



152 West Cedar Street Sequim, WA 98382
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Public Works (360) 683-4908 FAX (360) 681-0552

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REGULAR MEETING AGENDA SEQUIM CITY COUNCIL

Sequim Civic Center
152 West Cedar Street
Sequim, WA
November 28, 2016
6:00 PM

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

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

CEREMONIAL

1. Resolution R2016-30 Recognizing Chief Bill Dickinson

REPORTS

Committee, Board and Liaison

Presiding Officer

City Manager

- Police Department Accreditation
- Present Final Comprehensive Plan

Student Liaison Report

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

INFORMATION/COUNCIL QUESTIONS INVITED

PUBLIC HEARINGS (Legislative)

2. Final Hearing and Adopt
 - a. Ordinance No. 2016-014 Adopting the 2017 City of Sequim Budget
 - b. Ordinance No. TBD2016-01 Adopting the 2017 Transportation Benefit District Budget
 - c. Resolution No. R2016-25 Property Tax Levy
 - d. Ordinance No. 2016-012 Adopting the 2017 Rates and Fees

CONSENT AGENDA

3. Approve/Acknowledge
 - a. City Council Meeting Minutes – November 14, 2016
 - b. Claim Voucher Recap Dated 11/28/16 Total Payments \$492,578.55

TBD BUSINESS

UNFINISHED BUSINESS

4. Ordinance 2016-020 Amending Fireworks SMC Chapter 8
5. Adopt Resolution R2016-29 Supporting 2017 Legislative Agenda

NEW BUSINESS

6. Approval of Water and Sewer SRF Loans for West Fir Street
7. Resolution No 2016-31 Confirming Regulatory Consistency
8. Approve Clallam CoWorking Lease
9. AWC Center for Quality Communities Scholarship

GOOD OF THE ORDER

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

EXECUTIVE SESSION (RCW 42.30.110(1)(i)) – Litigation regarding judgment lien and proposed settlement. Estimated time needed – 15 minutes

NEXT MEETING DATE December 12, 2016 (6:00 p.m.); December 26, 2016 (Cancelled); January 9, 2017 (6:00 p.m.) *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.

RESOLUTION NO. R2016-30

A Resolution of the City of Sequim Recognizing William Dickinson for his Career in Law Enforcement and Service to the City of Sequim

WHEREAS, William (Bill) Dickinson received his first commission as a police officer in December 1971; and

WHEREAS, this December signifies a 45-year career in law enforcement; and

WHEREAS, Bill has served as Sequim's Police Chief during the last 6 years of his long and dedicated career; and

WHEREAS, Bill was instrumental in passing a public safety tax which greatly assisted in the construction of a police facility; and

WHEREAS, under Bill's leadership the Sequim Police Department has received accreditation from the Washington Association of Sheriffs & Police Chiefs which exemplifies the professionalism and operational effectiveness of the Sequim Police Department;

NOW THEREFORE, be it resolved by the City Council of the City of Sequim that the City of Sequim has been extremely fortunate in having Bill's leadership and expertise in the Sequim Police Department and all thank him for his years of service and dedication to the Sequim community and the law enforcement "family."

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

Dennis Smith, Mayor

Karen Kuznek-Reese, City Clerk, MMC

Approved as to Form:

Kristina Nelson-Gross, City Attorney



SEQUIM CITY COUNCIL AGENDA COVER SHEET

MEETING DATE: November 28, 2016

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

SUBJECT/ISSUE: Public Hearing: 2017 Budget and Second 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		11/17/16	
Kristina Nelson-Gross	KNG		11/21/2016	

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 continues from November 14, 2016 and 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 on November 14, 2016 satisfied the requirement of a first reading of the Ordinance and public hearing on the 2017 Budget. Council was to consider public testimony and to make adjustments if necessary. Today, staff is recommending approval of Ordinance 2016-14, adopting the 2017 budget.

MOTION

I move to adopt Ordinance 2016-14, adopting the 2017 Budget, as presented in Exhibits A and B.

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		Salary & Wage Range		
			budgeted	actual	Minimum	< ---- >	Maximum
		Council	7	7	1,800	< ---- >	4,920
		Non-Represented Exempt / Non-Exempt					
ADM		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		Asstistant 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 Asstistant	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 28, 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 Second Reading of TBD Ordinance TBD2016-001 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	
	<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	11/17/16
Kristin Nelson-Gross, City Attorney as ex officio TBD Attorney			KNG	11/21/2016
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. A public hearing was held on November 14, 2016 on this budget and was continued to tonight's meeting.

LIST OF ATTACHMENTS:

1. Proposed Ordinance TBD 2016-001 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 2017 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, make necessary adjustments and adopt Ordinance TBD 2016-001 and the 2017 TBD budget.

MOTION: I move to adopt Ordinance TBD2016-001 and the 2017 TBD budget.

ORDINANCE NO. TBD2016-001

**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 a public hearing on revenues and expenses on November 14, 2016 and continued the hearing to 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>								
Project Management & Administration Fee	38,319	34,171	Mixed*	74,368	91,392	25,500	(65,892)	-72%
<i>Contingency Rate</i>								
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 28, 2016

FROM: Connie Anderson, Deputy Admin. Services Director **CA**
Initials

SUBJECT/ISSUE: Public Hearing for 2017 Revenue Sources
Proposed Resolution R-2016-25 Property Tax Levy

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				
Kristina Nelson-Gross, City Attorney	KNG		11/22/2016	
Sue Hagener, Administrative Services Director				

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 R-2016-25 Authorizing the 2016 Regular Property Tax Levy 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. 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 \$27,336 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:

Staff is recommending adoption of Resolution R-2016-25 Authorizing the 2016 Regular Property Tax Levy for the year 2017.

MOTION:

I move to adopt Resolution R-2016-25 Authorizing the 2016 Regular Property Tax Levy for collection in the year 2017.



Ordinance / Resolution No. R-2016-25
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 \$ 1,371,065.23; 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 \$ 13710.65
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 28, 2016

FROM: Sue Hagener, Administrative Services Director

SH
Initials

SUBJECT/ISSUE: Public Hearing: 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 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		11/17/16	
Kristina Nelson-Gross, City Attorney	KNG		11/22/2016	
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:

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 adoption of Ordinance 2016-012 Amending 2017 Rates and Fees.

MOTION:

I move adopt 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</u>	<u>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>
<u>Softball Field(s), for softball/baseball related events East and West Fields</u>	<u>No charge. \$25 -Reservation required Fee unless per contract.</u>	<u>No charge. \$35 Reservation required Fee unless per contract.</u>
<u>Softball Fields for all other events</u>	<u>\$65 per day</u>	<u>\$75 per day</u>

"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>	<u>contract, non-city resident</u>
<u>Use of audio/visual equipment</u>	<u>\$10, city resident</u>	<u>\$20, non-city resident</u> [SH3]
Water Reuse Demonstration Site		
Interpretive Center, 500 North Blake Avenue	<u>\$20/hour, city resident per reservation/per day</u>	<u>\$30/hour, non-city resident per reservation/per day</u>
Cleaning/damage deposit	\$100	
James Center for the Performing Arts	<u>\$90/hour, city resident per Temporary Activity Permit</u>	<u>\$100/hour, non-city resident per Temporary Activity Permit</u>
Cleaning/damage deposit	\$250	\$250
Sequim Transit Center – 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/Training Room	<u>\$25/hour, city resident per reservation/per day</u>	<u>\$35/hour, non-city resident per reservation/per day</u>
Kitchen usage (may only be used in conjunction with room rental)	<u>\$10/hour, city resident per reservation/per day</u>	<u>\$20/hour, non-city resident per reservation/per day</u>
Cleaning/damage deposit	\$150	\$150
<u>Use of audio/visual equipment - 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	\$ <u>190 195</u>
SMC 18.58.067	Temporary signs for events (on private property)	\$ 15
SMC 20.01.240(F)	Appeals and Land Use Changes	
	Annexation	\$ <u>1,900 1,935</u>
	Administrative	\$ <u>590 600</u>
	SEPA	$\$0 - \$250,000 = \$$ <u>590 600</u> $\$250,000 - \$500,000 = \$$ <u>810 825</u> $\$500,000 - \$1,000,000 = \$$ <u>1,510 1,540</u> $\$1,000,000 + = \$$ <u>2,595 2,645</u>
SMC 18.20.015	Similar use determination	\$ <u>515 525</u>
	Quasi-judicial appeal	\$ <u>895 910</u>
SMC 20.05.010	Variance	\$ <u>1,190 1,210</u>
SMC 17.22.030 and 20.05.010	Boundary and lot line adjustment	\$ <u>590 600</u>
SMC 17.22.030 and 20.05.010	Lot merger	\$ <u>590 600</u>
	Final boundary line adjustment	\$ <u>235 240</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	\$ <u>1,615 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	\$ <u>1,080 1,100</u>
SMC 20.05.010	Subdivision	
	Major subdivision	\$ <u>1,350 1,375</u>
	Major subdivision final plat	\$ <u>650 665</u>
	Minor subdivision	\$ <u>810 825</u>
	Minor subdivision final plat	\$ <u>325 330</u>
	Plat Amendments	
	Major plat amendment	\$ <u>1,350 1,375</u>
	Major plat amendment final plat	\$ <u>650 665</u>
	Minor plat amendment	\$ <u>915 935</u>
	Minor plat amendment final plat	\$ <u>325 330</u>
	Plat extension	\$ <u>235 240</u>
	Binding site plan	\$ <u>1,350 1,375</u>
	Binding site plan final map	\$ <u>405 415</u>
SMC 18.66.040	Administrative permit – Accessory dwelling unit	\$ <u>265 270</u>
SMC 20.05.010	Unspecified land use and development fees	\$ <u>1,435 1,465</u>

"Exhibit A"

Chapter 3.68

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

**“Exhibit A”
Chapter 3.68**

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

"Exhibit A"

Chapter 3.68

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.

“Exhibit A”

Chapter 3.68

2017 Proposed Rates and Fees

Code Reference	Title	2016 2017 Rate/Fee/Charge
	Banners	
	Community banner reservation	\$ 175 <u>180</u> 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

“Exhibit A”

Chapter 3.68

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.

“Exhibit A”

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

“Exhibit A”

Chapter 3.68

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]

"Exhibit A"
Chapter 3.68

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)	

“Exhibit A”

Chapter 3.68

2017 Proposed Rates and Fees

Code Reference	20162017 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"

Chapter 3.68

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

"Exhibit A"

Chapter 3.68

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	

"Exhibit A"

Chapter 3.68

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.

"Exhibit A"

Chapter 3.68

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

"Exhibit A"

Chapter 3.68

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.

"Exhibit A"

Chapter 3.68

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)		

"Exhibit A"

Chapter 3.68

2017 Proposed Rates and Fees

Code Reference	<u>2016</u> <u>2017</u> Rate/Fee/Charge	
	Base rate	\$22.38 <u>18.21</u> ^{SH16}
	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"

Chapter 3.68

2017 Proposed Rates and Fees

Code Reference	Title	<u>2016</u> <u>2017</u> 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
NOVEMBER 14, 2016**

1. City Manager Compensation

Bush explained that there was discussion about setting up a more defined system for non-represented employees and pay ranges. Does Council agree with the comparables? Do you want to direct staff to set a pay range for the City Manager going forward?

Susanne Connelly and Connie Anderson provided background information on the salary data.

Lake would like to consider budget as criteria moving forward. He would like to see budget figures for the comparable cities. Miller agrees that budget should be a criteria. He thinks there should be a pay range for senior staff. City Manager is different. It should depend on their level of experience. Lake would also like to see years of experience for City Managers in the comps. They would also like to see net benefit cost for that job. Smith doesn't want to be put in the position to have people say the City Manager received a larger increase than someone else. Lake doesn't like the step concept.

2. Proposed Legislative Agenda

Bush provided information on the legislative priorities for the City. Pratt suggested pushing for a change in the rules for purple pipe. Purple pipe is how reuse water is distributed throughout the City. The rules state it has to go through purple pipe that is 12' away from our regular water pipes. However, the sewer and water pipes can be right together. Lake agrees.

Bush stated this comes back to Council for action on the 28th. We are trying to line up legislators to come here on December 12. We will take these to Olympia in February for City Action Days. There is discussion with local agencies in the County to collaborate on what is important to each agency and develop a short list of items.

Starr stated she would like to add school funding. Should we prioritize this list? Lake would also like to add school funding to the list. Emily Straling feels that school funding is important. Opioids legislation also needs to be pushed hard. It is a big issue in this region.

Funding McCleary and creating a simple majority requirement for school funding will be added to the list. Bush added that he struggles with requiring schools to pass levies to maintain.

Five minute break at 5:52.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: Bob Lake, Dennis Smith, Ted Miller, John Miller, Candace Pratt, Genaveve Starr. Emily Straling student liaison.

MOTION to excuse John Miller and Pamela Leonard-Ray who are ill made by Pratt; second by Starr. **Carried Unanimously.**

CHANGES TO THE AGENDA

Pratt would like to remove Guy Cole from the Consent Agenda.

CEREMONIAL

REPORTS

Committee, Board and Liaison

Starr reported on the CTS budget workshop that she attended and on the Sister City Association monthly meeting. Leonard-Ray reported on her travels to Japan. Pratt reported on the Youth Summit.

Presiding Officer

Smith reported he attended the opening of the YMCA. There were many families attending the Y. He was glad to see them there.

City Manager

Matt Klontz stated Wednesday we will celebrate our first Arbor Day celebration at Zwicker Trail. Five fruit trees will be planted. A ceremony takes place at noon. In the future it will actually be on Arbor Day.

Klontz stated that Friday is when the TIB announces recipients for grant funding. He is optimistic we will obtain funding for the West Fir Street improvements. \$3.8 million requested to construct all the street improvements. We have applied for loans for the utility improvements. We will find out later this year about those loans. This is a two-year project that we hope to begin late 2017.

Nelson-Gross reported that the voters approved banning of fireworks. We will bring something to Council on November 28 that will prohibit all fireworks being discharged in the City but will still allows sales. A public hearing is not required as there was a vote that was clear.

Student Liaison Report

Emily reported that Sequim teams have gone to playoffs and to state. The opening of the YMCA has really helped their swim team. Their food drive has ended and was successful. The Winter Wishes assembly is coming up on December 15. Winter Wishes raises money to provide gifts for students in need. There are a lot of students in need.

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)

Mayor Smith read the rules and opened the public hearing at 6:13 pm. This is a continuation of the October 10 public hearing.

Mayor Smith asked for speakers. Hearing no response, the public hearing was closed at 6:23 p.m.

MOTION to approve Ordinance No. 2016-010 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 by Ted Miller; seconded by Bob Lake. **Carried Unanimously.**

5. 2017 Budgets

Mayor Smith opened the public hearing at 6:25 p.m.

Hagener provided history on the budget process. She outlined the budget principles and goals. Budget highlights include 1% property increase; reallocate staff and "shared staffing" concept; maintain or build on reserves; economic improvements; adjust utility rates and fees according to the rate study; increased capital projects.

Mayor Smith called for speakers. There was no response.

a. City of Sequim Budget - Ordinance No. 2016-14

MOTION to continue the public hearing for Ordinance No. 2016-014 adopting the 2017 budget as presented in Exhibits A and B to the City Council meeting of November 28, 2016 by Candace Pratt; seconded by Ted Miller. **Carried Unanimously.**

b. Transportation Benefit District - Ordinance No. TBD2016- 01

Mayor Smith opened the public hearing.

Hagener outlined the proposed projects for 2017. There is \$255,000 allocated in total projects from the TBD.

T. Miller suggested compiling all projects that have been completed by the TBD for the last 10 years.

Mayor Smith asked for speakers. There was no response.

MOTION to continue the public hearing until November 28, 2016 for adoption of Ordinance TBD2016-001 adopting the 2017 TBD budget by Bob Lake; seconded by Ted Miller. **Carried Unanimously.**

6. Revenue Sources

a. Property Tax Levy - Resolution No. R2016-25

Mayor Smith opened the public hearing.

Connie Anderson reported that the assessed values have gone up. The assessed value is evaluated every 6 years. She explained how property tax is calculated. The levy rate in the City will decrease from 1.64 to 1.56.

Mayor Smith called for speakers. There was no response.

MOTION to continue the public hearing on Resolution R2016-25 to the City Council meeting of November 28, 2016 for final action by Ted Miller; seconded by Candace Pratt. **Carried Unanimously.**

b. 2017 Rates and Fees - Ordinance No. 2016-12

Mayor Smith opened the public hearing at 7:10 p.m.

Hagener explained that rates and fees are adjusted and explained some of the changes. Not all rates and fees will cover costs. Rates are adjusted annually by 2%. A 2% water rate increase is recommended for 2017. No rate increase is recommended for sewer. Structural changes will be implemented for 2017 that will result in a 4% increase in revenues.

Mayor Smith asked for speakers. There was no response.

MOTION to continue the public hearing until November 28, 2016 on Ordinance No. 2016-012 amending 2017 rates and fees by Bob Lake; seconded by Genaveve Starr. **Carried Unanimously.**

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

MOTION to approve CONSENT AGENDA as amended (removed c. Guy Cole) by Candace Pratt; seconded by Ted Miller. **Carried Unanimously.**

c. Approve Guy Cole Bid Award

Klontz stated there were four bids for the Guy Cole remodel. He had proposed to install a metal roof. We had an asphalt roof as an alternate. Hoch Construction was low bid at \$361,528.59. Add 10% contingency. \$397,681.45 total contract.

Pratt presented an alternative motion and numbers. She proposes installing an asphalt roof instead of metal. This would allow for upgrades to the kitchen.

Irvin stated a kitchen remodel would cost approximately \$100-\$150,000 based on what we would like to see. We would see a big difference with the roughly \$65,000 that would be available by reducing the roofing costs.

Irvin added that we have been carrying over funds from prior years. There is \$69,000 that was allocated to improve the classrooms. This money could be used to fund the kitchen. The kitchen and classrooms would be rebid.

MOTION to approve Award of the Guy Cole remodel phase 1 project to Hoch Construction, using bid item Schedule C for asphalt roofing shingles and authorize the City Manager to enter into a contract in the amount of \$337,873 and further authorize an additional 10% of the contract amount for a City-held construction contingency by Candace Pratt; seconded by Bob Lake. **Carried Unanimously.**

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

Hagener explained that the annual charge is \$1,200 and is the minimum amount that can be charged. The City pays based upon the value of insured property, the number of worker and volunteer hours worked and our claims history.

MOTION to approve Resolution TBD R2016-02 approving the Interlocal Agreement between the TBD and AWC RMSA by Candace Pratt; seconded by Bob Lake. **Carried Unanimously.**

NEW BUSINESS

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

MOTION to approve Resolution R2016-28 approving the Interlocal Agreement between the City of Sequim and AWC RMSA by Ted Miller; seconded by Bob Lake. **Carried Unanimously.**

PUBLIC COMMENTS (Please limit comments to 3 minutes each)

EXECUTIVE SESSION

UNFINISHED BUSINESS

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

Bush is thinking about a federal agenda. This would be one of the items on that agenda.

Nelson-Gross explained that this is brought forth upon Council's request.

MOTION to approve Resolution R2016-27 protesting FCC regulations limiting local jurisdiction regulatory capabilities by Genaveve Starr; seconded by Ted Miller. **Carried Unanimously.**

GOOD OF THE ORDER

Lake is a tax aid volunteer and will be training in 2 weeks. He will miss the next meeting.

Pratt stated there is a Thanksgiving dinner at the Boys & Girls Club on November 24.

T. Miller there is a homelessness task force Wednesday. He will try to attend.

Smith stated 2 members from each City attends the CTS meeting and the County. Concern was expressed concerning the Elwha Bridge. The County does not consider

512 as a viable alternate. There are 3 years of construction planned around Lake Crescent. There is a concern that people will not come to the Peninsula because of the perception that all areas of the Peninsula are affected.

ADJOURNMENT at 7:50 p.m.

Respectfully submitted,

Karen Kuznek-Reese, MMC
City Clerk

Dennis Smith
Mayor

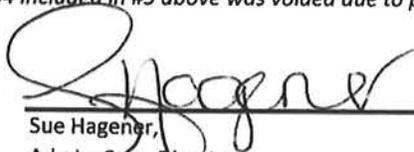
Minutes approved at a regular Council meeting held on November 28, 2016.

SEQUIM CITY COUNCIL
CONSENT AGENDA RECAP - November 28, 2016

<u>Number</u>	<u>Voucher</u> <u>Date</u>	<u>Type</u>	<u>Payment</u> <u>Detail</u>	<u>Amount</u>
1	11/4/2016 AP Vendor	Check Electronic Treasury	Ck 70809 thru Ck 70853 E 3920 thru E 3924 TC 9197 & TC 9198	\$ 69,009.58 \$ 2,218.72 \$ 184.75
<i>Comments: None</i>				Total \$ 71,413.05
2	11/7/2016 Payroll	Check Direct Debit Electronic	Ck 70801 thru Ck 70808 Count of 77 E 3925	\$ 7,863.40 \$ 136,173.15 \$ 57,899.92
<i>Comments: For Pay Period 10/16/16 - 10/31/16</i>				Total \$ 201,936.47
3	11/7/2016 PY Liabilities	Check Electronic	Ck 70854 thru Ck 70866 E 3926 thru E 3930	\$ 29,381.45 \$ 143,762.63 \$ -
<i>Comments: For Pay Period 10/16/16 - 10/31/16 *</i>				Total \$ 173,144.08
4	11/11/2016 AP Vendor	Check Treasury Electronic	Ck 70889 thru Ck 70917 TC 9199 E 3931 & E 3932	\$ 45,578.30 \$ 50.00 \$ 456.65
<i>Comments: None</i>				Total \$ 46,084.95

* Check 70854 included in #3 above was voided due to print error.

Finance Certification:



Sue Hagener,
Admin. Svcs. Director

TOTAL PAYMENTS: \$ 492,578.55

**SEQUIM CITY COUNCIL
AGENDA COVER SHEET**

MEETING DATE: November 28, 2016

FROM: Kristina Nelson-Gross
City Attorney

KNG
Initials

SUBJECT/ISSUE: Ordinance 2016-020 Amending Fireworks SMC Chapter 8

Discussion dates	June 13, 2016	July 25, 2016		
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 checked="" type="checkbox"/> Unfinished Business	<input type="checkbox"/> New Business		
Reviewed by	Initials		Date	
Joseph D. Irvin, Acting City Manager	JDI		11/21/2016	
Chris Hugo, Department of Community Development	CRH		11/22/2016	

PROBLEM/ISSUE STATEMENT:

On July 25, 2016 the City Council passed Resolution 2016-21, which placed on the ballot the issue of whether to ban discharging fireworks within the City limits while still allowing fireworks sales. The resolution also stated that the Council would act in accordance with the results of the vote. The vote was held on November 8, 2016 and a majority of the voters supported banning all fireworks within the City. Staff is bringing the draft ordinance banning fireworks to the City Council for their consideration and ultimate adoption.

ATTACHMENTS:

1. Proposed Ordinance 2016-20
2. Exhibit A, Amending SMC 8.20
3. Clean version of Exhibit A

DISCUSSION/ANALYSIS:

On July 25, 2016 the City Council passed Resolution 2016-21, which called for an advisory vote on whether discharging all fireworks within the City should be banned, but sales would still be allowed. Staff recommended against allowing sales but prohibiting discharge because of the potential for confusion. On November 8, 2016 the majority of Sequim voters supported banning fireworks within the City limits.

Pursuant to the Resolution, Staff is bringing the draft ordinance forward for the Council's consideration and ultimate adoption. The Resolution called for action at the Council's next regular meeting after certification; however, certification of the results will not occur until November 29, 2016. Because of the clear results in the election (65.63% in favor of the ban versus 34.37% opposed), Staff are bringing the ordinance forward to the Council at this time.

While public hearings for fireworks ordinances are not required, Staff would ordinarily suggest that Council hold a public hearing anyway. In this unique case, however, the advisory vote is a good – and perhaps better – indication of the type of public comment Council would receive. As such, the City Council has the option to adopt this ordinance tonight if it wishes to do so. Any changes made to the fireworks ordinance do not become effective until one year after adoption. In this case, the ban would not be effective until 2018.

The draft ordinance bans all fireworks within the City limits, while still allowing sales. It also clarifies the permit requirements for public fireworks displays and includes some general housekeeping. A “clean” version of the draft ordinance is included as Attachment 3 for easier review.

In the July 25, 2016 meeting, Staff set forth cost estimates for a public display. Staff indicated that the costs associated with a public display would be about \$25,000 for a 20-minute show with 4-inch to 8-inch shells.

BUDGET IMPLICATIONS:

Possible increase in police activity due to citizen complaints. If the Council sponsored a public display, it would need to budget the costs.

RECOMMENDATION:

Adopt Ordinance 2016-20, amending SMC 8.20 by prohibiting discharge of all fireworks within the City limits and establishing standards for public displays. Staff also recommends conducting public education over the next year to inform citizens about the new ban that will occur in 2018.

MOTION:

I move to adopt Ordinance 2016-20, amending Chapter 8.20 of the Sequim Municipal Code banning the discharge of fireworks and establishing criteria for allowing public displays.

ORDINANCE NO. 2016-020

AN ORDINANCE OF THE CITY OF SEQUIM, WASHINGTON, AMENDING FIREWORKS REGULATIONS; REPEALING ORDINANCES IN CONFLICT; AND PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE.

WHEREAS, City residents have expressed concern about the discharge of fireworks within the City limits to due potential fire and safety dangers and noise concerns; and

WHEREAS, the City Council struggled to determine whether it should ban the discharge of fireworks within the City limits; and

WHEREAS, the City Council submitted the issue to City residents for an advisory vote on the matter pursuant to Resolution 2016-21;

WHEREAS, City residents expressed their desire to ban the discharge of fireworks within City limits through this advisory vote; and

WHEREAS, consistent with Resolution 2016-21, the City Council is taking action consistent with voters' wishes;

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

Section 1. SMC Chapter 8.20 is amended to prohibit discharge of all fireworks within Sequim City limits, to establish permit requirements for public displays, and modify existing language to conform to RCW 70.77 and other general clarifications.

Section 2. 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 3. Savings Clause. Those portions of Ordinances 2015-015, 2013-006, 2012-005, 2012-017, and 95-007, which are repealed or amended by this ordinance shall remain in full force and effect until the effective date of this ordinance and afterwards.

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 4. 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 5. Effective Date. This Ordinance shall become effective one year after passage and after publication of such 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

Effective Date

EXHIBIT A

Chapter 8.20

FIREWORKS AND SKY LANTERNS

Sections:

- 8.20.010 Purpose.
- 8.20.020 Definitions.

- 8.20.030 ~~Dangerous and u~~Unclassified fireworks prohibited.
- 8.20.035 Sale and use of sky lanterns unlawful.
- 8.20.040 ~~P~~Sale permit required.
- 8.20.050 Dates when sale permitted.
- 8.20.060 ~~Dates when use permitted.~~Discharge of fireworks Prohibited.
- 8.20.070 Storage.
- 8.20.080 Number of permits limited.
- 8.20.090 Sale permit – Nontransferable.
- 8.20.100 Sale permit – Application – Requirements.
- 8.20.110 Temporary stand – Location – Construction.
- 8.20.120 Sale permit – Application – Investigation – Grant or denial.
- 8.20.130 ~~Fire marshal authorized to prohibit sale and use~~Public display permit required.
- 8.20.140 Public display standards.
- 8.20.150 Interpretation and construction of chapter.
- 8.20.~~16~~50 Enforcement.
- 8.20.~~17~~60 Violation – Penalty.

8.20.010 Purpose.

It is the purpose of this ~~C~~chapter to regulate ~~provide for~~ the possession and, sale and discharge of fireworks as ~~classified~~ defined by the State Fire Marshal. It is also the purpose of this Chapter, and to prohibit the possession, sale or use-discharge of any dangerous or unclassified fireworks as classified defined as dangerous by the State Fireworks Law, or otherwise prohibited by ordinances of the city. This Chapter prohibits the discharge of all fireworks within the City, except as authorized under a public display permit or pursuant to RCW 70.77.311(2), and to empower the city fire marshal to prohibit the sale and usage of fireworks during times of increased risk of fire. If there is any conflict between Washington State law as set forth in RCW 70.77 and this Chapter, Washington State law shall control.
(Ord. 95-007 § 1)

8.20.020 Definitions.

The definitions of Chapter 70.77 RCW and WAC 212-17-025 and 212-17-028 as now stated or as amended shall govern the interpretation of this Chapter, when applicable.

A. ~~“Fireworks” means any composition or device containing any combustible or explosive substances for the purposes of producing a visible or audible effect by combustion, explosion, deflagration, or detonation, and classified as common or special fireworks by the United States Bureau of Explosives or contained in the regulations of the United States Department of Transportation.~~

~~AB. "Sky lantern", "sky candles", "fire balloons", and "airborne paper lanterns" means an unmanned airborne lantern typically made of paper with a light frame containing a candle, fuel cell composed of waxy flammable material or other open flame which serves as a heat source to heat the air inside the lantern to cause it to lift into the air. "Sky candles," "fire balloons" and "airborne paper lanterns" mean the same as sky lanterns. Manned hot air balloons are not a part of this definition.~~

~~C. "Special fireworks" includes any fireworks designed primarily for sale at retail to the public during prescribed dates which produce visible or audible effects through combustion.~~

~~D. "Common fireworks" includes any fireworks which are designed primarily for sale at retail to the public during prescribed dates and which produce visible or audible effects through combustion.~~

~~E. "Extreme fire danger" means fires will start and spread rapidly. Every fire start has the potential to become large. Expect extreme, erratic fire behavior. No outdoor burning should take place in areas with extreme fire danger. See more at:~~

~~<http://www.nps.gov/fire/wildland-fire/learning-center/fire-in-depth/understanding-fire-danger.cfm#sthash.uej78G4w.dpuf>~~

~~F. "Very high fire danger" means fires start easily from all causes and may spread faster than suppression resources can travel. Flame lengths will be long with high intensity, making control very difficult. Both suppression and mop-up will require an extended and very thorough effort. Outdoor burning is not recommended. See more at:~~

~~<http://www.nps.gov/fire/wildland-fire/learning-center/fire-in-depth/understanding-fire-danger.cfm#sthash.uej78G4w.dpuf>~~

~~G. "Pyrotechnics" means any combustion of chemical elements or chemical compounds capable of burning independently of the oxygen of the atmosphere, and designed and intended to produce an audible, visual, mechanical, or thermal effect as a necessary part of a motion picture, radio or television production, theatrical, or opera.~~

~~BH. "Permit" means the official permission granted by the local public agency City for purposes of establishing and maintaining a place where fireworks are manufactured, constructed, produced, packaged, stored, sold, exchanged, or discharged ~~or used~~. (Ord. 2015-015 § 1 (Exh. A1); Ord. 2013-006 § 1 (Exh. A); Ord. 95-007 § 2)~~

8.20.030 Dangerous and unclassified fireworks prohibited.

The sale, transportation, possession, or discharge of dangerous or unclassified fireworks within the City limits is prohibited. For unclassified fireworks, possession of fireworks unmarked without the manufacturer's license number and the State Fire Marshal's classification shall be prima facie evidence of a violation of this Chapter. (Ord. 95-007 § 3)

8.20.035 Sale and use of sky lanterns unlawful.

A. It is unlawful for any person to sell, use, transfer, discharge or ignite any sky lantern within the City limits.

B. It is unlawful for any person to sell, use, transfer, discharge or ignite any sky lantern which becomes aloft within the City limits. (Ord. 2013-006 § 1 (Exh. A))

8.20.040 ~~Sale P~~permit required.

Any adult person or other group desiring to manufacture, import, possess, or sell any fireworks at wholesale or retail for any use; discharge special fireworks at any place; make a public display of fireworks; or transport fireworks, ~~except as a public carrier delivering to a licensee, shall must~~ make apply in writing ~~an application~~ for a permit to the Department of Community Development. Licensees or public carriers delivering to a licensee are exempt from this permit requirement pursuant to RCW 70.77.255(1)(c). Applications for permits for public display of fireworks shall be made in writing at least 45 days in advance of the proposed display. (Ord. 2012-005 § 1 (Exh. B); Ord. 95-007 § 4)

8.20.050 Dates when sale permitted.

~~No person, firm or corporation shall sell at retail or offer for sale any fireworks authorized to be sold herein within the city, except as set forth herein.~~ Fireworks may be sold and purchased within the City limits only on the following dates and times: (A) from noon to 11:00 p.m. on June 28th; (B) from 9:00 a.m. to 11:00 p.m. on June 29th through July 4th; and (C) from 9:00 a.m. to 9:00 p.m. on July 5th. (Ord. 2002-017; Ord. 95-007 § 5)

8.20.060 ~~Dates when use permitted.~~

Discharge of Fireworks Prohibited.

Except as authorized by Washington State license and City permit granted pursuant to RCW 70.77.260(2) (public display) or RCW 70.77.311(2) (use for religious or other specific purpose on approved date and at an approved location), discharging or exploding any fireworks within the City limits is prohibited. No person, firm or corporation shall use or explode any fireworks within the city except as set forth herein. Fireworks may be used and discharged: (A) from noon to 11:00 p.m. on June 28th; (B) from 9:00 a.m. to 11:00 p.m. on June 29th through July 3rd; (C) from 9:00 a.m. to midnight on July 4th; and (D) from 9:00 a.m. to 11:00 p.m. on July 5th; provided, that this prohibition shall not apply to duly authorized public displays where the same are authorized pursuant to the laws of the state of Washington. (Ord. 2002-017; Ord. 95-007 § 6)

8.20.070 Storage.

It shall be unlawful for any person to store fireworks of any class without first applying in writing having made a written application for and receiving a permit for such storage to the City fire marshal ~~of the city~~ at least 45 days prior to the date of the proposed storage. ~~It shall be the duty of t~~ The City fire

marshal ~~must of the city to make an~~ investigation as to whether such storage as proposed will ~~the be of such a~~ nature, ~~and~~ character, and location of the proposed storage area and determine whether it constitutes a hazard or danger ~~will be so located as to constitute a hazard~~ to property or ~~be dangerous to~~ any person. ~~The City fire marshal must and said officer shall, in the~~ exercise of reasonable discretion when granting, denying, or granting with reasonable conditions any, ~~grant or deny the~~ application ~~subject to such reasonable conditions, if any,~~ as he or she may prescribe. (Ord. 95-007 § 7)

8.20.080 Number of permits limited.

No person, firm or corporation shall receive more than one permit for the sale of fireworks during any one calendar year. A permit granted pursuant to this ~~cha~~Chapter shall entitle the permittee to maintain only one retail outlet.

The ~~city~~City in any given year shall not issue more than one permit for each 1,500 persons residing within the Sequim ~~city~~City limits. (Ord. 95-007 § 8)

8.20.090 Sale permit – Nontransferable.

The fireworks permit issued for the retail sale of fireworks within the ~~city~~City limits shall be nontransferable, and no person other than the permittee, organization or affiliate shall operate the stand for which the permit is issued, or share or otherwise participate in the benefits of the operation of such stand. (Ord. 95-007 § 9)

8.20.100 Sale permit – Application – Requirements.

Application for a retail sale fireworks permit ~~to engage in the retail sale of fireworks~~ within the ~~city~~City limits ~~must~~shall be made to the director of the department of community development or ~~his~~ designee on a form prepared by the department and submitted at least 45 days ~~prior to~~before the requested effective date of the permit. No permit application ~~shall~~may be submitted ~~prior to~~before January 1st of the year in which such permit is requested. The application must be accompanied by:

A. A valid license issued by the State Fire Marshal pursuant to Chapter 70.77 RCW as now enacted or as hereafter amended, authorizing the permittee to engage in ~~the retail sale of~~ fireworks sales;

B. A fee of \$100.00, which is established as the fireworks temporary activity permit fee;

C. A public liability and property damage insurance policy from an insurance company licensed to do business in ~~the state~~Washington, in the sum of at least \$1,000,000 for bodily injury or death suffered by one or more persons in any one accident or occurrence and at least \$1,000,000 for property damage for each permit location and by a products liability insurance policy in the amount of at least \$1,000,000.

The insurance policies must name the ~~city~~City as an additional insured ~~therein, to and~~ indemnify the ~~city~~City from any damage or injury caused by the operation of the retail fireworks stands;

D. A \$100.00 performance bond, note, or cash deposit, ~~in an amount not less than \$100.00~~ conditioned upon the prompt removal of the temporary stand and the clean-up of all debris from the site of the temporary stand. ~~The, which~~ bond or deposit ~~shall will~~ be returned to the applicant if ~~his the~~ applicant's application for a fireworks permit is denied; ~~if, or in the event~~ the application is granted, the bond or deposit shall be returned to the applicant only if he/she removes the temporary stand and cleans up all debris to the satisfaction of the proper City officials ~~of the city~~. ~~In the event of his failure so to do, the p~~Performance bond or cash deposit ~~will shall~~ be forfeited to the ~~city~~City for failure to properly clean up the site of the temporary stand or for failure to remove the stand and clean up all debris by July 10th of each year. ~~In no event shall the applicant be entitled to the return of the performance bond or cash deposit if he has failed to remove the temporary stand and clean up all debris by the tenth day of July of each year.~~ (Ord. 2012-005 § 1 (Exh. B); Ord. 95-007 § 10)

8.20.110 Temporary stand – Location – Construction.

A. Authorized fireworks s~~Sales of fireworks as authorized herein~~ shall be from temporary fireworks stands only.

B. A temporary stand may be located ~~ion shall be~~ only in business or industrial ~~these~~ areas or zones within the ~~city~~City ~~wherein business or industrial activities are authorized under the applicable zoning laws of the city~~.

C. Temporary fireworks stands need not comply with all of the provisions of the Building Code; ~~provided,~~ however, all ~~such~~ temporary fireworks stands ~~shall must~~ be erected in accordance with plans submitted to and approved by the City fire marshal, ~~of the city or the~~ building official, ~~of the city or his/her~~ their ~~duly~~ authorized representative. ~~A, who shall require~~ all temporary fireworks stands ~~must to~~ be constructed in a safe manner, assuring the safety of attendants and patrons. In the event any temporary fireworks stand is wired for electricity, such wiring ~~shall must~~ conform to the State Electrical Code and the City electrical code, ~~if any of the city~~, and be limited to the provision of adequate lighting.

D. All temporary fireworks stands must prominently display signage clearly stating that the discharge of all fireworks within the Sequim City limits is prohibited under SMC 8.20. (Ord. 95-007 § 11)

8.20.120 Sale permit – Application – Investigation – Grant or denial.

A. Upon receiving a complete application, ~~t~~The City fire marshal, or ~~a~~ duly authorized representative, ~~shall make such~~ must investigate ~~ions as is deemed necessary in connection with~~ the safety of the proposed operation. After completing the investigations, the fire marshal or the ~~DCD~~ Department of Community Development ~~shall will~~ forward the application and investigation ~~the results of the investigations~~ to Fire District #3 for comment. After receiving comment, ~~after which,~~ but not more than 30 days from the date of application, or ~~not~~ later than June 10th ~~for July sales~~, the permit shall be granted or denied ~~if, provided, that a complete the~~ application has been was submitted ~~to the city not~~

~~less than~~ at least 30 days prior to the June 10th date. The ~~city~~City may give preference to persons or organizations who have operated temporary fireworks stands in ~~an acceptable manner pursuant to accordance with previously issued City permit~~issued by the city in preceding years. The ~~City~~City shall will give first preference to local nonprofit groups benefitting youth ~~and, with a secondary~~ preference to other local nonprofit groups. No more than one fireworks stand for each 1,500 of the official population of Sequim ~~shall~~ may be granted.

B. ~~Any permit to engage in the sale of fireworks shall be in writing, on such form as the city may prescribe to be effective, and shall be signed by the director of the department of community development and the city fire marshal. The approved permit shall must~~ be prominently posted in the temporary fireworks stand. (Ord. 2012-005 § 1 (Exh. B); Ord. 2002-017; Ord. 95-007 § 12)

8.20.130 Public Display Permit Required ~~Fire marshal authorized to prohibit sale and use.~~

A. Any person, firm, group, or corporation adult person or other group desiring to make a public fireworks display must first apply in writing for a permit from the Department of Community Development. Applications must be made at least 45 days in advance of the proposed display.

B. Applicants shall meet all qualifications and requirements of Washington State law regarding public fireworks displays and all fire and safety requirements for public display standards as set forth in SMC 8.20.140. Notwithstanding any provision herein which may be interpreted to the contrary, and notwithstanding the granting of any permit or license to sell or use fireworks by the city or by any other authority, the city fire marshal or his deputy or designee shall have the inherent authority to prohibit the use and sale of fireworks at any time when he or she deems such sale and use to be a danger to the public health, safety and welfare, and specifically when he or she deems the weather conditions to be such that there is an unacceptably increased risk of fire. In the event of any such prohibition, the damages claimable against the city by any holder of a license to use or sell such fireworks shall be limited to the cost of any such license which is granted by the city.

~~During periods of very high or extreme fire danger, as determined by the city fire marshal or the city manager, the discharge of all fireworks is prohibited. This decision should be based upon consultation with representatives of Fire District No. 3 and the Clallam County fire marshal.~~

C. The City fire official must investigate whether the character and location of the proposed display would be hazardous to property or dangerous to any person. Based on the investigation, the fire official will submit a report of findings and a recommendation for or against the issuance of the permit, together with reasons, to the City. The City will grant the application if the application meets all requirements of this Chapter and RCW 70.77.

~~(Ord. 2015-015 § 1 (Exh. A2); Ord. 95-007 § 13)~~

8.20.140 Public Display Standards.

All public fireworks displays must conform to the following minimum standards and conditions:

(1) All public fireworks displays must be planned, organized, and discharged by a Washington State licensed pyrotechnician.

(2) A permit must be obtained from the City and approved by the fire marshal or designee prior to any public fireworks display. The permit must include the name of the applicant's name and address, the pyrotechnician's name and address, the exact location, date and time of the proposed display, the number, type and class of fireworks to be displayed, the manner in which the fireworks are being stored prior to the public fireworks display.

(3) The applicant for a public display of fireworks permit must include with the application evidence of a bond issued by an authorized surety or a certificate of public liability insurance. Such bond or certificate shall conform to the requirements set forth in RCW 70.77.285 and 70.77.355.

(4) The permit may be immediately revoked at any time deemed necessary by the fire marshal or designee due to any noncompliance, or weather conditions such as extremely low humidity or wind factor. The display may also be canceled by accidental ignition of combustible or flammable material in the vicinity due to fall debris from the display.

(5) Public access areas shall be determined by the City fire marshal or designee and maintained by the applicant in the manner set forth in the approved permit.

8.20.1540 Interpretation and construction of chapter.

This ~~cha~~Chapter is intended to implement Chapter 70.77 RCW as now enacted or as ~~hereafter~~ amended, and shall be ~~construed in connection with said law and any and all rules or regulations issued pursuant thereto~~ interpreted in accordance with RCW 70.77 and all applicable rules or regulations. (Ord. 2012-005 § 1 (Exh. B); Ord. 95-007 § 14)

8.20.1650 Enforcement.

The City fire marshal ~~of the city or his~~ duly authorized representative is ~~hereby~~ designated as the enforcing officer of this ~~cha~~Chapter. Any failure or refusal on the part of a licensee to obey the rule, regulation or request of the fire chief ~~concerning the sale of fireworks~~ shall be grounds for the revocation of a fireworks license. (Ord. 95-007 § 15)

8.20.1760 Violation – Penalty.

Violation of Section 8.20.060, to the extent it also constitutes a violation of RCW 70.77.488, 70.77.510 or 70.77.515, shall constitute a gross misdemeanor. The penalty for a gross misdemeanor is a fine of not more than \$5,000.00 or imprisonment for no more than 364 days, or both such fine and imprisonment, plus restitution and court costs.

Any person, firm, association, corporation or other group violating any ~~of the other~~ provisions of this ~~cha~~Chapter is guilty of a misdemeanor, and upon conviction shall be punished by a fine of not more than \$500.00 or by imprisonment for no more than 90 days, or by both such fine and imprisonment.; ~~and such person, firm, association, corporation or other group is guilty of a separate offense for e~~Each day during which he, she or it commits, continues or permits a violation of any provisions of this ~~cha~~Chapter constitutes a separate violation. (Ord. 95-007 § 16)

EXHIBIT A

Chapter 8.20

FIREWORKS AND SKY LANTERNS

Sections:

- 8.20.010 Purpose.
- 8.20.020 Definitions.
- 8.20.030 Dangerous and unclassified fireworks prohibited.
- 8.20.035 Sale and use of sky lanterns unlawful.
- 8.20.040 Permit required.
- 8.20.050 Dates when sale permitted.
- 8.20.060 Discharge of fireworks Prohibited.
- 8.20.070 Storage.
- 8.20.080 Number of permits limited.
- 8.20.090 Sale permit – Nontransferable.
- 8.20.100 Sale permit – Application – Requirements.
- 8.20.110 Temporary stand – Location – Construction.
- 8.20.120 Sale permit – Application – Investigation – Grant or denial.
- 8.20.130 Public display permit required.
- 8.20.140 Public display standards.
- 8.20.150 Interpretation and construction of chapter.
- 8.20.160 Enforcement.
- 8.20.170 Violation – Penalty.

8.20.010 Purpose.

It is the purpose of this Chapter to regulate the possession and sale of fireworks as defined by the State Fire Marshal. It is also the purpose of this Chapter to prohibit the possession, sale or discharge of any dangerous or unclassified fireworks as defined by the State Fireworks Law. This Chapter prohibits the discharge of all fireworks within the City, except as authorized under a public display permit or pursuant to RCW 70.77.311(2). If there is any conflict between Washington State law as set forth in RCW 70.77 and this Chapter, Washington State law shall control. (Ord. 95-007 § 1)

8.20.020 Definitions.

The definitions of Chapter 70.77 RCW and WAC 212-17-025 and 212-17-028 as now stated or as amended shall govern the interpretation of this Chapter, when applicable.

A. "Sky lantern", "sky candles", "fire balloons", and "airborne paper lanterns" mean an unmanned airborne lantern typically made of paper with a light frame containing a candle, fuel cell composed of waxy flammable material or other open flame which serves as a heat source to heat the air inside the lantern to cause it to lift into the air. Manned hot air balloons are not a part of this definition.

B. "Permit" means the official permission granted by the City for purposes of establishing and maintaining a place where fireworks are manufactured, constructed, produced, packaged, stored, sold, exchanged, or discharged. (Ord. 2015-015 § 1 (Exh. A1); Ord. 2013-006 § 1 (Exh. A); Ord. 95-007 § 2)

8.20.030 Dangerous and unclassified fireworks prohibited.

The sale, transportation, possession, or discharge of dangerous or unclassified fireworks within the City limits is prohibited. For unclassified fireworks, possession of fireworks without the manufacturer's license number and the State Fire Marshal's classification shall be prima facie evidence of a violation of this Chapter. (Ord. 95-007 § 3)

8.20.035 Sale and use of sky lanterns unlawful.

A. It is unlawful for any person to sell, use, transfer, discharge or ignite any sky lantern within the City limits.

B. It is unlawful for any person to sell, use, transfer, discharge or ignite any sky lantern which becomes aloft within the City limits. (Ord. 2013-006 § 1 (Exh. A))

8.20.040 Permit required.

Any adult person or other group desiring to manufacture, import, possess, or sell any fireworks at wholesale or retail for any use, discharge special fireworks at any place, make a public display of fireworks, or transport fireworks must apply in writing for a permit to the Department of Community Development. Licensees or public carriers delivering to a licensee are exempt from this permit requirement pursuant to RCW 70.77.255(1)(c). (Ord. 2012-005 § 1 (Exh. B); Ord. 95-007 § 4)

8.20.050 Dates when sale permitted.

Fireworks may be sold and purchased within the City limits only on the following dates and times: (A) from noon to 11:00 p.m. on June 28th; (B) from 9:00 a.m. to 11:00 p.m. on June 29th through July 4th; and (C) from 9:00 a.m. to 9:00 p.m. on July 5th. (Ord. 2002-017; Ord. 95-007 § 5)

8.20.060 Discharge of Fireworks Prohibited.

Except as authorized by Washington State license and City permit granted pursuant to RCW 70.77.260(2) (public display) or RCW 70.77.311(2) (use for religious or other specific purpose on approved date and at an approved location), discharging or exploding any fireworks within the City limits is prohibited.

8.20.070 Storage.

It shall be unlawful for any person to store fireworks of any class without first applying in writing and receiving a permit for such storage to the City fire marshal at least 45 days prior to the date of the proposed storage. The City fire marshal must investigate the nature, character, and location of the proposed storage area and determine whether it constitutes a hazard or danger to property or any person. The City fire marshal must exercise reasonable discretion when granting, denying, or granting with reasonable conditions any application as he or she may prescribe. (Ord. 95-007 § 7)

8.20.080 Number of permits limited.

No person, firm or corporation shall receive more than one permit for the sale of fireworks during any one calendar year. A permit granted pursuant to this Chapter shall entitle the permittee to maintain only one retail outlet.

The City in any given year shall not issue more than one permit for each 1,500 persons residing within the Sequim City limits. (Ord. 95-007 § 8)

8.20.090 Sale permit – Nontransferable.

The fireworks permit issued for the retail sale of fireworks within the City limits shall be nontransferable, and no person other than the permittee, organization or affiliate shall operate the stand for which the permit is issued, or share or otherwise participate in the benefits of the operation of such stand. (Ord. 95-007 § 9)

8.20.100 Sale permit – Application – Requirements.

Application for a retail sale fireworks permit within the City limits must be made to the director of the department of community development or designee on a form prepared by the department and submitted at least 45 days before the requested effective date of the permit. No permit application may be submitted before January 1st of the year in which such permit is requested. The application must be accompanied by:

- A. A valid license issued by the State Fire Marshal pursuant to Chapter 70.77 RCW as now enacted or as hereafter amended, authorizing the permittee to engage in retail fireworks sales;
- B. A fee of \$100.00, which is established as the fireworks temporary activity permit fee;
- C. A public liability and property damage insurance policy from an insurance company licensed to do business in Washington, in the sum of at least \$1,000,000 for bodily injury or death suffered by one or more persons in any one accident or occurrence and at least \$1,000,000 for property damage for each permit location and by a products liability insurance policy in the amount of at least \$1,000,000. The insurance policies must name the City as an additional insured and indemnify the City from any damage or injury caused by the operation of the retail fireworks stands;
- D. A \$100.00 performance bond, note, or cash deposit, conditioned upon the prompt removal of the temporary stand and the clean-up of all debris from the site of the temporary stand. The bond or deposit will be returned to the applicant if the applicant's permit is denied; if the application is granted, the bond or deposit shall be returned to the applicant only if he/she removes the temporary stand and cleans up all debris to the satisfaction of the proper City officials. Performance bond or cash deposit will be forfeited to the City for failure to properly clean up the site of the temporary stand or for failure to

remove the stand and clean up all debris by July 10th of each year. (Ord. 2012-005 § 1 (Exh. B); Ord. 95-007 § 10)

8.20.110 Temporary stand – Location – Construction.

A. Authorized fireworks sales shall be from temporary fireworks stands only.

B. A temporary stand may be located only in business or industrial areas or zones within the City.

C. Temporary fireworks stands need not comply with all of the provisions of the Building Code; however, all temporary fireworks stands must be erected in accordance with plans submitted to and approved by the City fire marshal, or building official, or his/her authorized representative. All temporary fireworks stands must be constructed in a safe manner, assuring the safety of attendants and patrons. In the event any temporary fireworks stand is wired for electricity, such wiring must conform to the State Electrical Code and the City electrical code, if any, and be limited to the provision of adequate lighting.

D. All temporary fireworks stands must prominently display signage clearly stating that the discharge of all fireworks within the Sequim City limits is prohibited under SMC 8.20.

8.20.120 Sale permit – Application – Investigation – Grant or denial.

A. Upon receiving a complete application, the City fire marshal, or authorized representative, must investigate the safety of the proposed operation. After completing the investigations, the fire marshal or the Department of Community Development will forward the application and investigation results to Fire District #3 for comment. After receiving comment, but not more than 30 days from the date of application, or no later than June 10th, the permit shall be granted or denied if the application was submitted at least 30 days prior to the June 10th date. The City may give preference to persons or organizations who have operated temporary fireworks stands in accordance with previously issued City permits. The City will give first preference to local nonprofit groups benefitting youth and second preference to other local nonprofit groups. No more than one fireworks stand for each 1,500 of the official population of Sequim may be granted.

B. The approved permit must be prominently posted in the temporary fireworks stand. (Ord. 2012-005 § 1 (Exh. B); Ord. 2002-017; Ord. 95-007 § 12)

8.20.130 Public Display Permit Required.

A. Any person, firm, group, or corporation adult person or other group desiring to make a public fireworks display must first apply in writing for a permit from the Department of Community Development. Applications must be made at least 45 days in advance of the proposed display.

B. Applicants shall meet all qualifications and requirements of Washington State law regarding public fireworks displays and all fire and safety requirements for public display standards as set forth in SMC 8.20.140.

C. The City fire official must investigate whether the character and location of the proposed display would be hazardous to property or dangerous to any person. Based on the investigation, the fire official will submit a report of findings and a recommendation for or against the issuance of the permit, together with reasons, to the City. The City will grant the application if the application meets all requirements of this Chapter and RCW 70.77.

8.20.140 Public Display Standards.

All public fireworks displays must conform to the following minimum standards and conditions:

(1) All public fireworks displays must be planned, organized, and discharged by a Washington State licensed pyrotechnician.

(2) A permit must be obtained from the City and approved by the fire marshal or designee prior to any public fireworks display. The permit must include the name of the applicant's name and address, the pyrotechnician's name and address, the exact location, date and time of the proposed display, the number, type and class of fireworks to be displayed, the manner in which the fireworks are being stored prior to the public fireworks display.

(3) The applicant for a public display of fireworks permit must include with the application evidence of a bond issued by an authorized surety or a certificate of public liability insurance. Such bond or certificate shall conform to the requirements set forth in RCW 70.77.285 and 70.77.355.

(4) The permit may be immediately revoked at any time deemed necessary by the fire marshal or designee due to any noncompliance, or weather conditions such as extremely low humidity or wind factor. The display may also be canceled by accidental ignition of combustible or flammable material in the vicinity due to fall debris from the display.

(5) Public access areas shall be determined by the City fire marshal or designee and maintained by the applicant in the manner set forth in the approved permit.

8.20.150 Interpretation and construction of chapter.

This Chapter is intended to implement Chapter 70.77 RCW as now enacted or as amended, and shall be interpreted in accordance with RCW 70.77 and all applicable rules or regulations. (Ord. 2012-005 § 1 (Exh. B); Ord. 95-007 § 14)

8.20.160 Enforcement.

The City fire marshal or duly authorized representative is designated as the enforcing officer of this Chapter. Any failure or refusal on the part of a licensee to obey the rule, regulation or request of the fire chief shall be grounds for the revocation of a fireworks license. (Ord. 95-007 § 15)

8.20.170 Violation – Penalty.

Violation of Section 8.20.060, to the extent it also constitutes a violation of RCW 70.77.488, 70.77.510 or 70.77.515, shall constitute a gross misdemeanor. The penalty for a gross misdemeanor is a fine of not more than \$5,000.00 or imprisonment for no more than 364 days, or both such fine and imprisonment, plus restitution and court costs.

Any person, firm, association, corporation or other group violating any other provisions of this Chapter is guilty of a misdemeanor, and upon conviction shall be punished by a fine of not more than \$500.00 or by imprisonment for no more than 90 days, or by both such fine and imprisonment. Each day during which he, she or it commits, continues or permits a violation of any provisions of this Chapter constitutes a separate violation. (Ord. 95-007 § 16)

**SEQUIM CITY COUNCIL
AGENDA COVER SHEET**

MEETING DATE: November 28, 2016

FROM: Karen Kuznek-Reese
City Clerk

KKR
Initials

SUBJECT/ISSUE: 2017 State Legislative Agenda

Discussion dates	11/14/16	11/28/16	
CATEGORY	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Information Only	Time Needed for Presentation 10 mins.
	<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Present Agenda	
	<input checked="" type="checkbox"/> Unfinished Business	<input type="checkbox"/> Business	
Reviewed by			Initials
Kristina Nelson-Gross, City Attorney			KNG
Charles P. Bush, City Manager			CPB
David Garlington, Public Works Director			
Sue Hagener, Admin. Services Director			

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.

ATTACHMENTS:

1. Resolution R2016-29 adopting 2017 Legislative Priorities

DISCUSSION/ANALYSIS:

The Washington State Legislature will reconvene in January 2017 for a long session. The attached document will guide staff and City Council interactions with legislators prior to and throughout the upcoming session. This document has been updated and reformatted from the November 14, 2016 Council meeting and includes these additional priorities:

- Update the reclaimed water piping standards to treat them similar to water lines, rather than more dangerous than sewer lines
- Funding McCleary
- Eliminating the super majority requirement for school funding
- Minimizing disruption during the Elwha Bridge construction project

FINANCIAL IMPLICATIONS:

N/A, this is a policy document

RECOMMENDATION:

To adopt the resolution and attached priorities.

MOTION:

To approve Resolution R2016-29 adopting the 2017 Legislative Priorities for the City of Sequim

RESOLUTION NO. R2016-29

A Resolution of the City of Sequim Adopting 2017 Legislative Priorities and in Support of the Association of Washington Cities Legislative Priorities

The City Council of the City of Sequim, Washington, does hereby resolve as follows:

WHEREAS, Washington State Legislature continues to attempt to find ways to fund public education which has resulted in decreasing funding that has previously been provided to cities; and

WHEREAS, cities provide essential services to much of the state's population; and

WHEREAS, cities need legislative reform to help them meet citizen needs in a cost-effective manner; and

WHEREAS, the Sequim City Council has developed a list of legislative priorities that significantly affect the City of Sequim, as well as the entire Sequim-Dungeness valley; and

WHEREAS, the Sequim City Council asks our legislative delegation to assist in legislative reform to support the City's needs.

NOW THEREFORE IT IS HEREBY RESOLVED that the City Council of the City of Sequim supports its legislative priorities, attached hereto, as well as the legislative priorities established by the Association of Washington Cities and authorizes the City Clerk to transmit this resolution and its attachment to AWC and to our legislative delegation.

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

Dennis Smith, Mayor

Karen Kuznek-Reese, City Clerk, MMC

Approved as to Form:

Kristina Nelson-Gross, City Attorney



City of Sequim

2017 Legislative Priorities

Human Services

- Fund Mental Health Services – 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 Technical Assistance And Resources Are Needed – Provide additional technical assistance and resources to replicate leading practices to make Washington a leader in overcoming the Opioid epidemic.

Public Works

- Eliminate the provision that requires a vote to renew a voter-approved Transportation Benefit District, As Well As Eliminating the Number of Renewals – Eliminate the provision that requires a voted Transportation Benefit District to be renewed by vote every 10 years as well as eliminate the limit on renewals. Sequim has an existing voted TBD, representing 50% of its street budget. Sequim will be asking the public to renew it in 2018.
- Provide Funding for Completion of an Interchange at Simdars Road - Provide funding for WSDOT to complete 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.
- 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. Update the standards around reclaimed water piping to treat them similar to water lines rather than treating them as more dangerous than sewer lines. Reclaimed water lines currently are restricted from being nearby to water lines more than sewer lines are restricted from being near water lines.
- Dungeness Off Channel Reservoir - Approve trust land transfer between DNR and Clallam County. This will allow DNR to acquire trust property southwest of Sequim to construct an off Dungeness 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.
- Fund, Construct, and Minimum Disruption During Construction of the Elwha River Bridge – The bridge is essential to the livelihood of the entire region. This bridge has major issues and needs reconstruction or replacement. At this time, it is anticipated this will be a 3-year disruption once construction begins.

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 an 8,000 square foot facility. In 2015, the City received \$450,000 through a State Capital Programs Grant to remodel the Center. A contract has been awarded for the first phase of the remodel project to be completed by March 31, 2017. The City's hope is to secure funding to upgrade the remainder 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.

Public Safety

- Fully Fund The Basic Law Enforcement Academy – Restore full funding for the Basic Law Enforcement Academy.
- Support Preparation for the Cascadia Quake and other Emergencies – Properly fund public education and other preparedness measures, such as pre-stockpiling food.
- Clarify Medical Insurance Requirements for Disasters - Clarify laws governing insurance requirements to allow medical professionals to practice outside of their typical work building during a large scale disaster and to allow practitioners from other States to assist here.

General Government

- Public Records Reform - 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.
- Amend Publication Requirements - 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.
- Fully fund Municipal Research Services Center (MRSC) - MRSC is funded by revenues already allocated to cities and counties. 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.
- Unfunded Mandates – The City of Sequim urges you to remember local government when you are passing Legislation and to avoid passing unfunded mandates on to us.

Schools

- Fully Fund McCleary – We know that the Legislature has become a difficult and partisan place yet we ask you to work together and to compromise to fully fund McCleary. This stalemate is holding back our State, our ability to engage in proactive actions to better position ourselves in a rapidly changing world, and most importantly it is holding back our children’s futures. Fund education as a basic service in a consistent and predictable way.
- Eliminate the Super Majority Requirement for School Bonds – Change provisions to allow school bonds to pass with a 50% majority. This will allow schools to keep pace in the global economy while representing the will of a majority of voters. Sequim, and other districts, would have passed several school bonds had this been the case.

Sequim will provide bill language for any requested bills.

**SEQUIM CITY COUNCIL
AGENDA COVER SHEET**

MEETING DATE: November 28, 2016

FROM: David Garlington
Public Works Director

Initials

SUBJECT/ISSUE: Approval of SRF Loan Applications

Discussion dates				
CATEGORY	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Information Only	Time Needed for Presentation	
	<input type="checkbox"/> Public Hearing	<input checked="" type="checkbox"/> Consent Agenda	-	
	<input type="checkbox"/> Unfinished Business	<input type="checkbox"/> New Business		
Reviewed by	Initials		Date	
Joseph D. Irvin, Acting City Manager	JDI		11/22/2016	
Sue Hagener, Admin Services Director	CA for SH		11-22-16	

PROBLEM/ISSUE STATEMENT:

The Public Works Department recently submitted loan applications to the Washington State Department of Ecology and Washington State Department of Health to assist with the cost of water and sewer lines that are currently in the 2017 Proposed Budget. These loans will fund construction of the potable water, sanitary sewer and reclaimed water improvements proposed for the West Fir St Rehabilitation Project from N 5th Ave to N Sequim Ave. One of the new eligibility requirements in the application process, as cited in the DWSRF Loan Program 2016 Guidelines, is that Council must approve such application for the loan, in advance of notification of funding.

LIST OF ATTACHMENTS:

1. DWSRF 2016 Construction Loan 2016-022 (summary)
2. CWSRF WQC-2018-SequPW-00126 (summary)

DISCUSSION/ANALYSIS:

Staff has applied for funding for two (2) capital projects that are currently part of the proposed 2017 budget and the West Fir St Rehabilitation Project as follows:

WATER POLLUTION CONTROL REVOLVING FUND (CWSRF)
West Fir St Sewer/Storm/Reclaimed Water Improvements \$957,000
20 yr term, 1.5% interest

DRINKING WATER STATE REVOLVING FUND (DWSRF)
West Fir St Water Line \$830,129
20 yr term, 1-1.5% interest depending on completion time

Project description summaries are attached. The actual loan applications are submitted and have been received by the Department of Ecology and the Department of Health. The applications are currently under review.

Staff is requesting that Council approve the application for these loans.

BUDGET IMPLICATIONS:

City of Sequim staff has pursued long term, low cost financing to fund qualified capital projects that are part the adopted 6 Year CIP. This effort protects the ending fund balance of the utility funds and levels out the annual expenditures. It also reduces the actual cost of project when the offered interest rates are lower than the annual CPI. Delaying projects under these circumstances due to lack of funds actually ends up increasing the cost of the project to the City.

The City's current base water rate is \$23.80 for residential customers with \$.00827/cubic foot(cf) up to 600 cf per month. This water rate increases by 2% in the 2017 proposed budget. The current base sewer rate is \$60.59 for residential customers who use less than 601 cf of water during the winter months. The sewer rate does not increase in the proposed 2017 budget.

As discussed above, the long term, low interest loans will enable the City to manage ending fund balances better and minimize the impact of any future rate increases to customers. The current rates are sufficient to cover the proposed debt service, and are reviewed annually as part of the budget process for any necessary adjustments.

MOTION:

I move that the City Council approve the application to the Department of Health and the Department of Ecology for the West Fir Street Water Improvements and the West Fir St Sewer/Storm/Reclaimed Water Improvements loan funding.

Office of Drinking Water

2016 State Revolving Fund Loan Request

City of Sequim

Project Name: W. Fir Street Water Improvements

Project Description:

Replace approximately 2,650 feet of existing 8-inch asbestos concrete (AC) water line along West Fir Street from North 5th Avenue to North Sequim Avenue with 10-inch diameter polyvinyl chloride (PVC), high density polyethylene (HDPE) or ductile iron (DI) pipe. The project will install isolation valves at street intersections. The existing pipe and valves are in deteriorated condition.

The project is included in the City of Sequim 2014 Water System Plan as CIP No. D-11, Water Main along W. Fir Street from North 5th Avenue to North Sequim Avenue.

Background:

Replacement of the 8-inch water pipe will address the following potential public health concerns.

Potential disruption of service due to severe leaks. The existing AC water pipes are prone to leakage. The soils in the Sequim area are highly infiltrative which makes finding leaks difficult. Leaks are often not detected until the surrounding area is completely saturated and water surfaces.

Describe the compliance issue this project will resolve:

The City's current distribution system leakage rate (DSL) is not meeting the Water Use Efficiency Rule (WAC 246-290 Part 8) requirement of a DSL rate of less than 10 percent. The City's Water Loss Control Action Plan includes replacement of asbestos concrete pipe to reduce water leakage. This project will replace approximately 2,650 feet of asbestos concrete pipe.

Project Budget			
Project Budget (list what you will do, along with the schedule)		Loan Request (Costs)	
What	When	What	How Much
Engineering Report	10/2017	Engineering Report (Preliminary)	\$5,000
SEPA Checklist	01/2018	Environmental Review (SERP-NEPA, SEPA)	\$5,000
DOH Review, DAPH and tribe concurrence	01/2018	Cultural Review (Section 106 of NHPA)	\$5,000
		Land/Right-of-Way Acquisition	\$0
ROW permit	02/2018	Permits	\$1,000
Council Meeting to discuss project	01/2018	Public Involvement/Information	\$1,500
Plans and specifications completed	02/2018	Bid Documents (Design Engineering)	\$62,500
Construction (4/2018 - 12/2018)	12/2018	Construction	\$557,610
Plans and specifications approved	03/2018	DOH Review/Approval Fees	\$0
Construction contingency	12/2018	Contingency	\$56,000
WSST	07/2018	Other Fees: (Sales or Use Taxes)	\$43,900
		Service Meters (Purchase and Installation)	\$0
		Audit Costs	\$0
Design survey	07/2017	Survey	\$20,000
Construction management	12/2018	Construction Management	\$64,400
			\$0
			\$0
		DWSRF Funding Request TOTAL	\$821,910
		Loan Fee (1.00% of the Total)	\$8,219
		TOTAL FUNDING REQUEST	\$830,129

Additional project information, for determining project readiness to proceed and other eligibility issues.

Applicant requests consideration for partial loan forgiveness or a lower interest rate. To be considered, median household income information must be included with this application.	Yes
Is this a consolidation/restructuring project? (Consolidation/restructuring projects are defined as taking over non-compliant, failing or struggling water systems)	No
Do you have source meters on all existing water sources?	Yes
Does the water system have service meters on all existing services? If 'No', your project must include service meter installation – see guidelines for more information.	Yes

WATER QUALITY COMBINED FINANCIAL ASSISTANCE

Organization: Sequim city of - Public Works Department

WQC-2018-SequPW-00129

General Information

Project Title	W. Fir Street Sewer/Storm/Reclaimed Water Improvements	
Project Short Description	This construction project will add or replace absent, aging, or undersized sewer pipe, add reclaimed water line, and add green stormwater infrastructure along W. Fir Street from N. 5th Ave to N. Sequim Ave.	
Project Long Description	<p>The existing 1,400 feet of 8-inch diameter concrete sewer in the W. Fir Street corridor from N. 3rd Ave to N. Sequim Ave. has reached it's useful life. No sewer exists between N. 5th Ave. and N. 3rd Ave. however, a new gravity sewer pipe will be installed to ultimately intercept flow currently routing through existing aged and undersized pipe at the end of its useful life.</p> <p>Alternative pipe replacement methodologies were evaluated including open cut, pipe bursting, slip-lining and cured-in-place pipe. Open cut pipe replacement was chosen as the most viable method of pipe replacement given the presence of large cobbles and boulders in the soils in Sequim. In addition, the alignment of the existing sewer from N. 3rd Ave to N. Sequim Street will be relocated to the north.</p> <p>The City has received funding from the FHWA Surface Transportation Program to design and construct street improvements along this major arterial. The existing underground utilities will be replaced and installed before the road is rebuilt.</p> <p>This project will design and complete construction of sewer improvements in the W. Fir Street corridor. Environmental review (NEPA Categorical Exclusion issued by WSDOT) and Cultural Resources evaluation of the project has been completed. Preliminary design has been completed. Since utility improvements involve complete road reconstruction, a reclaimed water line will be installed for future use by the adjacent landowner the school district (for irrigation, for example). In addition, existing stormwater facilities lacking in capacity and treatment will be replaced with green infrastructure facilities including bioretention and street trees.</p>	
Total Cost	\$957,000.00	Total Eligible Cost \$957,000.00
Effective Date	7/1/2017	Expiration Date 6/28/2019
Project Category	Nonpoint Source Activity On-Site Sewage System Stormwater Activity0 Stormwater Facility	

WATER QUALITY COMBINED FINANCIAL ASSISTANCE

Organization: Sequim city of - Public Works Department

WQC-2018-SequPW-00129

General Information

✓ Wastewater Facility

Will Environmental Monitoring Data be collected?

No

Ecology Program

Water Quality

Overall Goal

Replace aged, undersized sewer on W. Fir Street between N. 3rd Ave and N. Sequim Ave with an adequately sized sewer collection system and install new gravity sewer on W. Fir Street between N. 5th Ave. and N. 3rd Ave. to ultimately intercept flow currently routing through existing aged and undersized pipe in the collection system network. The rehabilitation of and installation of new sewers in W. Fir Street will ensure that wastewater does not exfiltrate to groundwater through deteriorated piping and will address the infiltration and inflow into the system. During utility construction, also install reclaimed water line for future use and green infrastructure for treatment and onsite infiltration of roadway stormwater runoff.

**SEQUIM CITY COUNCIL
AGENDA COVER SHEET**

MEETING DATE: Nov. 28, 2016

FROM: Chris Hugo, Director – DCD

CRH
Initials

SUBJECT/ISSUE: Resolution R2016-31 of Regulatory Consistency

Discussion dates				
CATEGORY	<input type="checkbox"/> City Manager Report	<input type="checkbox"/> Information Only	Time Needed for Presentation 5 Minutes	
	<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Consent Agenda		
	<input type="checkbox"/> Unfinished Business	<input checked="" type="checkbox"/> New Business		
Reviewed by	Initials		Date	
Joseph D. Irvin, Acting City Manager	JDI		11/22/2016	
Kristina Nelson-Gross	KNG		11/23/2016	

PROBLEM/ISSUE STATEMENT: The State Department of Commerce has informed the City that it is out of compliance with the State Growth Management Act (GMA) as it has not submitted documentation or records of actions to demonstrate “regulatory consistency,” the GMA requirement that development regulations must be consistent with the Comprehensive Plan. This puts the City in potential jeopardy in the receipt of state grant and loan funds. The proposed resolution provides the action and record needed to meet the State’s compliance requirements.

ATTACHMENTS:

1. Resolution R2016-31: *Resolution of Regulatory Consistency* (with Exhibits).

DISCUSSION/ANALYSIS: One of the mandates of the State Growth Management Act is the requirement that Comprehensive Plans created under the Act be implemented with consistent development regulations. The proposed Resolution includes facts and analyses that demonstrate that with the adoption of the R4-8 zone classification, corollary rezoning of 85% of the City’s geography, and confirmation that existing zone classifications for the remaining non-residential geography are consistent with the vision, goals, and policies of the Comprehensive Plan, the City has achieved regulatory compliance.

Making the proposed declaration of regulatory consistency does not preclude additional refinement of zone classifications to add greater detail, fine-tune, or otherwise make

adjustments to the zoning code to improve regulatory outcomes related to Plan purposes. It is anticipated that work on the non-residential Plan districts will continue into 2017 with further code revisions as the City's economic development plan and other initiatives require adjustment to development regulations.

Adoption of the proposed Resolution secures the City's position of "compliance" and avoids any potential loss of state funding.

BUDGET IMPLICATIONS: The City may not qualify to receive state grant and loan funds if regulatory consistency is not satisfied and agencies include compliance among funding criteria.

RECOMMENDATION: Staff recommends passage of the Resolution R2016-31.

MOTION: I move to adopt Resolution R2016-31: *Resolution of Regulatory Consistency* as recommended by staff.

RESOLUTION NO. R2016-31

A Resolution of the City of Sequim Confirming Regulatory Consistency

The City Council of the City of Sequim, Washington, does hereby resolve as follows:

WHEREAS, the Sequim City Council adopted the 2015-2035 Sequim Comprehensive Plan on October 26, 2015; and

WHEREAS, creation of the new Plan was in response to a locally-identified need to provide more active direction in the City's growth policy and strategic infrastructure investments, as well as to meet a State Legislature mandate for local governments to conduct periodic updates of comprehensive plans to maintain currency; and

WHEREAS, Sequim's future quality-of-life is mostly governed by the distribution of population in the City and surrounding Sequim-Dungeness prairie; and

WHEREAS, Sequim's occupied geography mostly is comprised of residentially zoned and used land with the minor portion for community services, retail, and institutions including medical care facilities and schools; and

WHEREAS, the new 2015-20135 Comprehensive Plan is highly directive in reshaping the residential landscape to create fully-functioning single-family neighborhoods and two districts of higher density where density, housing choice, amenities, services, and mobility options create market attraction for attached housing; and

WHEREAS, the City Council adopted a new R4-8 Single-family Residential zone classification on September 9, 2016, to implement the Plan's growth strategy and its goals and policies about the quantity, character and location of residential growth; and

WHEREAS, the Official Zoning Map was concurrently amended to implement the new R4-8 zone classification by re-designating approximately 85% of the City's area; and

WHEREAS, the City Council finds that the creation of the new R4-8 zone, area-wide rezoning of 85% of the City's area, and review of existing development regulations with the Plan's directions fulfill the GMA requirement for regulatory consistency; and

WHEREAS, the assessment of regulatory consistency is presented in summary in *Regulatory Consistency with the Comprehensive Plan* (Exhibit A);

NOW, THEREFORE, the Sequim City Council confirms that the City of Sequim's *Comprehensive Plan* and *Zoning Code* meet the Growth Management Act standard of plan / regulations consistency.

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

Dennis Smith, Mayor

Karen Kuznek-Reese, MMC, City Clerk,

Approved as to Form:

Kristina Nelson-Gross, City Attorney

Exhibit A: Regulatory Consistency with the Comprehensive Plan

I. Growth Strategy (Residential Zones):

On September 09, 2016, the Council adopted a new zone classification, R4-8, to implement the Directed Growth Strategy that is the framework for the new 2015-2035 Sequim Comprehensive Plan (October 26, 2015). This new classification and concurrent revisions to the Official Zoning Map fully met the global directions of the growth strategy, including:

- 1) Maintaining adequate residentially-designated land capacity to meet the adopted 2% annual population growth rate to achieve the population target;
- 2) Redirecting the small demand for market-rate multi-family housing to plan districts such as Downtown that are designed for a multifamily lifestyle by rezoning all parcels outside these districts to R4-8;
- 3) Retaining the three Downtown zone classifications that implement the 2011 Downtown Plan and the three zone classifications (R-III Medium Residential, C-II(M) Medical and Professional Offices, and C-I(NC) Neighborhood Commercial) that are consistent with the planned Lifestyle District;
- 4) Enacting maximum and minimum lot size standards and a minimum plat average density (4 du / acre, net, minimum project “yield” to achieve land use efficiency) to insure land capacity to meet 2% annual growth rate; and
- 5) Establishing greater range of single-family housing density by lowering the minimum lot size by nearly 15% and adjusting single-family house lot coverage standards for a more urban, land-efficient future.

II. Other Plan / Zoning Consistency Actions:

- 1) Retained commercial zoning designations along Washington Street that allow the full range of opportunities to meet community and regional commercial demand and permit other economic activities such as high-tech industry in an office-like setting;
- 2) Retained MU Mixed Use zoning on parcels designated in the Plan as EOA Economic Opportunity Areas as a placeholder with allowed uses consistent with the intent of the EOA designation;
- 3) Retained the zone classifications and designations for the Planned Resort Community, as the expectations of the new Comprehensive Plan are unchanged from the 2006 Plan and implementing zoning.

III. FUTURE LAND USE PLAN DESIGNATIONS AND ZONING FOR CONSISTENCY

Land Use Designation	Typical Land Uses	Planned Density Range	Zone Classification
Single-Family Residential (SFR)	Single-family, detached homes; by CUP: neighborhood parks, schools, public services, special needs housing.	Lots of 5,400 sf min. and 14,500 sf max. (3-8 du/ac.); min. plat avg. of 4 du/ac, net.	R4-8 (new)
Lifestyle District (LD)	Housing of all varieties and density; neighborhood retail; health-care offices, clinics, hospitals; congregate care and assisted living; public services and facilities.	Only limited by height, bulk and site requirements	R-III; C-II(M); C-I (NC)
Neighborhood Center (NC)	Neighborhood retail and services; multi-family housing in integrated, planned MU developments; public facilities.	Only limited by height, bulk and site requirements	C-I (NC)
Community Business (CB)	Community retail and services; public facilities.	NA	C-II(G); C-III
Regional Commercial (RC)	Regional retail and services.	NA	C-II(G); C-III
Highway Commercial (HC)	Visitor and tourist retail, service and lodging.	NA	C-III
Heavy Comm. / Warehouse (HC/W)	Contractor yard; wholesale; warehouse; light product assembly and finishing	NA	C-III; MU
High Tech Light-Industrial (HTLI)	Research, design, manufacturing, and assembly of high-value products in indoor facilities with office-like exteriors	NA	C-III; MU
Economic Opportunity Area (EOA)	Determined by subarea plan: high-tech light industrial, institutional, regional retail, mix of residential / retail / employment	If Residential is included, determined by sub-area plan.	MU as placeholder.
Downtown District (DD)	As per 2011 Downtown Plan: full range of community-serving uses with specified exceptions.	Determined by FAR and max. height	DC, DMU-I, DMU-II
Planned Resort Community (PRC)	Residential of varying densities and types, local retail and services, tourism activities (by master plan).	As adopted in master plan.	C-III; R-III; PF
Agriculture Conservancy (Ag)		NA	AG
Neighborhood Park (NP)	Active sports and passive neighborhood recreation	NA	PF
Major Park / Open Space (P/OS)	Community-wide sports and passive recreation; preservation of natural areas, habitat, ecology	NA	PF
Schools (SCH)	Public schools	NA	PF

SEQUIM CITY COUNCIL AGENDA COVER SHEET

MEETING DATE: November 28, 2016

FROM: Joseph D. Irvin, AICP
Asst. to the City Manager

JDI
Initials

SUBJECT/ISSUE: Approve Clallam CoWorking Lease

Discussion dates				
CATEGORY	<input type="checkbox"/> City Manager Report	<input 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 checked="" type="checkbox"/> New Business		
Reviewed by			Initials	Date
Kristina Nelson-Gross, City Attorney			KNG	11-22-2016
Connie Anderson, Deputy Administrative Services Director			CA	11-22-16

PROBLEM/ISSUE STATEMENT:

Local community members, Edward Unthank and Ankur Shaw (both Co-founders of Clallam CoWorking, LLC) realized the need for a coworking space in the Sequim community. They began to have conversations with the City of Sequim to secure usage of the City's building located at 226 N. Sequim Avenue via a commercial lease agreement.

ATTACHMENTS:

1. Proposed Clallam Coworking, LLC Lease Agreement with Exhibit A

DISCUSSION/ANALYSIS:

Clallam CoWorking, LLC is a private entity and it is their intent to lease a portion of the City's building located at 226 N. Sequim Avenue. Coworking is a style of work that involves a shared working environment, often an office, and independent activity. Unlike in a typical office environment, those who are coworking are usually not employed by the same organization. Typically coworkers are work-at-home professionals, independent contractors, or people who travel frequently who end up working in relative isolation. As such, a coworking establishment is an attractive opportunity because it offers a social gathering of a group of people who work independently, but who share values. They are also interested in the synergy that can happen from working with people who value working in the same place alongside each other. Coworking offers a solution to the problem of isolation that many freelancers experience while working at home, while at the same time letting them

escape the distractions of home. Information about Clallam CoWorking can be found at www.clallamcoworking.com.

Over the past 2-months, City staff has worked to prepare the subject building to ensure the building could serve the purposes requested by Clallam CoWorking, LLC and to ensure that the City has the opportunity to utilize certain portions of the building for its storage and/or meeting needs. Additionally, engaging in a lease agreement with Clallam CoWorking, LLC supports the City's plan to initiate a "Work in Place" initiative.

FINANCIAL IMPLICATIONS:

As outlined in the attached lease agreement, the City will collect \$12,510.00 in rent from January 1, 2017 to December 31, 2017, of which \$1,606.32 will be submitted to the Washington State Department of Revenue to ensure compliance with RCW- Chapter 82.29A – Leasehold Excise Tax.

For Water, Sanitary Sewer and Electricity, the lessor (a.k.a. the City of Sequim) accepts the responsibility for 50% of the monthly bills and the lessee (a.k.a. Clallam CoWorking, LLC) shall submit an invoice to the lessor for the reimbursed payment within 14 calendar days of receipt of the invoice. Lessor agrees to pay accepted invoices within 14 calendar days of receipt.

RECOMMENDATION:

Staff would like to recommend the City Council approve a motion to authorize the City Manager to sign the proposed lease agreement with Clallam CoWorking, LLC.

MOTION:

I move to authorize the City Manager to sign the proposed lease agreement with Clallam CoWorking, LLC.

COMMERCIAL PREMISES LEASE AGREEMENT

THIS AGREEMENT is executed in duplicate effective the _____ day of _____, _____, by and between City of Sequim, a Washington municipal corporation ("lessor") and Clallam CoWorking, LLC, a Washington corporation ("lessee").

Recitals:

1. Lessee seeks to use Lessor's building located at 226 North Sequim Avenue as location for its CoWorking establishment; and
2. Lessor wants to support local businesses to the extent it is authorized under law; and
3. Lessor's building located at 226 North Sequim Avenue has been vacant since May 18, 2015 and no one has approached Lessor regarding its use.

NOW THEREFORE, in consideration of the rents, mutual promises, covenants, and conditions hereinafter set forth, the parties agree as follows:

1. **Leased premises.** Lessor hereby leases to lessee, upon the terms and conditions herein set forth, the commercially zoned real property commonly described as 226 North Sequim Avenue, Sequim, Clallam County, Washington, legally described as follows ("the premises"):

Legal Description: SEQUIM, ORIGINAL PLAT OF LTS 10-11-12-13 BL A

2. **Use of premises.** The premises shall be used by lessee, Clallam Co-Working and for no other purpose without the prior written consent of lessor. Lessee shall not allow use of the premises in any way which would violate any certificate of occupancy, make void or voidable any insurance then in force with respect to the premises or make it impossible to obtain such insurance or cause an increase in the premiums therefor, cause structural injury to all or any part of the premises or to any improvements constructed thereon, create or continue a public or private nuisance, or use the premises for any illegal purpose. Lessee shall permit no waste, damage, or injury to the premises nor allow a nuisance of any kind. Lessee shall use the premises in accordance with applicable laws, ordinances, rules, regulations, and requirements of government authorities. The lessee's use of premises is limited to the area(s) described in Exhibit A, which is attached and incorporated into this agreement by this reference.

3. **Term.** The term of this lease shall commence as of January 1, 2017 and shall terminate one (1) year thereafter, unless lessee exercises its right to terminate the lease early. Additionally, the lessor will grant a first right of refusal to the lessee within the first year to allow the lessee the opportunity to increase the square footage to be used under the lessor's terms in this agreement. This first right of refusal is only available upon the initial execution of this agreement and not in any subsequent amendments. In the event lessee determines that it desires to terminate the lease prior to the end of the term stated above, it shall give lessor three (3) months prior written

notice before vacating the premises. In the event lessor determines that it desires that the lease be terminated prior to the end of the term stated above, it shall notify lessee in writing and lessee agrees to enter into good faith negotiations to determine if it can accommodate lessor's request, but shall not be obligated to terminate the lease early.

4. **Rent.** Lessee covenants to pay to Lessor as a net minimum rent (the "Fixed Rent") during the Lease Term of \$908.64 per month together with payment of the Washington State Leasehold Excise Tax of 12.84% of \$133.86 per month as set forth in Section 5. The Fixed Rent shall be payable in advance in equal monthly installments on the first day of each calendar month. If the Lease Term does not commence on the first day of a month, the Fixed Rent for the month in which the Lease Term commences shall be appropriately apportioned. Each date on which Fixed Rent is payable hereunder is hereinafter referred to as a "Rent Payment Date". In the event lessee has not made its rent payment by the tenth day of the month, it shall pay a late payment penalty of \$50.00.

This is a triple net lease. As additional rent, lessee shall also pay leasehold excise taxes reimbursement for lessor's actual insurance costs on a monthly basis, and utility and other municipal charges for the premises. In the event lessor's per month insurance charge changes, lessor will notify lessee at least twenty (20) days prior to the month in which the revised payment will be due. Lessor's insurance covers Lessor's assets only; lessee is responsible for securing its own insurance as per Section 17 of this Agreement.

In addition, should there be enacted during the term of this agreement any law, statute, ordinance, or other lawful rule or regulation imposing or levying any tax, charge, assessment, or fee on the real property or any new tax (other than federal or state income tax), directly or indirectly, in whole or in part, upon rent or the income from real estate or rental property, or increasing any such tax, charge, assessment, or fee, lessee shall reimburse lessor monthly, as additional rent, at the same time as the base monthly rental amount payments are due hereunder, for the actual amount of all such taxes charges, assessments, or fees paid. Lessor shall give lessee thirty (30) days prior notice of any adjustments to the additional rental amount and will upon lessee's request provide documentation justifying the same.

5. **Additional lease consideration.** Lessee shall pay any leasehold excise tax due, if any, pursuant to Chapter 82.29A RCW, to the lessor on or by December 31 of each year. If the State of Washington changes the leasehold excise tax or if the City of Sequim imposes this tax, the tax payable by lessee shall be correspondingly changed. If lessee provides lessor with proof of exemption from the Washington State Department of Revenue, then lessee shall not be required to pay the leasehold excise tax.

6. **Security deposits.** No security deposit by lessee shall be required. Lessee shall be responsible for administering all security deposits of its tenants and shall hold harmless and indemnify lessor for any liability arising out of security deposits made by lessee's tenants.

7. **Covenant of quiet enjoyment.** Lessor covenants and agrees that lessee, upon performance of all of lessee's obligations under this lease, shall lawfully, quietly, and exclusively hold, occupy, and enjoy the leased premises during the term and any renewal term of this lease without disturbance by lessor or by any person having title paramount to lessor's title or by any person claiming under lessor, subject to the other terms and provisions of this lease and subject to all mortgages, underlying leases and other underlying matters of record to which this lease is or may become subject to and subordinate. Subject to paragraph 13, lessee agrees that inspection and measurement of the premises at reasonable times may be performed by lessor or lessor's agents for lease compliance purposes and for preparation for lessor's current intended future use of the premises.

8. **Acceptance of premises.** Lessee has examined the premises and accepts the premises in its present "as is" condition, including without limitation all interior and exterior structural and aesthetic components and features, doors, windows, and utility and mechanical systems, parking lots, sidewalks, and potential environmental hazards or defects in or on the premises, whether obvious or latent. Lessee has had an opportunity to conduct all requested inspections and assumes all risk with respect to the condition of the premises. Lessor makes no representations regarding the same.

9. **Utilities.** As referred to in paragraph 4 above, lessee shall pay all charges for all utilities, including but not limited to power, water, sanitary sewer, solid waste, telephone, internet connection, and other services or utilities used, rendered, or supplied upon or in connection with the premises. Lessee shall indemnify lessor against any liability or damages on any such account. For Water, Sanitary Sewer and electricity the lessor accepts the responsibility for 50% of the monthly bills and the lessee shall submit an invoice to the lessor for the reimbursed payment within 14 calendar days of receipt of the invoice. Lessor agrees to pay accepted invoices within 14 calendar days of receipt. If the lessor needs to use internet connection they shall pay their apportioned share after this agreement has been amended to reflect such usage needs. The lessor will also waive any utility deposit(s) that may be required.

10. **Maintenance by lessee.** Lessee shall maintain the premises in good condition and repair. Lessee shall keep the premises in a neat, clean, and sanitary condition, and shall keep the premises and all items therein installed by lessor or lessee in good condition, except only for reasonable wear and tear. Lessee will not be responsible for damage to or defects in the premises covered by lessor's insurance for which lessor receives compensation from its insurance coverage.

11. **Lessor's personal property.** Lessee agrees that all of lessor's personal property on the premises shall remain on the premises during the lease term and shall be maintained and repaired at lessee's expense. The following items presently located on the premises include: window and door screens; attached plumbing and lighting fixtures; landscaping; operable stoves; window treatments ventilating and heating systems, fixtures; and carpets; and items located within lessor's storage area.

12. **Alterations and improvements.** Lessee shall make no changes, improvements, additions, or alterations to the premises without first obtaining the written consent of lessor, which consent will not be unreasonably withheld. Except as otherwise provided herein, all such changes, improvements, additions, alterations, and repairs, if any, made by lessee shall remain on the premises and shall become the property of lessor upon the expiration or sooner termination of this lease. Lessee shall not suffer or permit the imposition of any liens against the premises and lessor may, as a condition to consenting to alterations, require that lessee give security satisfactory to lessor that the alterations and improvements will be completed, free and clear of liens, and in a manner satisfactory to lessor. Trade fixtures purchased and installed by lessee that can be removed without injury to the premises shall be and remain the property of lessee.

13. **Lessor's access to premises.** Lessor, for itself and its agents, reserves the right to enter and inspect the premises at any and all reasonable times throughout the term of this lease, subject to the requirement that lessee's tenants be provided at least twenty-four (24) hours advance notice except in the event of emergency conditions, provided lessor shall not interfere unduly with lessee's possession. The right of inspection reserved hereunder shall impose no obligation upon lessor to make inspections to ascertain the condition of the premises, and shall impose no liability upon lessor for failure to make such inspection.

14. **Indemnification.** Lessee shall indemnify lessor and hold lessor harmless from and against any and all claims, demands, causes of action, suits, or judgments (including costs, attorney's fees, and expenses incurred in connection therewith, whether or not suit is filed) for deaths or injuries to persons or for loss of or damage to property arising from or out of any occurrence in, upon, or at the premises and areas adjoining the same, or the occupancy or use by lessee of the premises or any part thereof, or occasioned wholly or in part by any act or omission of lessee, its agents, contractors, employees, servants, successors, assigns, invitees, or licensees, unless such damage is caused by the sole gross negligence, willful misconduct, or intentional act of lessor. This indemnification shall include any and all claims, damages, fines, penalties, or other costs (including without limitation any and all sums paid for settlement, claims, attorney fees and costs, consulting and expert fees, investigation of the site or any cleanup, removal, or restoration) relating to or in connection with the presence or suspected presence of hazardous or toxic substances, waste, or other materials in, under, or on the premises or areas adjacent thereto, to the extent such hazardous substances are first present after the commencement of this lease as a result of the negligence, willful conduct, or other act(s) or omission(s) of lessee, its agents, employees, contractors, or invitees. Lessee agrees to defend and to hold and save lessor harmless from any and all loss, damage, liability, or expense resulting from any actual or alleged act or omission of lessee or any other person in or about the premises. Lessee shall immediately notify lessor in writing of any claim for death of or injury to person or damages to or destruction of property or of any other condition or circumstances arising upon or in connection with the premises which may expose lessee and/or lessor to liability. This indemnification is intended to and shall survive the expiration or sooner termination of this agreement.

15. **Liability insurance.** Lessee shall, at lessee's expense, maintain public liability and property damage insurance insuring against any and all claims for injury to or death of persons and

loss of or damage to property occurring upon, and/or about the premises. Such insurance shall have liability limits of not less than \$1,000,000.00 for each occurrence and \$1,000,000.00 in the aggregate and property damage insurance with minimum limits of \$1,000,000.00. In no event shall the limits of said policy(ies) be considered as limiting the liability of lessee under this agreement.

All such insurance shall name lessor and lessee as co-insured, additional insured or named insured, with severability of interest endorsement. All such insurance shall be issued by carriers acceptable to lessor and shall contain a provision whereby the carrier agrees not to cancel or modify the insurance without forty-five (45) days prior written notice to lessor. Lessee shall furnish lessor with a certificate evidencing the aforesaid insurance and renewal certificates shall be furnished to lessor at least thirty (30) days prior to the expiration date of each policy for which a certificate was theretofore furnished. Lessor shall be entitled to pay any insurance premium not promptly paid by lessee and to charge back that cost to lessee as additional rent hereunder.

16. **Lessor's property insurance.** Lessor shall, at lessee's expense (per the provisions of paragraph 4 above regarding additional rent), maintain a policy of standard hazard/fire insurance with extended coverage for the premises in the amount of \$1,000,000.00. Lessor shall cause such insurance to name lessee as an additional insured. Provided, lessee understands and acknowledges that such insurance does not cover the personal property of lessee located on the premises, and may not cover fixtures installed by lessee. Lessor shall have no liability whatsoever for any loss or damage to the property of lessee. All proceeds of any such insurance shall be payable to lessor and shall be applied to the restoration of the premises to the extent provided in paragraph 22 below. Any proceeds of such insurance remaining after such restoration shall belong to lessor. Lessee shall pay any additional charge to be added as additional insured and shall also pay the deductible in the event any claim is made under lessor's policy.

17. **Lessee's property insurance.** Lessee shall, at lessee's expense, maintain on all of lessee's personal property and leasehold improvements and alterations on the premises a policy of standard hazard/fire insurance, with extended coverage, in the amount of their replacement value. Such insurance shall name lessor as an additional insured. All proceeds of any such insurance shall be applied to the restoration of fixtures, improvements, and alterations to the extent provided in paragraph 22 below. Any proceeds of such insurance remaining after such restoration shall belong to lessee.

18. **Waiver of subrogation.** Lessor and lessee hereby mutually release each other from liability and waive all rights of recovery against each other from any loss, to the extent insurance proceeds are recovered for such loss, from any insured risk under their respective insurance policies on the premises and contents, including, without limitation, any fire insurance policies and extended coverage endorsements thereto, provided this paragraph 18 shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of lessor or lessee.

19. **Assignment and subletting.** Lessor acknowledges that lessee may sublet space in the premises and shall not be required to obtain lessor's approval for such subletting. Lessee shall

be obligated to terminate all of its tenants on or before termination by lessee of this lease. Except for the foregoing exception, neither this lease nor any right hereunder may be assigned, transferred, or encumbered, in whole or in part by lessee, by operation of law or otherwise, without lessor's prior written consent, which consent will not be unreasonably withheld. If lessor shall give its consent to any assignment, this paragraph 19 shall nevertheless continue in full force and effect and no further assignment shall be made except in accordance with this paragraph. Lessee will advise all subtenants in writing of applicable termination and surrender provisions of this lease such that subtenants shall have no expectation of a long term sublease.

20. **Advance by lessor for lessee.** If lessee shall fail to do anything required to be done by it under the terms of this lease, except pay rent, lessor may, at its sole option, do such act or thing on behalf of lessee, and upon notification to lessee of the cost thereof to lessor, lessee shall promptly pay lessor the amount of that cost, plus interest at the rate of twelve percent (12%) per annum from the date that the cost was incurred by lessor to the date of lessee's payment.

21. **Liens and encumbrances.** Lessee shall keep the premises free and clear of any liens and/or encumbrances arising or growing out of the use and occupancy of the premises by lessee. At lessor's request, lessee shall furnish lessor with written proof of payment of any item which would or might constitute the basis for a lien on the premises if not paid. If any lien is filed against the premises or lessee's leasehold interest, lessee shall cause the same to be discharged of record within thirty (30) days after the filing of the same. Lessee further agrees that it will, by way of additional rents hereunder, pay and indemnify lessor against any and all legal costs and charges, including reasonable attorney's fees and costs incurred in and about the prosecution or defense of any suit in discharging the premises, or any part thereof, from any claims, liens, judgment, or encumbrances caused or suffered by lessee.

22. **Damage or destruction.** If the premises are damaged or destroyed by fire or any cause other than any act or omission of lessee, its employees, agents, invitees, or licensees, lessor shall have the option to restore the premises, except for such fixtures, improvements, and alterations as are installed by lessee in accordance herewith, as nearly as practicable to their condition immediately prior to such damage or destruction. Lessee, at lessee's expense, shall so restore all such approved fixtures, improvements, and alterations installed by lessee. Lessee shall restore the premises with respect to all damage caused by any act or omission of lessee, its employees, agents, invitees, or licensees, and lessee agrees to reimburse lessor upon demand for all sums expended from time to time by lessor for such restoration. The lessor's option to restore provided in this paragraph 22 shall be subject to lessor's termination rights provided below. Any restoration shall be promptly commenced and diligently prosecuted. Lessor shall not be liable for any consequential damages by reason of any such damage or destruction.

Notwithstanding any of the foregoing provisions of the preceding paragraph, in the event the premises shall be destroyed or damaged to such an extent that lessor deems it is not economically feasible to restore the same in light of the insurance coverage in force, lessor may terminate this lease as of the date of the damage or destruction by giving lessee notice to that effect.

If lessor undertakes to restore the premises as provided in this paragraph 22, then commencing with the date of the damage or destruction and continuing through the period of restoration, the rent for the premises shall be abated for such period in the same proportion as the untenable portion of the premises bears to the whole thereof, except that there shall be no abatement to the extent that any such damage or destruction is caused by any act or omission of lessee, its employees, agents, invitees, or licensees.

23. Surrender of premises.

23.1 **CONDITION OF PREMISES.** Upon expiration or early termination of the lease or earlier termination on account of default, lessee shall quit and surrender the premises in good, neat, clean, and sanitary condition, consistent with lessee's obligations under paragraph 10 regarding maintenance obligations of lessee. Alterations constructed by lessee with permission from lessor shall not be removed or restored to the original condition unless the terms of permission for the alterations so provide. All repairs for which lessee is responsible shall be completed to the latest practical date prior to such surrender. Lessee's obligations under this subparagraph of paragraph 23 shall be subordinate to the provisions of paragraph 22 relating to destruction. Premises shall not be encumbered by subleases (including tenant rental agreements) at the time of surrender. Lessee shall be responsible for providing that all tenants have been given proper notice of lease or rental agreement termination.

23.2 **FIXTURES.** Lessee may install on the premises such equipment as is customarily used in the type of business conducted by lessee on the premises. Upon the expiration or sooner termination of this lease, lessee shall, at lessee's expense, remove from the premises all such trade fixtures and all other property placed on the premises by lessee including movable furniture, decorations, floor covering (other than hard surface bonded or adhesively fixed flooring), curtains, blinds, and furnishings. Lessee shall repair any damage to the premises occasioned by the removal of such trade fixtures or other property. Any property left in the premises after the expiration or sooner termination of this lease shall be deemed to have been abandoned by lessee and become the property of lessor to dispose of as lessor deems expedient without accounting to lessee therefor. All fixtures placed upon the premises during the term, other than lessee's trade fixtures, shall, at lessor's option, become the property of lessor. If lessor so elects, lessee shall remove any or all fixtures which would otherwise remain the property of lessor, and shall repair, at lessee's expense, any physical damage to the premises occasioned by such removal.

24. **Holding over.** If lessee does not vacate the premises at the time required, lessor shall have the option to treat lessee as a tenant from month to month, subject to all the provisions of this lease except for the provisions for term. Failure of lessee to remove fixtures, furniture, furnishings, or trade fixtures which lessee is required to remove under this lease shall constitute a failure to vacate to which this paragraph 24 shall apply if the property not removed will substantially interfere with occupancy of the premises by another tenant or with occupancy by lessor for any purpose including preparation for a new tenant. If a month-to-month tenancy results from a holdover by lessee under this paragraph 24, the tenancy shall be terminable at the end of any monthly rental period upon written notice from lessor given not less than twenty (20) days prior to

the termination date which shall be specified in the notice. Lessee waives any notice which would otherwise be provided by law with respect to a month-to-month tenancy. Any sublessee who holds over shall not have a continuing month to month tenancy and all costs of evicting said hold over sublessee shall be borne by lessee.

25. **Default.** The following shall be events of default:

25.1 Failure of lessee to pay any rent or other charge on or before the same is due.

25.2 Failure of lessee to comply with any term or condition or to fulfill any obligation of this lease (other than the payment of rent or other charges) within thirty (30) days after written notice by lessor specifying the nature of the default with reasonable particularity, unless some other period of time is provided for herein. If the default is of such a nature that it cannot be completely remedied within a thirty (30) day period, this provision shall be complied with if lessee begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

25.3 Attachment of or the levying of execution upon the premises or leasehold interest of lessee and failure of lessee to secure discharge of the attachment or release of the levy of execution within thirty (30) days.

25.4 Failure of lessee for thirty (30) days or more to occupy the premises for the purpose permitted under this lease unless such failure is excused under other provisions of this lease. Lessee shall be conclusively deemed to have abandoned the premises upon removal of all or substantially all personal property of lessee from the premises (unless prior written notice was given to lessor explaining the basis for such removal and that occupancy was intended to be recommenced within twenty (20) days), or failure by lessee to be open for business at the premises during regular business hours for seven (7) consecutive days.

25.5 Appointment of a receiver for the property of lessee or an assignment by lessee for the benefit of its creditors.

26. **Remedies upon default.**

26.1 **TERMINATION.** In the event of a default, the lease may be terminated at the option of lessor by notice in writing to lessee. The notice may be given before or within thirty (30) days after the running of any grace period for default and may be included in a notice of failure of compliance given under subparagraph 25.2 above. If the property is abandoned by lessee in connection with a default, termination shall be automatic and without notice.

26.2 **DAMAGES WITHOUT TERMINATION.** Lessor shall be entitled to recover damages from lessee for the default of lessee whether the lease is terminated or not.

26.3 RE-ENTRY AFTER TERMINATION. If the lease is terminated for any reason, lessee's liability to lessor for damages shall survive such termination, and the rights and obligations of the parties shall be as follows:

26.3.1 Lessee shall vacate the property immediately, remove any property of lessee, including any fixtures which lessee is required to remove upon expiration of the lease, perform any clean-up, alterations, or other work required to leave the premises in the condition required at the expiration of the term, and deliver all keys to lessor.

26.3.2 Lessor may re-enter, take possession of the premises, and remove any persons or property by legal action or by self-help, with the use of reasonable force and without liability for damages.

26.4 ACCELERATION. In the event of termination upon default, lessor shall be entitled to recover immediately, without waiting until the due date of any future rent or until the date fixed for expiration of the term of this lease, from lessee an aggregate sum representing, at the time of such termination of this lease, the then present worth of the excess, if any, of the aggregate of the rent and all other charges payable by lessee hereunder that would have accrued until the expiration of the term of the lease over the reasonable rental value of the premises during such term.

26.5 REMEDIES CUMULATIVE. The specified remedies to which lessor may resort under the terms of this lease are cumulative and are not intended to be exclusive of any other remedies or means of redress to which lessor may lawfully be entitled in case of any breach or threatened breach by lessee of any provision of this lease. In addition to the other remedies in this lease provided, lessor shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation, of any of the covenants, conditions, or provisions of this lease.

26.6 SECURITY INTEREST. Notwithstanding anything to the contrary herein, upon default in the payment of rent by lessee, lessor shall be entitled to enter the premises and take possession of any inventory, equipment, or other goods of lessee which may be subject to a security interest granted to lessor pursuant to the terms of a security agreement executed in connection with or subsequent to this lease.

27. **Signage.** Except for signage in place at the commencement of this lease, all signage, including additions or changes to lessee's signage on the exterior of the premises, shall be subject to the prior written approval of lessor, which approval shall not be unreasonably withheld. Lessor also reserves the right to restrict the usage of temporary and/or permanent window signs and advertisements and to require their removal in the event lessor determines such signs or advertisements are inappropriate or inconsistent with usage of the premises. Lessee shall be entitled to retain any compensation received from renting any of the signage. All signage shall comply with applicable Sequim Municipal Code.

28. **Notices.** All notices, demands, and requests to be given by either party to the other shall be in writing. All notices, demands, and requests may be personally served or mailed. If mailed, such notices, demands, and requests shall be sent by certified mail to the parties at the addresses below their respective signatures herein.

29. **Non-waiver.** Time is and shall be of the essence of this lease and of each and every part hereof, and no failure of lessor to insist upon the strict performance of any provision hereof shall be construed as depriving lessor of the right to insist upon strict performance of such provision or any other provision in the future. No waiver by lessor of any provision of this lease nor any alteration, modification, or abandonment of any covenant, term, or condition of this lease required to be performed by lessee shall be deemed to have been made unless expressed in writing and signed by lessor. No acceptance of rent or of any other payment by lessor from lessee after any default by lessee shall constitute a waiver of any such default or any other default. Consent by lessor in any one instance shall not dispense with necessity of consent by lessor in any other instance.

30. **Legal fees and costs.** In connection with any controversy, claim, or dispute (including arbitration, administrative, bankruptcy, and judicial proceedings, including appeals therefrom) arising out of or relating to this agreement, the method and manner of performance hereunder, or the breach hereof, or arising out of lessee's occupancy of the premises, the prevailing party shall be entitled to and awarded, in addition to any other relief, a reasonable sum as and for its lawyer's fees and costs. If neither party wholly prevails, the party which substantially prevails shall be awarded a reasonable sum as and for lawyer's fees and costs. Lawyer's fees shall include services rendered whether or not a lawsuit is commenced, services rendered at both the trial and appellate court levels, as well as services rendered subsequent to judgment and obtaining execution thereon. Such fees, costs, and expenses shall bear interest at the highest rate allowable under Chapter 19.52 RCW, as now or hereafter amended, but in any event not less than twelve percent (12%) per annum.

31. **Binding effect.** Subject to the provisions of paragraph 19 above, this lease shall be binding upon and inure to the benefit of the parties hereto, their respective personal and legal representatives, successors, and assigns.

32. **Memorandum of lease.** This lease shall not be recorded without the prior written consent of lessor. The parties agree to execute and acknowledge a memorandum of this lease in a form suitable for recording evidencing the commencement date and expiration date of this lease.

33. **Entire agreement.** This document contains the entire and integrated agreement of the parties and there are no terms, obligations, covenants, or conditions other than those contained herein. This document may not be modified except in writing signed and acknowledged by all parties hereto.

34. **Miscellaneous.**

34.1 CAPTIONS AND CONSTRUCTION. The captions in this lease are for the convenience of the reader and are not to be construed in the interpretation of its terms.

34.2 INTERPRETATION. This lease has been submitted to the scrutiny of all parties hereto and their counsel, if desired, and shall be given a fair and reasonable interpretation in accordance with the language hereof, without consideration or weight being given to its having been drafted by any party hereto or its counsel.

34.3 PARTIAL INVALIDITY. If any term or provision of this lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this lease shall be valid and enforced as written to the full extent permitted by law.

34.4 CONFLICT OF PROVISIONS. In case of conflict, the more specific provision of this lease shall control.

34.5 RELATIONSHIP OF PARTIES. Nothing contained herein shall create the relationship of principal and agent or of partnership or joint venture between the parties hereto, and no provisions contained herein shall be deemed to create any relationship between the parties other than that of landlord and tenant.

34.6 GOVERNING LAW. This lease shall be governed by the laws of the state of Washington and venue shall be in Clallam County.

34.7 ESTOPPEL CERTIFICATE. Lessor and lessee agree from time to time promptly to execute, acknowledge, and deliver to the other party a statement in writing certifying that this lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), whether any party is in default or breach of this lease, and the dates to which the basic rent and other charges have been paid in advance, if any.

34.8 NUMBER; GENDER; PERMISSIVE VERSUS MANDATORY USAGE. Where the context permits, references to the singular shall include the plural and vice versa, and to the neuter gender shall include the feminine and masculine. Use of the word "may" denotes an option or privilege and shall impose no obligation upon the party which may exercise such option or privilege. Use of the word "shall" denotes a mandatory duty or an obligation.

IN WITNESS WHEREOF, the parties hereto have executed this instrument in duplicate.

LESSEE:

Clallam CoWorking, LLC,
a Washington corporation

By: _____
Edward Unthank, Co-Founder

By: _____
Ankur Shah, Co-Founder

163 Quarter Horse Ln.
Sequim, WA 98382

LESSOR:

CITY OF SEQUIM, a Washington
municipal corporation

By: _____

Charles P. Bush, City Manager
152 West Cedar Street
Sequim, WA 98382

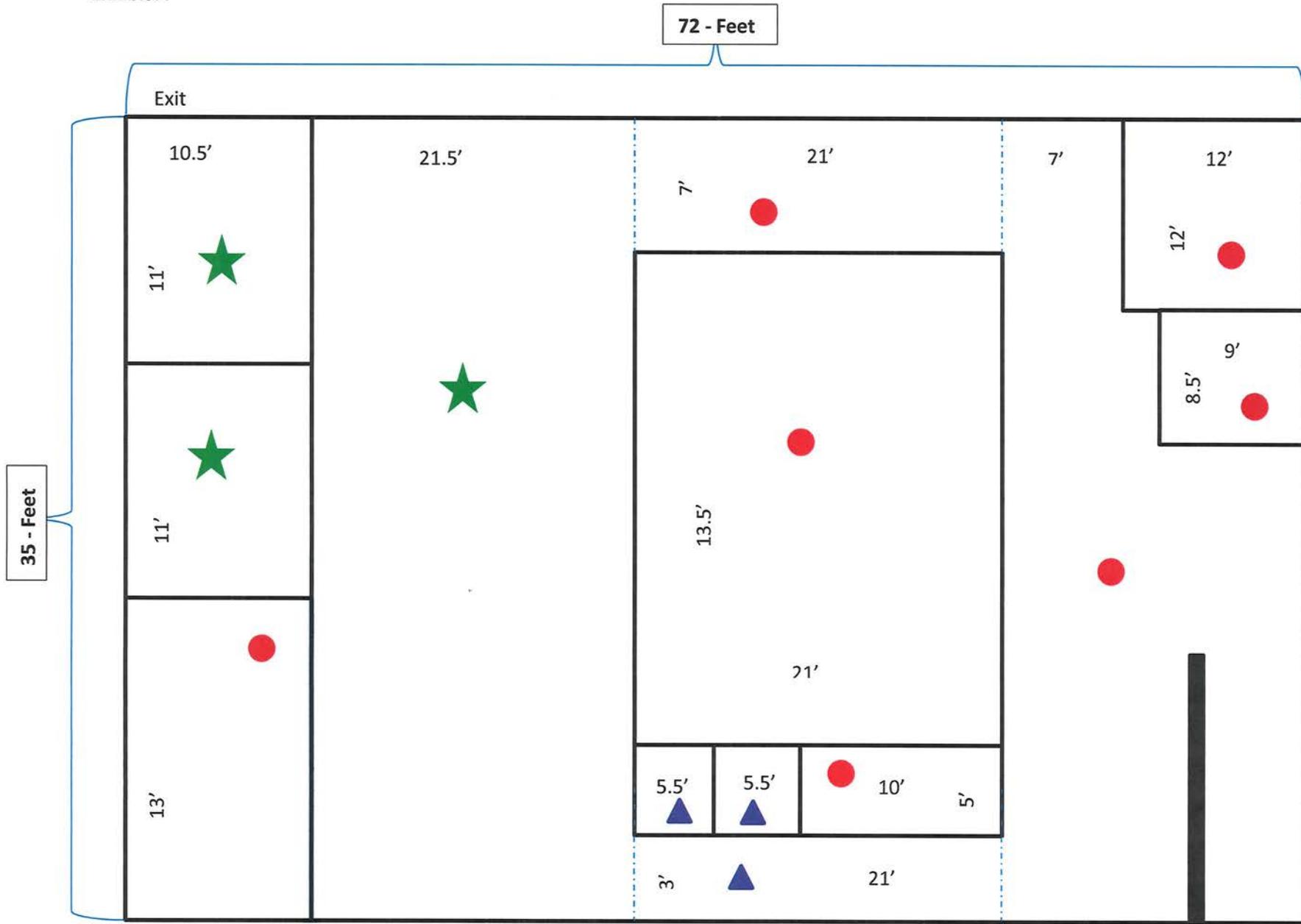
ATTEST:

Karen Kuznek-Reese, MMC
City Clerk

APPROVED AS TO FORM:

Kristina Nelson-Gross
City Attorney

Exhibit A



- City Total Square Footage – 1,282
- ★ Clallam Co-Working Total Square Footage – 983.5
- ▲ Common Area Total Square Footage – 118

\$1.00/sq.ft
Common Area Split at 50%

Not to Scale

SEQUIM CITY COUNCIL AGENDA COVER SHEET

MEETING DATE: November 28, 2016

FROM: Karen Kuznek-Reese
City Clerk

kk
Initials

SUBJECT/ISSUE: AWC Center for Quality Communities Scholarships

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		
	<input type="checkbox"/> Unfinished Business	<input checked="" type="checkbox"/> New Business		
Reviewed by	Initials		Date	
Joseph D. Irvin, Acting City Manager	JDI		11/22/2016	

PROBLEM/ISSUE STATEMENT:

AWC sponsors the AWC Center for Quality Communities to promote civic engagement and provide the public a better understanding of the role cities and towns play in Washington. The Center is offering six (6) \$1,000 scholarships and asking for participation from cities.

ATTACHMENTS: None.

DISCUSSION/ANALYSIS:

AWC is sponsoring the AWC Center for Quality Communities (CQC) scholarship. CQC has been awarding scholarships since 2011 to Washington high school students who give back to their communities and demonstrate a strong civic spirit. This organization is offering six (6) \$1,000 scholarships and asking for participation from cities.

Cities are asked to solicit applications and then forward one recommendation to be considered for the Center for Quality Communities scholarship. Sample criteria and forms have been developed by CQC to be used in this process.

The City has participated in this program for several years. However, the City requirements were that applicants reside within the Sequim city limits or have a parent that worked for the City of Sequim. We did not receive any applications from students meeting those criteria. It is staff's recommendation to allow any student in the school district to apply.

The City's nominee and application are due to the AWC Center for Quality Communities by March 10, 2017. To allow time for the committee to evaluate the applicants, I have set a deadline date to the City of February 24, 2016.

It is suggested that two council members along with staff serve on the scholarship application review panel.

BUDGET IMPLICATIONS: None.

RECOMMENDATION:

- That the City participate in this program
- Establish eligibility requirements that applicants must reside in the Clallam County boundaries of the Sequim School District
- Appoint two council members to a committee to review applications and nominate a student for the Quality Communities Scholarship.

MOTION:

I move that the City participate in the AWC communities scholarship program, establish eligibility requirements that applicants must reside in the Clallam County boundaries of the Sequim School District, appoint two council members _____ and _____ to work with City staff to review applications and submit one nomination to AWC Center for Quality Communities.