess Insurance coverage for all Local Governmental Entities. This Agreement is made and entered into in the State of Washington by and among the Members organized and existing under the Constitution or laws of the State of Washington, hereinafter collectively referred to as "Members", and individually as "Member", which are parties signatory to this Agreement. Said Members are sometimes referred to herein as "Parties".

RECITALS

WHEREAS, Chapter 48.62 RCW provides that two or more local governmental agencies may, by Interlocal Agreement, provide insurance for any purpose by one or more of certain specified methods;

WHEREAS, the Association of Washington Cities, the sponsoring entity, of the Risk Management Service Agency ("Agency"), would like to maintain the long-standing relationship that has been achieved over the years because of the mutual goals of both entities, which is to support all cities and towns in Washington State;

WHEREAS, the Association of Washington Cities as sponsor of the Agency desires to provide its Members, as well as other Local Governmental Entities, the opportunity to jointly self-insure or pool their primary risks to enhance their ability to control their insurance programs and coverages;

WHEREAS, each of the parties to this Agreement desires to join together with the other parties for the purpose of pooling their self-insured losses and jointly purchasing excess insurance and administrative services in connection with a Joint protection Self-Insurance program for said parties; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW, THEREFORE, in consideration of all of the mutual benefits, covenants and agreements contained herein the parties hereto agree as follows:

**ARTICLE 1
Definitions**

The following definitions shall apply to the provisions of this Agreement:

- 1.1 _____ **"Administrative Agent,"** shall mean the Association of Washington Cities that provides third party administration (TPA) services to the Agency. the contracted administrative services for the Agency.

1.2 “Agency” shall mean the Association of Washington Cities Risk Management Service Agency (RMSA).

~~1.3~~ ~~X.XX~~—“Agreement” shall mean the Interlocal Agreement, however amended, among and between the Agency and the Member.

1.43 “Assessment” shall mean the monie~~se~~ys paid by the ~~m~~ Members to the Agency.

1.54 “Association” shall mean the Association of Washington Cities.

1.65 “Board of Directors” or “Board” shall mean the governing body of the Risk Management Service Agency (RMSA) as duly elected by the members of the Agency.

~~X.XX~~1.7 ———“Bylaws” shall mean the document(s) that provides for the governance and operation of the Agency. “Bylaws” mean the Bylaws adopted by the Board of Directors of the Agency and all duly adopted amendments and revisions thereto, however amended.

1.86 “Claim(s)” shall mean ~~demands made against the Agency arising out of occurrences which are within the Agency's Joint Protection Program as developed by the Board of Directors.~~ mMeans a demand for payment for damages against the Agency arising out of occurrences within the Coverage Agreement; or policy benefit because of the occurrence of an event that includes, but is not limited to, the destruction or damage of property or reputation, bodily injury or death and alleged civil rights violations.

~~1.9X.XX~~ ———“Coverage Agreement” shall mean the coverage document(s) established by the Board of Directors and intended to address the general claims ~~s~~ operations of the Agency.

1.107 “Excess insurance” shall mean that insurance purchased or other financing arrangements made on behalf of the Agency to protect the funds of the Agency against catastrophes or against an unusual frequency of losses during a single year.

1.118 “Fiscal Year” shall mean that period of 12 months, from January 1 to December 31, which is established as the fiscal year of the Agency.

1.129 “Insurance” shall mean and include self-insurance through a funded program and/or commercial insurance contract.

~~1.13X.XX~~ ———“Interlocal Agreement” means an Agreement established under the Interlocal Cooperation Act defined in ~~Ce~~chapter 39.34 RCW which permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and therefore, to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities.

1.140 “Joint Protection Program” shall mean ~~the program established by the Board of Directors and intended to address the general operation of the Agency.~~

~~1.14X.XX~~ ———“Joint Self-Insurance Program” means two or more Local Government Entities which have entered into a cooperative risk sharing Agreement subject to regulation under 48.62 RCW.

1.154 “Local Governmental Entity” shall mean every unit of local government, both general purpose and special purpose, and shall include, but not be limited to, counties, cities, towns, port districts,

public utility districts, water districts, sewer districts, fire protection districts, irrigation districts, metropolitan municipal corporations, conservation districts, and other political subdivisions, governmental subdivisions, municipal corporations, and quasi municipal corporations.

~~1.16X.XX~~ —“**Member**” – shall mean any eligible entity which participates in the Agency, pays the annual Assessment and is signatory to the Agency’s Interlocal Agreement.

~~1.17X.XX~~ —“**Member Standards**” shall mean the required ~~and~~ advisory standards ~~were~~ adopted by the Board of Directors in an effort to provide consistent administrative practices for members, with the goal of reducing property and liability losses.

1.182 “**Operating Committee**” shall mean the standing advisory committee of the Agency to the Board.

~~1.19X.XX~~ —“**Reassessment**” shall mean additional monies ~~sees~~ paid by the Members to the Joint Self-Insurance Program if claims shall exceed assets.

1.20 “**Risk Sharing**” means a decision by the Members of a Joint Self Insurance Program to jointly absorb certain or specific financial exposures to risks of loss through the creation of a formal program of advance funding of actuarially determined anticipated losses; and/or joint purchase of Insurance or reinsurance as a member of a Joint Self Insurance Program formed under Chapter 48.62 RCW.

1.2143 “**Signatory**” or “**Signatories**” shall mean those parties who sign this Agreement, including execution by Counterpart, thereby becoming a Member of the Agency bound by the terms of this Agreement.

~~1.22X.XX~~ —“**Special Committee**” – shall mean committees of the Agency created by the Board of Directors.

ARTICLE 2

Purposes Risk Sharing

2.1 This Agreement is entered into by the Members to provide for Joint Self-Insurance pooling and/or the economical purchase of primary Insurance and/or Excess Insurance coverage, risk management services, and property and liability claims administration, for all forms of Insurance available or required by law for Local Governmental Entities and for which state law authorizes the formation of pooling organizations to provide such Insurance; Furthermore, the purpose of the Agreement is to reduce the amount and frequency of the Members’ losses; and to decrease the cost incurred by the Members in the handling and litigation of claims. This purpose shall be accomplished through the exercise of the powers of the Members jointly in the creation of a separate public Agency, the Association of Washington Cities Risk Management Services Agency, to direct and administer a Joint Protection Self-Insurance Program wherein the Members will engage in certain activities, including but not limited to the following:

2.1.1 Pool their losses and Claims Risk Sharing;

2.1.2 Jointly purchase of insurance which may include, but is not limited to Excess Insurance and or reinsurance; and

2.1.3 Jointly purchase of administrative and other services including:

2.1.1.1 Claims adjusting;

2.1.1.2 Data processing;

- 2.1.1.3 Risk management consulting;
- 2.1.1.4 Loss prevention;
- 2.1.1.5 Legal; and
- 2.1.1.6 Miscellaneous related services.

2.2 It is also the purpose of the Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional Local Government Entities organized and existing under the Constitution or laws of the State of Washington as may desire to become parties to this Agreement and ~~m~~Members of the Agency, subject to approval by the Board of Directors.

2.3 ~~It is also the purpose of t~~ This Agreement ~~to~~ may but is not required to provide, to the extent permitted by law, that the Agency may, at the discretion of its ~~d~~Directors, contract with non-member Local Government Entities in the State of Washington.

Article 3 Agency Offices

3.1 Principal Executive Office

The principal executive office for the transaction of business of the Agency shall be located at 1076 ~~South~~ Franklin ~~St.~~ SE, Olympia, WA 98501. The Administrative Agent in cooperation with the Board of Directors of the Agency shall have the authority to change the location of the principal executive office from time to time.

3.2 Other Offices

Other business offices may be at any time be established by the Administrative Agent in cooperation with the Board of Directors of the Agency at any place or places where the Agency is qualified to do business.

ARTICLE 4 Parties to Agreement

Each party to this Agreement certifies that it intends to and does contract with all other parties who are Signatories of this Agreement and, in addition, with such other parties as may later be added to and ~~S~~ignatories of this Agreement pursuant to Article 14. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Articles 16 and 17, shall not affect this Agreement nor such party's intent to contract as described above with the other parties to the Agreement then remaining.

ARTICLE 5 Term of Agreement

This Agreement shall become effective on January 1, 2010~~7~~, and shall be of unlimited duration, but not less than one year, and will continue unless terminated as hereinafter provided in Article 19.

ARTICLE 6 Financial Obligations of Agency

Pursuant to ~~Ch~~apter. 48.62 RCW, of the State of Washington, the debts, liabilities, and obligations of the Agency shall not constitute debts, liabilities, or obligations of any ~~party~~ Member to this Agreement.

ARTICLE 7
Powers of the Agency

- 7.1 Agency shall have the powers provided for by law and is hereby authorized to do all acts necessary for the exercise of said powers, including, but not limited to, any or all of the following:
- 7.1.1 Contract or otherwise provide for risk management, claims administration and loss ~~control~~ prevention services;
 - 7.1.2 Contract or otherwise provide legal counsel for the defense of Claims and/or other legal services;
 - 7.1.3 Consult with the Washington State Risk Manager and State Auditor;
 - 7.1.4 Jointly purchase Insurance coverage in such form and amount as the organization's participants may by contract agree;
 - 7.1.5 Incur debts, liabilities, or obligations;
 - 7.1.6 Acquire, receive, hold, or dispose of property, funds, services, and other forms of assistance from persons, firms, corporations, and governmental entities;
 - 7.1.7 Sue and be sued in its own name;
 - 7.1.8 Hire employees and agents; and
 - 7.1.9 Exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.
- 7.2 Said powers shall be exercised to the terms hereof and in the manner provided by law.

ARTICLE 8
The Board of Directors and their Powers and Responsibilities

- 8.1 The Agency, its funds and service programs shall be administered by a Board of Directors.
- 8.2 Number of Directors
There shall be seven (7) Directors of the Agency, who shall be elected officials representing members of the Agency.
- 8.3 Acceptance of Appointment by Directors
Each Director shall sign a document accepting their appointment as Director and agreeing to abide by the terms and provisions of this ~~interlocal~~ Agreement and the Bylaws.
- 8.4 Powers and Responsibilities of the Board of Directors
The Board of Directors of the Agency shall have the following powers and functions:
- 8.4.1 The Board shall have the power to review, amend, modify, adopt, override, or reject the Operating Committee's recommendations.
 - 8.4.2 The Board shall review, modify if necessary, and approve the annual operating budget of the Agency.
 - 8.4.3 The Board shall receive and review periodic accountings of all funds of the Agency.

- 8.4.34 Annually the Board shall review, amend, adopt, or reject the Operating Committee's recommendation of the ~~a~~Assessment, or Reassessment rate to be charged to the ~~m~~ Members of the Agency.
- 8.4.45 The Board ~~shall~~ may review, modify if necessary, and approve the ~~Joint Protection Program (JPP) Coverage Agreement, which identifies Agency and Member coverages,~~ the Agency's Bylaws, ~~and manuals~~ policies and Member Standards.
- 8.4.56 The Board shall have the power to conduct all business on behalf of the Agency, which the Agency may conduct under the provisions hereof and pursuant to law.
- 8.4.67 The Board shall determine and select ~~all necessary~~ Insurance, ~~including Excess Insurance,~~ necessary to carry out the Joint Self-Insurance Protection Program ~~of for~~ the Agency.
- 8.4.78 The Board shall have authority to contract for or develop various services for the Agency, including, but not limited to, an ~~a~~Administrative ~~a~~Agent, claims adjusting, loss ~~control~~prevention, risk management consulting services, independent actuary services, insurance brokerage services, independent claims auditing services, and ~~general~~ legal counsel.
- 8.4.89 The Board shall have such other powers and functions as are provided for in this Agreement, and the Bylaws, ~~or these~~ which are necessary to implement the purposes of this Agreement, including, but not limited to, the power to authorize contracts.

ARTICLE 9 Operating Committee

The Operating Committee shall consist of nine (9) representatives from Member ~~s~~ entities participating in the Agency. All members of the Operating Committee shall be appointed non-elected officials ~~not elected officials~~. It is the Board's intent that the Operating eCommittee assists is advisory to the Board and/or the Administrative Agent, with regarding the operations of the Agency, ~~and to keep the Board advised on all aspects of Agency operations including professional standards.~~

ARTICLE 10 Coverage

- 10.1 The type and limits of the Insurance coverage provided for Members by the Agency shall be established by the Board of Directors.
- 10.2 The Board may arrange approve purchase of ~~a group policy~~ additional types or limits of coverage for Members interested in obtaining additional types or limits of coverage at additional cost to those ~~participating of other~~ Members. Such additional cost may include an administrative fee for the Agency's services.
- 10.3 The Board may arrange for the purchase of any other Insurance or services deemed necessary to protect the Agency or funds held by the Agency against catastrophe.

ARTICLE 11 Bond Requirements

The Board may require that the Administrative Agent authorized to disburse funds of the Agency, provide a fidelity bond in the amount as set by the Board, and provide that such bond be paid by the Agency.

ARTICLE 12
Responsibility of the Agency

~~12.1~~ The Agency shall perform the following functions in discharging its responsibilities under this Agreement:

~~12.112~~ Provide Insurance coverage as deemed necessary, including but not limited to a self-insurance fund and commercial insurance, as well as excess coverage or reinsurance, and other insurance; ~~s~~Such insurance, to be arranged by negotiation or bid, and/or purchase, as necessary;

~~12.223~~ Assist each Member's designated risk manager with the implementation of the risk management functions within the Member entity;

~~12.334~~ Provide loss prevention, ~~safety, and~~ consulting services to Members as required;

~~12.45~~ Provide Claims adjusting and subrogation services for Claims covered by the Agency's ~~Joint Protection Program;~~ Coverage Agreement;

~~12.556~~ Provide loss analysis by the use of statistical studies, data processing, and record and file-keeping services, to identify high exposure operations and to evaluate proper levels of self-retention and deductibles;

~~12.667~~ Assist Members, as requested, with review of their contracts to determine sufficiency of indemnity and ~~i~~nsurance provisions;

~~12.778~~ Conduct risk management audits to review the participation of each Member in the program. The audit shall be performed by appointed Agency staff or, at the discretion of the ~~a~~Administrative ~~a~~Agency, and/or an independent auditor may be retained by contract to conduct the audits;

~~12.889~~ Provide for the defense of any civil action or proceeding brought against any officer, employee, Board member, or other agent of the Agency, in their official or individual capacity or both, on account of an act or omission within the scope of their agency as an agent of the Agency;

~~12.9940~~ Abide by the rules and regulations as stated or hereinafter amended of RCW Chapter 48.62 and WAC ~~82-60; 200-100;~~ and

~~12.40104~~ The Agency shall have such other responsibilities as deemed necessary by the Board of Directors in order to carry out the purposes of the Agreement.

ARTICLE 13
Responsibilities of Members

~~13.1~~ Members shall have the following responsibilities:

~~13.112~~ All ~~Agency-m~~Members must maintain membership in the Association of Washington Cities.

~~13.223~~ Each ~~m~~Member shall appoint an employee of the member entity to be responsible for the risk management function within that member entity and to serve as a liaison between the Member and the Agency ~~as to risk management~~.

~~13.334~~ Each Member shall implement a risk management policy which shall include maintain an active safety officer and/or committee, and shall consider all implementing completing loss prevention recommendations, and complying with the Member Standards of the Agency.

~~concerning including but not limited to the development and implementation of a loss control risk management policy to prevent unsafe and, and practice(s).~~

13.45 Each Member shall be responsible for payment of any Member-elected deductible, and/or appropriate deductible associated with the Member Standards.

~~13.4~~ Each Member shall maintain its own set of records, as a loss log, in all categories of loss to insure accuracy of the Agency's loss reporting system.

13.556 Each Member shall promptly pay its ~~a~~Assessment, Reassessment, and any readjusted amount promptly to the Agency when due. After withdrawal or termination, each Member shall pay promptly to the Agency its share of any ~~additional~~ Reassessment and accrued interest at a rate determined by the Board, when and if required of it by the Board.

13.667 Each Member shall provide the Agency with such other information or assistance as may be necessary for the Agency to carry out the ~~Joint Protection Program under~~ provisions of this Agreement.

13.778 Each Member shall in any and all ways cooperate with and assist the Agency, and any insurer of the Agency, in all matters relating to this Agreement and covered losses, and will comply with all Bylaws, ~~rules, and regulations~~ policies, procedures and Member Standards as adopted or amended by the Board of Directors.

~~13.889 All members shall cooperate with the Agency and assist with investigations, making settlements, and defense or prosecution of suits; cooperate and assist the Agency in enforcing any right of contribution, indemnity or subrogation in which the Agency may have an interest by virtue of a payment made pursuant to the Bylaws, interlocal a Agreement or the Joint Protection Program (JPP); attend hearings and trials and assist in the securing and giving evidence and obtaining the attendance of witnesses; use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any loss of or damage to the property herein insured.~~
All members shall cooperate with the Agency and assist with any investigations, settlement discussions, defense or prosecution of suits, and cooperate and assist the Agency in enforcing any right of contribution, indemnity, or subrogation in which the Agency may have an interest by virtue of a payment made pursuant to the Bylaws, this Agreement, or the Coverage Agreement. Members shall also assist the Agency and attend hearings and trials as well as securing and giving evidence and obtaining the attendance of witnesses. Further, the members shall undertake appropriate due diligence and concur in exercising all things reasonably practicable to avoid or diminish any loss of or damage to the property insured under this agreement.

ARTICLE 14 New Members

14.1 Additional Members shall be permitted to become Signatories to this Agreement, ~~and to the Joint Protection Program~~. All potential members to the Agency must be members of the Association of Washington Cities or become members prior to acceptance into the Agency. The ~~Directors~~ Agency shall allow entry into the program of new members approved by the Board of Directors at such time during the year as the Board deems appropriate.

- 14.2 Members entering under this Article may be required to pay their share of expenses as determined by the Board, including those necessary to analyze their loss data and determine their ~~a~~Assessment.

ARTICLE 15 Defense of Agents

- 15.1 For purposes of this article, "agent" means any person who is or was: a ~~d~~Director, an Operating Committee member, ~~a Special Committee member~~, an officer, or an agent acting on behalf of the Agency or Administrative Agent.
- 15.2 The Agency shall provide for the defense of any agents and paying of any valid judgments and claims brought against any such agent arising from their actions or conduct in their official or individual capacity or both, on account of an act or omission within the scope of their responsibility; provided, however, this section shall not apply to those occurrences covered by an Agency policy of liability insurance or if the claim or judgment results from the intentional misconduct of said agent.

ARTICLE 16 Withdrawal

- 16.1 A Member signing this Agreement may not withdraw as a party to this Agreement and as a Member of the Agency for a one-year period commencing on the date said Member signs the Agreement.
- 16.1.1 After the initial one-year non-cancellable commitment provided pursuant to this Agreement, a Member may withdraw only at the end of ~~the Agency's any~~ Fiscal Year, provided ~~the Member~~ has given the Agency a minimum of 12-month written notice of its intent to withdraw from this Agency.
- 16.2 A Member shall be entitled to withdraw from the Agency where ~~the Member~~ presents to the Board of Directors evidence demonstrating a material breach of contract by the Agency as regards its obligations to the Member. The Member shall be allowed to withdraw from the agency within ninety (90) days of any finding by the Board of Directors that a material breach of contract by the Agency has occurred. The withdrawal of any Member under the conditions identified here shall not however free it from any and all requirements made of any withdrawing Member.
- 16.3 ~~No Member withdrawing from the Agency shall be entitled to payment or return of any Assessment, Reassessment, contributions or monies contributed to the Agency or to the distribution of any assets of the Agency. No member shall be entitled to any payment or return of any assessment paid by the member to the Agency or any agency insurer or to any distribution of the Agency's assets.~~

ARTICLE 17 Termination by Agency

- 17.1 The Agency shall have the right to terminate any Member's participation in the ~~Joint Protection Program Agreement~~ upon a motion approved by ~~a three-quarters (75%)~~ vote of ~~66% or more of~~ the entire Board of Directors. ~~The Board of Directors may,~~ ~~p~~Prior to taking action on such a motion, ~~the Board may, but is not required to,~~ request that the Operating Committee review and make recommendations to the Board on any allegation giving rise to the request to terminate, including ~~but not limited to~~ failure to: comply with a written condition, disregard of ~~safety or~~ risk management ~~recommendations or Member s~~Standards, noncompliance with any provision of this ~~Interlocal Agreement~~, and/or the Bylaws of the Agency.

17.2 Any Member so ~~cancelled~~ terminated from the Agency, shall be given at least one hundred eighty (180) days notice prior to the effective date of the ~~cancellation~~ termination. Any Member so ~~cancelled~~ terminated shall have a period of up to six (6) months coverage under the terms of this Agreement, or may affect alternate insurance or self-insurance arrangements if it so desires. Upon written receipt of confirmation from the terminating Member that the terminating Member has in force valid insurance or membership in another risk sharing pool, the effective date of the termination may be adjusted by the Agency. Any Member so ~~cancelled~~ terminated shall be treated as if it had voluntarily withdrawn.

17.3 Upon termination from this Agreement, a no Member shall not be terminated from the agency shall be entitled to payment or return of any Assessment, Reassessment, contributions or monies contributed to the Agency or to the distribution of any assets of the Agency. No member shall be entitled to any payment or return of any assessment paid by the member to the Agency or any agency insurer or to any distribution of the Agency's assets.

~~17.4 A terminated Member shall be responsible for any Reassessment issued in the future covering dates the terminated entity was a Member of the Agency.~~

ARTICLE 18

Effect of Withdrawal or Termination

18.1 The withdrawal of any Member from this Agreement shall not terminate the same for purposes of continuing to comply with all conditions and requirements of the Agreement, and survives the withdrawal or termination of any Member.

18.2 No Member by withdrawing or terminating from the Agreement shall be entitled to payment or return of any ~~a~~ Assessment, Reassessment, consideration of property paid, or donated by the Member to the Agency, or to any distribution of assets.

18.3 The withdrawal or termination of any Member shall not ~~terminate~~ cease its responsibility to contribute its share or ~~a~~ Assessment, Reassessment, or funds to any fund or Joint Self-Insurance program created by the Agency until all Claims, or other unpaid liabilities, covering the period the Member was Signatory hereto have been finally resolved and a determination of the final amount of payments due by the Member or credits to the Member for the period of its membership has been made by the Board of Directors. In connection with this determination, the Board may exercise similar powers to those provided for in Article 17, *Termination by Agency*, of this Agreement.

18.4 The withdrawn or terminated Member shall be responsible for any applicable deductible that would have been applied related to a claim the same as if the Member was still in good standing with the Agency.

~~18.45~~ Any withdrawing n or terminated Member ~~may shall~~ not be permitted to rejoin the Agency, or allowed to submit an application to rejoin the Agency for a period of three (3) years after the effective date of the Member's withdrawal or termination ~~without Board approval.~~

ARTICLE 19

Termination and Distribution

19.1 This Agreement may be terminated at any time by the written consent of three-fourths (75%) of the Members, provided, however, that this Agreement and Agency shall continue to exist for the purpose of paying all debts and liabilities, disposing of all Claims, distributing net assets, and otherwise ~~winding-up and~~ liquidating the affairs of the Agency. The Board of Directors is vested with all powers of the Agency during such ~~winding-up and~~ liquidation, including the power to require Members, including those ~~which~~ who were ~~are~~ Members at the time the claim arose or at

the time the loss was incurred, to pay their share of any additional amount of Reassessment deemed necessary by the Board for final disposition of all Claims, losses, and liabilities covered by this Agreement. Such additional Reassessment shall be determined and thereafter adjusted, if necessary.

19.2 Upon termination of this Agreement, all assets of the Agreement Agency shall be distributed only among the parties that are Members in good standing of the Joint Protection Program Agency on the date of termination of this Agreement., The assets shall be distributed in accordance with and proportionate to their cash payments Assessment, Reassessment and property contributions made during the term of this Agreement. The Board shall determine such distribution within six (6) months after the last pending claim or loss covered by this Agreement has been finally disposed of.

19.3 The Board is vested with all powers of the Agency for the purpose of winding-up liquidating and dissolving the business affairs of the Agency. These powers shall include the power to require Members, including those which were Members at the time the claim arose or at the time the loss was incurred, to pay their share of any additional amount of assessment deemed necessary by the Board for final disposition of all Claims and losses covered by this Agreement. A Member's share of such additional assessment shall be determined on the same basis as that provided for annual assessments, and shall be treated as if it were the next year's annual assessment for that Member.

ARTICLE 20

Bylaws and Manual Policy, Procedures and Member Standards

The Board has developed may adopt Agency Bylaws, and a policy ies, and procedures, manual and Member Standards or other documents that governs the day-to-day operations of the Agency. Each Member shall have access in electronic or written format. electronically or in written format Each Member shall receive a copy of any Bylaws, policy statement, or manual developed under this Article.

ARTICLE 21

Notices

Notices to Members hereunder shall be sufficient if mailed to the last address, or electronic mail, provided to the Agency by the respective Member postal mail will be deemed received three (3) days after mailing.

ARTICLE 22

Amendment

This Agreement may be amended at any time by the written approval of the majority three-quarters (75%) of all Members of the Agency. Amendments to the Agreement shall be adopted by ordinance or resolution of the governing board or council of each Member, signed by an authorized representative of each member, and a certified copy returned to the Agency

ARTICLE 23

Enforcement

The Agency is hereby granted the authority to enforce this Agreement. In the event action is instituted to enforce any term of this Agreement or any term of the Bylaws against any City Member which signed this Agreement, the substantially prevailing party in such dispute shall be entitled to its costs and reasonable attorney's fees.

ARTICLE 24

Prohibition Against Assignment

No Member may assign any right, claim, or interest it may have under this Agreement, except to a successor entity following reorganization. No creditor, assignee, or third-party beneficiary of any Member shall have any right, claim, or title to any part, share, interest, fund, assessment, or asset of the Agency. Should any participating Member reorganize in accordance with the statutes of the State of Washington, the successor in interest, or successors in interest, may be substituted as a Member upon approval by the Board.

ARTICLE 25

Severability

In the event that any article, provision, clause, or other part of this Agreement should be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability with respect to other articles, clauses applications, or occurrences, and this Agreement is expressly declared to be severable.

ARTICLE 26

Agreement Complete

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

ARTICLE 27

Conflicts

In the event of a conflict between this Agreement and the adopted Bylaws, policies, or procedures, or the Member Standards, this Agreement shall take precedence."

Article 28

Supersession

This Agreement supersedes and replaces all prior interlocal Agreements and amendments thereto pertaining to the Agency."

Article 29

Signature in Counterparts

This Agreement may be executed in any number of Counterparts and each of such Counterparts shall for all purposes constitute one Agreement, binding on all Members, notwithstanding that all Members are not Signatories to the same Counterpart. All references herein to this Agreement are deemed to refer to all such Counterparts.

Article 30

Section Headings

The section headings in this Agreement are inserted for convenience only and are not intended to be used in the interpretation of the contents of the sections they identify and introduce."

Article 31

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington."

Article 32

Time

Time is of the essence in this Agreement and each and every provision hereof.

ARTICLE 332830
Authorization of Signature

Each Member signing this Agreement has passed the required Ordinance or Resolution authorizing and approving this Agreement, a certified copy of which Ordinance or Resolution is attached hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by authorized officials thereof.

Association of Washington Cities (AWC)
Risk Management Service Agency (RMSA)

(Member Name)

By _____

By _____

_____, Mayor
(Printed name)

Date _____

Date _____

Resolution TBD-R2016-02

**A Resolution of the Sequim Transportation Benefit District (TBD)
Approving an Amended Interlocal Agreement with the
Association of Washington Cities (AWC)
Risk Management Service Agency (RMSA) and its Members**

WHEREAS, the Association of Washington Cities Risk Management Service Agency (AWC RMSA), authorized and formed under RCW 48.62, offers pooled self-insurance providing cost stability and the potential for long-term savings; and

WHEREAS, AWC RMSA is sponsored by the Association of Washington Cities as a service to Washington cities and towns; and

WHEREAS, the Sequim TBD has reviewed and analyzed the AWC RMSA Interlocal agreement, bylaws, and coverages with legal counsel for consistency with the City's code and charter as applicable; and

WHEREAS, the Sequim TBD acknowledges that after becoming a member of the AWC RMSA, the Sequim TBD shall be subject to assessments and any future reassessments as required by statute and the AWC RMSA; and

WHEREAS, the Sequim TBD concludes that the Interlocal Agreement of the AWC RMSA would be beneficial in managing the municipal risks involved in providing services to our citizens;

NOW, THEREFORE, the Sequim TBD does hereby agree to enter into and abide by the Interlocal agreement, which, along with this Resolution, constitutes a contract between the Sequim TBD and the AWC RMSA.

ADOPTED by the governing body of the Sequim TBD, Washington on this _____ day of _____, 2016

Dennis Smith, Chairperson

Charlie Bush, Executive Manager

Attest:

Approved as to form:

Karen Kuznek-Reese, Secretary

Kristina Nelson-Gross, City Attorney

Resolution TBD-R2016-02

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Approving an Amended Interlocal Agreement with the
Association of Washington Cities (AWC)
Risk Management Service Agency (RMSA) and its Members**

WHEREAS, the Association of Washington Cities Risk Management Service Agency (AWC RMSA), authorized and formed under RCW 48.62, offers pooled self-insurance providing cost stability and the potential for long-term savings; and

WHEREAS, AWC RMSA is sponsored by the Association of Washington Cities as a service to Washington cities and towns; and

WHEREAS, the Sequim TBD has reviewed and analyzed the AWC RMSA Interlocal agreement, bylaws, and coverages with legal counsel for consistency with the City's code and charter as applicable; and

WHEREAS, the Sequim TBD acknowledges that after becoming a member of the AWC RMSA, the Sequim TBD shall be subject to assessments and any future reassessments as required by statute and the AWC RMSA; and

WHEREAS, the Sequim TBD concludes that the Interlocal Agreement of the AWC RMSA would be beneficial in managing the municipal risks involved in providing services to our citizens;

NOW, THEREFORE, the Sequim TBD does hereby agree to enter into and abide by the Interlocal agreement, which, along with this Resolution, constitutes a contract between the Sequim TBD and the AWC RMSA.

ADOPTED by the governing body of the Sequim TBD, Washington on this _____ day of _____, 2016

Dennis Smith, Chairperson

Attest:

Approved as to form:

Karen Kuznek-Reese, Secretary Kristina Nelson-Gross, City Attorney

**SEQUIM CITY COUNCIL
AGENDA COVER SHEET**

MEETING DATE: November 14, 2016

FROM: Kristina Nelson-Gross, City Attorney

SUBJECT/ISSUE: Resolution 2016-27 – Protesting FCC Regulations Limiting Local Jurisdiction Regulatory Capabilities

Discussion dates				
CATEGORY	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Work Session	Time Needed for Presentation	
	<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda		
	<input checked="" type="checkbox"/> Unfinished Business	<input type="checkbox"/> New Business		
Reviewed by	Initials		Date	
Charles P. Bush, City Manager	CPB		11/09/16	

PROBLEM/ISSUE STATEMENT: The City Council recently adopted Ordinance 2016-15, relating to City regulation of wireless communications facilities (WCFs). During this process, the Council was educated on the limitations of local regulation because of the FCC’s level of control over WCFs.

LIST OF ATTACHMENTS:

1. Resolution 2016-27 Protesting FCC Regulations Limiting Local Jurisdiction Regulatory Capabilities

DISCUSSION/ANALYSIS: On October 24, 2016 the City Council adopted Ordinance 2016-15, relating to wireless communications facilities. During its deliberative process, Staff educated the City Council and the Planning Commission on the limitations of local regulation imposed by the Federal Communications Commission (FCC). The FCC prohibits local jurisdictions from actually or effectively prohibiting WCFs and regulating on the basis of RF emissions exposure, among other things.

Throughout the comment period, City Staff and Council received multiple documents relating to the potential harmful effects of excessive exposure to RF emissions; however, the City Council properly refused to consider this information in its adoption process because of the FCC’s pre-emption on this matter. The Council ultimately adopted Ordinance 2016-15, though it directed Staff to draft a resolution of protest. The City Council wishes to memorialize its adoption of Ordinance 2016-15 under protest

because of the limitations on local regulation imposed by the FCC. The City Council believes it should have greater flexibility and authority in regulating WCFs within the City's jurisdiction.

RECOMMENDATION: To adopt Resolution 2016-27, Protesting FCC Regulations Limiting Local Jurisdiction Regulatory Capabilities.

MOTION: I move to adopt Resolution 2016-27, Protesting FCC Regulations Limiting Local Jurisdiction Regulatory Capabilities.

Resolution No. R2016-27

A Resolution Signifying the Sequim City Council's Adoption Under Protest of Ordinance 2016-15, Relating to Wireless Communications Facilities within the City of Sequim, which was adopted by the City Council on October 24, 2016

WHEREAS, the City of Sequim needed to update its Sequim Municipal Code to better comply with changing case law, and federal laws and regulations relating to wireless communications facilities; and

WHEREAS, the Sequim City Council was fully apprised of the legal limitations imposed on local government by the Federal Communications Commission (FCC), and such limitations specifically include the FCC prohibition against local agencies regulating wireless facilities based upon radio frequency (RF) emissions exposure; and

WHEREAS, the RF exposure guidelines set by the FCC for the United States are among the highest levels in the world; and

WHEREAS, the City Council received and reviewed a considerable amount of documentation on RF emissions exposure from citizens during its deliberative process regarding Ordinance 2016-15; and

WHEREAS, there is considerable scientific debate regarding the effects of RF emissions exposure on humans, particularly for children and the elderly, and that such exposure may not cause identifiable harm until after cumulative, long-term exposure has occurred; and

WHEREAS, the City Council also recognizes its obligation to protect the health, safety, and welfare of its citizens; and

WHEREAS, the FCC prohibition against local agencies directly or indirectly regulating wireless facilities on the basis of RF emissions exposure undercuts the City Council's obligation to protect the health, safety, and welfare of its citizens; and

WHEREAS, the City Council believes it should have some authority to determine placement, construction, and modification of wireless facilities based upon its analysis of the potential risk of harm to its citizens from RF emissions exposure; and

WHEREAS, the City Council also recognizes the need to adopt Ordinance 2016-15, which the City Council believes protects City residents to the greatest extent authorized under current law;

NOW, THEREFORE, BE IT RESOLVED by the Sequim City Council that on October 24, 2016 the Sequim City Council adopted Ordinance 2016-15 under protest for the reasons set forth above and that the City Council expressly disagrees with the FCC's pre-emption of local regulation based upon RF emissions exposure.

Adopted by the City Council this ____ day of _____, 2016.

Dennis Smith, Mayor

ATTEST:

APPROVED AS TO FORM:

Karen Kuznek-Reese, MMC, City Clerk

Kristina Nelson-Gross, City Attorney

SEQUIM CITY COUNCIL AGENDA COVER SHEET

MEETING DATE: November 14, 2016

FROM: Sue Hagener, Administrative Services Director
initials

SUBJECT/ISSUE: Resolution R2016-28 Interlocal Agreement of the Association of Washington Cities (AWC) Risk Management Service Agency (RMSA)

Discussion dates				
CATEGORY	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Information Only	Time Needed for Presentation	
	<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda	5 min	
	<input type="checkbox"/> Unfinished Business	<input checked="" type="checkbox"/> New Business		
Reviewed by	Initials		Date	
Charlie Bush, City Manager	CPB		11/09/16	
Kristina Nelson-Gross, City Attorney	KNG		11/9/2016	

PROBLEM/ISSUE STATEMENT:

The City has been a member of the AWC RMSA risk pool since 1989. Since AWC RMSA is a self-insured insurance pool, each member city must sign an Interlocal agreement to formalize coverage. These agreements are regularly reviewed and updated by the RMSA Board and Operating Committee. All Interlocal agreements must be approved by City Council.

LIST OF ATTACHMENTS:

1. Interlocal Agreement of the Association of Washington Cities (AWC) Risk Management Service Agency (RMSA) (red-lined)
2. Resolution R2016-28 Interlocal Agreement with AWC RMSA

DISCUSSION/ANALYSIS:

Chapter 48.62 RCW authorizes governing bodies to form or to join a pool for joint purchasing insurance, joint self-insuring, joint hiring and/or contracting for risk management services to the same extent that they may do so individually. Agreements to form pooling arrangements are made pursuant to RCW 39.34 RCW, the Interlocal Cooperation Act. AWC RMSA is one of the risk pools created under these statutes.

The City of Sequim is a member AWC RMSA. RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime) coverage is a

stand-alone policy which the RMSA procures for its members. All coverages are on an occurrence basis.

To receive coverage, members pay an annual assessment to RMSA. The City's assessment for 2015 was \$329k and is expected to increase 4% for 2017. The assessment is based upon the value of insured property, the number of employee and volunteer work hours as well as claims history. For that assessment, RMSA is responsible for paying all covered causes of loss against the jurisdiction.

All members are required to appoint a Risk Manager and maintain an active Safety Officer/Committee. The City's risk management practices, including those related to employee safety, are "audited" by RMSA regularly. The City has consistently scored well on these audits. RMSA is proactive in encouraging and assisting its members to improve risk management practices in order to reduce claims. The City of Sequim has also received Loss Control Grants from RMSA to reduce liability. The services of RMSA have proved invaluable to the City in reducing the risk associated with a wide range of topics from personnel issues to contract management to event risk mitigation. The claims process is simple and swift.

In accordance with WAC 200-100-02023, AWC RMSA is governed by a board of directors comprised of elected officials from participating member organizations. In 2015 and 2016, the Board, with the assistance of the Operating Committee, reviewed and revised the interlocal agreement. These revisions represent clarifications rather than changes in coverage. Sue Hagener, Risk Manager, is currently a member of the RMSA Operating Committee. Under the Interlocal Agreement, Members contract to remain in the RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Council approval of the revised Interlocal Agreement is needed to maintain the City's membership and insurance coverage under AWC RMSA.

FINANCIAL IMPLICATIONS: The 2017 budget anticipates an assessment of \$342k. Assessments thereafter are dependent upon the City's membership in AWC RMSA, asset valuations, the number of work hours and claims history.

RMSA has managed and processed 219 claims for the City of Sequim since 1989 and paid out a total of \$1,518,882 related to contract law, land use, property and vehicle damage/loss and bodily injury.

RECOMMENDATION: Staff recommends waiving the three touch rule to expedite approval of this agreement and adoption of R2016-28 approving the interlocal agreement between the City of Sequim and the AWC RMSA.

MOTION: I move to adopt Resolution R2016-28 approving the interlocal agreement between the City of Sequim and the AWC RMSA.

Resolution R2016-28

**A Resolution of the City of Sequim
Approving an Amended Interlocal Agreement with the
Association of Washington Cities (AWC)
Risk Management Service Agency (RMSA) and its Members**

WHEREAS, the Association of Washington Cities Risk Management Service Agency (AWC RMSA), authorized and formed under RCW 48.62, offers pooled self-insurance providing cost stability and the potential for long-term savings; and

WHEREAS, AWC RMSA is sponsored by the Association of Washington Cities as a service to Washington cities and towns; and

WHEREAS, the City of Sequim has reviewed and analyzed the AWC RMSA Interlocal agreement, bylaws, and coverages with legal counsel for consistency with the City's code and charter as applicable; and

WHEREAS, the City of Sequim acknowledges that after becoming a member of the AWC RMSA, the City of Sequim shall be subject to assessments and any future reassessments as required by statute and the AWC RMSA; and

WHEREAS, the City of Sequim concludes that the Interlocal Agreement of the AWC RMSA would be beneficial in managing the municipal risks involved in providing services to our citizens;

NOW, THEREFORE, the City of Sequim does hereby agree to enter into and abide by the Interlocal agreement, which, along with this Resolution, constitutes a contract between the City of Sequim and the AWC RMSA.

ADOPTED by the governing body of the City of Sequim, Washington on this _____ day of _____, 2016

Dennis Smith, Mayor

Attest:

Approved as to form:

Karen Kuznek-Reese, MMC
City Clerk

Kristina Nelson-Gross, City Attorney

INTERLOCAL AGREEMENT OF
THE ASSOCIATION OF WASHINGTON CITIES
RISK MANAGEMENT SERVICE AGENCY
(AWC-RMSA)

DRAFT

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**INTERLOCAL AGREEMENT:
OF THE ASSOCIATION OF WASHINGTON CITIES
RISK MANAGEMENT SERVICE AGENCY**

PREAMBLE

State law authorizes the formation of pooling organizations to provide such insurance, to reduce the amount and frequency of the Members' losses, and to decrease the cost incurred by the Members in the handling and litigation of claims. This Agreement provides for self-insurance pooling and/or the economical purchase of primary Insurance and/or Excess Insurance coverage for all Local Governmental Entities. This Agreement is made and entered into in the State of Washington by and among the Members organized and existing under the Constitution or laws of the State of Washington, hereinafter collectively referred to as "Members", and individually as "Member", which are parties signatory to this Agreement. Said Members are sometimes referred to herein as "Parties".

RECITALS

WHEREAS, Chapter 48.62 RCW provides that two or more local governmental agencies may, by Interlocal Agreement, provide insurance for any purpose by one or more of certain specified methods;

WHEREAS, the Association of Washington Cities, the sponsoring entity, of the Risk Management Service Agency ("Agency"), would like to maintain the long-standing relationship that has been achieved over the years because of the mutual goals of both entities, which is to support all cities and towns in Washington State;

WHEREAS, the Association of Washington Cities as sponsor of the Agency desires to provide its Members, as well as other Local Governmental Entities, the opportunity to jointly self-insure or pool their primary risks to enhance their ability to control their insurance programs and coverages;

WHEREAS, each of the parties to this Agreement desires to join together with the other parties for the purpose of pooling their self-insured losses and jointly purchasing excess insurance and administrative services in connection with a Joint protection Self-Insurance program for said parties; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW, THEREFORE, in consideration of all of the mutual benefits, covenants and agreements contained herein the parties hereto agree as follows:

**ARTICLE 1
Definitions**

The following definitions shall apply to the provisions of this Agreement:

- 1.1 _____ **"Administrative Agent,"** shall mean the Association of Washington Cities that provides ~~third party administration (TPA) services to the Agency.~~ the contracted administrative services for the Agency.

1.2 **“Agency”** shall mean the Association of Washington Cities Risk Management Service Agency (RMSA).

~~1.3~~ ~~X.XX~~ **“Agreement”** shall mean the Interlocal Agreement, however amended, among and between the Agency and the Member.

1.43 **“Assessment”** shall mean the monies paid by the Members to the Agency.

1.54 **“Association”** shall mean the Association of Washington Cities.

1.65 **“Board of Directors”** or **“Board”** shall mean the governing body of the Risk Management Service Agency (RMSA) as duly elected by the members of the Agency.

~~X.XX~~1.7 **“Bylaws”** shall mean the document(s) that provides for the governance and operation of the Agency. “Bylaws” mean the Bylaws adopted by the Board of Directors of the Agency and all duly adopted amendments and revisions thereto, however amended.

1.86 **“Claim(s)”** shall mean demands made against the Agency arising out of occurrences which are within the Agency's Joint Protection Program as developed by the Board of Directors. ~~m~~ Means a demand for payment for damages against the Agency arising out of occurrences within the Coverage Agreement; or policy benefit because of the occurrence of an event that includes, but is not limited to, the destruction or damage of property or reputation, bodily injury or death and alleged civil rights violations.

~~1.9X.XX~~ **“Coverage Agreement”** shall mean the coverage document(s) established by the Board of Directors and intended to address the general claims operations of the Agency.

1.107 **“Excess insurance”** shall mean that insurance purchased or other financing arrangements made on behalf of the Agency to protect the funds of the Agency against catastrophes or against an unusual frequency of losses during a single year.

1.118 **“Fiscal Year”** shall mean that period of 12 months, from January 1 to December 31, which is established as the fiscal year of the Agency.

1.129 **“Insurance”** shall mean and include self-insurance through a funded program and/or commercial insurance contract.

~~1.13X.XX~~ **“Interlocal Agreement”** means an Agreement established under the Interlocal Cooperation Act defined in Chapter 39.34 RCW which permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and therefore, to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities.

1.140 **“Joint Protection Program”** shall mean the program established by the Board of Directors and intended to address the general operation of the Agency.

~~1.14X.XX~~ **“Joint Self-Insurance Program”** means two or more Local Government Entities which have entered into a cooperative risk sharing Agreement subject to regulation under 48.62 RCW.

1.154 **“Local Governmental Entity”** shall mean every unit of local government, both general purpose and special purpose, and shall include, but not be limited to, counties, cities, towns, port districts,

public utility districts, water districts, sewer districts, fire protection districts, irrigation districts, metropolitan municipal corporations, conservation districts, and other political subdivisions, governmental subdivisions, municipal corporations, and quasi municipal corporations.

~~1.16X.XX~~ —“**Member**” – shall mean any eligible entity which participates in the Agency, pays the annual Assessment and is signatory to the Agency’s Interlocal Agreement.

~~1.17X.XX~~ —“**Member Standards**” shall mean the required ~~and~~ advisory standards ~~were~~ adopted by the Board of Directors in an effort to provide consistent administrative practices for members, with the goal of reducing property and liability losses.

1.182 “**Operating Committee**” shall mean the standing advisory committee ~~of the Agency to the Board~~.

~~1.19X.XX~~ —“**Reassessment**” shall mean additional monies ~~sees~~ paid by the Members to the Joint Self-Insurance Program ~~if claims shall exceed assets~~.

1.20 “**Risk Sharing**” means a decision by the Members of a Joint Self Insurance Program to jointly absorb certain or specific financial exposures to risks of loss through the creation of a formal program of advance funding of actuarially determined anticipated losses; and/or joint purchase of Insurance or reinsurance as a member of a Joint Self Insurance Program formed under Chapter 48.62 RCW.

1.2143 “**Signatory**” or “**Signatories**” shall mean those parties who sign this Agreement, including execution by ~~C~~counterpart, thereby becoming a Member of the Agency bound by the terms of this Agreement.

~~1.22X.XX~~ —“**Special Committee**” – shall mean committees of the Agency created by the Board of Directors.

ARTICLE 2

Purposes ~~Risk Sharing~~

2.1 This Agreement is entered into by the Members to provide for ~~Joint s~~Self-Insurance pooling and/or the economical purchase of ~~primary~~ Insurance ~~and/or Excess Insurance~~ coverage, ~~risk management services, and property and liability claims administration, for all forms of Insurance available or required by law for Local Governmental Entities and for which state law authorizes the formation of pooling organizations to provide such Insurance,~~ Furthermore, the purpose of the Agreement is to reduce the amount and frequency of the Members' losses; and to decrease the cost incurred by the Members in the handling and litigation of claims. This purpose shall be accomplished through the exercise of the powers of the Members jointly in the creation of a separate public Agency, the Association of Washington Cities Risk Management Services Agency, to direct and administer a Joint ~~Protection~~Self-Insurance Program wherein the Members will engage in certain activities, including but not limited to the following:

2.1.1 ~~Pool their losses and Claims~~Risk Sharing;

2.1.2 Jointly purchase ~~of insurance which may include, but is not limited to Ee~~Excess Insurance ~~and or reinsurance~~; and

2.1.3 Jointly purchase ~~of~~ administrative and other services including:

2.1.1.1 Claims adjusting;

2.1.1.2 Data processing;

- 2.1.1.3 Risk management consulting;
- 2.1.1.4 Loss prevention;
- 2.1.1.5 Legal; and
- 2.1.1.6 Miscellaneous related services.

2.2 It is also the purpose of the Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional Local Government Entities organized and existing under the Constitution or laws of the State of Washington as may desire to become parties to this Agreement and ~~m~~Members of the Agency, subject to approval by the Board of Directors.

2.3 ~~It is also the purpose of t~~This Agreement ~~to~~ may but is not required to provide, to the extent permitted by law, that the Agency may, at the discretion of its ~~d~~Directors, contract with non-member Local Government Entities in the State of Washington.

Article 3 Agency Offices

3.1 Principal Executive Office

The principal executive office for the transaction of business of the Agency shall be located at 1076 ~~South~~ Franklin St. SE, Olympia, WA 98501. The Administrative Agent in cooperation with the Board of Directors of the Agency shall have the authority to change the location of the principal executive office from time to time.

3.2 Other Offices

Other business offices may be at any time be established by the Administrative Agent in cooperation with the Board of Directors of the Agency at any place or places where the Agency is qualified to do business.

ARTICLE 4 Parties to Agreement

Each party to this Agreement certifies that it intends to and does contract with all other parties who are Signatories of this Agreement and, in addition, with such other parties as may later be added to and ~~S~~ignatories of this Agreement pursuant to Article 14. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Articles 16 and 17, shall not affect this Agreement nor such party's intent to contract as described above with the other parties to the Agreement then remaining.

ARTICLE 5 Term of Agreement

This Agreement shall become effective on January 1, 20107, and shall be of unlimited duration, but not less than one year, and will continue unless terminated as hereinafter provided in Article 19.

ARTICLE 6 Financial Obligations of Agency

Pursuant to Chapter. 48.62 RCW, of the State of Washington, the debts, liabilities, and obligations of the Agency shall not constitute debts, liabilities, or obligations of any ~~party~~ Member to this Agreement.

ARTICLE 7
Powers of the Agency

- 7.1 Agency shall have the powers provided for by law and is hereby authorized to do all acts necessary for the exercise of said powers, including, but not limited to, any or all of the following:
 - 7.1.1 Contract or otherwise provide for risk management, claims administration and loss ~~control~~ prevention services;
 - 7.1.2 Contract or otherwise provide legal counsel for the defense of Claims and/or other legal services;
 - 7.1.3 Consult with the Washington State Risk Manager and State Auditor;
 - 7.1.4 Jointly purchase Insurance coverage in such form and amount as the organization's participants may by contract agree;
 - 7.1.5 Incur debts, liabilities, or obligations;
 - 7.1.6 Acquire, receive, hold, or dispose of property, funds, services, and other forms of assistance from persons, firms, corporations, and governmental entities;
 - 7.1.7 Sue and be sued in its own name;
 - 7.1.8 Hire employees and agents; and
 - 7.1.9 Exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.
- 7.2 Said powers shall be exercised to the terms hereof and in the manner provided by law.

ARTICLE 8
The Board of Directors and their Powers and Responsibilities

- 8.1 The Agency, its funds and service programs shall be administered by a Board of Directors.
- 8.2 Number of Directors
There shall be seven (7) Directors of the Agency, who shall be elected officials representing members of the Agency.
- 8.3 Acceptance of Appointment by Directors
Each Director shall sign a document accepting their appointment as Director and agreeing to abide by the terms and provisions of this ~~Interlocal~~ Agreement and the Bylaws.
- 8.4 Powers and Responsibilities of the Board of Directors
The Board of Directors of the Agency shall have the following powers and functions:
 - 8.4.1 The Board shall have the power to review, amend, modify, adopt, override, or reject the Operating Committee's recommendations.
 - 8.4.2 The Board shall review, modify if necessary, and approve the annual operating budget of the Agency.
 - 8.4.3 The Board shall receive and review periodic accountings of all funds of the Agency.

- 8.4.34 Annually the Board shall review, amend, adopt, or reject the Operating Committee's recommendation of the ~~a~~Assessment, ~~or Reassessment~~ rate to be charged to the ~~m~~ Members of the Agency.
- 8.4.45 The Board shall ~~may~~ review, modify if necessary, and approve the ~~Joint Protection Program (JPP) Coverage Agreement, which identifies Agency and Member coverages,~~ the Agency's Bylaws, ~~and manuals~~ ~~policies and Member Standards.~~
- 8.4.56 The Board shall have the power to conduct all business on behalf of the Agency, which the Agency may conduct under the provisions hereof and pursuant to law.
- 8.4.67 The Board shall determine and select ~~all necessary~~ Insurance, ~~including Excess Insurance,~~ necessary to carry out the Joint ~~Self-Insurance Protection~~ Program ~~of for~~ the Agency.
- 8.4.78 The Board shall have authority to contract for or develop various services for the Agency, including, but not limited to, an ~~a~~Administrative ~~a~~Agent, claims adjusting, loss ~~control~~prevention, risk management consulting services, independent actuary services, ~~insurance brokerage services,~~ independent claims auditing services, and ~~general~~ legal counsel.
- 8.4.89 The Board shall have such other powers and functions as are provided for in this Agreement, ~~and the Bylaws, or these~~ which are necessary to implement the purposes of this Agreement, including, but not limited to, the power to authorize contracts.

ARTICLE 9 Operating Committee

The Operating Committee shall consist of nine (9) representatives from Members ~~entities participating in the Agency.~~ All members of the Operating Committee shall be ~~appointed non-elected officials not elected officials.~~ It is the Board's intent that the ~~Operating e~~Committee ~~assists is advisory to~~ the Board and/or the Administrative Agent, ~~with regarding~~ the operations of the Agency, ~~and to keep the Board advised on all aspects of Agency operations including professional standards.~~

ARTICLE 10 Coverage

- 10.1 The type and limits of the Insurance coverage provided for Members by the Agency shall be established by the Board of Directors.
- 10.2 The Board may ~~arrange approve~~ purchase of ~~a group policy~~ ~~additional types or limits of coverage~~ for Members interested in obtaining additional types or limits of coverage at additional cost to those ~~participating of other~~ Members. Such additional cost may include an administrative fee for the Agency's services.
- 10.3 The Board may arrange for the purchase of any other Insurance or services deemed necessary to protect the Agency or funds held by the Agency against catastrophe.

ARTICLE 11 Bond Requirements

The Board may require that the Administrative Agent authorized to disburse funds of the Agency, provide a fidelity bond in the amount as set by the Board, and provide that such bond be paid by the Agency.

ARTICLE 12
Responsibility of the Agency

~~12.1~~ The Agency shall perform the following functions in discharging its responsibilities under this Agreement:

~~12.112~~ Provide Insurance coverage as deemed necessary, including but not limited to a self-insurance fund and commercial insurance, as well as excess coverage or reinsurance, and other insurance; ~~s~~Such insurance, to be arranged by negotiation or bid, and/or purchase, as necessary;

~~12.223~~ Assist each Member's designated risk manager with the implementation of the risk management functions within the Member entity;

~~12.334~~ Provide loss prevention, ~~safety, and~~ consulting services to Members as required;

~~12.45~~ Provide Claims adjusting and subrogation services for Claims covered by the Agency's ~~Joint Protection Program;~~ Coverage Agreement;

~~12.556~~ Provide loss analysis by the use of statistical studies, data processing, and record and file-keeping services, to identify high exposure operations and to evaluate proper levels of self-retention and deductibles;

~~12.667~~ Assist Members, as requested, with review of their contracts to determine sufficiency of indemnity and ~~i~~nsurance provisions;

~~12.778~~ Conduct risk management audits to review the participation of each Member in the program. The audit shall be performed by appointed Agency staff or, at the discretion of the ~~a~~Administrative ~~a~~Agency~~t~~, and/or an independent auditor may be retained by contract to conduct the audits;

~~12.889~~ Provide for the defense of any civil action or proceeding brought against any officer, employee, Board member, or other agent of the Agency, in their official or individual capacity or both, on account of an act or omission within the scope of their agency as an agent of the Agency;

~~12.9940~~ Abide by the rules and regulations as stated or hereinafter amended of RCW Chapter 48.62 and WAC ~~82-60; 200-100;~~ and

~~12.40104~~ The Agency shall have such other responsibilities as deemed necessary by the Board of Directors in order to carry out the purposes of the Agreement.

ARTICLE 13
Responsibilities of Members

~~13.1~~ Members shall have the following responsibilities:

~~13.112~~ All ~~Agency m~~Members must maintain membership in the Association of Washington Cities.

~~13.223~~ Each ~~m~~Member shall appoint an employee of the member entity to be responsible for the risk management function within that member entity and to serve as a liaison between the Member and the Agency ~~as to risk management~~.

~~13.334~~ Each Member shall implement a risk management policy which shall include maintain an active safety officer and/or committee, and shall consider all implementing completing loss prevention recommendations, and complying with the Member Standards of the Agency.

~~concerning including but not limited to the development and implementation of a loss control risk management policy to prevent unsafe and, and practice(s).~~

13.45 Each Member shall be responsible for payment of any Member-elected deductible, and/or appropriate deductible associated with the Member Standards.

~~13.4—Each Member shall maintain its own set of records, as a loss log, in all categories of loss to insure accuracy of the Agency's loss reporting system.~~

13.556 Each Member shall promptly pay its ~~a~~Assessment, Reassessment, and any readjusted amount promptly to the Agency when due. After withdrawal or termination, each Member shall pay promptly to the Agency its share of any ~~additional~~ Reassessment and accrued interest at a rate determined by the Board, when and if required of it by the Board.

13.667 Each Member shall provide the Agency with such other information or assistance as may be necessary for the Agency to carry out the ~~Joint Protection Program under~~ provisions of this Agreement.

13.778 Each Member shall in any and all ways cooperate with and assist the Agency, and any insurer of the Agency, in all matters relating to this Agreement and covered losses, and will comply with all Bylaws, ~~rules, and regulations~~ policies, procedures and Member Standards as adopted or amended by the Board of Directors.

~~13.889 All members shall cooperate with the Agency and assist with investigations, making settlements, and defense or prosecution of suits; cooperate and assist the Agency in enforcing any right of contribution, indemnity or subrogation in which the Agency may have an interest by virtue of a payment made pursuant to the Bylaws, interlocal a Agreement or the Joint Protection Program (JPP); attend hearings and trials and assist in the securing and giving evidence and obtaining the attendance of witnesses; use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any loss of or damage to the property herein insured.~~
All members shall cooperate with the Agency and assist with any investigations, settlement discussions, defense or prosecution of suits, and cooperate and assist the Agency in enforcing any right of contribution, indemnity, or subrogation in which the Agency may have an interest by virtue of a payment made pursuant to the Bylaws, this Agreement, or the Coverage Agreement. Members shall also assist the Agency and attend hearings and trials as well as securing and giving evidence and obtaining the attendance of witnesses. Further, the members shall undertake appropriate due diligence and concur in exercising all things reasonably practicable to avoid or diminish any loss of or damage to the property insured under this agreement.

ARTICLE 14 New Members

14.1 Additional Members shall be permitted to become Signatories to this Agreement, ~~and to the Joint Protection Program~~. All potential members to the Agency must be members of the Association of Washington Cities or become members prior to acceptance into the Agency. The ~~Directors~~ Agency shall allow entry into the program of new members approved by the Board of Directors at such time during the year as the Board deems appropriate.

- 14.2 Members entering under this Article may be required to pay their share of expenses as determined by the Board, including those necessary to analyze their loss data and determine their ~~a~~Assessment.

ARTICLE 15 Defense of Agents

- 15.1 For purposes of this article, "agent" means any person who is or was: a ~~d~~Director, an Operating Committee member, ~~a~~ Special Committee member, an officer, or an agent acting on behalf of the Agency or Administrative Agent.
- 15.1.2 The Agency shall provide for the defense of any agents and paying of any valid judgments and claims brought against any such agent arising from their actions or conduct in their official or individual capacity or both, on account of an act or omission within the scope of their responsibility; provided, however, this section shall not apply to those occurrences covered by an Agency policy of liability insurance or if the claim or judgment results from the intentional misconduct of said agent.

ARTICLE 16 Withdrawal

- 16.1 A Member signing this Agreement may not withdraw as a party to this Agreement and as a Member of the Agency for a one-year period commencing on the date said Member signs the Agreement.
- 16.1.1 After the initial one-year non-cancellable commitment provided pursuant to this Agreement, a Member may withdraw only at the end of ~~the Agency's any~~ Fiscal Year, provided ~~#the Member~~ has given the Agency a minimum of 12-month written notice of its intent to withdraw from this Agency.
- 16.2 A Member shall be entitled to withdraw from the Agency where ~~#the Member~~ presents to the Board of Directors evidence demonstrating a material breach of contract by the Agency as regards its obligations to the Member. The Member shall be allowed to withdraw from the agency within ninety (90) days of any finding by the Board of Directors that a material breach of contract by the Agency has occurred. The withdrawal of any Member under the conditions identified here shall not however free it from any and all requirements made of any withdrawing Member.
- 16.3 ~~No Member withdrawing from the Agency shall be entitled to payment or return of any Assessment, Reassessment, contributions or monies contributed to the Agency or to the distribution of any assets of the Agency. No member shall be entitled to any payment or return of any assessment paid by the member to the Agency or any agency insurer or to any distribution of the Agency's assets.~~

ARTICLE 17 Termination by Agency

- 17.1 The Agency shall have the right to terminate any Member's participation in the ~~Joint Protection Program Agreement~~ upon a motion approved by ~~a three-quarters (75%)~~ vote of ~~66% or more of~~ the entire Board of Directors. ~~The Board of Directors may,~~ pPrior to taking action on such a motion, the Board may, but is not required to, request that the Operating Committee review and make recommendations to the Board on any allegation giving rise to the request to terminate, including but not limited to failure to: comply with a written condition, disregard of ~~safety or~~ risk management recommendations or Member sStandards, noncompliance with any provision of this ~~Interlocal Agreement,~~ and/or the Bylaws of the Agency.

17.2 Any Member so ~~cancelled~~ terminated from the Agency, shall be given at least one hundred eighty (180) days notice prior to the effective date of the ~~cancellation~~termination. Any Member so ~~cancelled~~terminated shall have a period of up to six (6) months coverage under the terms of this Agreement, or may affect alternate insurance or self-insurance arrangements if it so desires. Upon written receipt of confirmation from the terminating Member that the terminating Member has in force valid insurance or membership in another risk sharing pool, the effective date of the termination may be adjusted by the Agency. Any Member so ~~cancelled~~terminated shall be treated as if it had voluntarily withdrawn.

~~17.3 Upon termination from this Agreement, a no-Member shall not be terminated from the agency shall be entitled to payment or return of any Assessment, Reassessment, contributions or monies contributed to the Agency or to the distribution of any assets of the Agency. No member shall be entitled to any payment or return of any assessment paid by the member to the Agency or any agency insurer or to any distribution of the Agency's assets.~~

~~17.4—A terminated Member shall be responsible for any Reassessment issued in the future covering dates the terminated entity was a Member of the Agency.~~

ARTICLE 18

Effect of Withdrawal or Termination

18.1 The withdrawal of any Member from this Agreement shall not terminate the same for purposes of continuing to comply with all conditions and requirements of the Agreement, and survives the withdrawal or termination of any Member.

18.2 No Member by withdrawing or terminating from the Agreement shall be entitled to payment or return of any ~~a~~ Assessment, Reassessment, consideration of property paid, or donated by the Member to the Agency, or to any distribution of assets.

18.3 The withdrawal or termination of any Member shall not ~~terminate~~ cease its responsibility to contribute its share or ~~a~~ Assessment, Reassessment, or funds to any fund or Joint Self-Insurance program created by the Agency until all Claims, or other unpaid liabilities, covering the period the Member was Signatory hereto have been finally resolved and a determination of the final amount of payments due by the Member or credits to the Member for the period of its membership has been made by the Board of Directors. In connection with this determination, the Board may exercise similar powers to those provided for in Article 17, *Termination by Agency*, of this Agreement.

~~18.4 The withdrawn or terminated Member shall be responsible for any applicable deductible that would have been applied related to a claim the same as if the Member was still in good standing with the Agency.~~

~~18.45 Any withdrawing or terminated Member may shall not be permitted to rejoin the Agency, or allowed to submit an application to rejoin the Agency for a period of three (3) years after the effective date of the Member's withdrawal or termination without Board approval.~~

ARTICLE 19

Termination and Distribution

19.1 This Agreement may be terminated at any time by the written consent of three-fourths (75%) of the Members, provided, however, that this Agreement and Agency shall continue to exist for the purpose of paying all debts and liabilities, disposing of all Claims, distributing net assets, and otherwise ~~winding-up-and~~ liquidating the affairs of the Agency. The Board of Directors is vested with all powers of the Agency during such ~~winding-up-and~~ liquidation, including the power to require Members, including those ~~which who were~~ are Members at the time the claim arose or at

the time the loss was incurred, to pay their share of any additional amount of Reassessment deemed necessary by the Board for final disposition of all Claims, losses, and liabilities covered by this Agreement. Such additional Reassessment shall be determined and thereafter adjusted, if necessary.

19.2 Upon termination of this Agreement, all assets of the Agreement Agency shall be distributed only among the parties that are Members in good standing of the Joint Protection Program Agency on the date of termination of this Agreement.; The assets shall be distributed in accordance with and proportionate to their cash payments Assessment, Reassessment and property contributions made during the term of this Agreement. The Board shall determine such distribution within six (6) months after the last pending claim or loss covered by this Agreement has been finally disposed of.

19.3 The Board is vested with all powers of the Agency for the purpose of winding-up liquidating and dissolving the business affairs of the Agency. These powers shall include the power to require Members, including those which were Members at the time the claim arose or at the time the loss was incurred, to pay their share of any additional amount of assessment deemed necessary by the Board for final disposition of all Claims and losses covered by this Agreement. A Member's share of such additional assessment shall be determined on the same basis as that provided for annual assessments, and shall be treated as if it were the next year's annual assessment for that Member.

ARTICLE 20

Bylaws and Manual Policy, Procedures and Member Standards

The Board ~~has developed~~ may adopt Agency Bylaws, ~~and a policy~~ ies, and procedures, ~~manual and Member Standards or other documents~~ that governs the day-to-day operations of the Agency. Each Member shall have access in electronic or written format. ~~electronically or in written format~~ Each Member shall receive a copy of any Bylaws, policy statement, or manual developed under this Article.

ARTICLE 21

Notices

Notices to Members hereunder shall be sufficient if mailed to the last address, or electronic mail, provided to the Agency by the respective Member postal mail will be deemed received three (3) days after mailing.

ARTICLE 22

Amendment

This Agreement may be amended at any time by the written approval of the majority three-quarters (75%) of all Members of the Agency. Amendments to the Agreement shall be adopted by ordinance or resolution of the governing board or council of each Member, signed by an authorized representative of each member, and a certified copy returned to the Agency

ARTICLE 23

Enforcement

The Agency is hereby granted the authority to enforce this Agreement. In the event action is instituted to enforce any term of this Agreement or any term of the Bylaws against any City Member which signed this Agreement, the substantially prevailing party in such dispute shall be entitled to its costs and reasonable attorney's fees.

ARTICLE 24

Prohibition Against Assignment

No Member may assign any right, claim, or interest it may have under this Agreement, except to a successor entity following reorganization. No creditor, assignee, or third-party beneficiary of any Member shall have any right, claim, or title to any part, share, interest, fund, assessment, or asset of the Agency. Should any participating Member reorganize in accordance with the statutes of the State of Washington, the successor in interest, or successors in interest, may be substituted as a Member upon approval by the Board.

ARTICLE 25

Severability

In the event that any article, provision, clause, or other part of this Agreement should be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability with respect to other articles, clauses applications, or occurrences, and this Agreement is expressly declared to be severable.

ARTICLE 26

Agreement Complete

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

ARTICLE 27

Conflicts

In the event of a conflict between this Agreement and the adopted Bylaws, policies, or procedures, or the Member Standards, this Agreement shall take precedence."

Article 28

Supersession

This Agreement supersedes and replaces all prior Interlocal Agreements and amendments thereto pertaining to the Agency."

Article 29

Signature in Counterparts

This Agreement may be executed in any number of Counterparts and each of such Counterparts shall for all purposes constitute one Agreement, binding on all Members, notwithstanding that all Members are not Signatories to the same Counterpart. All references herein to this Agreement are deemed to refer to all such Counterparts.

Article 30

Section Headings

The section headings in this Agreement are inserted for convenience only and are not intended to be used in the interpretation of the contents of the sections they identify and introduce."

Article 31

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington."

Article 32

Time

Time is of the essence in this Agreement and each and every provision hereof.

ARTICLE 332830
Authorization of Signature

Each Member signing this Agreement has passed the required Ordinance or Resolution authorizing and approving this Agreement, a certified copy of which Ordinance or Resolution is attached hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by authorized officials thereof.

Association of Washington Cities (AWC)
Risk Management Service Agency (RMSA)

(Member Name)

By _____

By _____

_____, Mayor
(Printed name)

Date _____

Date _____

