



**CITY OF COVINGTON
CITY COUNCIL REGULAR MEETING AGENDA**

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**Tuesday, March 22, 2016
7:00 p.m.**

**City Council Chambers
16720 SE 271st Street, Suite 100, Covington**

Note: A Study Session is scheduled from 6:00 to 7:00 p.m.

CALL CITY COUNCIL REGULAR MEETING TO ORDER

ROLL CALL/PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMUNICATION

- Sexual Assault Awareness Month Proclamation – Mary Ellen Stone, King County Sexual Assault Resource Center (KCSARC)

PUBLIC COMMENT Speakers will state their name, address, and organization. Comments are directed to the City Council, not the audience or staff. Comments are not intended for conversation or debate and are limited to no more than four minutes per speaker. Speakers may request additional time on a future agenda as time allows.*

APPROVE CONSENT AGENDA

- C-1. Minutes: March 8, 2016 Regular Meeting Minutes (Scott)
- C-2. Vouchers (Hendrickson)
- C-3. Approve Parametrix Professional Services Agreement (Hart)
- C-4. Approve Brickman Group Landscape Maintenance Contract Amendment No. 1 (Vondran)

REPORTS OF COMMISSIONS

- Human Services Chair Fran McGregor: March 10 meeting.
- Parks & Recreation Chair Laura Morrissey: March 12 playground tour and March 16 meeting.
- Arts Chair Lesli Cohan: March 10 meeting.
- PRePAC Chair Jennifer Harjehausen: February 24 meeting.
- Economic Development Council Co-Chair Jeff Wagner: February 25 meeting.
- Planning: next meeting April 7; March 3 and March 17 meetings canceled

NEW BUSINESS

1. Consider Appointments to Human Services Commission (Council)
2. Consider Request to Puget Sound Regional Council to Reclassify Covington from Small City to Larger City (Hart)
3. Consider Ordinance on Bond Public Offering (Hendrickson)
4. Approve Skate Park Renovation Design (Feser)
5. Approve Interlocal Agreement with Kent School District for Collection of School Impact Fees (Bolli/Springer)

6. Consider Resolution Supporting Continued Adequate State Funding of Municipal Research and Services Center with No Conditions (Bolli)
7. Presentation of 2015 Year End Financials (Hendrickson)

COUNCIL/STAFF COMMENTS - Future Agenda Topics

PUBLIC COMMENT *See Guidelines on Public Comments above in First Public Comment Section

EXECUTIVE SESSION – if needed

ADJOURN

Americans with Disabilities Act – reasonable accommodations provided upon request a minimum of 24 hours in advance (253-480-2400).

Consent Agenda Item C-1

Covington City Council Meeting

Date: March 22, 2016

SUBJECT: APPROVAL OF MINUTES: MARCH 8, 2016 CITY COUNCIL REGULAR MEETING MINUTES

RECOMMENDED BY: Sharon G. Scott, City Clerk

ATTACHMENT(S): Proposed Minutes

PREPARED BY: Joan Michaud, Senior Deputy City Clerk

EXPLANATION:

ALTERNATIVES:

FISCAL IMPACT:

CITY COUNCIL ACTION: _____ Ordinance _____ Resolution X Motion _____ Other

Councilmember _____ moves, Councilmember _____ seconds, to approve the March 8, 2016 City Council Regular Meeting Minutes.

**City of Covington
Regular City Council Meeting Minutes
Tuesday, March 8, 2016**

The Regular Meeting of the City Council of the City of Covington was called to order in the City Council Chambers, 16720 SE 271st Street, Suite 100, Covington, Washington, Tuesday, March 8, 2016, at 7:07 p.m., with Mayor Jeff Wagner presiding.

COUNCILMEMBERS PRESENT:

Jeff Wagner, Joe Cimaomo, Margaret Harto, Mark Lanza, Marlla Mhoon, Jim Scott, and Sean Smith.

STAFF PRESENT:

Regan Bolli, City Manager; Don Vondran, Public Works Director; Noreen Beaufrere, Personnel Manager; Rob Hendrickson, Finance Director; Andrew McCurdy, Covington Police Chief; Richard Hart, Community Development Director; Karla Slate, Communications & Marketing Manager; Ethan Newton, Parks & Recreation Director; Sara Springer, City Attorney; Bob Lindskov, City Engineer; Angie Feser, Parks Planner; Bill Fealy, Maintenance Worker-Arborist; and Sharon Scott, City Clerk/Executive Assistant.

Mayor Wagner opened the meeting with the Pledge of Allegiance.

Mayor Wagner noted that King County Councilmember Reagan Dunn would be unable to give his scheduled annual update due to illness.

APPROVAL OF AGENDA:

Council Action: Councilmember Mhoon moved and Mayor Pro Tem Smith seconded to approve the Agenda. Vote: 7-0. Motion carried.

PUBLIC COMMENT:

Mayor Wagner called for public comments.

There being no comments, Mayor Wagner closed the public comment period.

APPROVE CONSENT AGENDA:

C-1. Minutes: February 9, 2016 City Council Regular Meeting Minutes and February 23, 2016 City Council Regular Meeting Minutes.

C-2. Vouchers: Vouchers #33686-33751, including ACH payments and electronic funds transfers in the amount of \$162,096.32, dated February 19, 2016; and Paylocity Payroll Checks #1004929058-1004929073 inclusive, plus employee direct deposits in the amount of \$180,880.45, dated February 26, 2016.

Council Action: Councilmember Cimaomo moved and Councilmember Mhoon seconded to approve the Consent Agenda. Vote: 7-0. Motion carried.

PUBLIC HEARING:

1. Receive Public Testimony and Consider Ordinance Extending Interim Zoning Regulations Regarding Recreational Marijuana.

Community Development Director Richard Hart provided the staff report on this item.

Mayor Wagner called for public comments for the Public Hearing.

There being no comments, Mayor Wagner closed the public comment period for the Public Hearing.

ORDINANCE NO. 07-2016

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, AMENDING ORDINANCE NO. 09-15 TO EXTEND THE INTERIM ZONING REGULATIONS FOR RECREATIONAL MARIJUANA PRODUCTION, PROCESSING, AND RETAIL USES UNTIL JULY 1, 2016; PROVIDING FOR A PUBLIC HEARING ON THE EXTENSION; ADOPTING FINDINGS OF FACT; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

Council Action: Councilmember Lanza moved and Councilmember Mhoon seconded to pass Ordinance No. 07-2016, in substantial form as that included in the agenda packet, to extend the city’s interim zoning regulations for recreational marijuana production, processing, and retail uses until July 1, 2016. Vote: 7-0. Motion carried.

NEW BUSINESS:

2. Consider Resolution adopting Parks, Recreation and Open Space Plan 2016 Update.

RESOLUTION NO. 2016-03

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON, ADOPTING THE 2016 UPDATE OF THE PARKS, RECREATION, AND OPEN SPACE PLAN FOR THE CITY OF COVINGTON.

Council Action: Councilmember Scott moved and Councilmember Lanza seconded to adopt Resolution No. 2016-03, in substantial form as that included in the agenda packet, to adopt the 2016 Update of the City of Covington Parks, Recreation and Open Space Plan. Vote: 7-0. Motion carried.

3. Approve City Manager 2016 Merit Goals.

Personnel Manager Noreen Beaufriere gave the staff report on this item.

Councilmembers provided comments and discussed.

Council Action: Councilmember Harto moved and Councilmember Scott seconded to approve the City Manager’s 2016 Merit Goals as follows:

- **Create a Youth City Council (YCC) and recruit adult supervisors for the YCC;**
- **Develop a proposed process for the creation of a citywide strategic plan, including a timeline for producing the initial plan and means for obtaining input from council and commissions and include a citizen survey;**
- **Town Center: a) determine if and when the School District will put the property on the market; b) prepare a resolution for the City Council to endorse the bond measure that the School District will place on the ballot; c) obtain Panattoni’s confirmation of its interest in and intention to purchase the school property; d) prepare a Memorandum of Understand (MOU) with Panattoni; and 4) organize a Council “listening session” at Kentwood High School.**

Vote: 7-0. Motion carried.

COUNCIL/STAFF COMMENTS:

Councilmembers and staff discussed Future Agenda Topics and made comments.

City Attorney Sara Springer noted that there would be an Executive Session regarding litigation after which Council may take action.

Councilmember Harto mentioned she would like to see human services and homelessness as a topic for the Tri City meeting agenda.

Council Action: There was Council consensus for the Mayor to sign a letter in support of Municipal Research and Services Center funding.

PUBLIC COMMENTS:

Mayor Wagner called for public comments.

There being no comments, Mayor Wagner closed the public comment period.

EXECUTIVE SESSION:

To Discuss Potential Litigation Pursuant to RCW 42.30.110(1)(l) from 8:15 to 8:34 p.m.

Council Action: Councilmember Scott moved and Councilmember Mhoon seconded to approve the Mayor’s execution of a settlement agreement with the Kent School District, in

substantial form as that presented to the Council, regarding the District’s Declaratory Action in King County Superior Court. Vote: 7-0. Motion carried.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 8:35 p.m.

Prepared by:

Submitted by:

Joan Michaud
Senior Deputy City Clerk

Sharon Scott
City Clerk

Consent Agenda Item C-2

Covington City Council Meeting

Date: March 22, 2016

SUBJECT: APPROVAL OF VOUCHERS

RECOMMENDED BY: Rob Hendrickson, Finance Director

ATTACHMENT(S): Vouchers: Vouchers #33752-33803, including ACH payments in the amount of \$178,783.22, dated March 4, 2016; and Paylocity Payroll Checks #1004982975-1004982991 and Paylocity Payroll Checks #1004983097-1004983097 inclusive, plus employee direct deposits in the amount of \$169,782.41, dated March 11, 2016.

PREPARED BY: Joan Michaud, Senior Deputy City Clerk

EXPLANATION: Not applicable.

ALTERNATIVES: Not applicable.

FISCAL IMPACT: Not applicable.

CITY COUNCIL ACTION: _____ Ordinance _____ Resolution X Motion _____ Other

Councilmember _____ moves, Councilmember _____ seconds, to approve for payment Vouchers #33752-33803, including ACH payments in the amount of \$178,783.22, dated March 4, 2016; and Paylocity Payroll Checks #1004982975-1004982991 and Paylocity Payroll Checks #1004983097-1004983097 inclusive, plus employee direct deposits in the amount of \$169,782.41, dated March 11, 2016.

March 4, 2016

City of Covington

City of Covington

City of Covington
Voucher/Check Register

Check #33752 through Check #33803, including ACH payments

In the Amount of \$178,783.22

We, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the claims are just, due and unpaid obligations against the City of Covington, Washington, County of King, and that we are authorized to authenticate and certify said claims per the attached register.

Cassandra Parker
Senior Accountant

Mark Lanza
City Councilmember

Jeff Wagner
Mayor

Marlla Mhoon
City Councilmember

Council Meeting Date Approved _____

Accounts Payable

Checks by Date - Detail by Check Date

User: scles
 Printed: 3/3/2016 4:23 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
ACH	0078	Shellie Bates	03/04/2016	
	0078-3	Bates; NW Public Works Institute, mileage		14.39
	0078-3	Bates; NW Public Works Institute, mileage		14.39
Total for this ACH Check for Vendor 0078:				28.78
ACH	0683	Abaco Pacific, Inc.	03/04/2016	
	0683-3	SoCo Park; acquisition/appraisal services, 12/13/		2,685.61
Total for this ACH Check for Vendor 0683:				2,685.61
ACH	0706	Covington Retail Associates	03/04/2016	
	4756	1st floor; operating expenses, March		10,401.29
	4756	1st floor; building lease, March		27,018.92
	4757	2nd floor; operating expenses, March		1,406.68
	4757	2nd floor; building lease, March		3,446.92
Total for this ACH Check for Vendor 0706:				42,273.81
ACH	1271	Rob Hendrickson	03/04/2016	
	16-03	Hendrickson; 2016 flexible spending		396.17
Total for this ACH Check for Vendor 1271:				396.17
ACH	1408	Washington Workwear Stores Inc.	03/04/2016	
	12031	Cedar Heights Crime Scene; t-shirts		439.83
	12039	Wesley; embroidery logo for previously purchas		13.58
Total for this ACH Check for Vendor 1408:				453.41
ACH	1901	Modern Building Systems, Inc.	03/04/2016	
	0072053	Maint shop; building lease, 3/1-4/1/16		426.80
	0072053	Maint shop; building lease, 3/1-4/1/16		569.06
	0072053	Maint shop; building lease, 3/1-4/1/16		426.80
Total for this ACH Check for Vendor 1901:				1,422.66
ACH	2555	NuCO2 LLC	03/04/2016	
	47963153	Aquatics; CO2 lease		80.17
Total for this ACH Check for Vendor 2555:				80.17
ACH	2747	Bob Lindskov	03/04/2016	
	2747-3	Lindskov; NW Public Works Institute, mileage		11.56
	2747-3	Lindskov; NW Public Works Institute, mileage		17.33
Total for this ACH Check for Vendor 2747:				28.89
ACH	2777	ThreatTrack Security, Inc.	03/04/2016	
	INV00225862	VIPRE annual subscription; 2/4/16-2/3/17		1,174.40

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
Total for this ACH Check for Vendor 2777:				1,174.40
ACH	2855	Regan Bolli	03/04/2016	
	15-17	Bolli; 2015 flexible spending		1,082.55
	16-02	Bolli; 2016 flexible spending		61.45
Total for this ACH Check for Vendor 2855:				1,144.00
33752	0254	American Public Works Assoc	03/04/2016	
	692932	Junkin; APWA membership, 4/1/16-3/31/17		15.00
	692932	Junkin; APWA membership, 4/1/16-3/31/17		15.00
	692932	Junkin; APWA membership, 4/1/16-3/31/17		20.00
Total for Check Number 33752:				50.00
33753	1534	APWA - WA State Chapter	03/04/2016	
	180431989823292	Wesley; APWA Spring Conference, registration		395.00
Total for Check Number 33753:				395.00
33754	2033	Aquatic Specialty Services	03/04/2016	
	10352	Aquatics; clean/calibration service, February		179.20
Total for Check Number 33754:				179.20
33755	0019	AWC Employee Benefits Trust	03/04/2016	
	100315L0320160	Medical Insurance Premiums, March		457.23
	100315L0320160	Medical Insurance Premiums, March		1,156.42
	100315L0320160	Medical Insurance Premiums, March		9,341.34
	100315L0320160	Medical Insurance Premiums, March		6,906.16
	100315L0320160	Medical Insurance Premiums, March		1,951.52
	100315L0320160	Medical Insurance Premiums, March		2,265.53
	100315L0320160	Medical Insurance Premiums, March		2,327.60
	100315L0320160	Medical Insurance Premiums, March		7,203.97
	100315L0320160	Medical Insurance Premiums, March		2,948.53
	100315L0320160	Medical Insurance Premiums, March		1,812.51
	100315L0320160	Medical Insurance Premiums, March		2,387.54
	100315L0320160	Medical Insurance Premiums, March		2,320.00
	100315L0320160	Medical Insurance Premiums, March		6,155.59
	100315L0320160	Medical Insurance Premiums, March		9,911.34
Total for Check Number 33755:				57,145.28
33756	2270	CenturyLink	03/04/2016	
	6317966698B-3	City hall; telephone, 2/13-3/13/16		101.98
Total for Check Number 33756:				101.98
33757	0391	City of Renton	03/04/2016	
	EHD	Electronic home detention; 1/26-2/4/16		170.00
Total for Check Number 33757:				170.00
33758	1170	Coastwide Laboratories	03/04/2016	
	GW2853716	Aquatics; toilet paper		96.46
	NW2853716	Aquatics; cleaning supplies		385.58
Total for Check Number 33758:				482.04
33759	0364	Code Publishing Company	03/04/2016	
	52168	Municipal code update, 2/3/16		514.22

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 33759:	514.22
33760	0537	Covington Water District	03/04/2016	
	104587-3	Crystal view; water, 1/16-2/19/16		33.15
	105731-3	SR 516; water, 1/16-2/19/16		63.40
	132670-3	CCP; water, 1/16-2/19/16		113.75
			Total for Check Number 33760:	210.30
33761	0765	ESRI	03/04/2016	
	25723755	ArcGIS server software maintenance, 5/5/16-5/4		384.05
	25723755	ArcGIS server software maintenance, 5/5/16-5/4		640.10
	25723755	ArcGIS server software maintenance, 5/5/16-5/4		512.08
	25723755	ArcGIS server software maintenance, 5/5/16-5/4		512.08
	25723755	ArcGIS server software maintenance, 5/5/16-5/4		512.08
	25723755	ArcGIS server software maintenance, 5/5/16-5/4		710.00
			Total for Check Number 33761:	3,270.39
33762	1996	Facility Maintenance Contractors	03/04/2016	
	160215	Maint shop; janitorial service		88.20
	160215	Maint shop; janitorial service		88.20
	160215	Maint shop; janitorial service		117.60
			Total for Check Number 33762:	294.00
33763	0886	John E. Galt	03/04/2016	
	2929	2015 annual report		21.25
			Total for Check Number 33763:	21.25
33764	2078	Girard Resources & Recycling, LLC	03/04/2016	
	32044	Clear rock		30.95
	32137	Crushed rock		76.56
			Total for Check Number 33764:	107.51
33765	0302	Gray & Osborne	03/04/2016	
	15447.00-000008	Clements Drainage; 11/8-12/5/15		110.61
			Total for Check Number 33765:	110.61
33766	1770	Richard Hart	03/04/2016	
	1770-3	Reimbursement; PSRC meeting refreshments		7.74
			Total for Check Number 33766:	7.74
33767	2648	Hart's Gymnastics	03/04/2016	
	2648-3	Instructor payment; Gymnastics, February		236.80
			Total for Check Number 33767:	236.80
33768	1722	Honey Bucket	03/04/2016	
	2-1541318	Skate park; portable toilet, 2/4-3/2/16		202.95
	2-1551459	CCP; portable toilet service, 2/12-3/10/16		255.00
			Total for Check Number 33768:	457.95
33769	1342	Integra Telecom	03/04/2016	
	13650767	City hall; telephone, 2/8-3/7/16		721.65
	13650767	Maint shop; telephone, 2/8-3/7/16		136.16

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	13650767	Maint shop; telephone, 2/8-3/7/16		181.54
	13650767	Maint shop; telephone, 2/8-3/7/16		136.16
	13650767	Aquatics; telephone, 2/8-3/7/16		90.24
Total for Check Number 33769:				1,265.75
33770	1701	Johnsons Home & Garden	03/04/2016	
	402726	#2012; keys		2.16
	402746	Maint shop; lugs, ring terminal		9.71
	402746	Maint shop; lugs, ring terminal		12.94
	402746	Maint shop; lugs, ring terminal		9.71
Total for Check Number 33770:				34.52
33771	3046	Kent D Bruce Co, LLC	03/04/2016	
	1187	#3383; LED lights		687.71
Total for Check Number 33771:				687.71
33772	0143	King County Finance	03/04/2016	
	72774-72780	Street services; January		5,606.25
	72818-72818	CIP 1028; engineering, January		3,227.55
Total for Check Number 33772:				8,833.80
33773	0204	King County Pet Licensing	03/04/2016	
	0204-3	Pet license remittance; February		440.00
Total for Check Number 33773:				440.00
33774	1405	Lakeside Industries	03/04/2016	
	12044386MB	Street asphalt		151.95
	12044437MB	Tack bucket		70.60
Total for Check Number 33774:				222.55
33775	2020	Judy LeBlanc	03/04/2016	
	2020-2015	Utility tax rebate; natural gas		49.80
	2020-2015	Utility tax rebate; solid waste		15.78
	2020-2015	Utility tax rebate; telephone		31.62
	2020-2015	Utility tax rebate; electricity		53.96
Total for Check Number 33775:				151.16
33776	1878	MacLeod Reckord	03/04/2016	
	7291	CCP, Phase 2, engineering, 1/1-1/31/16		9,714.81
Total for Check Number 33776:				9,714.81
33777	2367	Magnum Print Solutions	03/04/2016	
	151444	Toner cartridges		201.95
Total for Check Number 33777:				201.95
33778	2236	Donna McGrath	03/04/2016	
	2236-2015	Utility tax rebate; solid waste		20.01
	2236-2015	Utility tax rebate; cable		75.54
	2236-2015	Utility tax rebate; telephone		12.66
	2236-2015	Utility tax rebate; electricity		87.01
Total for Check Number 33778:				195.22

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
33779	2486 857658/7 857658/7 857658/7	McLendon Hardware, Inc. Maint shop; wire, breaker Maint shop; wire, breaker Maint shop; wire, breaker	03/04/2016	16.40 21.86 16.40
Total for Check Number 33779:				54.66
33780	2013 2013-2015 2013-2015 2013-2015 2013-2015 2013-2015	Manfred Nitzsche Utility tax rebate; electricity Utility tax rebate; natural gas Utility tax rebate; solid waste Utility tax rebate; cable Utility tax rebate; telephone	03/04/2016	30.42 43.06 15.45 21.76 15.88
Total for Check Number 33780:				126.57
33781	0004 1901660714 1901660714 822528081001 822528142001 824058686001 824063565001 824875962001	Office Depot Basketball; cardstock Soccer; portfolios Address labels Office supplies Office supplies Office supplies Office supplies	03/04/2016	27.69 20.07 28.29 375.35 280.61 119.22 162.11
Total for Check Number 33781:				1,013.34
33782	0818 49136507	Pacific Office Automation Copier lease; 2/15-3/14/16	03/04/2016	122.47
Total for Check Number 33782:				122.47
33783	2771 019137	Pacific Office Automation Copier usage, 11/12/15-2/12/16	03/04/2016	52.25
Total for Check Number 33783:				52.25
33784	1407 3889	Parametrix, Inc. Comprehensive Plan Update; 11/1-12/31/15	03/04/2016	15,116.83
Total for Check Number 33784:				15,116.83
33785	1453 1453-3	Ben Parrish Parrish; CESCL recertification, lunch	03/04/2016	19.20
Total for Check Number 33785:				19.20
33786	0841 6236993 6237178 6237205	PNWSTMA Junkin; CenturyLink field training Dalton; CenturyLink field training Sports Turf Manager; 2016 membership fee	03/04/2016	50.00 50.00 105.00
Total for Check Number 33786:				205.00
33787	2180 2331244	Powerplan - OIB #3488; parts/repairs	03/04/2016	1,635.77
Total for Check Number 33787:				1,635.77
33788	2860 411584	Protect Youth Sports Background checks	03/04/2016	40.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 33788:	40.00
33789	0161	Puget Sound Energy	03/04/2016	
	300000001770-3	Streets, electricity, 1/5-2/2/16		10.84
	300000001770-3	City tree, electricity, 1/5-2/2/16		10.84
	300000001788-3	Streets, electricity, 1/1-2/1/16		91.13
	300000001788-3	Streets, electricity, 1/1-2/1/16		8,597.46
	300000001804-3	Streets, electricity, 1/5-2/2/16		44.71
	300000001804-3	Streets, electricity, 12/31-1/31/16		66.69
	300000007934-3	City hall, natural gas, 1/5-2/2/16		149.66
	300000007934-3	City hall, electricity, 1/5-2/2/16		1,777.33
	300000011266-3	Streets, electricity, 1/5-2/2/16		244.56
			Total for Check Number 33789:	10,993.22
33790	1478 73962	Rent Me Storage, LLC Storage unit, 8 X 14	03/04/2016	3,857.47
			Total for Check Number 33790:	3,857.47
33791	1850	Sherwin-Williams Co.	03/04/2016	
	4057-6	City hall; paint, supplies		45.57
	4066-6	City hall; painting supplies		11.32
	6165-8	Aquatics; paint, supplies		290.98
			Total for Check Number 33791:	347.87
33792	3012 INV00137460	Smarsh Inc. Mobile text archiving, 1/1-1/31/16	03/04/2016	49.50
			Total for Check Number 33792:	49.50
33793	3009	SoftwareOne, Inc.	03/04/2016	
	US-PSI-457479	Feser; Adobe cloud subscription		849.80
	US-PSI-457479	Bahl; Adobe cloud subscription		849.80
	US-PSI-457479	Leung; Adobe cloud subscription		424.89
	US-PSI-457479	Leung; Adobe cloud subscription		424.90
			Total for Check Number 33793:	2,549.39
33794	0736	Sound Security, Inc.	03/04/2016	
	798826	Maint shop; secure monitoring, March		32.10
	798826	Maint shop; secure monitoring, March		42.80
	798826	Maint shop; secure monitoring, March		32.10
	798826	Security monitoring, March		1,050.50
			Total for Check Number 33794:	1,157.50
33795	0281	Standard Insurance Company	03/04/2016	
	6355510001-3	Life Insurance Premiums, March		45.20
	6355510001-3	Life Insurance Premiums, March		118.03
	6355510001-3	Life Insurance Premiums, March		176.98
	6355510001-3	Life Insurance Premiums, March		92.57
	6355510001-3	Life Insurance Premiums, March		116.55
	6355510001-3	Life Insurance Premiums, March		198.34
	6355510001-3	Life Insurance Premiums, March		178.34
	6355510001-3	Life Insurance Premiums, March		521.65
	6355510001-3	Life Insurance Premiums, March		331.55
	6355510001-3	Life Insurance Premiums, March		566.31
	6355510001-3	Life Insurance Premiums, March		185.07
	6355510001-3	Life Insurance Premiums, March		101.19

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	6355510001-3	Life Insurance Premiums, March		7.91
	6355510001-3	Life Insurance Premiums, March		592.37
	6355510001-3	Life Insurance Premiums, March		365.90
Total for Check Number 33795:				3,597.96
33796	2241	Walter Stockla	03/04/2016	
	2241-2015	Utility tax rebate; natural gas		37.38
	2241-2015	Utility tax rebate; telephone		13.90
	2241-2015	Utility tax rebate; electricity		20.82
Total for Check Number 33796:				72.10
33797	2014	Jean Szybnski	03/04/2016	
	2014-2015	Utility tax rebate; natural gas		57.74
	2014-2015	Utility tax rebate; solid waste		20.01
	2014-2015	Utility tax rebate; cable		22.37
	2014-2015	Utility tax rebate; telephone		12.51
	2014-2015	Utility tax rebate; electricity		35.84
Total for Check Number 33797:				148.47
33798	1191 25449	Torklift Central #3436; repairs	03/04/2016	
				336.99
Total for Check Number 33798:				336.99
33799	2103	US Bancorp Equip Finance Inc.	03/04/2016	
	298254038	Workroom; copier, March		639.10
	298739376	Reception; copier lease, March		93.40
	298765082	Police; copier lease, March		93.40
Total for Check Number 33799:				825.90
33800	0357 0016468	Valley Communications 800 MHz access fee; February	03/04/2016	
				75.00
Total for Check Number 33800:				75.00
33801	1441 0000024558	Watson Security City hall; door lock repairs	03/04/2016	
				618.48
Total for Check Number 33801:				618.48
33802	2652 5002869135	Wells Fargo Financial Leasing Plotter/scanner lease; 3/10-4/09/16	03/04/2016	
				227.09
Total for Check Number 33802:				227.09
33803	2230 9648660	Wilbur-Ellis Company Grass seed	03/04/2016	
				350.55
Total for Check Number 33803:				350.55
Total for 3/4/2016:				178,783.22
Report Total (62 checks):				178,783.22

March 11, 2016

City of Covington

Payroll Approval

- Request Council approval for payment of Payroll dated 03/11/16 consisting of:

PAYLOCITY CHECK # 1004982975 through PAYLOCITY CHECK # 1004982991 and PAYLOCITY CHECK # 1004983097 through PAYLOCITY CHECK # 1004983097 inclusive, plus employee direct deposits

IN THE AMOUNT OF \$169,782.41

WE, THE UNDERSIGNED, DO HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE MATERIALS HAVE BEEN FURNISHED, THE SERVICES RENDERED OR THE LABOR PERFORMED AS DESCRIBED HEREIN AND THAT THE CLAIMS ARE JUST, DUE AND UNPAID OBLIGATIONS AGAINST THE CITY OF COVINGTON, WASHINGTON, COUNTY OF KING, AND THAT WE ARE AUTHORIZED TO AUTHENTICATE AND CERTIFY SAID CLAIMS PER THE ATTACHED COUNCIL APPROVAL REPORT.

Cassandra Parker
Senior Accountant

Mark Lanza
City Councilmember

Jeff Wagner
Mayor

Marlla Mhoon
City Councilmember

Council Meeting Date Approved: _____

03/11/16 Payroll Voucher

Payroll Checks for Account Paylocity Account

Check/Voucher	Check Type	Check Date	Employee Id	Employee Name	Net Amount
111894	Regular	3/11/2016	503	Bolli, Regan H	4,931.50
111895	Regular	3/11/2016	246	Kirshenbaum, Kathleen	525.32
111896	Regular	3/11/2016	243	Lyon, Valerie	1,509.36
111897	Regular	3/11/2016	234	Mhoon, Darren S	1,492.31
111898	Regular	3/11/2016	162	Michaud, Joan M	2,221.79
111899	Regular	3/11/2016	123	Scott, Sharon G	2,579.56
111900	Regular	3/11/2016	313	Slate, Karla J	2,545.73
111901	Regular	3/11/2016	275	Hart, Richard	3,183.48
111902	Regular	3/11/2016	368	Mueller, Ann M	1,282.21
111903	Regular	3/11/2016	487	Bykonen, Tyler B	220.66
111904	Regular	3/11/2016	180	Cies, Staci M	1,972.88
111905	Regular	3/11/2016	146	Hagen, Lindsay K	1,642.23
111906	Regular	3/11/2016	235	Hendrickson, Robert	3,857.18
111907	Regular	3/11/2016	105	Parker, Cassandra	2,650.24
111908	Regular	3/11/2016	374	Allen, Joshua C	1,938.88
111909	Regular	3/11/2016	353	Dalton, Jesse J	1,995.99
111910	Regular	3/11/2016	373	Fealy, William J	2,001.20
111911	Regular	3/11/2016	301	Gaudette, John J	1,811.70
111912	Regular	3/11/2016	186	Junkin, Ross D	2,901.85
111913	Regular	3/11/2016	268	Bykonen, Brian D	2,307.89
111914	Regular	3/11/2016	279	Christenson, Gregg R	2,947.97
111915	Regular	3/11/2016	270	Lyons, Salina K	2,370.50
111916	Regular	3/11/2016	269	Meyers, Robert L	3,468.53
111917	Regular	3/11/2016	284	Ogren, Nelson W	2,852.70
111918	Regular	3/11/2016	266	Thompson, Kelly	2,278.03
111919	Regular	3/11/2016	518	Islam, Shahinur	471.67
111920	Regular	3/11/2016	307	Morrissey, Mayson	3,099.26
111921	Regular	3/11/2016	199	Bahl, Rachel A	2,194.40
111922	Regular	3/11/2016	397	Ball, Jaquelyn I	1,372.14
111923	Regular	3/11/2016	451	Conway, Sean	1,620.46
111924	Regular	3/11/2016	428	Feser, Angela M	2,314.87
111925	Regular	3/11/2016	448	Finazzo, Dominic V	1,581.51
111926	Regular	3/11/2016	453	Leung, Rachael M	1,315.36
111927	Regular	3/11/2016	194	Newton, Ethan A	3,363.80
111928	Regular	3/11/2016	195	Patterson, Clifford	2,521.74
111929	Regular	3/11/2016	540	Unruh, Gordon B	1,662.88
111930	Regular	3/11/2016	106	Bates, Shellie L	2,215.20
111931	Regular	3/11/2016	349	Buck, Shawn M	1,851.60
111932	Regular	3/11/2016	273	French, Fred	147.87
111933	Regular	3/11/2016	436	Lindskov, Robert T	3,170.93
111934	Regular	3/11/2016	257	Parrish, Benjamin A	2,094.17
111935	Regular	3/11/2016	173	Vondran, Donald M	3,874.31
111936	Regular	3/11/2016	252	Wesley, Daniel A	2,257.82
111937	Regular	3/11/2016	388	Andrews, Kaitlyn E	614.63
111938	Regular	3/11/2016	434	Bailey, Brooke	136.46
111939	Regular	3/11/2016	481	Binder, Jordan M	121.80
111940	Regular	3/11/2016	534	Blakely, Gavin D	101.05
111941	Regular	3/11/2016	513	Bryant, Colin A	29.95
111942	Regular	3/11/2016	514	Collins, Ashtyn E	167.49
111943	Regular	3/11/2016	258	Cox, Melissa	471.55
111944	Regular	3/11/2016	385	Cranstoun, Alexander M	126.10
111945	Regular	3/11/2016	526	Duval-Dreblow, Shailynn R	294.52
111946	Regular	3/11/2016	505	Gormley, Hannah E	127.27
111947	Regular	3/11/2016	508	Halbert, Olivia M	28.88
111948	Regular	3/11/2016	460	Hatch, Christopher	499.64
111949	Regular	3/11/2016	530	Hauck, Liam M	34.66
111950	Regular	3/11/2016	512	Hauer, Colton A	57.75

111951 Regular	3/11/2016	426 Knox, Patrick L	423.28
111952 Regular	3/11/2016	410 Lanz, Avalon A.	442.26
111953 Regular	3/11/2016	539 Losacco, Alessandra G	226.54
111954 Regular	3/11/2016	435 Martin, Iain-Josiah	460.50
111955 Regular	3/11/2016	525 Mastroianni, Anthony J	107.46
111956 Regular	3/11/2016	483 Medel, Erick	865.05
111957 Regular	3/11/2016	340 Middleton, Jordan	123.68
111958 Regular	3/11/2016	516 Montero, Ivan P	98.35
111959 Regular	3/11/2016	445 Portin, Andrew	72.62
111960 Regular	3/11/2016	387 Praggastis, Elena C	64.09
111961 Regular	3/11/2016	492 Spencer, Ethan R	110.50
111962 Regular	3/11/2016	392 Wardrip, Spencer A	318.88
111963 Regular	3/11/2016	432 Wilton, Sara J	255.96
111964 Regular	3/11/2016	480 Woods, Dylan J	101.65
111965 Regular	3/11/2016	533 Wruth, Hunter T	69.30
111966 Regular	3/11/2016	542 Bolton, Max	48.20
111967 Regular	3/11/2016	494 Carlsen, Zachary D	81.95
111968 Regular	3/11/2016	488 Cles, Erin L	32.06
111969 Regular	3/11/2016	541 Cox, Christopher S	266.40
111970 Regular	3/11/2016	482 Cruz, Garrett M	171.85
111971 Regular	3/11/2016	528 Hopp, Tyler A	72.31
111972 Regular	3/11/2016	495 Tashiro-Townley, Joshua C	173.55
111973 Regular	3/11/2016	116 Beaufreere, Noreen	2,990.41
111974 Regular	3/11/2016	137 Throm, Victoria J	2,031.14
1004982975 Regular	3/11/2016	364 Newell, Nancy J	99.73
1004982976 Regular	3/11/2016	545 Hoggan, Rebekah L	88.66
1004982977 Regular	3/11/2016	527 Ainsworth, Nicholas D	148.73
1004982978 Regular	3/11/2016	509 Brannon, David J	102.98
1004982979 Regular	3/11/2016	274 Goldfoos, Rhyan	89.10
1004982980 Regular	3/11/2016	489 Wold, Jared K	77.60
1004982981 Regular	3/11/2016	496 Chick, Tanner C	57.08
1004982982 Regular	3/11/2016	544 Dhaliwal, Dilraj	38.56
1004982983 Regular	3/11/2016	521 Ellsworth, Joseph G	33.74
1004982984 Regular	3/11/2016	546 Ford, Lauryn O	61.65
1004982985 Regular	3/11/2016	519 Lopez, Joseph C	67.49
1004982986 Regular	3/11/2016	461 Miller, Austin	69.01
1004982987 Regular	3/11/2016	547 Miskar, Isaac O	48.20
1004982988 Regular	3/11/2016	538 Potts, Julien D	67.49
1004982989 Regular	3/11/2016	474 Shank, Elijah J	99.60
1004982990 Regular	3/11/2016	543 Valerio, Max J	110.88
1004982991 Regular	3/11/2016	548 VonGoedert, Luke T	121.26
Totals for Payroll Checks	98 Items		108,421.18

Third Party Checks for Account Paylocity Account					
Check/Voucher	Check Type	Check Date	Employee Id	Employee Name	Net Amount
111975	AGENCY	3/11/2016	401SS	ICMA Retirement Trust	17,356.36
111976	AGENCY	3/11/2016	457Ex	Vantagepoint Transfer Agent-	375.80
111977	AGENCY	3/11/2016	CICOV	City of Covington	2,955.54
111978	AGENCY	3/11/2016		Emp City of Covington Employee	84.00
111979	AGENCY	3/11/2016	IC401	ICMA Retirement Trust	15,554.84
111980	AGENCY	3/11/2016	IC457	ICMA Retirement Trust	2,071.18
111981	AGENCY	3/11/2016	ROTH	ICMA Retirement Trust	150.00
111982	AGENCY	3/11/2016	VEBA	HRA VEBA Trust	1,785.00
1004983097	AGENCY	3/11/2016	JG1	WASH CHILD SUPPORT	110.41
Totals for Third Party		9 Items			40,443.13

Tax Liabilities	20,674.71
Paylocity Fees	243.39
Grand Total	\$ 169,782.41

Consent Agenda Item C-3

Covington City Council Meeting

Date: March 22, 2016

SUBJECT: AUTHORIZE THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH PARAMETRIX FOR CONSULTING SERVICES RELATING TO CRITICAL AREA REVIEW AND SUPPORT FOR IMPLEMENTATION OF FEDERAL AND STATE CRITICAL AREA REQUIREMENTS.

RECOMMENDED BY: Richard Hart, Community Development Director

ATTACHMENT(S)

1. Proposed Professional Services Agreement
 - a. Exhibit A—2016 Parametrix Work Plan
 - b. Exhibit B—2016 Parametrix Compensation Rates

PREPARED BY: Salina Lyons, Principal Planner

EXPLANATION:

Parametrix, has provided professional environmental consulting services to the city since 2006. The city's previous contract with Parametrix expired on January 31, 2016. The proposed new agreement with Parametrix is for their professional consultation and support for those tasks and projects included in the scope of work and work plan for 2016. (Attachment 1)

Staff is recommending that the council authorize the city manager to execute an agreement for professional services with Parametrix, in an amount not to exceed \$55,000, for the identified scope of work and 2016 work plan.

ALTERNATIVES:

- 1) Direct staff to enter into the Professional Services Agreement with Parametrix for a different amount.
- 2) Do not approve the city manager to execute a professional services agreement with Parametrix.

FISCAL IMPACT:

Of the \$55,000 contract amount, it is estimated that \$7,000 will be paid for out of the general fund; \$27,000 will be paid for out of the development services fund and reimbursable through associated development fees; and the \$18,000 for work to establish a long-term critical area maintenance program will be paid out of the development services and stormwater funds as identified in the 2016 budget. The remaining \$3,000 serves as a contingency amount for the noted scope of services and 2016 work plan.

CITY COUNCIL ACTION: ___Ordinance ___Resolution X Motion ___Other

Councilmember _____ moves, Councilmember _____ seconds, to authorize the city manager to execute a professional services agreement with Parametrix, in substantial form as that presented, in an amount not to exceed \$55,000 for consulting services relating to critical area review and inspection.

REVIEWED BY: City Manager, City Attorney, Community Development Director,
Finance Director

**CITY OF COVINGTON
PROFESSIONAL SERVICES AGREEMENT**

ATTACHMENT 1

THIS AGREEMENT is entered into by and between the City of Covington, Washington, a Washington municipal corporation (the "City"), acting by and through its City Manager and Parametrix, Inc., (the "Consultant"), a Washington corporation. The City and the Consultant are collectively referred to in this Agreement as the "Parties".

WHEREAS, the City has determined the need to have certain services performed for its citizens but does not have the manpower or expertise to perform such services; and

WHEREAS, the City desires to have the Consultant perform such services pursuant to certain terms and conditions;

NOW THEREFORE, in consideration of the mutual benefits and conditions hereinafter contained, the Parties hereto agree as follows:

1. Scope of Services. The Consultant shall perform those services described on Exhibit A, Scope of Services and 2016 Work Plan, attached hereto and incorporated herein by this reference (the "Services"), upon notice to proceed by the City, performed to the City's satisfaction, within the time period prescribed by the City, and pursuant to the direction of the City. The Consultant shall not modify in any way the scope or schedule of the Services without the prior written approval of the City. Time is of the essence in every aspect of performance of the Services.

2. Term of Agreement. This Agreement shall be in full force and effect from February 1, 2016 (the Effective Date"), through and until January 31, 2017, unless sooner terminated under the provisions hereinafter specified.

3. Compensation and Method of Payment.

3.1. Time & Expense; Rates. The City shall pay the Consultant for Services rendered on a time and expense basis based upon the Consultant's rates as indicated on Exhibit B, 2016 Compensation Rates (the "Rates"), attached hereto and incorporated herein by this reference. Except for as provided in Exhibit B, the Consultant shall not amend the Rates in any way without prior written approval from the City.

3.2. Agreement Amount. The total amount to be paid under this Agreement shall not exceed \$55,000.

3.3. Payment. Payment will only be made by the City after the Services have been performed to the City's satisfaction, an invoice is submitted by the Consultant in a form acceptable to the City, and the same is approved by the appropriate City representative. Payment by the City shall be made no later than ten (10) days after said approval. Prior to or along with the first invoice submitted, the Consultant shall return to the City a completed "Request for Taxpayer Identification Number and Certification," also known as IRS form W-9. The Consultant shall be solely responsible for the payment of any taxes imposed by any lawful jurisdiction as a result of the performance and payment of this Agreement.

4. Extra Work. The City may desire to have the Consultant perform work or render services other than that expressly provided for in the "Scope of Work" section of this Agreement. This will be considered extra work, supplemental to this Agreement, and shall not proceed unless authorized by an amendment. Any costs incurred due to the performance of extra work prior to execution of an amendment will not be reimbursed under this Agreement.

5. Key Persons. The Consultant shall not transfer or reassign any individual designated in this Agreement as essential to performing the Services identified herein without the express written consent of the City, which consent shall not be unreasonably withheld. If, during the term of this Agreement, any such individual leaves the Consultant's employment, the Consultant shall present to the City one or more individual(s) with greater or equal qualifications as a replacement, subject to the City's approval, which shall not be unreasonably withheld. The City's approval shall not be construed to release the Consultant from its obligations under this Agreement.

6. Independent Contractor. It is the intention and understanding of the City and the Consultant that the Consultant shall be an independent contractor and that nothing in this Agreement shall be considered to create the relationship of employer and employee or principal and agent between the Parties. The City shall be neither liable nor obligated to pay the Consultant sick leave, vacation pay, or any other benefit of employment and the Consultant shall pay all income and other taxes due. The Consultant shall be solely responsible for its acts and for the acts of its agents, employees, sub-consultants, or representatives during the performance of this Agreement. The Consultant shall have the sole judgment of the means, mode, or manner of the actual performance of this Agreement. The Consultant, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing this Agreement.

7. Warranty. The Consultant warrants that it has the requisite training, skill, and experience necessary to provide the Services and is appropriately accredited and licensed by all applicable agencies and governmental entities, as applicable and required to perform the Services. The Consultant shall be responsible for the professional quality, technical adequacy and accuracy, timely completion, and coordination of any and all plans, designs, drawings, specifications, reports, and any other work product prepared or performed pursuant to this Agreement. The Consultant shall perform its work in accordance with the requirements of this Agreement and pursuant to the standards of professional care, skill, diligence, and competence as are normally exercised by other members and/or firms of the profession in good standing working under the same or similar conditions and circumstances and in similar communities as the Services provided by the Consultant under this Agreement. The Consultant shall be responsible for the professional standards, performance, and actions of all persons and firms performing work pursuant to this Agreement on behalf of the Consultant. The City shall also have the right to deduct from payments to the Consultant any costs or damages incurred by the City, or which may be incurred by the City, as a result of the Consultant's failure to comply with the requirements of this Agreement or failure to meet the professional standard of care and skill, or both. The City's approval of plans, drawings, designs, specifications, reports, and other products of the Services rendered hereunder shall not in any way relieve the Consultant of responsibility for the technical adequacy or accuracy thereof. Neither the City's review, approval, acceptance of, and/or payment for any Services shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

8. Ownership and Use of Documents. Any and all original records, reports, designs, files, documents, drawings, specifications, data, or information, regardless of form or format or if finished or unfinished, and all other materials prepared or produced by the Consultant in connection with the Services under this Agreement (the "Materials") shall be deemed "work for hire" and shall be the property of the City whether the project or purpose for which they were created is executed or not. At the termination or expiration of this Agreement, any and all such Materials or information remaining in the possession of the Consultant shall be delivered to the City in their original format, or any other available format as requested by the City, within five (5) business days. No confidential information obtained or created by the Consultant shall be disclosed to any person or party other than the City without the City's prior written consent.

9. Records Retention; Audit.

9.1. Record Keeping. The Consultant shall maintain accounts, records, statements, reports, data and information, including personnel, property, financial, and programmatic records that pertain to matters covered by this Agreement; that sufficiently and properly reflect all direct and indirect costs associated with performance of the Services required under this Agreement; and other such records as may be deemed necessary by the City to ensure the performance of this Agreement. All of the reports, records, statements, data, information, and other related materials prepared or assembled by the Consultant under this Agreement will be treated as confidential to the extent allowed by Washington State laws regarding the disclosure of public information under Chapter 42.56 RCW.

9.2. Auditing. During the Term of this Agreement, the Consultant shall at any time during normal business hours, and as often as the City or state examiner may deem necessary, make available for examination all of its records and data with respect to all matters covered, directly or indirectly, by this Agreement and shall permit the City or its designated representative to audit and inspect other data relating to

all matters covered by this Agreement. The City shall receive a copy of all audit reports as to the Consultant's activities. The City may, at its sole discretion, conduct an audit, at its expense, using its own or outside auditors, of the Consultant's activities that relate, directly or indirectly, to this Agreement. The rights and duties of the Parties under this subsection 9.2 shall survive the expiration or termination of this Agreement for a period of three (3) years from the date of final payment under this Agreement.

9.3. Public Records Disclosure. The Consultant acknowledges that the City is an agency governed by the public records disclosure requirements set forth in Chapter 42.56 RCW. The Consultant shall fully cooperate and assist the City with respect to any request for public records received by the City concerning any public records generated, produced, created, and/or processed by the Consultant and related to the Services performed under this Agreement. Upon written demand by the City, the Consultant shall furnish the City with full and complete copies of any such records within five (5) business days of said demand. The Consultant's failure to timely provide such records upon demand shall be deemed a material breach of this Agreement. To the extent that the City incurs any monetary penalties, attorneys' fees, and/or any other expenses as a result of such breach, the Consultant shall fully indemnify and hold harmless the City as set forth in Section 10 herein. For the purposes of this section, the terms "public records" and "agency" shall have the same meaning as defined by Chapter 42.56 RCW, as said chapter has been construed by Washington courts. The provisions of this subsection 9.3 shall survive the expiration or termination of this Agreements

10. Indemnification. The Consultant shall indemnify, defend, and hold harmless the City, its officers, agents, and employees, from and against any and all claims for damages, losses, or liability, including attorneys' fees, arising out of or resulting from the negligent act, omission, or failure of the Consultant, its officers, agents, and employees, in performing the Services under this Agreement. WITH RESPECT TO THE PERFORMANCE OF THIS AGREEMENT AND AS TO CLAIMS AGAINST THE CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES, THE CONSULTANT EXPRESSLY WAIVES ITS IMMUNITY UNDER TITLE 51 OF THE REVISED CODE OF WASHINGTON, THE INDUSTRIAL INSURANCE ACT, FOR INJURIES TO ITS EMPLOYEES, AND AGREES THAT THE OBLIGATION TO INDEMNIFY, DEFEND, AND HOLD HARMLESS PROVIDED FOR IN THIS PARAGRAPH EXTENDS TO ANY CLAIM BROUGHT BY OR ON BEHALF OF ANY EMPLOYEE OF THE CONSULTANT. THIS WAIVER IS MUTUALLY NEGOTIATED BY THE PARTIES. This paragraph shall not apply to any damage resulting from the sole negligence of the City, its agents, and employees. To the extent any of the damages referenced by this paragraph were caused by or resulted from the concurrent negligence of the City, its agents, or employees, the Consultant's obligation to indemnify, defend, and hold harmless the City is valid and enforceable only to the extent of the negligence of the Consultant, its officers, agents, and employees. The provisions of this section shall survive the expiration or termination of this Agreement.

11. Insurance. The Consultant shall at a minimum procure and maintain for the duration of this Agreement, at no expense to the City, the following insurance against claims which may arise from or in connection with the performance of the Services hereunder by the Consultant, its agents, representative, or employees, and in such forms and with such carriers who have a rating satisfactory to the City [*the required insurance coverage under this Agreement is indicated with a 'X' checkmark; if certain insurance coverage is not required, it is indicated as such with an 'NA'*]:

11.1. Professional Liability. Professional liability insurance covering any negligent professional acts, errors, or omissions for which the Consultant is legally responsible and with combined single limits of liability not less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit for damages sustained by reason of or in the course of operation under this Agreement.

11.2. Employer Liability. Worker's compensation and employer's liability insurance in amounts sufficient pursuant to the laws of the State of Washington.

11.3. Commercial General Liability. Commercial general liability insurance covering liability arising from premises, operations, independent contractors, personal injury, and advertising injury and written on ISO occurrence form CG 00 01 with combined single limits of liability not less than \$1,000,000 each occurrence, \$2,000,000 general aggregate for bodily injury, including personal injury or death, products liability, and property damage.

11.4. Automobile Liability. Automobile liability insurance covering all owned, non-owned, hired, and leased vehicles and written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage with combined single limits of liability not less than \$1,000,000 per accident for bodily injury, including personal injury or death and property damage. If necessary, the policy shall be

endorsed to provide contractual liability coverage.

11.5. Additional Insurance Terms and Requirements.

11.5.1. The City shall be named as additional insured on all above required insurance policies, with the exception of professional liability and workers' compensation coverage(s) if the Consultant participates in a state-run workers' comp program.

11.5.2. The Consultant shall include all subcontractors at any tier as insureds and ensure that the Consultant's coverage of subcontractors under the Consultant's policies is not excluded by any policy provision or endorsement.

11.5.3. Required insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

11.5.4. All required insurance policies shall contain a clause of endorsement providing that they may not be terminated or materially amended during the Term of this Agreement, except after thirty (30) days prior written notice to the City. If the Consultant's insurance policies are "claims made," the Consultant shall be required to maintain tail coverage for a minimum period of three (3) years from the date of this Agreement is actually terminated or upon project completion and acceptance by the City.

11.5.5. The Consultant shall provide original certificates of insurance and a copy of the amendatory endorsement, concurrent with the execution of this Agreement, evidencing such above required coverage and, at the City's request, furnish the City with copies of all insurance policies and with evidence of payment of premiums or fees of such policies.

11.5.6. The Consultant's insurance shall be primary as respect to the City, and any other insurance maintained by the City shall be excess and not contributing insurance with the Consultant's insurance.

11.5.7. The Consultant's maintenance of insurance as required above shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity. The Consultant's failure to maintain such insurance policies as required above shall be grounds for the City's immediate termination of this Agreement. The provisions of this Section shall survive the expiration or termination of this Agreement with respect to any event occurring prior to such expiration or termination.

12. Termination.

12.1. For Cause. The City may terminate this Agreement if the Consultant is in material breach of any of the terms of this Agreement, and such breach has not been corrected to the City's reasonable satisfaction in a timely manner.

12.2. For Reasons Beyond Control of Parties. Either party may terminate this Agreement without recourse by the other where performance is rendered impossible or impracticable for reasons beyond such party's reasonable control such as, but not limited to, an act of nature; war or warlike operation; civil commotion; riot; labor dispute including strike, walkout, or lockout; sabotage; or superior governmental regulation or control.

12.3. For City's Convenience. The City may terminate this Agreement at any time, without cause and for any reason including the City's convenience, upon written notice to the Consultant.

12.4. Notice. Notice of termination pursuant to this section shall be given by the party terminating this Agreement to the other not less than five (5) business days prior to the effective date of termination.

12.5. Actions Upon Termination.

12.5.1. In the event of termination not the fault of the Consultant, the Consultant shall be paid for the services satisfactorily performed prior to termination, together with any reimbursable expenses then due, but in no event shall such compensation exceed the maximum compensation to be paid under the Agreement. The Consultant agrees that this payment shall fully and adequately compensate the Consultant and all sub-consultants for all profits, costs, expenses, losses, liabilities, damages, taxes, and charges of any kind whatsoever (whether foreseen or unforeseen) attributable to the termination of this Agreement.

12.5.2. Upon termination for any reason, the Consultant shall provide the City with the most current version of all Materials prepared by the Consultant, whether unfinished or finished, pursuant to this Agreement, along with copies of all project-related correspondence and similar items, pursuant to Section 8 herein. The City shall have the same rights to use these materials as if termination had not occurred; provided,

however, that the City shall indemnify and hold the Consultant harmless from any claims, losses, or damages to the extent caused by modifications made by the City to the Consultant's work product.

13. Additional Provisions.

13.1. Compliance with Laws. The Consultant, at no expense to the City, shall comply with all federal, state, and local laws and regulations, including, without limitation, all City codes, ordinances, resolutions, standards, and policies, as now existing or hereafter adopted or amended, that may be applicable to its performance.

13.2. Licenses and Similar Authorizations. The Consultant, at no expense to the City, shall secure and maintain in full force and effect during the term of this Agreement all required licenses, permits, and similar legal authorizations required to perform the Services hereunder, and comply with all requirements thereof.

13.3. Discrimination Prohibited. The Consultant shall not discriminate against any employee, applicant for employment, or any person seeking the services of the Consultant to be provided under this Agreement on the basis of race, color, religion, creed, sex, age, national origin, marital status or presence of any sensory, mental, or physical handicap.

13.4. Conflict of Interest. The Consultant confirms that the Consultant does not have a business interest or close family relationship with any City employee or elected or appointed official who was, is, or will be involved in the selection, negotiation, drafting, signing, administration, of this Agreement or evaluating the Consultant's performance. As used in this subsection, "Consultant" shall include any employee of the Consultant who was, is, or will be involved in the negotiation, drafting, signing, administration, or performance of this Agreement. As used in this subsection, "close family relationship" refers to the following: spouse or domestic partner; any dependent parent, parent-in-law, child, son-in-law, or daughter-in-law; or any parent, parent-in-law, sibling, uncle, aunt, cousin, niece, or nephew residing in the household of a City employee described above.

13.5. Assignment. The Consultant shall not assign any portion of the Services contemplated by this Agreement without the prior written consent of the City.

13.6. Entire Agreement /Amendments. This Agreement, including the exhibits attached hereto, constitutes the entire agreement between the parties with respect to the subject matter of this Agreement. There are no promises, terms, conditions, or obligations other than those contained herein, and this Agreement shall supersede all previous communications, negotiations, representations, or agreements, either verbal or written, between the parties hereto concerning the subject matter of this Agreement. This Agreement may not be modified or amended except by writing signed by all Parties hereto.

13.7. No Waiver. Failure or delay of the City to declare any breach or default immediately upon occurrence shall not waive such breach or default. Failure of the City to declare one breach or default does not act as a waiver of the City's right to declare another breach or default.

13.8. Severability. Each and every provision of this Agreement shall be deemed to be severable. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and the Agreement shall be construed in all respects as if such invalid or unenforceable provision were not a part of this Agreement.

13.9. Notices. All notices, payments, and other communications hereunder shall be in writing and shall be deemed to have been duly given if emailed, personally delivered, or mailed, by first class or certified mail, with postage prepaid to the relevant address included in the signature block below, or to such other person or place as one party shall furnish to the other in writing. Notices and payments shall be deemed given upon receipt of email or personal delivery or, if mailed, upon the earlier of actual receipt or three (3) business days after the date of mailing.

13.10. Governing Law / Venue / Attorneys' Fees. This Agreement shall be interpreted in accordance with the laws of the State of Washington. The venue for any cause of action arising out of this Agreement shall be King County, Washington. In the event of any default under this Agreement, the substantially defaulting

party agrees to pay the substantially non-defaulting party's reasonable expenses which the latter incurs by reason thereof, including but not limited to reasonable attorney's fees, whether with respect to the investigation of such default or the determination of the application or the pursuit of remedies with respect thereto, or in legal proceedings, or otherwise. The term "legal proceedings" as used in this paragraph shall include all litigation, arbitration, administrative, bankruptcy, and judicial proceedings, including appeals therefrom.

13.11. Independent Counsel. The Consultant acknowledges that the drafter of this Agreement is the City's legal representative to whom the Consultant does not look to for any legal counseling or legal advice with regard to this transaction. The Consultant further acknowledges that it has been advised to consult with independent legal counsel and has had an opportunity to do so. By signing this Agreement, the Consultant acknowledges that it has consulted with independent legal counsel of its choice or has knowingly waived the right to do so. There shall be no presumption of draftsmanship in favor of or implied against any party hereto.

13.12. Authority / Counterparts. Each individual executing this Agreement on behalf of the City and the Consultant represents and warrants that such individuals are duly authorized to execute and deliver this Agreement on behalf of the Consultant or the City. This Agreement may be executed in one or more counterparts and as executed shall constitute one Agreement binding on all Parties, notwithstanding that all Parties are not signatory to the same counterpart.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the above Effective Date.

CITY OF COVINGTON

CONSULTANT—Parametrix, Inc.

By: Regan Bolli
Title: City Manager
16720 SE 271st Street, Suite100
Covington, WA 98042
Email: rbolli@covingtonwa.gov

By: xxxxxxx
Title: xxxxxxx
Address 1
Address 2
Email:

ATTEST/AUTHENTICATED:

Sharon Scott, City Clerk

BOILERPLATE APPROVED AS TO FORM:

Sara B. Springer (signature on file) 3/14/2016
City Attorney

Exhibit A

City of Covington 2016 Work Plan - Scope of Work

PHASE 01 – CITY CODE AND COMPREHENSIVE PLAN UPDATES

Task 01 – Critical Areas Regulations Update

Objectives/Goals

Provide assistance as the City finalizes the Critical Areas Regulations (CAR) update which includes integrating previously provided CAR update recommendations (that were reviewed in regard to Shoreline regulations) into the CAR update (CMC 18.65) and reviewing the City's FEMA-related regulations (in CMC 18.65) to identify if updates are needed.

Approach

Parametrix shall review draft updated applicable code sections and provide recommendations in redline format using track changes and comments in the Word document.

In 2014, Parametrix provided the City some review and recommendations on the wording and updates to the CAR (CMC 18.65) as the City attempted to integrate shoreline regulations (in some areas). As part of Parametrix' review of the draft updated applicable code sections, Parametrix shall peer review the City's revisions and provide any comments or recommendations. Parametrix shall assist the City to include demarcation of Jenkins Creek reach where it becomes a Shoreline of the State.

The City received an email from Ecology regarding FEMA-related regulations with an attachment on Guidance on Frequently Flooded Areas (dated January 20, 2015). In 2015, Parametrix performed a review of the City's FEMA-related regulations to see if updates are needed. Parametrix reviewed applicable code sections and provided recommendations. Parametrix shall assist the City by reviewing draft updated applicable code sections and provide any comments or recommendations.

Assumptions

The City will provide applicable draft updated code sections electronically in Microsoft Word format.

No revisions to the deliverable are assumed.

Deliverables

Word document with recommendations in redline format using track changes and comments.

Task 02 – Comprehensive Plan Update Assistance

Objectives/Goals

Assist the City with updating the Environmental Element section of the Comprehensive Plan.

Approach

The City is working with its consultant Studio Cascade on the update of the Comprehensive Plan. Studio Cascade does not have a biologist on its staff, so the City will utilize Parametrix for peer review of the Environmental Element section to ensure that the City's goals, policies and strategies are in line with the state's requirements, as well as provide needed updates to reflect the best available information and address any specific issues within Covington.

Parametrix shall review the Environmental Element section and provide comments or recommendations in redline format using track changes and comments in the Word document.

Assumptions

The City will provide the Environmental Element section electronically in Microsoft Word format.

This task will be limited to review of the Environmental Element section.

No revisions to the deliverable are assumed.

Deliverables

Environmental Element section Word document with comments or recommendations in redline format using track changes and comments.

PHASE 02 – DEVELOPMENT PROJECTS FOR REVIEW IN 2016

Parametrix shall perform the services generally described below:

Review and assess wetland studies and reports, stream studies and reports, aquatic and terrestrial habitat studies and reports, and related materials prepared and submitted by development proponents in conjunction with the City's development review process. Services may include, but are not limited to: field verification of described or delineated critical areas; assessment of proposed restoration plans, proposed buffer averaging, compensatory wetland creation, or other mitigation measures or plans proposed by the proponents; development of additional or supplemental mitigation measures; inspection during construction and maintenance period; and review of monitoring reports and documents. Specific services shall be assigned on an individual basis by means of written work orders issued by the City.

Approach, assumptions, and deliverables for this phase will be specified in each written task order issued by the City.



**Exhibit B
Compensation
Effective January 1, 2016**

Costs for services in connection with individual projects shall be established by written authorization for each specific project. Billing shall be on a time and materials basis. Hourly rates for the Consultant's staff are as follows:

		2016 Rate
Jeffrey Meyer	Wetland Specialist / Habitat Assessment	\$183.46
Colin Worsley	Wetland Specialist / Habitat Assessment	\$158.73
Benn Burke	Sr. Consultant	\$218.76
Katheryn Seckel	Biologist / Habitat Assessment	\$115.15
Michael Hall	Biologist / Habitat Assessment	\$141.54
Douglas Reynolds	Wetland Specialist / Habitat Assessment	\$106.24
Paul Fendt	Sr. Consultant / Engineer - Surface Water	\$239.07
Jeffrey Coop	Sr. Engineer - Water / Wastewater	\$179.17
Julie Brandt	Sr. Engineer - Surface Water	\$165.46
Phoebe Johannessen	Sr. Engineer - Surface Water	\$170.92
Craig Buitrago	Engineer IV - Surface Water	\$138.81
Jens Swenson	Sr. Planner / Landscape Architect	\$152.65
Shanon Harris	Project Controls Specialist	\$103.48
Victoria Soileau	Sr. Project Accountant	\$108.10
Shari Morgan	Sr. Project Accountant	\$119.54
Allison Baxter	Sr. Project Accountant	\$101.43
Marriah (Harse) McCreery	Project Accountant	\$99.87
Michelle Langi	Project Accountant	\$90.38
Sybil Gooljar	Technical Editor	\$112.74
Jean Johnson	Sr. Contracts Administrator	\$128.80
Ryan Scally	Publications Supervisor	\$119.47
Debra Fetherston	Sr. Publications Specialist	\$100.82
Antoinette Selhaver	Administrative Assistant	\$61.49

Rates may increase by up to 4% in October 2016. If rates do not increase, current rates would continue through December 31, 2016. Rates for additional staff members, if any, shall be agreed upon by the Consultant and the City. Portions of hours worked shall be billed in quarter hour increments.

Consent Agenda Item C-4

Covington City Council Meeting

Date: March 22, 2016

SUBJECT: AUTHORIZE THE CITY MANAGER TO EXECUTE AMENDMENT #1 TO AGREEMENT FOR SERVICES WITH BRICKMAN GROUP FOR LANDSCAPE MAINTENANCE.

RECOMMENDED BY: Don Vondran, Public Works Director

ATTACHMENT(S):

1. Amendment #1 to Agreement for Services with Brickman Group

PREPARED BY: Shellie Bates, Programs Supervisor/Public Works

EXPLANATION:

In April 2015 the City Council awarded the Landscape Maintenance Agreement to the lowest, most qualified bidder, Brickman Group, in an amount not to exceed \$65,000 to perform landscape maintenance services in Covington as outlined in the agreement.

As per Section 3.1 of the current agreement between the City of Covington and Brickman Group which states, "This contract may be extended up to two (2) times for an additional one (1) calendar year per extension upon the mutual written consent of the parties. If the term is extended, the unit price of the contract will be adjusted each year using the Seattle-Tacoma Consumer Price Index – Urban (CPI-W) rate starting with December of 2015 as the initial benchmark and the rate in December in subsequent years to be applied in April of the next year."

Based on the above criteria, Brickman Group has fulfilled their obligation under the terms of the agreement, and staff recommends that the agreement be extended until April 12, 2017. The Consumer Price Index for Urban Wage Earners and Clerical Works (CPI-W) for Seattle-Tacoma-Bremerton, WA for December 2015 is 2.25 percent. With the rate adjusted as described it will be an increase of 2.25 percent for one year, for an amount not to exceed \$66,462.50.

Prior to extending this contract, city staff required that the contractor be caught up with all aspects of the agreement. At this point they are nearly caught up and we expect them to be ready for the upcoming growing season. We will continue to monitor their work and meet monthly with the contractor to ensure compliance with the agreement.

The continuous level of landscape maintenance will provide a well maintained aesthetic downtown area, arterials and parks.

ALTERNATIVES:

Do not amend the existing landscape maintenance agreement and advertise the project for competitive bids. This alternative would impact the City with an interruption in the landscape maintenance service.

FISCAL IMPACT:

The 2016 budgeted amount for this service is \$66,500 (Street Fund).

CITY COUNCIL ACTION: Ordinance Resolutions Motion Other

**Councilmember _____ moves, Councilmember _____
seconds, to authorize the City Manager to execute Amendment #1 to
Agreement for Services with Brickman Group for Landscape Maintenance.**

REVIEWED BY: City Manager, City Attorney, Finance Director

CITY OF COVINGTON
AGREEMENT FOR SERVICES

Amendment #1

Between the City of Covington and Brickman Group

That portion of Contract No. 1375-15 between the City of Covington and Brickman Group entered into by the parties on the 6th day of April, 2015, is amended pursuant to Section 18 of said Agreement, as follows:

1. Term of Agreement. Section 3 of the Agreement shall be amended to extend the term of the Agreement until April 12, 2017.
2. Compensation. Section 4.1 of the Agreement shall be amended to include the Seattle-Tacoma Consumer Price Index - Urban (CPI-W) rate for December 2015 of 2.25 percent for an amount not to exceed \$66,462.50 from April 13, 2016 to April 12, 2017.

All other provisions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement on this ____ day of March, 2016.

CITY OF COVINGTON

By: Regan Bolli
Its: City Manager

Attest:

Approved as to form only:

Sharon Scott, City Clerk

Sara Springer, City Attorney

BRICKMAN GROUP

By: _____
Its: _____

SUBJECT: APPOINTMENTS TO THE HUMAN SERVICES COMMISSION

RECOMMENDED BY: Victoria Throm, Personnel & Human Services Analyst

ATTACHMENTS: See Interview Schedule and Applications provided separately.

PREPARED BY: Joan Michaud, Senior Deputy City Clerk

EXPLANATION:

The full Council has been provided all the applications and interview recordings of the applicants below that are interested in serving on the Human Services Commission.

Human Services Commission – Seven Members (Two of which must be Youth):

- Four positions open (three adults; one youth).
- One of the three open adult positions may live outside Covington city limits (within three mile radius).
- Youth position may live inside or outside Covington city limits (within three mile radius).

Name of Applicant (Adults)

Resides or Works

Melissa Edlund-Oakley

(Interviewed for Parks & Recreation Commission: Jan. 26, 2016) Resides Inside Covington

Kasia Jordan-Kelley - current member of PRePAC

(Interviewed March 8, 2016)

Resides Inside Covington

Fran McGregor - current Pos. 7 – term ends March 31, 2016

(Interviewed March 8, 2016)

Resides Inside Covington

Name of Applicant (Youth)

Resides or Works

Emily Bykonen

(Interviewed for Human Services Commission: Sept. 8, 2015) Resides Outside Covington*

*within three-mile radius of Covington city limits

NOTE: Ordinance Nos. 10-13, 04-05 § 1, and 22-02 § 1) *Membership, terms, residence requirement:* “Three members shall be adults residing or working within the City of Covington, two shall be adults residing inside or outside of the City of Covington but within a three-mile radius of the City limits and two shall be youth members between the ages of 14 and 18 years at the start of their terms residing in or within a three-mile radius of the City of Covington.

ALTERNATIVES:

Not appoint at this time and direct staff to continue to advertise for additional applicants to be considered for the positions.

CITY COUNCIL ACTION: ___ Ordinance ___ Resolution X Motions ___ Other

Councilmember _____ moves, Councilmember _____ seconds, to appoint _____ to fill adult Position No. 3 on the Human Services Commission with a term expiring March 31, 2019.

Councilmember _____ moves, Councilmember _____ seconds, to appoint _____ to fill adult Position No. 6 on the Human Services Commission with a term expiring March 31, 2019.

Councilmember _____ moves, Councilmember _____ seconds, to appoint _____ to fill adult Position No. 7 on the Human Services Commission with a term expiring March 31, 2019.

Councilmember _____ moves, Councilmember _____ seconds, to appoint _____ to fill youth Position No. 5 on the Human Services Commission with a term expiring March 31, 2017.

REVIEWED BY: City Manager
City Clerk/Executive Assistant
Personnel & Human Services Analyst

SUBJECT: REQUEST TO PUGET SOUND REGIONAL COUNCIL (PSRC) TO RECLASSIFY COVINGTON FROM A SMALL CITY TO LARGER CITY FOR PLANNING PURPOSES AND DETERMINATION OF POPULATION AND GROWTH TARGETS

RECOMMENDED BY: Richard Hart, Community Development Director

ATTACHMENT(S):

1. Letter to PSRC requesting reclassification from Small City to Larger City

PREPARED BY: Richard Hart, Community Development Director
Ann Mueller, Senior Planner

EXPLANATION:

The Puget Sound Regional Council (PSRC) classifies all cities in their regional jurisdiction as either a Small City, Larger City, or Core City. The City of Covington has been classified as a Small City since its incorporation. The various classifications have direct impact on the establishment of population and job targets for use in our Comprehensive Plan adoption process. The threshold for reclassification from a Small City to a Larger City is a combined figure of 22,500 for both population and jobs. Currently the city has reached the 23,273 figure with a 2015 population of 18,520 (Washington Office of Financial Management 2015) and 4,753 jobs (Washington Employment Security Department 2013). These current population and job numbers have been documented in the periodic update to Covington's Comprehensive Plan adopted by the City Council in January 2016, as well as our expected growth based on a careful analysis of our land capacity and market demand looking out to 2035. VISION 2040 states that the region's Small Cities typically have a population well under 10,000 and acknowledges that some small cities located inside the contiguous Urban Growth Area may, over time, become Larger Cities, and assume an even greater role in accommodating regional growth and activity.

Staff is seeking city council approval to notify PSRC of our intent to request reclassification and submit a letter requesting the forms and documentation necessary to seek reclassification of Covington. In 2009, Maple Valley reached this same threshold, requested such reclassification, and was successful in being reclassified as a "Larger city". With the strong economic growth being experienced in Covington and our place in the regional economy of SE King County, it's time for Covington to be recognized as a "Larger City" for planning purposes. Staff is requesting that council authorize the Mayor to sign a request letter to PSRC as attached.

ALTERNATIVES: NA

FISCAL IMPACT: NA

CITY COUNCIL ACTION: ___ Ordinance ___ Resolution ___ Motion X Other

**AUTHORIZE THE MAYOR TO SIGN A LETTER TO PSRC REQUESTING
RECLASSIFICATION OF COVINGTON FROM A SMALL CITY TO A LARGER CITY
FOR REGIONAL PLANNING PURPOSES.**

REVIEWED BY: Community Development Director, City Attorney, and City Manager



City of Covington
16720 SE 271st St. Suite 100
Covington, WA 98042

City Hall – 253.480.2400
www.covingtonwa.gov

ATTACHMENT 1

March 22, 2016

Charlie Howard, Director of Planning
Puget Sound Regional Council
1011 Western Avenue, Suite 500
Seattle, WA 98104-1035

Dear Mr. Howard;

The Covington City Council is requesting that the Puget Sound Regional Council (PSRC) adopt an amendment to the VISION 2040 regional growth strategy that reclassifies the City of Covington from a “Small City” to a “Larger City.” The threshold for becoming a Larger City is a combined population and employment base of 22,500.

The Washington State Office of Financial Management’s April 1, 2015 population estimate for the City of Covington was 18,520 persons. Taken together with the 2013 estimated covered employment base of approximately 4,753 jobs (ESD 2013), the combined population and employment of the City of Covington has exceeded the 22, 500 threshold required to be reclassified as a Larger City.

A Small City, such as Covington located inside the Contiguous Urban Growth Area, is reclassified as a Larger City when its combined population and employment base exceeds a threshold of 22, 500 (VISION 2040, page 16, 22 -24). We understand that with this new classification there will be a shift in the regional guidance from PSRC regarding the future role the city will play in implementing the regional growth strategy.

Please let me know what the official process is and the necessary forms or documentation you need from the City of Covington to move forward in a timely manner to amend VISION 2040 and reclassify Covington as a Larger City.

Respectfully,

Jeff Wagner, Mayor
City of Covington

Cc: Regan Bolli, Covington City Manger
Richard Hart, Covington Community Development Director
Covington City Council Members

growing toward greatness.

Agenda Item 3

Covington City Council

Meeting Date: March 22, 2016

SUBJECT: APPROVE PROPOSED ORDINANCE PROVIDING FOR THE ISSUANCE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE CITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$9,500,000 TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS AND TO PAY COSTS OF ISSUING BONDS.

PREPARED BY: Rob Hendrickson, Finance Director

ATTACHMENT(S):

1. Proposed Ordinance

EXPLANATION:

On May 22, 2007, the City Council passed Ordinance 06-07, which authorized the sale of bonds in the original principal amount of \$12,595,000. There were two types of bonds issued – taxable and tax-exempt. The taxable bonds were retired last year. The outstanding tax-exempt bonds are set to mature in 2027 and include a 10-year call feature (2017). Inclusion of a call feature benefits the city (bond issuer) by allowing it to replace (refinance) the current bond issue with a lower-interest cost issue if interest rates in the market fall. With current favorable market rates, the city made a decision to refund the bonds in advance of the call date (advance refunding). The city's debt policy requires that a savings rate of at least five (5) percent be achieved to make an advance refunding feasible. Based on the current market rates and the city's current bond rating (Aa3) the *estimated* savings rate is 8.64% or \$716,181 (it could be higher or lower depending on how the market moves and the city's updated bond rating).

On June 10, 2008, the city council passed Ordinance 10-08, which authorized the sale of a bond in the original principal amount of \$308,068 to benefit the Aquatic Center. The 2008 bond can be prepaid at any time prior to maturity and will be included in the refunding. It will be wrapped into the new issue at a small savings to the city of around \$10,000.

As part of the refunding process, the city needs to apply for an updated bond rating. The city's last rating was done through Moody's. For this rating, the decision was made to use Standard and Poor's (S&P). There is potential for a more favorable rating although nothing is guaranteed through either ratings agency. Staff will present information to S&P at their San Francisco office sometime in April. Travel and related costs are part of the costs of issuing the bonds and will be paid for from the proceeds. If successful, there is a possibility that the savings could be somewhat higher. Again it depends on the market and the rating.

This ordinance states the council's intent and begins the process of moving forward with the refunding of the 2007 bonds and the 2008 bond.

FISCAL IMPACT:

There is no direct fiscal impact to passing this ordinance. However, when the process is completed and the actual pricing and sale of the new bonds occurs, there will be a fiscal impact.

CITY COUNCIL ACTION: X Ordinance Resolution Motion Other

Council member _____ moves, Council member _____ seconds, to pass an ordinance, in substantial form as that presented, providing for the issuance of limited tax general obligation refunding bonds of the city in an aggregate principal amount not to exceed \$9,500,000 to refund certain outstanding limited tax general obligation bonds and to pay costs of issuing the bonds; and delegating the authority to approve the final terms of the bonds.

REVIEWED BY: City Manager; City Attorney

ATTACHMENT 1

CITY OF COVINGTON, WASHINGTON
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, 2016

ORDINANCE NO. 08-2016

AN ORDINANCE OF THE CITY OF COVINGTON, WASHINGTON, PROVIDING FOR THE ISSUANCE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE CITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$9,500,000 TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS AND TO PAY COSTS OF ISSUING THE BONDS; AND DELEGATING THE AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS.

PASSED: March 22, 2016

PREPARED BY:

PACIFICA LAW GROUP LLP
Seattle, Washington

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* This Table of Contents is provided for convenience only and is not a part of this ordinance.

CITY OF COVINGTON, WASHINGTON

ORDINANCE NO. 08-2016

AN ORDINANCE OF THE CITY OF COVINGTON, WASHINGTON, PROVIDING FOR THE ISSUANCE OF LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS OF THE CITY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$9,500,000 TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS AND TO PAY COSTS OF ISSUING THE BONDS; AND DELEGATING THE AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS.

WHEREAS, the City of Covington, Washington (the “City”), a non-charter optional code city, operating under section 35A of the Revised Code of Washington (“RCW”), has outstanding its Limited Tax General Obligation Bonds, Series 2007A, issued on June 5, 2007, pursuant to Ordinance No. 06-07 passed by the City Council (the “Council”) on May 22, 2007 (the “2007 Bond Ordinance”), which remain outstanding as follows:

<u>Maturity Dates (November 1)</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
2016	\$ 630,000	4.250%
2017	655,000	5.000
2018	690,000	4.000
2019	715,000	4.000
2020	745,000	4.000
2021	775,000	4.000
2022	805,000	4.000
2023	840,000	4.100
2024	875,000	4.125
2025	910,000	4.125
2026	945,000	4.125
2027	985,000	4.125

(the “2007 Bonds”); and

WHEREAS, the 2007 Bond Ordinance provides that the City may call the 2007 Bonds maturing on or after November 1, 2018 (the “2007 Refunding Candidates”), for redemption on or after November 1, 2017, in whole or in part on any date, at the price of par plus accrued interest, if any, to the date of redemption; and

WHEREAS, the City has outstanding its Limited Tax General Obligation Bond, 2008, issued on June 10, 2008, pursuant to Ordinance No. 10-08 passed by the Council on May 27, 2008 (the “2008 Bond Ordinance”), which remains outstanding in the principal amount of approximately \$177,000 (the “2008 Bond”); and

WHEREAS, the 2008 Bond Ordinance provides that the City may prepay the 2008 Bond at any time prior to maturity at a price of par plus accrued interest to the date of prepayment; and

WHEREAS, after due consideration it appears that all or a portion of the 2007 Refunding Candidates and the 2008 Bond (together, the “Refunded Bonds”) may be defeased and/or refunded by the proceeds of limited tax general obligation bonds at a savings to the City and its taxpayers; and

WHEREAS, the Council deems it in the best interest of the City to issue limited tax general obligation refunding bonds in an aggregate principal amount not to exceed \$9,500,000 (the “Bonds”) to redeem and/or defease the Refunded Bonds and to pay costs of issuing the Bonds; and

WHEREAS, the Council wishes to delegate authority to the City Manager and Finance Director (each, a “Designated Representative”), for a limited time, to approve the interest rates, maturity dates, redemption terms and principal maturities for the Bonds within the parameters set by this ordinance, in order to effect such a refinancing; and

WHEREAS, the City expects to receive a proposal from Piper Jaffray & Co. (the “Underwriter”) to underwrite the Bonds, and now desires to authorize the acceptance of such proposal, and the issuance and sale of the Bonds to the Underwriter, all as set forth herein;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Definitions and Interpretation of Terms.

(a) *Definitions.* As used in this ordinance, the following words shall have the following meanings:

Acquired Obligations means the Government Obligations acquired by the City under the terms of this ordinance and the Escrow Agreement to effect the defeasance and refunding of the 2007 Refunded Bonds, but only to the extent that the same are acquired at Fair Market Value.

Beneficial Owner means any person that has or shares the power, directly or indirectly to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Bond Counsel means Pacifica Law Group LLP or an attorney at law or a firm of attorneys, selected by the City, of nationally recognized standing in matters pertaining to the tax exempt nature of interest on bonds issued by states and their political subdivisions.

Bond Purchase Contract means the contract for the purchase of the Bonds between the Underwriter and City, executed pursuant to Section 11.

Bond Register means the registration books showing the name, address and tax identification number of each Registered Owner of the Bonds, maintained for the Bonds in the manner required pursuant to Section 149(a) of the Code.

Bond Registrar means, initially, the fiscal agent of the State, for the purposes of registering and authenticating the Bonds, maintaining the Bond Register, effecting transfer of ownership of the Bonds and paying interest on and principal of the Bonds.

Bonds mean the City of Covington, Washington, Limited Tax General Obligation Refunding Bonds, 2016, or other such series designation as approved by a Designated Representative, issued pursuant to this ordinance.

Call Date for the 2007 Refunded Bonds means November 1, 2017, and for the 2008 Bond means the date selected by the Finance Director, which shall be no later than 10 business days after the date of issuance of the Bonds.

City means the City of Covington, Washington, a municipal corporation duly organized and existing by virtue of the laws of the State.

City Manager means the City Manager, or the successor of such office.

Closing means the date of delivery of the Bonds to the Underwriter.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Commission means the Securities and Exchange Commission.

Council means the Covington City Council as the general legislative authority of the City, as duly and regularly constituted from time to time.

Debt Service Fund means the “City of Covington Limited Tax General Obligation Bond Debt Service Fund” and the accounts held therein.

Designated Representative means the City Manager and the Finance Director of the City and any successor to the functions of such offices. The signature of one Designated Representative shall be sufficient to bind the City.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, as depository for the Bonds pursuant to Section 3.

Escrow Agent means U.S. Bank National Association, Seattle, Washington.

Escrow Agreement means the Escrow Deposit Agreement between the City and the Escrow Agent authorized to be entered into pursuant to Section 7 of this ordinance.

Fair Market Value means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an

established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the City and related parties do not own more than a 10% beneficial interest therein if the return paid by the fund is without regard to the source of the investment. To the extent required by the applicable regulations under the Code, the term “investment” will include a hedge.

Federal Tax Certificate means the certificate executed by a Designated Representative setting forth the requirements of the Code for maintaining the tax exemption of interest on the Bonds to be dated as of the date of Closing, and attachments thereto.

Finance Director shall mean the City’s Finance Director or the successor to such office.

Government Obligations mean those obligations now or hereafter defined as such in chapter 39.53 RCW.

Letter of Representations means the Blanket Issuer Letter of Representations from the City to DTC.

Mayor means the duly appointed and acting Mayor of the City or the successor to the duties of that office.

MSRB means the Municipal Securities Rulemaking Board or any successors to its functions.

Official Statement means the disclosure documents prepared and delivered in connection with the issuance of the Bonds.

Refunded Bonds mean the 2007 Refunded Bonds and the 2008 Bond.

Refunding Account means the account by that name established pursuant to Section 7.

Registered Owner means the person named as the registered owner of a Bond in the Bond Register. For so long as the Bonds are held in book-entry only form, DTC or its nominee shall be deemed to be the sole Registered Owner.

Rule means the Commission’s Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

State means the State of Washington.

2007 Bond Ordinance means Ordinance No. 06-07 passed by the Council on May 22, 2007, authorizing the issuance of the 2007 Bonds.

2007 Bonds mean the City's Limited Tax General Obligation Bonds, Series 2007A, issued on June 5, 2007, pursuant to the 2007 Bond Ordinance as described in the recitals of this ordinance.

2007 Refunded Bonds mean those 2007 Refunding Candidates designated by a Designated Representative for refunding pursuant to Section 7 and Section 11.

2007 Refunding Candidates mean the outstanding 2007 Bonds maturing on or after November 1, 2018 as shown in the recitals to this ordinance.

2008 Bond mean the City's Limited Tax General Obligation Bonds, Series 2008, issued on June 10, 2008, pursuant to the 2008 Bond Ordinance as described in the recitals of this ordinance.

2008 Bond Ordinance means Ordinance No. 10-08 passed by the Council on May 27, 2008, authorizing the issuance of the 2008 Bond.

Underwriter means Piper Jaffray & Co., or its successors.

(b) *Interpretation.* In this ordinance, unless the context otherwise requires:

(1) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this ordinance, refer to this ordinance as a whole and not to any particular article, section, subdivision or clause hereof, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the date of this ordinance;

(2) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa;

(3) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons;

(4) Any headings preceding the text of the several articles and sections of this ordinance, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this ordinance, nor shall they affect its meaning, construction or effect; and

(5) All references herein to "articles," "sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof.

Section 2. Authorization of Bonds and Bond Details. For the purpose of refunding the Refunded Bonds and paying costs of issuance of the Bonds and costs related to the administration of the refunding, the City is hereby authorized to issue and sell limited tax general obligation refunding bonds in an aggregate principal amount not to exceed \$9,500,000 (the "Bonds").

The Bonds shall be general obligations of the City, shall be designated “City of Covington, Washington, Limited Tax General Obligation Refunding Bonds, 2016” or other such designation as set forth in the Bond Purchase Contract and approved by a Designated Representative. The Bonds shall be dated as of the date of Closing; shall be fully registered as to both principal and interest; shall be in the denomination of \$5,000 each, or any integral multiple thereof, within a maturity; shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification; and shall bear interest payable on the dates set forth in the Bond Purchase Contract; and shall mature on the dates and in the principal amounts set forth in the Bond Purchase Contract and as approved by a Designated Representative pursuant to Section 11. The Bonds of any of the maturities may be combined and issued as term bonds, subject to mandatory redemption as provided in the Bond Purchase Contract.

Section 3. Registration, Exchange and Payments.

(a) *Bond Registrar/Bond Register.* The City hereby specifies and adopts the system of registration approved by the State Finance Committee from time to time through the appointment of a state fiscal agent. The City shall cause a bond register to be maintained by the Bond Registrar. So long as any Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration or transfer of Bonds at its designated office. The Bond Registrar may be removed at any time at the option of the Finance Director upon prior notice to the Bond Registrar and a successor Bond Registrar appointed by the Finance Director. No resignation or removal of the Bond Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver Bonds transferred or exchanged in accordance with the provisions of such Bonds and this ordinance and to carry out all of the Bond Registrar’s powers and duties under this ordinance. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication of the Bonds.

(b) *Registered Ownership.* The City and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes (except as provided in Section 12), and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 3(g), but such Bond may be transferred as herein provided. All such payments made as described in Section 3(g) shall be valid and shall satisfy and discharge the liability of the City upon such Bond to the extent of the amount or amounts so paid.

(c) *DTC Acceptance/Letters of Representations.* The Bonds initially shall be held in fully immobilized form by DTC acting as depository. The City has executed and delivered to DTC the Letter of Representations. Neither the City nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on Bonds, any notice which is permitted or required to be given to Registered Owners under this ordinance (except such notices as shall be required to be given by the City to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or

any successor depository) as the Registered Owner. For so long as any Bonds are held in fully-immobilized form, DTC or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such Bonds.

If any Bond shall be duly presented for payment and funds have not been duly provided by the City on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bond until it is paid.

(d) *Use of Depository.*

(1) The Bonds shall be registered initially in the name of “Cede & Co.”, as nominee of DTC, with one Bond maturing on each of the maturity dates for the Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (A) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (B) to any substitute depository appointed by the Finance Director pursuant to subsection (2) below or such substitute depository’s successor; or (C) to any person as provided in subsection (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Finance Director to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the Finance Director may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (A) or (B) of subsection (1) above, the Bond Registrar shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the Finance Director, issue a single new Bond for each maturity then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Finance Director.

(4) In the event that (A) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (B) the Finance Director determines that it is in the best interest of the beneficial owners of the Bonds that such owners be able to obtain such Bonds in the form of Bond certificates, the ownership of such Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held by a depository. The Finance Director shall deliver a written request to the Bond Registrar, together with a supply of physical Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding Bonds together with a written request on behalf of the Finance Director to the Bond Registrar, new Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

(e) *Registration of Transfer of Ownership or Exchange; Change in Denominations.* The transfer of any Bond may be registered and Bonds may be exchanged, but no transfer of any such Bond shall be valid unless it is surrendered to the Bond Registrar with the assignment form appearing on such Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered Bond, in exchange for such surrendered and cancelled Bond. Any Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of Bonds of the same date, maturity, and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer of or to exchange any Bond during the 15 days preceding any principal payment or redemption date.

(f) *Bond Registrar's Ownership of Bonds.* The Bond Registrar may become the Registered Owner of any Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of Bonds.

(g) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Interest on the Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. For so long as all Bonds are held by DTC, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations. In the event that the Bonds are no longer held by a depository, interest on the Bonds shall be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the fifteenth day of the month preceding the interest payment date, or upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least 15 days prior to the applicable payment date), such payment shall be made by the Bond Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the designated office of the Bond Registrar.

If any Bond shall be duly presented for payment and funds have not been duly provided by the City on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such Bonds until it is paid.

Section 4. Redemption Prior to Maturity and Purchase of Bonds.

(a) *Mandatory Redemption of Term Bonds and Optional Redemption, if any.* The Bonds shall be subject to mandatory redemption to the extent, if any, set forth in the Bond Purchase Contract and as approved by a Designated Representative pursuant to Section 11. The Bonds shall

be subject to optional redemption on the dates, at the prices and under the terms set forth in the Bond Purchase Contract approved by a Designated Representative pursuant to Section 11.

(b) *Purchase of Bonds.* The City reserves the right to purchase any of the Bonds offered to it at any time at a price deemed reasonable by a Designated Representative.

(c) *Selection of Bonds for Redemption.* For as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds are no longer held by a depository, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as provided in the following provisions of this subsection (c). If the City redeems at any one time fewer than all of the Bonds having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City and the Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal sum of a Bond is redeemed, upon surrender of such Bond at the designated office of the Bond Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like maturity and interest rate in any of the denominations herein authorized.

(d) *Notice of Redemption.*

(1) Official Notice. For so long as the Bonds are held by a depository, notice of redemption (which notice may be conditional) shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. Thereafter (if the Bonds are no longer held in uncertificated form), notice of redemption shall be given in the manner hereinafter provided. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

- (A) the redemption date,
- (B) the redemption price,
- (C) if fewer than all outstanding Bonds are to be redeemed, the identification by maturity (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (D) any conditions to redemption;

(E) that (unless such notice is conditional) on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and

(F) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

On or prior to any redemption date, unless any condition to such redemption has not been satisfied or waived or notice of such redemption has been rescinded, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date. The City retains the right to rescind any redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected registered owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

(2) Effect of Notice; Bonds Due. If notice of redemption has been given and not rescinded or revoked, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and, if the Bond Registrar then holds sufficient funds to pay such Bonds at the redemption price, then from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

(3) Additional Notice. In addition to the foregoing notice, further notice shall be given by the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (A) the CUSIP numbers of all Bonds being redeemed; (B) the date of issue of the Bonds as originally issued; (C) the rate of interest borne by each Bond being redeemed; (D) the maturity date of each Bond being redeemed; and (E) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to each party entitled to receive notice pursuant to Section 12 and with such additional information as the City shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such Bonds.

(4) Amendment of Notice Provisions. The foregoing notice provisions of this Section 4, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 5. Form of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference.

Section 6. Execution of Bonds. The Bonds shall be executed on behalf of the City with the manual or facsimile signatures of the Mayor and City Clerk of the City and the seal of the City shall be impressed, imprinted or otherwise reproduced thereon.

In case either of the officers who shall have executed the Bonds shall cease to be an officer or officers of the City before the Bonds so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bonds may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Bond may be signed and attested on behalf of the City by such persons who at the date of the actual execution of such Bond, are the proper officers of the City, although at the original date of such Bond any such person shall not have been such officer of the City.

Only such Bonds as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this ordinance.

Section 7. Refunding Plan; Application of Bond Proceeds.

(a) *Refunding Plan.* For the purpose of realizing a debt service savings and benefiting the taxpayers of the City, the Council proposes to refund and/or defease the Refunded Bonds as set forth herein. The Refunded Bonds shall include those 2007 Refunding Candidates (or portions thereof) as are selected by a Designated Representative and set forth in the Bond Purchase Contract and the 2008 Bond. A portion of the proceeds of the Bonds and other available funds of the City, if any, shall be deposited with the Escrow Agent pursuant to the Escrow Agreement to be used immediately upon receipt thereof to defease the 2007 Refunded Bonds as authorized by the 2007 Bond Ordinance and to pay costs of issuance of the Bonds. A portion of the proceeds of the Bonds and other available funds of the City, if any, shall be used immediately (and in no event more than 10 business days after the issuance and delivery of the Bonds) to prepay and redeem the then-outstanding principal and accrued interest to the date of prepayment, if any, of the 2008 Bond as authorized by the 2008 Bond Ordinance.

The net proceeds deposited with the Escrow Agent shall be used to defease the 2007 Refunded Bonds and discharge the obligations thereon by the purchase of certain Government Obligations (which obligations so purchased, are herein called "Acquired Obligations"), bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of interest on the 2007 Refunded Bonds due and payable on and prior to the applicable Call Date and the redemption prices of the 2007 Refunded Bonds on the applicable Call Date.

Such Acquired Obligations shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding bond issues.

(b) *Escrow Agent/Escrow Agreement.* The City hereby appoints U.S. Bank National Association, Seattle, Washington, as the Escrow Agent. A cash balance, if any, and the Acquired Obligations shall be deposited irrevocably with the Escrow Agent in an amount sufficient to defease the 2007 Refunded Bonds. The proceeds of the Bonds remaining after acquisition of the Acquired Obligations and provision for the necessary cash balance shall be utilized to pay expenses of the acquisition and safekeeping of the Acquired Obligations and expenses of the issuance of the Bonds.

In order to carry out the purposes of this Section 7, each Designated Representative is authorized and directed to execute and deliver to the Escrow Agent the Escrow Agreement.

(c) *Call for Redemption of Refunded Bonds.* The City hereby calls the 2007 Refunded Bonds for redemption on their applicable Call Date in accordance with the provisions of the 2007 Bond Ordinance authorizing the redemption and retirement of the 2007 Bonds prior to their fixed maturities. Said defeasance and call for redemption of the 2007 Refunded Bonds shall be irrevocable after the issuance of the Bonds and delivery of the Acquired Obligations to the Escrow Agent.

The City hereby calls the 2008 Bond for prepayment and redemption on its applicable Call Date in accordance with the provisions of the 2008 Bond Ordinance authorizing the redemption and retirement of the 2008 Bond prior to its maturity date.

The Designated Representatives and the Escrow Agent are hereby authorized and directed to provide for the giving of notices of the redemption of the Refunded Bonds in accordance with the provisions of the 2007 Bond Ordinance and the 2008 Bond Ordinance, as applicable. The costs of publication of such notices shall be an expense of the City.

The Escrow Agent is hereby authorized and directed to pay to the Finance Director, or, at the direction of the Finance Director, to the paying agent for the 2007 Refunded Bonds, sums sufficient to pay, when due, the payments specified in this Section 7. All such sums shall be paid from the money and Acquired Obligations deposited with the Escrow Agent, and the income therefrom and proceeds thereof. All such sums so paid to said Finance Director shall be credited to the Refunding Account for the refunding of the 2007 Refunded Bonds, which is hereby authorized to be created, or to pay costs of issuance. All moneys and Acquired Obligations deposited with the Escrow Agent and any income therefrom shall be held, invested (but only at the direction of the Finance Director) and applied in accordance with the provisions of this ordinance and the Escrow Agent and with the laws of the State for the benefit of the City and owners of the 2007 Refunded Bonds.

The City will take such actions as are found necessary to see that all necessary and proper fees, compensation and expenses of the Escrow Agent for the 2007 Refunded Bonds shall be paid when due.

Section 8. Tax Covenants. The City will take all actions necessary to assure the exclusion of interest on the Bonds from the gross income of the owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Bonds, including but not limited to the following:

(a) *Private Activity Bond Limitation.* The City will assure that the proceeds of the Bonds are not so used as to cause the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(b) *Limitations on Disposition of Project.* The City will not sell or otherwise transfer or dispose of (i) any personal property components of the projects financed with proceeds of the Refunded Bonds (the “Projects”) other than in the ordinary course of an established government program under Treasury Regulation 1.141-2(d)(4) or (ii) any real property components of the Projects, unless it has received an opinion of Bond Counsel to the effect that such disposition will not adversely affect the treatment of interest on the Bond as excludable from gross income for federal income tax purposes.

(c) *Federal Guarantee Prohibition.* The City will not take any action or permit or suffer any action to be taken if the result of such action would be to cause any of the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) *Rebate Requirement.* The City will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

(e) *No Arbitrage.* The City will not take, or permit or suffer to be taken by the Escrow Agent or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(f) *Registration Covenant.* The City will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code until all Bonds have been surrendered and canceled.

(g) *Record Retention.* The City will retain its records of all accounting and monitoring it carries out with respect to the Bonds for at least three years after the Bonds mature or are redeemed (whichever is earlier); however, if the Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the Bonds.

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of the Federal Tax Certificate with respect to the Bonds, which are incorporated herein as if fully set forth herein. The covenants of this Section will survive payment in full or defeasance of the Bonds.

(i) *Bank Qualification.* The City hereby designates the Bonds for purposes of paragraph (3) of Section 265(b) of the Code and represents that not more than \$10,000,000

aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding (i) private activity bonds, as defined in Section 141 of the Code, except qualified 501(c)(3) bonds as defined in Section 145 of the Code and (ii) current refunding obligations to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), has been or will be issued by the City, including all subordinate entities of the City, during the calendar year 2016.

Section 9. Debt Service Fund and Provision for Tax Levy Payments. The City hereby authorizes the creation of one or more accounts in the City's Debt Service Fund to be used for the payment of debt service on the Bonds. No later than the date each payment of principal or interest on the Bonds becomes due, the City shall transmit sufficient funds, from the Debt Service Fund or from other legally available sources, to the Bond Registrar for the payment of such principal or interest. Money in the Debt Service Fund may be invested in legal investments for City funds, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value.

The City hereby irrevocably covenants and agrees for as long as any of the Bonds are outstanding and unpaid that each year it will include in its budget and levy an *ad valorem* tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bonds when due.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the regular property tax levy permitted to cities without a vote of the people, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bonds when due.

Section 10. Defeasance. In the event that the City, to effect the payment, retirement or redemption of any Bond, sets aside in the Debt Service Fund or in another special account, cash or noncallable Government Obligations, or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal, premium, if any, and interest from the Debt Service Fund or such special account, and such Bond shall be deemed to be not outstanding under this ordinance. The City shall give written notice of defeasance in accordance with Section 12.

Section 11. Sale of Bonds.

(a) *Bond Sale.* The Bonds shall be sold at negotiated sale to the Underwriter pursuant to the terms of the Bond Purchase Contract. The Council has determined that it would be in the best interest of the City to delegate to the Designated Representatives for a limited time the authority to approve the selection of the 2007 Refunded Bonds and the final interest rates, aggregate principal amount, principal amounts of each maturity of the Bonds, and redemption rights for the Bonds.

Each Designated Representative is hereby authorized to approve the final interest rates, aggregate principal amount, principal amounts of each maturity of the Bonds, and redemption rights for the Bonds and to select the 2007 Refunded Bonds in the manner provided hereafter so long as:

- (1) the aggregate principal amount of the Bonds does not exceed \$9,500,000;
- (2) the final maturity date for the Bonds is no later than November 1, 2027;
- (3) the Bonds are sold (in the aggregate) at a price not less than 97% and not greater than 130%;
- (4) the Bonds are sold for a price that results in a minimum net present value debt service savings over the Refunded Bonds of 5.00%;
- (5) the true interest cost for the Bonds (in the aggregate) does not exceed 3.00%; and
- (6) the Bonds conform to all other terms of this ordinance.

Subject to the terms and conditions set forth in this Section 11, the Designated Representatives are each hereby authorized to execute the Bond Purchase Contract. The signature of one Designated Representative shall be sufficient to bind the City.

Following the execution of the Bond Purchase Contract, a Designated Representative shall provide a report to the Council describing the final terms of the Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representatives by this Section 11 shall expire 120 days after the effective date of this ordinance. If a Bond Purchase Contract for the Bonds has not been executed within 120 days after the effective date of this ordinance, the authorization for the issuance of the Bonds shall be rescinded, and the Bonds shall not be issued nor their sale approved unless such Bonds shall have been re-authorized by ordinance of the Council. The ordinance re-authorizing the issuance and sale of such Bonds may be in the form of a new ordinance repealing this ordinance in whole or in part or may be in the form of an amendatory ordinance approving a bond purchase contract or establishing terms and conditions for the authority delegated under this Section 11.

(b) *Delivery of Bonds; Documentation.* Upon the passage and approval of this ordinance, the proper officials of the City, including the Designated Representatives, are authorized and directed to undertake all action necessary for the prompt execution and delivery of

the Bonds to the Underwriter and further to execute all closing certificates and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the Bond Purchase Contract. Such documents may include, but are not limited to, documents related to a municipal bond insurance policy delivered by an insurer to insure the payment when due of the principal of and interest on the Bonds as provided therein, if such insurance is determined by a Designated Representative to be in the best interest of the City.

(c) *Preliminary and Final Official Statements.* The Finance Director is hereby authorized to deem final the preliminary Official Statement relating to the Bonds for the purposes of the Rule. The Finance Director is further authorized to approve for purposes of the Rule, on behalf of the City, the final Official Statement relating to the issuance and sale of the Bonds and the distribution of the final Official Statement pursuant thereto with such changes, if any, as may be deemed to be appropriate.

Section 12. Undertaking to Provide Ongoing Disclosure.

(a) *Contract/Undertaking.* This section constitutes the City's written undertaking for the benefit of the owners, including Beneficial Owners, of the Bonds as required by Section (b)(5) of the Rule.

(b) *Financial Statements/Operating Data.* The City agrees to provide or cause to be provided to the MSRB, the following annual financial information and operating data for the prior fiscal year (commencing in 2016 for the fiscal year ended December 31, 2015):

(1) Annual financial statements, which statements may or may not be audited, showing ending fund balances for the City's general fund prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the State Auditor pursuant to RCW 43.09.200 (or any successor statute) and generally of the type included in the Official Statement for the Bonds ;

(2) The assessed valuation of taxable property in the City;

(3) Ad valorem taxes due and percentage of taxes collected;

(4) Property tax levy rate per \$1,000 of assessed valuation; and

(5) Outstanding general obligation debt of the City.

Items 2-5 shall be required only to the extent that such information is not included in the annual financial statements.

The information and data described above shall be provided on or before the end of nine months (September 30) after the end of the City's fiscal year. The City's fiscal year currently ends on December 31. The City may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, the City may cross-reference to other documents available to the public on the MSRB's internet website or filed with the Commission.

If not provided as part of the annual financial information discussed above, the City shall provide the City's audited annual financial statement prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the State Auditor pursuant to RCW 43.09.200 (or any successor statute) when and if available to the MSRB.

(c) *Listed Events.* The City agrees to provide or cause to be provided to the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- Modifications to the rights of Bondholders, if material;
- Optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, if material, and tender offers;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the City;
- The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(d) *Format for Filings with the MSRB.* All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

(e) *Notification Upon Failure to Provide Financial Data.* The City agrees to provide or cause to be provided to the MSRB notice of its failure to provide the annual financial information described in Subsection (b) above on or prior to the date set forth in Subsection (b) above.

(f) *Termination/Modification.* The City's obligations to provide annual financial information and notices of listed events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Any provision of this section shall be null and void if the City (1) obtains an opinion of Bond Counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does not apply to the Bonds and (2) notifies the MSRB of such opinion and the cancellation of this section.

The City may amend this section, without the consent of bondowners, with an opinion of Bond Counsel in accordance with the Rule. In the event of any amendment of this section, the City shall describe such amendment in the next annual report, and shall include a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (A) notice of such change shall be given in the same manner as for a listed event under Subsection (c), and (B) the annual report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(g) *Bond Owner's Remedies Under This Section.* The right of any bondowner or Beneficial Owner of Bonds to enforce the provisions of this section shall be limited to a right to obtain specific enforcement of the City's obligations under this section, and any failure by the City to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds.

(h) *No Default.* Except as otherwise disclosed in the City's official statement relating to the Bonds, the City is not and has not been in default in the performance of its obligations of any prior undertaking for ongoing disclosure with respect to its obligations.

Section 13. Lost, Stolen or Destroyed Bonds. In case any Bond or Bonds shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new Bond or Bonds of like date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon his/her filing with the City evidence satisfactory to the City that such Bond was actually lost, stolen or destroyed and of his/her ownership thereof, and upon furnishing the City and/or the Bond Registrar with indemnity satisfactory to the City and the Bond Registrar.

Section 14. Severability; Ratification. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 15. Effective Date of Ordinance. This ordinance shall take effect and be in force five (5) days from and after its passage, approval, and publication, as required by law. A summary of this ordinance, consisting of the title, may be published in lieu of publishing the ordinance in its entirety.

Section 16. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel, the Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

PASSED BY THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, in open session on the 22nd day of March, 2016, and signed in authentication of its passage this 22nd day of March, 2016.

CITY OF COVINGTON, WASHINGTON

Mayor Jeff Wagner

ATTEST/AUTHENTICATED:

Sharon G. Scott, City Clerk

APPROVED AS TO FORM:

Pacifica Law Group LLP
Bond Counsel to the City

Date of Publication: March 25, 2016

Effective Date: March 30, 2016

Exhibit A

Form of Bond

[DTC LANGUAGE]

UNITED STATES OF AMERICA

NO. _____

\$ _____

STATE OF WASHINGTON

CITY OF COVINGTON

LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, 2016

INTEREST RATE: %

MATURITY DATE:

CUSIP NO.:

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City of Covington, Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from _____, 2016, or the most recent date to which interest has been paid or duly provided for until payment of this bond at the Interest Rate set forth above, payable on _____ 1, 2016, and semiannually thereafter on the first days of each succeeding _____ and _____. Both principal of and interest on this bond are payable in lawful money of the United States of America. The fiscal agent of the State of Washington has been appointed by the City as the authenticating agent, paying agent and registrar for the bonds of this issue (the "Bond Registrar"). For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of The Depository Trust Company ("DTC") referred to in the Blanket Issuer Letter of Representations (the "Letter of Representations") from the City to DTC.

The bonds of this issue are issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington and Ordinance No. _____ duly passed by the City Council on March 22, 2016 (the "Bond Ordinance"). Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is one of an authorized issue of bonds of like series, date, tenor, rate of interest and date of maturity, except as to number and amount in the aggregate principal amount of \$ _____ and is issued pursuant to the Bond Ordinance to provide a portion of the funds

The Bond Registrar's Certificate of Authentication on the Bonds shall be in substantially the following form:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Bond Ordinance and is one of the Limited Tax General Obligation Refunding Bonds, 2016, of the City of Covington, Washington, dated _____, 2016.

WASHINGTON STATE FISCAL AGENT,
as Bond Registrar

By _____

CERTIFICATE

I, the undersigned, City Clerk of the City Council of the City of Covington, Washington (the "City"), DO HEREBY CERTIFY:

1. The attached copy of Ordinance No. 08-2016 (the "Ordinance") is a full, true and correct copy of an ordinance duly passed at a regular meeting of the City Council of the City held at the regular meeting place thereof on March 22, 2016, as that ordinance appears on the minute book of the City; and the Ordinance will be in full force and effect five (5) days after its passage and publication as provided by law; and

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of said Ordinance; that all other requirements and proceedings incident to the proper passage of said Ordinance have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

3. That Ordinance No. 08-2016 has not been amended, supplemented or rescinded since its passage and is in full force and effect and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of March, 2016.

Sharon Scott, City Clerk

SUBJECT: GERRY CRICK SKATE PARK RENOVATION DESIGN

RECOMMENDED BY: Ethan Newton, Parks & Recreation Director

ATTACHMENT(S):

1. Skate Park Design and Cost Estimate

PREPARED BY: Angie Feser, Parks Planner

EXPLANATION:

This presentation is for an update and approval of the Gerry Crick Skate Park renovation project. The skate park completed in October 2004, consists mainly of a large concrete slab with modular features. The equipment has passed its life cycle, is deteriorating and several pieces have failed and been removed. Partnering with MultiCare Hospital Covington, the city was successful in a \$30,000 King County Youth Sports Facility grant last year for this renovation project.

With the skate park being located on 168th Avenue between Mattson Junior High and Kentwood High School, the design input included on-site visits at both schools during lunch hours to solicit design ideas as well as site visits to the skate park to do the same. In addition to design boards and discussion, nearly 100 user and non-user surveys were completed and reviewed. This input created a preliminary design which was vetted via live webinar featuring the design in 3-dimensions with interactive feedback last week on March 15th.

The proposed design is a result of this community engagement, staff input and review and recommendation by the Parks and Recreation Commission at their meeting held on March 16th.

Next steps include building permit approval and then manufacturing of the components. A community-build installation is planned for summer of this year with several days of opportunity for community members to be involved with the construction of the renovated skate park.

Staff is presenting the proposed skate park design for council feedback and approval in order to begin the next phase of the project.

FISCAL IMPACT:

This project has a budget of \$120,000 and was approved through a 2016 budget decision card. Funding sources include MultiCare Covington donation (\$1,000), King County Youth Sports Facility grant (\$30,000), community-build volunteer labor (\$7,500), Parks Fee-in-Lieu (\$21,500) and General Fund (\$60,000).

CITY COUNCIL ACTION: Ordinance Resolution Motion Other

PROVIDE INPUT TO STAFF

REVIEWED BY: City Manager, Parks & Recreation Director



COVINGTON SKATEPARK #6154



20 YEAR WARRANTY

FASTENER FREE RIDING SURFACE



MAXGRIP™ POLYESTER POWDERCOAT

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DRAWN BY Chuck Dodge

DATE 3/16/16

REP. AGENCY

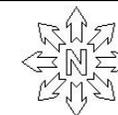
American Ramp Company

REP. NAME

Josh Willis

REP. PHONE

(800) 949-2024



CUSTOMER APPROVAL	DATE

PARK ENCLOSED? Yes

PRO SERIES ✓

X SERIES -

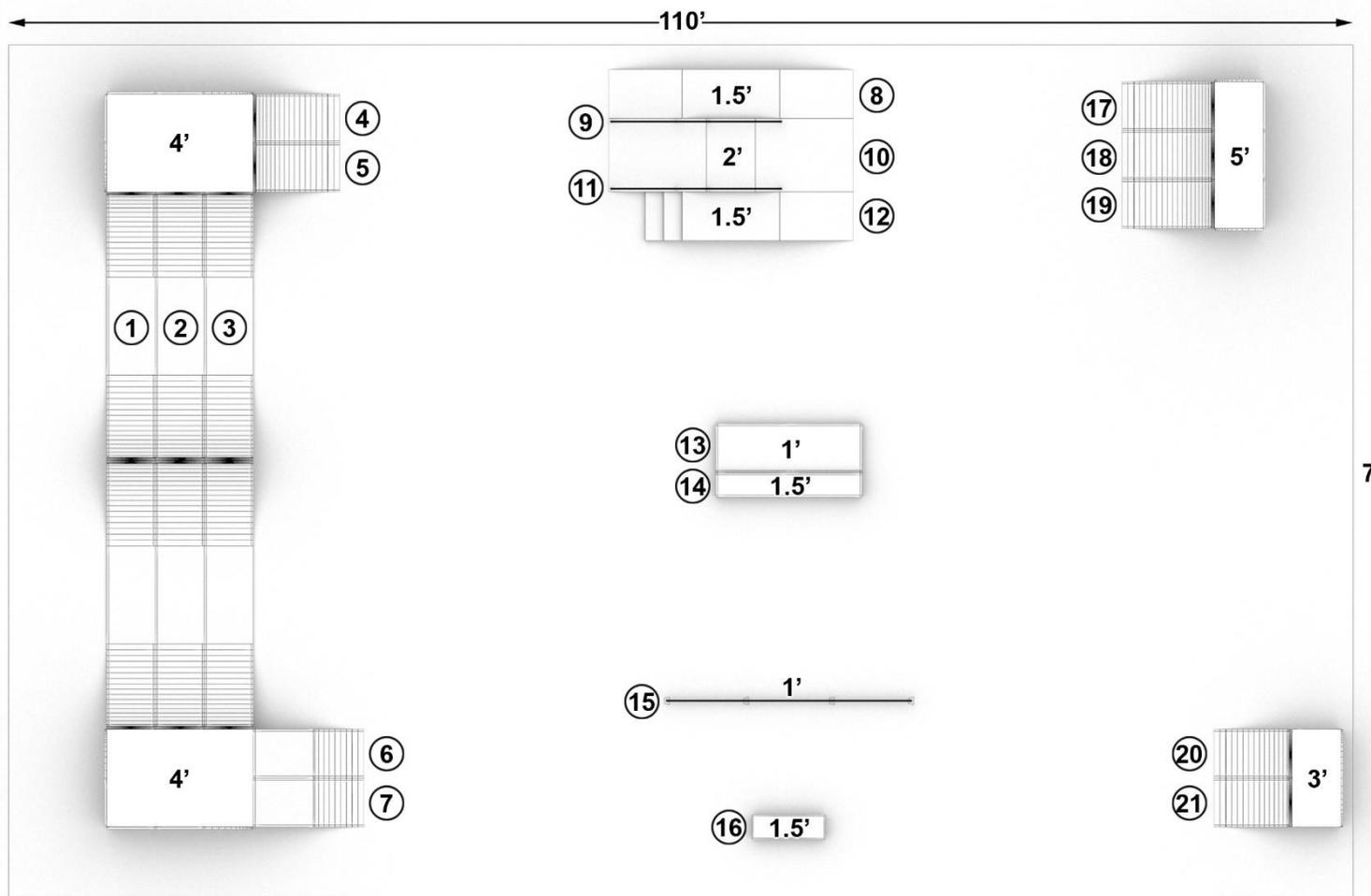
STEALTH SERIES -

STEALTH CLASSIC SERIES -

PROJECT NAME

Covington Skate Park

DESIGN NO. 6154



[CLICK HERE TO VIEW DESIGN RENDERINGS](#)

601 McKinley, Joplin, MO 64801
 Local 417-206-6816
 Fax 417-206-6888
sales@americanrampcompany.com



Quote #	Design #	FOB
03568_CD	6154	Covington, WA

Item	Obstacle	Height	Width	Length
1	Half Pipe Section w/4' Spine	4.0'	4.0'	55.0'
2	Half Pipe Section w/4' Spine	4.0'	4.0'	55.0'
3	Half Pipe Section w/4' Spine	4.0'	4.0'	55.0'
4	Quarter Pipe	4.0'	4.0'	7.0'
5	Quarter Pipe	4.0'	4.0'	7.0'
6	Bank Ramp	4.0'	4.0'	9.0'
7	Bank Ramp	4.0'	4.0'	9.0'
8	Wedge, Flat, Wedge	1.5'	4.0'	20.0'
9	Grind Rail, Kinked (Round)	1.5'	2"	14.0'
10	Wedge, Flat, Wedge	2.0'	6.0'	20.0'
11	Grind Rail, Kinked (Round)	1.5'	2"	14.0'
12	Wedge, Flat, Stair	1.5'	4.0'	17.0'
13	Grindbox	1.0'	4.0'	12.0'
14	Grindbox (2' Wide)	1.5'	2.0'	12.0'
15	Grind Rail (Round)	1.0'	2"	20.0'
16	Skate Bench (Concrete)	1.5'	2.0'	6.0'
17	Quarter Pipe	5.0'	4.0'	12.0'
18	Quarter Pipe	5.0'	4.0'	12.0'
19	Quarter Pipe	5.0'	4.0'	12.0'
20	Quarter Pipe	3.0'	4.0'	10.0'
21	Quarter Pipe	3.0'	4.0'	10.0'

Subtotal	\$95,328.13
Framework Enclosures	\$9,532.81
Freight	*FREE
Supervised Installation	\$4,766.41
NJPA Discount	-\$7,673.91
TOTAL	\$101,953.44
8.6% Sales Tax	\$8,768.00
GRAND TOTAL	\$110,721.43

Notes:

- *Free freight for NJPA orders.
- For full install, double the supervised installation price.
- If your project is subject to prevailing wage or bonding requirements, call for revised quote.



Purchase through our competitively bid government NJPA contract.
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Agenda Item 5
Covington City Council Meeting
Date: March 22, 2016

SUBJECT: APPROVE INTERLOCAL AGREEMENT WITH KENT SCHOOL DISTRICT
FOR COLLECTION OF SCHOOL IMPACT FEES

RECOMMENDED BY: Regan Bolli, City Manager

ATTACHMENT(S):

1. Meeting materials will be distributed under separate cover.

PREPARED BY: Sharon Scott, City Clerk/Executive Assistant

EXPLANATION:

ALTERNATIVES:

FISCAL IMPACT:

CITY COUNCIL ACTION: Ordinance Resolution Motion Other

**Council member _____ moves, Council member _____
seconds, to approve the interlocal agreement with the Kent School District
for collection of school impact fees as attached in substantial form.**

REVIEWED BY: City Manager, City Attorney, City Clerk

Agenda Item 6
Covington City Council Meeting
Date: March 22, 2016

SUBJECT: CONSIDER RESOLUTION SUPPORTING CONTINUED ADEQUATE STATE FUNDING OF MRSC WITH NO CONDITIONS

RECOMMENDED BY: Regan Bolli, City Manager

ATTACHMENT(S):

1. Meeting materials will be distributed under separate cover.

PREPARED BY: Sharon Scott, City Clerk/Executive Assistant

EXPLANATION:

ALTERNATIVES:

FISCAL IMPACT:

CITY COUNCIL ACTION: Ordinance Resolution Motion Other

Council member _____ moves, Council member _____ seconds, to approve a Resolution supporting continued adequate state funding of MRSC with no conditions.

REVIEWED BY: City Manager, City Attorney, City Clerk

Agenda Item 7

Covington City Council
Meeting Date: March 22, 2016

SUBJECT: PRESENT 2015 YEAR END FINANCIALS

PREPARED BY: Rob Hendrickson, Finance Director

ATTACHMENT(S):

1. 2015 Fourth Quarter and Annual Report
2. Quarterly Performance Report Charts for All Funds
3. Major Revenue Comparison
4. Investment Listing

EXPLANATION:

Attached are reports and charts that provide both summary and detailed information on revenues and expenditures for each of the city's operational funds.

It is the policy of the City of Covington and a requirement of state law (RCW 35A.34.240) to provide financial reports to the governing body on a quarterly basis.

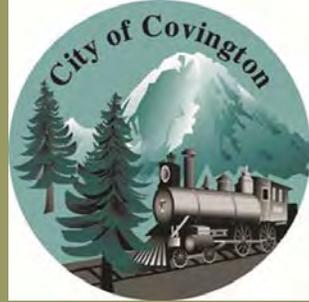
FISCAL IMPACT:

No impact. This is an update on 2015 operational activity through fourth quarter as compared to budget.

CITY COUNCIL ACTION: Ordinance Resolution Motion Other

ASK QUESTIONS OF STAFF

REVIEWED BY: City Manager



ATTACHMENT 1 Economic & Revenue Summary

~WA State Economic & Revenue Forecast Council

- U.S. real GDP growth for the 4th quarter was revised up from 0.7% to 1.0% (still weak).
- U.S. employment expanded by 292,000 net new jobs in December; October and November employment data were revised up by a total of 50,000. Washington is #6 in job growth as of Dec 2015.
- U.S. light vehicle sales hit their highest level since July 2005.
- U.S. housing starts and building permits both increased but existing home prices declined.
- Washington employment continues to grow at a solid rate but manufacturing remains weak.
- Washington housing construction was stronger than expected.
- Seattle CPI at year end was 2.2% - .50% above 2014.
- Washington car and truck sales ended the year at an all-time high.
- Seattle home prices surged in August (0.7%), September (0.9%), & October (1.3%) after being relatively flat.

2015 4th Quarter

Sales tax ended the year on a high note as it exceeded all prior years. REET also came in way above forecast due to unanticipated commercial sales and a stronger than expected housing market. Expenditures are tracking as expected. The local economy appears vibrant against a backdrop of new commercial construction which is outpacing 2014 by a wide margin. Single family home permits are coming in at a more consistent pace as plat approvals move forward. Business licenses through Dec have exceeded all of 2014 by 7. City marketing has been effective for aquatics and athletics as participation has been increasing.

- Rob Hendrickson, Finance Director

Inside this issue:

Property Tax	2	Public Works	5
Real Estate Excise Tax	2	Development Services	5
Retail Sales and Use Tax	3	Parks and Recreation	5
Utility Tax	3	Cash and Investments	6
General Fund	4	Capital Investment Program	7

Property Tax

Property tax is collected by King County and distributed on a daily basis to all taxing agencies within the county. Since taxes are due on April 30 and October 30 each year, the major distributions are realized in early May and November.

Through the 4th quarter the City received \$2,487,924 or 99.5% of budget. This is ahead of 2014 4th quarter results by 1.2%.

Property tax is the most stable

2013	2014	2015
\$ 2,363,948	\$ 2,458,371	\$ 2,487,924

source of revenue the City has. It is one leg of the “three legged” stool which the General Fund relies on for revenue. The other two legs are sales tax and utility tax.

Property tax revenues are unrestricted. As such they may be used to pay for any need within the City.

Currently, property taxes are allocated 100% to the General Fund.

The 2014 levy for 2015 collection is \$2,479,806 and the levy rate is \$1.31/\$1,000 assessed value. The legal cap for property tax collections is \$2.10/\$1,000 assessed value.

The City’s assessed valuation is \$1.89 billion—an increase of \$271.4 million or 16.78% over the previous year.

Real Estate Excise Tax (REET)

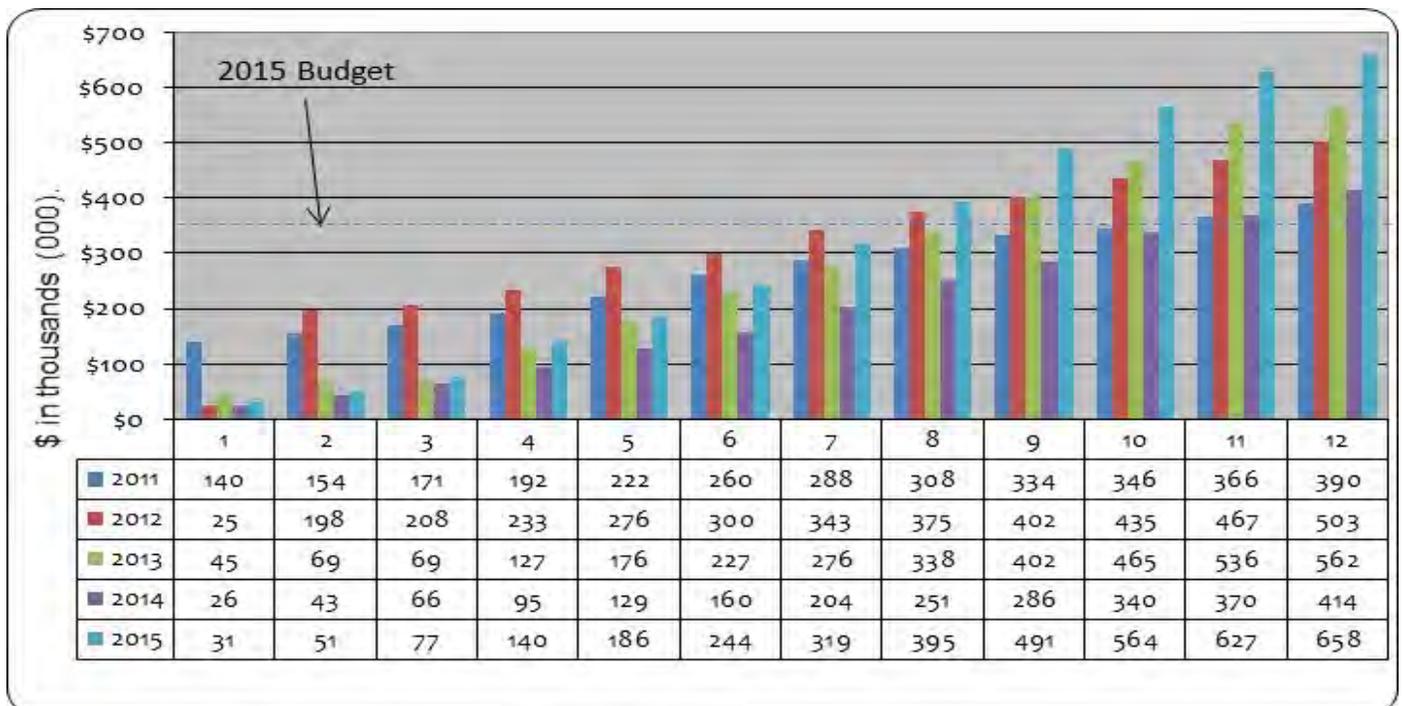
REET is a restricted revenue dedicated to paying debt service on the 2007 transportation bonds which paid for 168th Place SE/165th Place SE and loans from the Public Works Trust Fund. This tax is levied by the City on all sales of real estate at the

rate of one-half percent (two quarter percents).

Through December, collections are \$657,842 or 187.9% of the \$649,360 budget. This is \$243,353 or 58.7% higher than 2014 primarily due to three commercial sales.

There were no new home sales, 319 existing home sales (42% higher than 2014), and three commercial sales through 4th quarter.

Generally, existing home sales drive REET, but commercial sales add revenue rapidly and in large amounts.

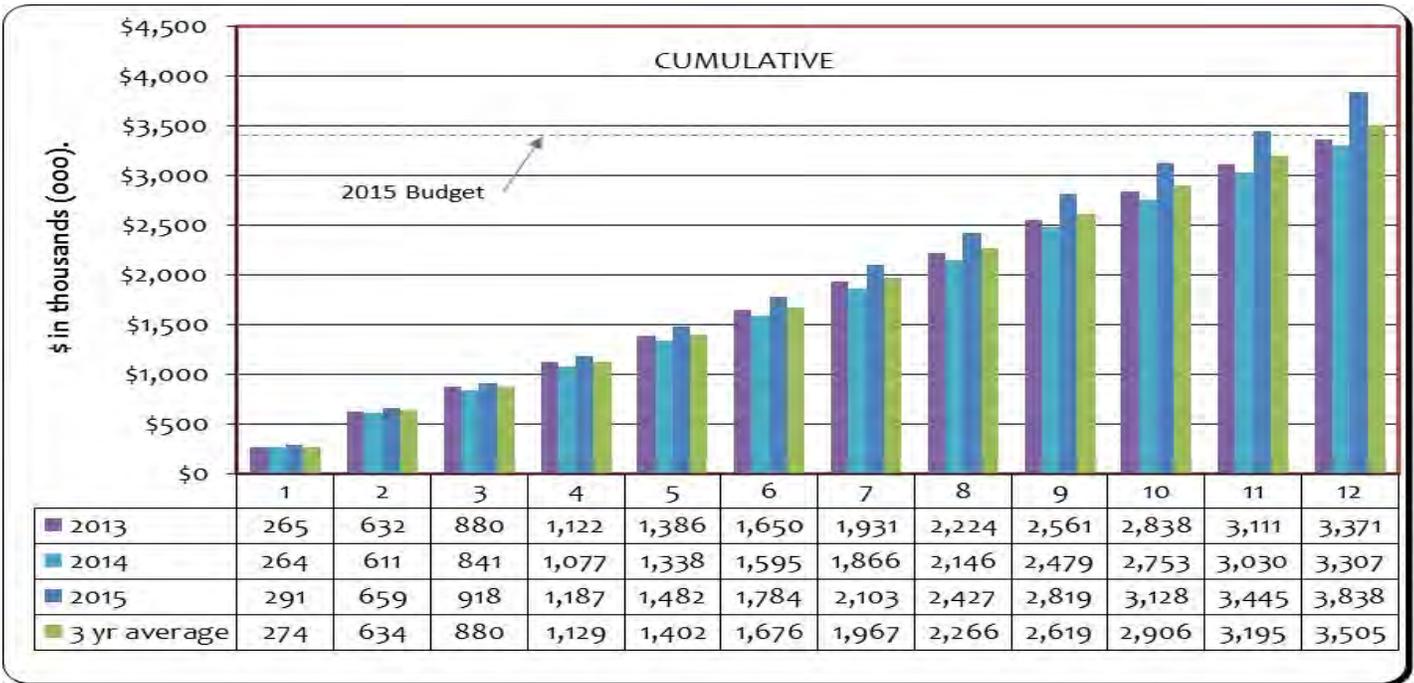


Retail Sales & Use Tax

Sales and use Tax is the largest revenue source available to the City. It currently supports the General Fund at 84% and the Parks and Recreation Fund at 16%. The 4th quarter (on a

cash basis) is above 2014 levels by \$530,900 or 16.0%. Total collections are at \$3,838,165 or 113.2%. The budget for 2015 is \$3,391,790.

In year over year comparisons, retail sales increased by 7.3%, construction increased 164.0%, food services were up 9.2%, and all other categories increased 12.6%.



Utility Tax

The City imposes a utility tax on electrical energy, natural gas, brokered natural gas, solid waste, cable television, telephone, and SWM at the rate of 6.0%.

The utility tax supports the general fund including debt service, streets, parks and parks CIP.

The 4th quarter Y/Y is up by \$105,433. However, annual collections are below budget. Total collections are \$1,998,827 or 94.4% of budget.

Solid waste and SWM exceed the prior year and cable TV is about even, but all other categories are down when compared to 2014.

MuniServices is almost complete with a tax audit of PSE to insure compliance with city requirements.



Utility	2014	2015
Electricity	\$687,759	\$664,124
Natural Gas	326,316	305,399
Solid Waste	156,238	163,457
Cable	317,326	316,321
Telephone	506,515	431,792
SWM	110,106	117,734
Total	<u>\$2,104,260</u>	<u>\$1,998,827</u>

GENERAL FUND

Revenues for the 4th quarter are 102.6% of budget or \$9,735,763. This is more than 2014 levels by \$677,558. Sales, utility, and property tax collections are detailed on pages 2 and 3. Remaining revenues outpaced 2014 by \$310,302 or 18.1%.

Total expenditures including

transfers out through December are \$9,635,669. This is an increase in spending of 8.9% or \$792,005 over the same period last year. This is in due mainly to an increase in operating transfers out.

Overall, 91.5% of the budget has been spent. Note in the chart below that most all departments are

below the 100% mark. Three departments exceed 100% however, they are offset by other departments spending less than 100% of their budgets.

Beginning fund balance is \$4,482,656—an increase of \$455,851.

GENERAL FUND DEPARTMENT BUDGET UPDATE

Department	YTD - 2014	% of Budget	YTD - 2015	% of Budget
City Council	438,612	90.1%	\$ 442,804	91.2%
Municipal Court	418,483	65.6%	415,085	80.2%
Executive	1,026,668	108.3%	916,625	96.1%
Finance	486,996	87.9%	572,917	97.1%
Legal	111,436	120.6%	135,518	141.2%
Human Resources	380,470	105.6%	390,875	100.5%
Solid Waste	999	0.0%	820	0.0%
Central Services	483,120	91.0%	530,166	100.0%
Law Enforcement	3,318,868	102.2%	3,318,506	95.3%
Community Development	398,947	85.8%	423,242	103.2%
Operating Transfers Out	<u>1,779,067</u>	109.7%	<u>2,489,111</u>	80.8%
TOTAL	<u>\$ 8,843,664</u>	97.1%	<u>\$ 9,635,669</u>	91.5%

PUBLIC WORKS

Public Works consists of Street Operations and Surface Water Management (SWM).

Street Operations is funded by franchise fees received from Comcast and a motor vehicle fuel excise tax—gas tax.

Franchise fees are slightly ahead of 2014 by 4.0% or \$9,741 and ahead of forecast at \$243,234 or 104.2%.

Total operating revenues are \$674,275 and other financing sources are \$336,929. At

\$1,011,204 this puts total revenue sources at 92.9% for the 4th quarter.

Gas tax came in slightly above budget. The forecast is generated through Municipal Research Services Corporation (MRSC). The amount received is \$389,410 or 106.0% of budget. This is slightly higher than 2014 by \$16,059 or 4.1%.

Total expenditures are under budget for the 4th quarter. Total expenditures are at 94.4% or \$,1041,271.

Street operating revenues are below operating expenditures by \$359,202. Operating transfers of \$336,929 from the general fund offset that deficit.

Ending fund balance for Streets is \$514,491 an increase of \$46,625.

SWM is primarily funded through drainage fees that are collected by King County. The City received \$1,869,406 or 100.1% of budget. Total revenues are at 90.5% or \$1,975,970.

Total expenditures are at 62.3% or \$1,728,208 slightly below 2014.

DEVELOPMENT SERVICES

Total revenue is at \$2,375,697 or 189.3% of forecast. This is a 123.1% increase over 2014. Permit revenue is at \$1,272,318 which is a 433.2% increase over 2014 and is 135.8% of budget.

The number of permits for single family residences are at 17 compared to 0 in 2014. There are 20 multi-family permits and one commercial permit year-to-date.

Operational expenditures came in at 106.7% or \$1,172,764.

Ending fund balance was \$1,912,002 an increase of \$20,773.

PARKS and RECREATION

Parks is divided into five divisions: aquatics, maintenance, recreation, parks administration and athletics. Revenues are derived from a portion of sales tax (16%), aquatics revenue, recreation, athletics and some miscellaneous revenues such as rentals and interest earnings.

Operating revenue came in ahead of forecast at 112.3% or \$1,650,004—led by sales tax and aquatics revenue. Sales tax is 113.2% or \$614,107, aquatics revenue is \$797,421 or 127.3%, athletics revenue is \$145,669 or 109.1% and recreation revenue is \$63,909 or 106.3%. All four categories exceed 2014 in year over year results.

Year to date attendance is 125,909—ahead of 2014 by 14,628.

Operating expenditures for the five divisions are 102.3% or \$2,638,964. Expenditures are exceeding operating revenues by \$988,960.

Ending fund balance was \$214,256 a decrease of \$87,222.

Cash & Investments

Cash and investments total \$15,490,783. This exceeds December 2014 by \$2,791,634. The largest gainer is the Development Services Fund followed by the Capital Improvement Fund. With the exception of the Street fund, all funds gained over 2014.

The Local Government Investment Pool (LGIP) is currently earning 0.262% (as of December 2015). The City has \$12,882,456 invested with the LGIP.

Investments outside the LGIP total \$2,401,549 (market value).

That is split between US Government Agencies and Municipal Securities. (six investments)

The weighted yield of the portfolio with the state pool is 0.35% and without the pool is 0.80% (2.3 times the pool earnings). Average days to maturity with the pool is 70.3 days or 0.19 years and with-



out the pool is 443.89 days or 1.22 years.

There were no maturities during the quarter.

Cash on hand is kept at US Bank and various petty cash funds throughout the City. Investment securities are kept with US Bank Safekeeping.

The chart below reflects the amount of cash and investments allocated to each fund within the City. This is reconciled and updated on a monthly basis.

TOTAL GENERAL LEDGER CASH ACCOUNTS			
	INVESTMENTS	CASH	TOTAL
GENERAL FUND	\$ 448,884.77	\$ 3,310,400.02	\$ 3,759,284.79
STREET FUND	-	388,679.95	388,679.95
CONTINGENCY FUND	-	421,746.39	421,746.39
CUMULATIVE RESERVE FUND	1,248,198.75	160,669.85	1,408,868.60
REET 1ST 1/4% FUND	-	141,702.34	141,702.34
REET 2ND 1/4% FUND	-	141,702.34	141,702.34
DEVELOPMENT SERVICES FUND	504,605.96	2,620,755.69	3,125,361.65
PARKS and COMMUNITY SERVICES FUND	-	276,131.58	276,131.58
LID 99-01 GUARANTY FUND	-	-	-
LONG-TERM DEBT SERVICE FUND	-	-	-
LID 99.01 FUND	-	34,363.71	34,363.71
CAPITAL IMPROVEMENT PROGRAM	-	2,476,256.20	2,476,256.20
SURFACE WATER MANAGEMENT	199,859.80	2,384,852.80	2,584,712.60
UNEMPLOYMENT INSURANCE	-	277,236.35	277,236.35
EQUIPMENT REPLACEMENT	-	454,736.26	454,736.26
TOTAL ALL FUNDS	<u>\$ 2,401,549.28</u>	<u>\$ 13,089,233.48</u>	<u>\$ 15,490,782.76</u>

Capital Investment Program

Please see the chart below for current CIP activity.

Project #	Project Description	Revenues	Expenditures
1010	Covington Community Park Phase 2	\$30,480	\$30,480
1013	Gerry Crick Skate Park	1,000	0
1014	Jenkins Creek Park	345,919	714,849
1019	SoCo Park	7,489	7,489
1029	Annual Traffic Safety	9,281	3,454
1057	SR 516 Safety Widening	220	2,020
1086	164th AV Se	24,601	25,235
1127	SR 516 Widening at Jenkins Creek	6,477	109,687

**CITY OF COVINGTON
FINANCE DEPARTMENT**

**16720 SE 274th St
Suite 100
Covington, WA 98042**

**Phone: 253-480-2400
Fax: 253-480-2401**

Rob Hendrickson - Finance Director
Casey Parker - Senior Accountant
Lindsay Hagen - Accountant I
Staci Cles - Senior Accounting Clerk
Tyler Bykonen—Finance Assistant

City of Covington ATTACHMENT 2

Quarterly Performance Report - General Fund as of 12/31/2015

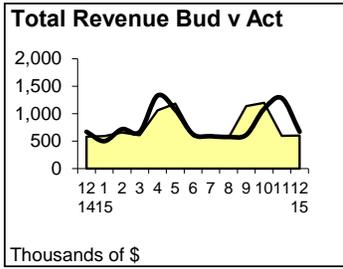


Chart 1

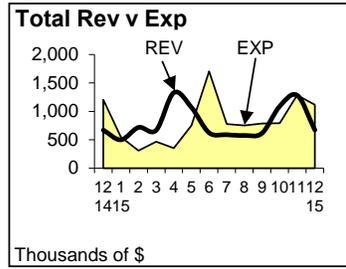


Chart 2

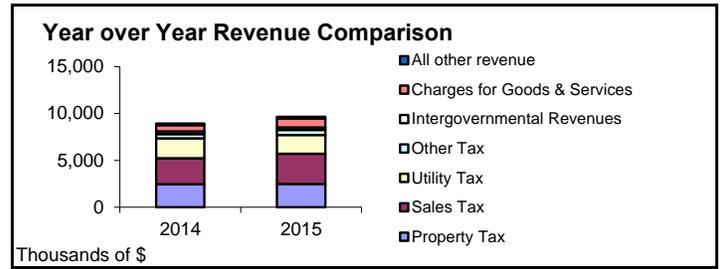


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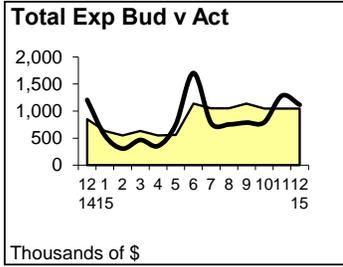


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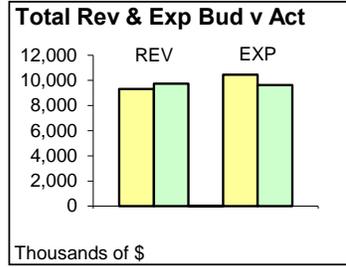


Chart 5

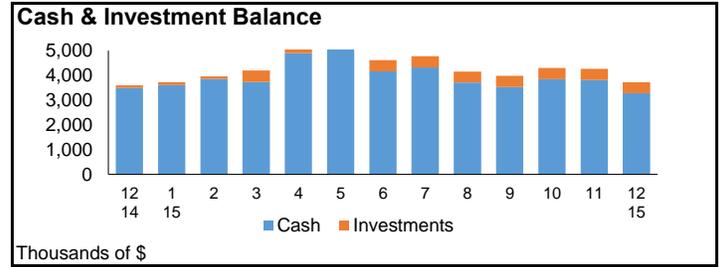
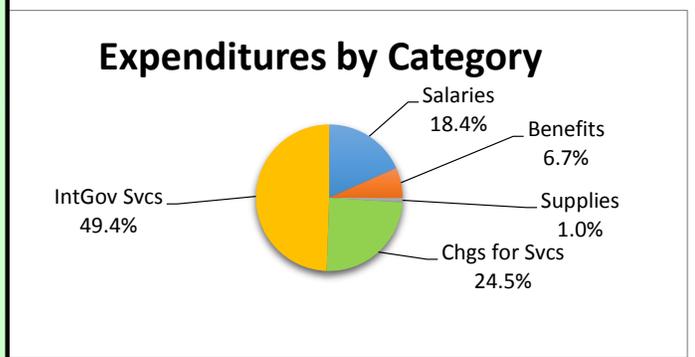
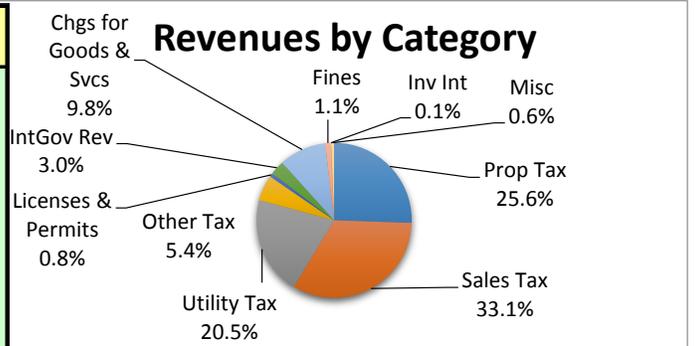


Chart 6

Rev & Exp - YTD	2015 Budget	2015 Actual	\$ Rem	% Coll YTD	2014 Actual
Property Tax	\$ 2,500.5	\$ 2,487.9	\$ 12.5	99.5%	\$ 2,458.4
Sales Tax	2,849.1	3,224.1	(375.0)	113.2%	2,778.1
Utility Tax	2,116.8	1,998.8	118.0	94.4%	2,104.3
Other Tax	452.0	522.7	(70.7)	115.6%	463.7
Licenses & Permits	75.0	76.8	(1.8)	102.4%	75.2
Intergovernmental Rev	300.2	288.8	11.4	96.2%	291.1
Charges for Goods & Svcs	1,008.0	957.7	50.3	95.0%	654.4
Fines & Penalties	94.7	111.8	(17.1)	118.1%	97.1
Investment Interest	12.0	9.8	2.2	81.7%	7.4
Miscellaneous	44.4	57.3	(12.9)	129.2%	90.6
Total Operating Revenues	9,452.7	9,735.7	(283.1)	103.0%	9,020.2
Other Financing Sources	35.2	-	35.2	0.0%	35.2
Total Sources	\$ 9,487.8	\$ 9,735.7	\$ (247.9)	102.6%	\$ 9,055.4
Salaries & Wages	\$ 1,444.3	\$ 1,399.4	\$ 44.9	96.9%	\$ 1,359.3
Benefits	533.1	512.1	21.0	96.1%	490.8
Supplies	65.5	72.5	(7.0)	110.7%	65.6
Charges for Services	1,876.6	1,870.9	5.7	99.7%	1,856.0
Intergovernmental Svcs	4,027.6	3,768.0	259.6	93.6%	3,761.9
Capital	5.1	-	5.1	0.0%	16.1
Total Operating Expenses	7,952.1	7,622.9	329.2	95.9%	7,549.7
Other Financing Uses	2,581.2	2,012.7	568.5	78.0%	1,294.0
Total Uses	\$ 10,533.3	\$ 9,635.6	\$ 897.7	91.5%	\$ 8,843.7



Percentages may not equal 100% due to rounding.

Chart 8 & 9

Legend			
	Cur Year		Budget
	Actual	Data in Thousands of \$	

City of Covington

Quarterly Performance Report - Street Operations

as of 12/31/2015

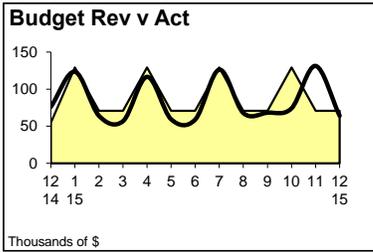


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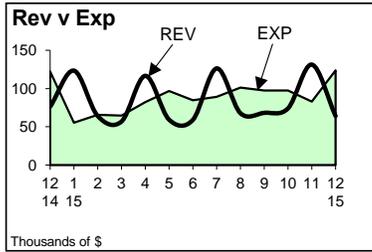


Chart 2

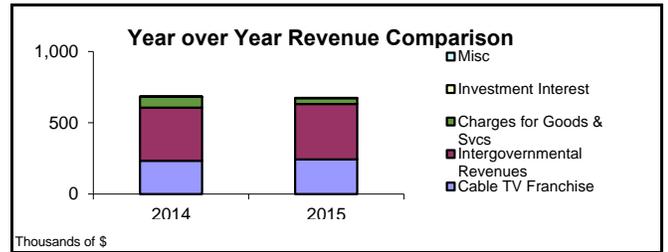


Chart 3

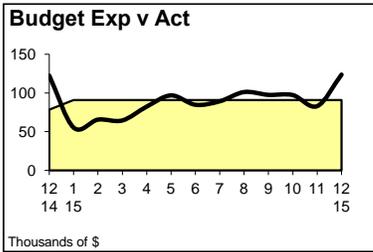


Chart 4

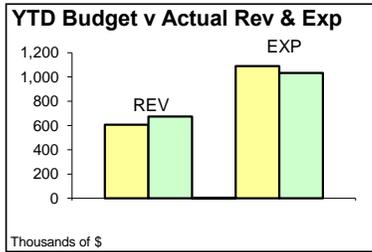


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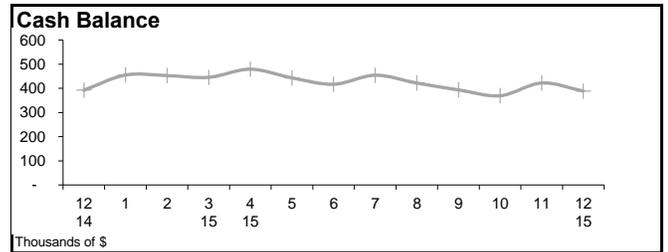
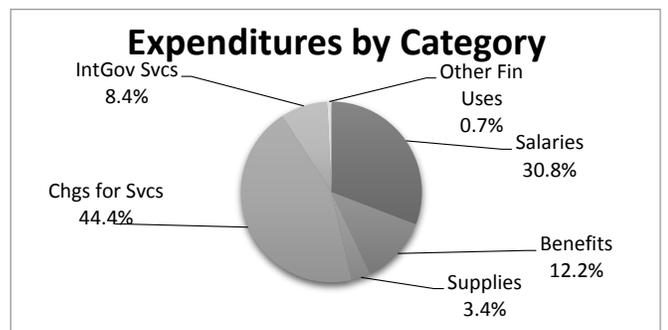
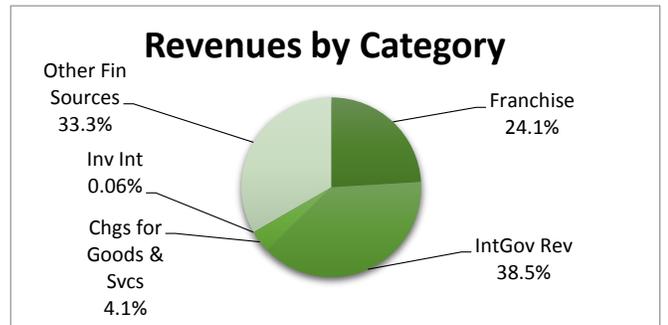


Chart 6

Rev & Exp - YTD	2015	2015	\$ Rem	% Cull	2014
	Budget	Actual			Actual
Cable TV Franchise	\$ 233.5	\$ 243.2	\$ (9.7)	104.2%	\$ 233.5
Intergovernmental Revenues	367.3	389.4	(22.2)	106.0%	373.4
Charges for Goods & Svcs	6.0	41.1	(35.1)	684.5%	74.9
Investment Interest	0.4	0.6	(0.2)	139.6%	0.4
Miscellaneous	-	-	-	0.0%	0.0
Total Operating Revenues	607.2	674.3	(67.1)	111.1%	682.1
Operating Transfer In	481.6	336.9	144.7	70.0%	284.1
Total Sources	\$ 1,088.8	\$ 1,011.2	\$ 77.5	92.9%	\$ 966.2
Salaries & Wages	\$ 353.7	\$ 321.1	\$ 32.5	90.8%	\$ 327.2
Benefits	135.1	126.6	8.5	93.7%	125.7
Supplies	65.9	35.5	30.4	53.9%	35.3
Charges for Services	437.6	462.8	(25.2)	105.8%	276.2
Intergovernmental	98.0	87.4	10.6	89.2%	88.7
Capital	-	-	-	0.0%	35.5
Total Operating Expenses	1,090.3	1,033.5	56.8	94.8%	888.7
Other Financing Uses	12.6	7.8	4.8	61.9%	20.1
Total Uses	\$ 1,102.9	\$ 1,041.3	\$ 61.6	94.4%	\$ 908.7
Sources over Uses	(14.2)	(30.1)			57.5

Chart 7



Percentages may not equal 100% due to rounding.

Chart 8 & 9

Legend			
Cur Year	Budget	Actual	Data in Thousands of \$

City of Covington

Quarterly Performance Report - Development Services

as of 12/31/2015

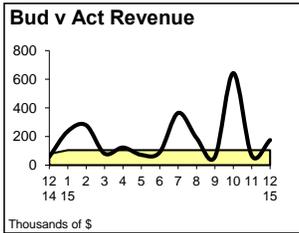


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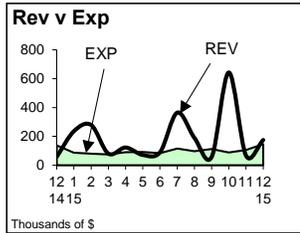


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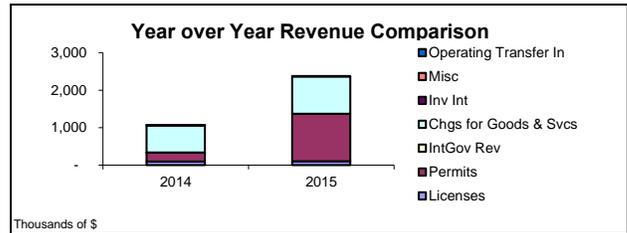


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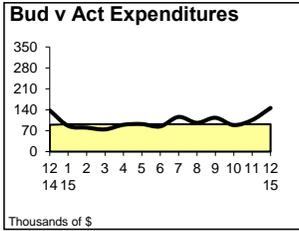


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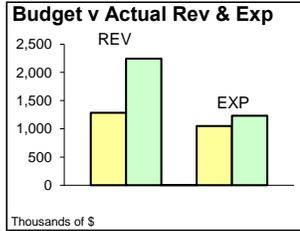


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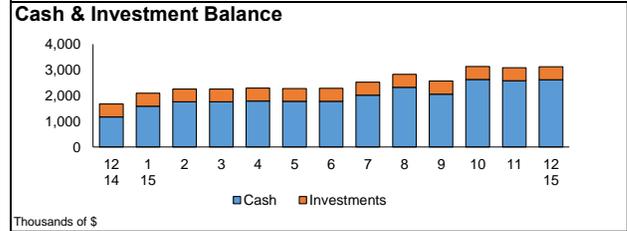


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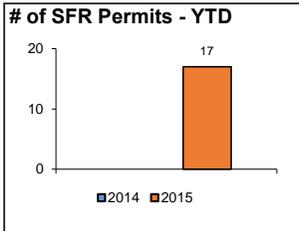


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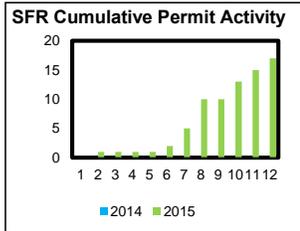


Chart 8

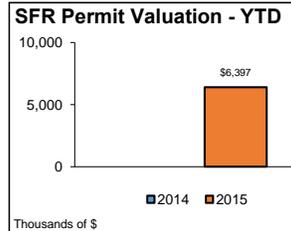
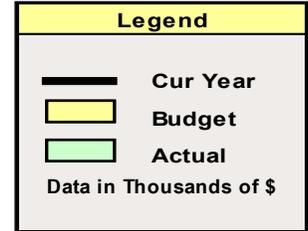


Chart 9



Rev & Exp - YTD	2015		\$ Rem	% Coll YTD	2014
	Budget	Actual			Actual
Licenses	\$ 80.3	\$ 99.9	(19.6)	124.5%	\$ 97.4
Permits	936.9	1,272.3	(335.4)	135.8%	238.6
Intergovernmental Svcs	4.6	-	4.6	0.0%	0.1
Charges for Services	229.3	994.1	(764.8)	433.5%	727.0
Interest Income	4.0	9.3	(5.3)	232.4%	1.7
Miscellaneous	-	(0.0)	0.0	0.0%	0.0
Total Operating Revenues	1,255.2	2,375.7	(1,120.5)	189.3%	1,065.0
Operating Transfer In	-	-	-	0.0%	-
Total Sources	\$ 1,255.2	\$ 2,375.7	\$ (1,120.5)	189.3%	\$ 1,065.0
Salaries & Wages	\$ 494.4	517.8	(23.4)	104.7%	490.2
Benefits	174.1	174.3	(0.3)	100.2%	166.7
Supplies	9.7	9.1	0.6	94.2%	7.2
Charges for Services	361.8	389.4	(27.6)	107.6%	337.2
Intergovernmental	59.6	82.1	(22.5)	137.7%	46.1
Total Operating Expenses	1,099.5	1,172.8	(73.2)	106.7%	1,047.4
Other Financing Uses	-	-	-	0.0%	-
Total Uses	\$ 1,099.5	\$ 1,172.8	\$ (73.2)	106.7%	\$ 1,047.4

Revenues by Category

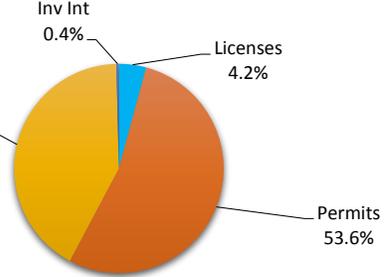
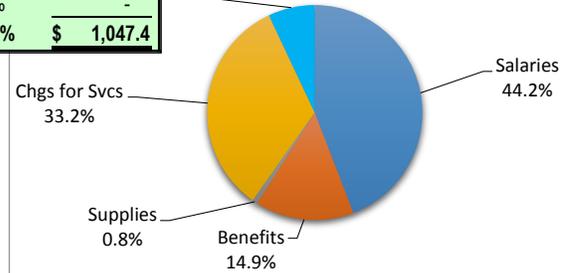


Chart 11

Expenditures by Category



Percentages may not equal 100% due to rounding.

City of Covington

Quarterly Performance Report - Parks and Recreation Services

as of 12/31/2015

SUMMARY CHARTS

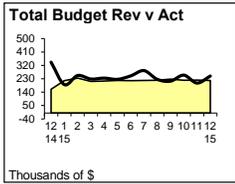


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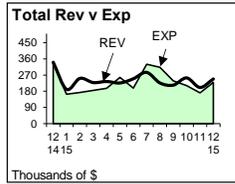


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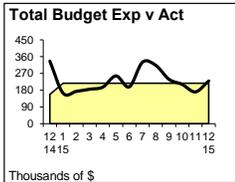


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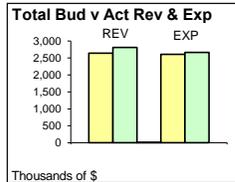


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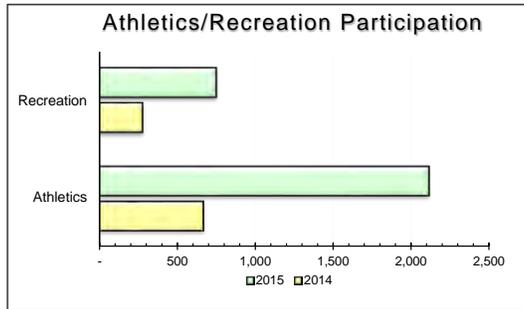
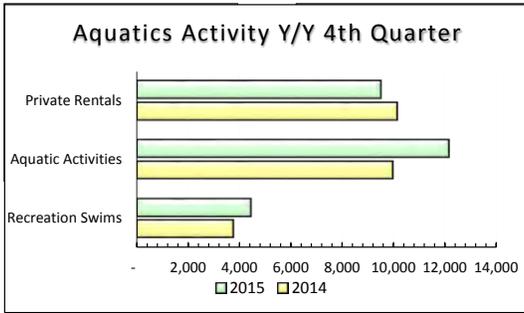


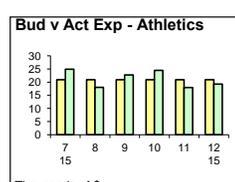
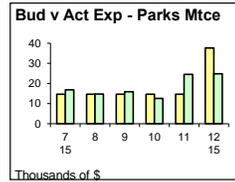
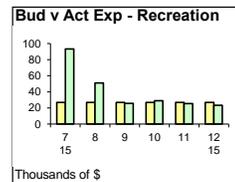
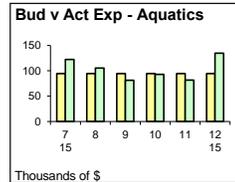
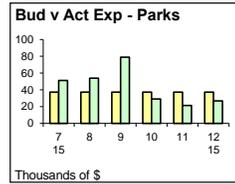
Chart 8

Rev & Exp - YTD	2015 Budget	2015 Actual	\$ Rem	% Coll YTD	2014 Actual
Taxes	\$ 542.7	\$ 614.1	\$ (71.4)	113.2%	\$ 529.2
Grants/Intergovernmental Rev	2.4	2.3	0.1	97.8%	16.9
Aquatics Revenue	726.4	797.4	(71.0)	109.8%	663.9
Athletics Revenue	133.5	145.7	(12.2)	109.1%	84.0
Recreation Revenue	60.1	63.9	(3.8)	106.3%	43.4
Investment Interest	0.2	0.7	(0.5)	327.7%	0.1
Charges for Goods & Services	-	-	-	0.0%	-
Miscellaneous	3.6	25.9	(22.3)	721.7%	42.1
Total Operating Revenues	1,468.9	1,650.0	(181.1)	112.3%	1,379.4
Other Financing Sources	1,426.7	1,158.1	268.6	81.2%	637.1
Total Sources	\$ 2,895.6	\$ 2,808.1	\$ 87.5	97.0%	\$ 2,016.6
Salaries & Wages	\$ 1,124.8	\$ 1,101.2	\$ 23.6	97.9%	\$ 936.5
Benefits	328.7	311.3	17.4	94.7%	272.5
Supplies	177.4	171.3	6.1	96.6%	117.2
Intergovernmental Svcs	12.0	8.7	3.2	73.0%	10.6
Charges for Services	1,133.4	984.6	148.8	86.9%	742.5
Capital Outlay	58.0	61.8	(3.8)	106.6%	70.3
Total Operating Expenses	2,834.3	2,639.0	195.3	93.1%	2,149.5
Other Financing Uses	27.5	27.5	0.0	100.0%	27.5
Total Uses	\$ 2,861.7	\$ 2,666.4	\$ 195.3	93.2%	\$ 2,177.0

Chart 10

Legend			
—	■	■	Data in Thousands of \$
—	■	■	
—	■	■	

DEPARTMENTS



Exp - YTD	2015 Budget	2015 Actual	\$ Rem	% Coll YTD
Salaries & Wages	\$ 218.4	\$ 228.7	\$ (10.2)	104.7%
Benefits	63.2	58.1	5.1	92.0%
Supplies	1.5	1.8	(0.3)	120.0%
Charges for Services	190.6	188.1	2.5	98.7%
Intergovernmental Svcs	1.0	-	1.0	0.0%
Total Operating Expenses	474.6	476.7	(2.0)	100.4%
Other Financing Uses	-	-	-	0.0%
Total Uses	\$ 474.6	\$ 476.7	\$ (2.0)	100.4%

Exp - YTD	2015 Budget	2015 Actual	\$ Rem	% Coll YTD
Salaries & Wages	\$ 576.4	\$ 529.5	\$ 46.9	91.9%
Benefits	155.5	142.8	12.7	91.9%
Supplies	66.3	56.5	9.8	85.2%
Charges for Services	412.2	398.5	13.7	96.7%
Intergovernmental Svcs	-	-	-	0.0%
Capital Outlay	-	0.6	(0.6)	0.0%
Total Operating Expenses	1,210.4	1,127.9	82.5	93.2%
Other Financing Uses	27.5	27.5	0.0	100.0%
Total Uses	\$ 1,237.9	\$ 1,155.4	\$ 82.5	93.3%

Exp - YTD	2015 Budget	2015 Actual	\$ Rem	% Coll YTD
Salaries & Wages	\$ 117.9	\$ 116.5	\$ 1.4	98.8%
Benefits	34.6	32.7	2.0	94.5%
Supplies	43.8	39.7	4.1	90.4%
Charges for Services	182.5	172.6	10	94.6%
Capital Outlay	-	3.5	(4)	0.0%
Intergovernmental Svcs	11.0	8.7	2.3	79.1%
Total Operating Expenses	389.8	373.7	16.2	95.8%
Other Financing Uses	-	-	-	0.0%
Total Uses	\$ 389.8	\$ 373.7	\$ 16.2	95.8%

Exp - YTD	2015 Budget	2015 Actual	\$ Rem	% Coll YTD
Salaries & Wages	\$ 96.5	\$ 126.1	\$ (29.7)	130.8%
Benefits	38.9	42.8	(3.9)	110.0%
Supplies	22.8	22.0	0.8	96.5%
Charges for Services	292.6	155.3	137.3	53.1%
Capital Outlay	58.0	57.7	0.3	99.5%
Total Operating Expenses	508.8	403.9	104.9	79.4%
Other Financing Uses	-	-	-	0.0%
Total Uses	\$ 508.8	\$ 403.9	\$ 104.9	79.4%

Exp - YTD	2015 Budget	2015 Actual	\$ Rem	% Coll YTD
Salaries & Wages	\$ 115.6	\$ 100.4	\$ 15.2	86.9%
Benefits	36.5	34.9	1.6	95.6%
Supplies	43.0	51.4	(8.4)	119.5%
Charges for Services	55.6	70.2	(14.6)	126.3%
Intergovernmental Svcs	-	-	-	0.0%
Capital Outlay	-	-	-	0.0%
Total Uses	\$ 250.7	\$ 256.8	(6.1)	102.4%

Chart 9

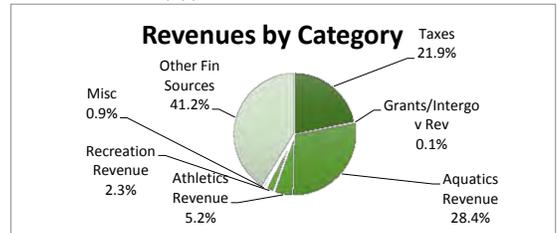


Chart 11

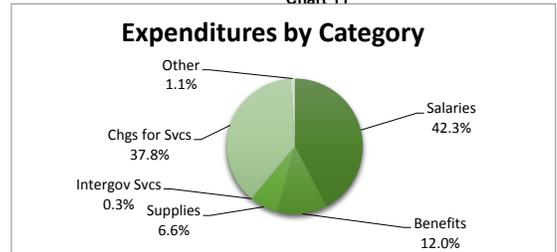


Chart 12

Percentages may not equal 100% due to rounding.

City of Covington

Quarterly Performance Report - SWM Operations

as of 12/31/2015

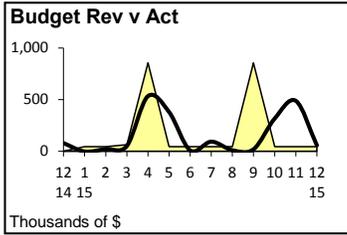


Chart 1

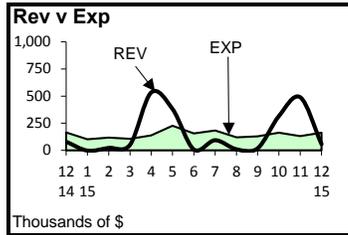


Chart 2

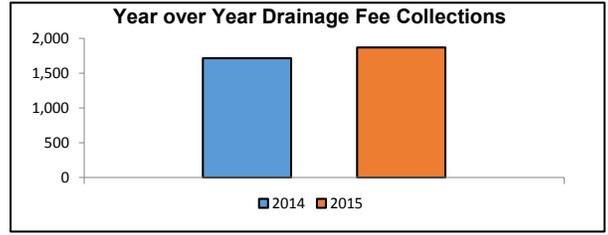


Chart 5

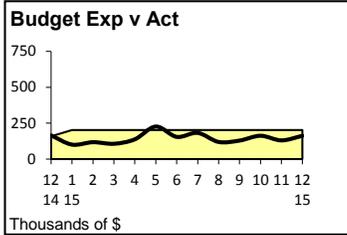


Chart 3

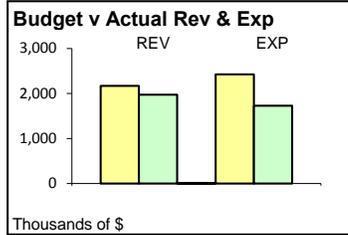


Chart 4

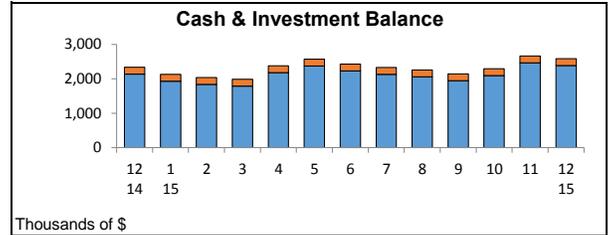


Chart 6

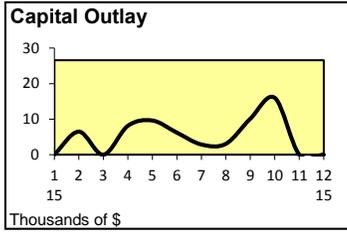


Chart 7

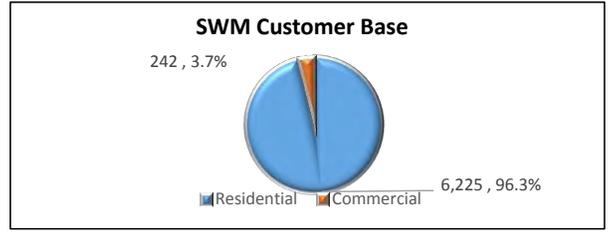
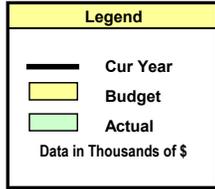
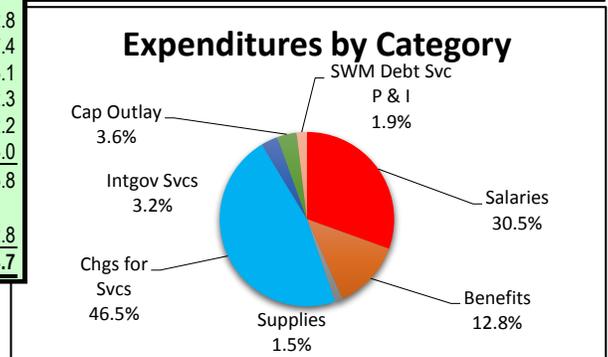
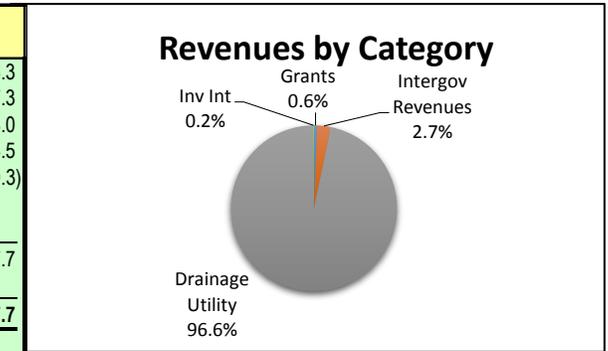


Chart 8

Rev & Exp - YTD	2015		\$ Rem	% Coll YTD	2014
	Budget	Actual			Actual
Grants	\$ 11.5	\$ 12	(0.0)	100.4%	\$ 114.3
Intergovernmental Revenues	51.8	51.4	0.4	99.2%	37.3
Drainage Utility	1,866.8	1,869.4	(2.6)	100.1%	1,713.0
Investment Interest	5.0	3.2	1.8	64.4%	3.5
Misc	-	-	-	0.0%	(0.3)
King County Flood Control	71.2	40.4	30.8	56.7%	-
KC Flood Reduction Grant	176.0	-	176.0	0.0%	-
Total Operating Revenues	2,182.3	1,975.9	(0.4)	90.5%	1,867.7
Transfers In	-	-	-	-	-
Total Sources	\$ 2,182.3	\$ 1,975.9	\$ (0.4)	90.5%	\$ 1,867.7
Salaries	\$ 594.5	\$ 527.5	\$ 67.0	88.7%	\$ 482.8
Benefits	238.6	221.1	17.5	92.7%	207.4
Supplies	39.1	25.5	13.6	65.2%	35.1
Charges for Services	1,151.9	804.2	347.7	69.8%	802.3
Intergovernmental	61.9	54.6	7.3	88.2%	52.2
Capital Outlay	318.8	62.5	256.3	-	166.0
Total Operating Expenditures	2,404.9	1,695.4	709.5	70.5%	1,745.8
Other Financing Uses	336.4	-	336.4	0.0%	-
SWM Debt Service P & I	32.8	32.8	0.0	100.0%	32.8
Total Uses	\$ 2,774.2	\$ 1,728.2	\$ 1,045.9	62.3%	\$ 1,778.7

Chart 9



Percentages may not equal 100% due to rounding.

Charts 10 & 11

	Source/Data	Budget vs Actual	Revenue by Month (shown on a cash basis)	High/Low
GENERAL FUND	Sales Tax Qtr - Qtr Revenues 4Q-14 4Q-15 % Diff 3,307,625 3,838,165 16.0% Budget Actual % Collected 2015 Annual Revenues \$ 3,391,790 3,838,165 113.2% 2014 Annual Revenues \$ 3,507,000 3,307,265 94.3% 2013 Annual Revenues \$ 2,988,000 3,179,326 106.4%			
	Property Tax Qtr - Qtr Revenues \$ 2,458,371 \$ 2,487,924 1.2% Budget Actual % Collected 2015 Annual Revenues \$ 2,500,470 2,487,924 99.5% 2014 Annual Revenues \$ 2,427,134 2,458,371 101.3% 2013 Annual Revenues \$ 2,340,000 2,363,948 101.0%			
	Utility Tax Qtr - Qtr Revenues \$ 2,104,260 \$ 1,998,827 -5.0% Budget Actual % Collected 2015 Annual Revenues \$ 2,116,790 1,998,827 94.4% 2014 Annual Revenues \$ 2,080,100 2,052,234 98.7% 2013 Annual Revenues \$ 2,140,140 2,004,827 93.7%			
STREET FUND	Fuel Tax Qtr - Qtr Revenues \$ 373,351 \$ 389,410 4.3% Budget Actual % Collected 2015 Annual Revenues \$ 233,500 389,410 166.8% 2014 Annual Revenues \$ 220,000 233,493 106.1% 2013 Annual Revenues \$ 366,566 360,567 98.4%			
	Comcast Franchise Fees Qtr - Qtr Revenues \$ 233,493 \$ 243,234 4.2% Budget Actual % Collected 2015 Annual Revenues \$ 233,500 243,234 104.2% 2014 Annual Revenues \$ 220,000 259,889 118.1% 2013 Annual Revenues \$ 199,000 200,952 101.0%			
DEV SVCS FUND	Development Services Permitting Revenue/Activity Qtr - Qtr Revenues \$ 238,636 \$ 1,272,318 433.2% Budget Actual % Collected 2015 Annual Revenues \$ 1,099,538 1,272,318 115.7% 2014 Annual Revenues \$ 713,823 487,938 68.4% 2013 Annual Revenues \$ 566,835 845,807 149.2%			
PARKS FUND	Aquatics Revenue/Attendance Qtr - Qtr Revenues \$ 663,902 \$ 797,421 20.1% Budget Actual % Collected 2015 Annual Revenues \$ 626,420 797,421 127.3% 2014 Annual Revenues \$ 673,081 663,902 98.6% 2013 Annual Revenues \$ 512,820 656,651 128.0%			
SWM FUND	SWM Fees Qtr - Qtr Revenues \$ 1,712,999 \$ 1,869,406 9.1% Budget Actual % Collected 2015 Annual Revenues \$ 1,866,830 1,869,406 100.1% 2014 Annual Revenues \$ 1,754,862 1,807,521 103.0% 2013 Annual Revenues \$ 1,733,000 1,751,467 101.1%			
REET FUND	Real Estate Excise Tax (REET)/Avg Sales Price/Unit Qtr - Qtr Revenues \$ 414,489 \$ 657,642 58.7% Budget Actual % Collected 2015 Annual Revenues \$ 649,360 657,642 101.3% 2014 Annual Revenues \$ 480,000 414,489 86.4% 2013 Annual Revenues \$ 350,000 562,456 160.7%			

**City of Covington
Investment Listing
for the period ending December 31, 2015**

ATTACHMENT 4

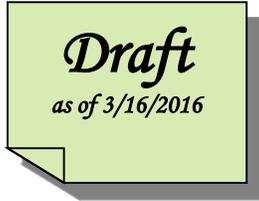
Institution	Par/Shares	Maturity Date	Current Date	DTM	YTM	Current Principal Balance	Current Market Value
US Bank - Cash	\$ 80,149.60	overnight					\$ 80,149.60
Forfeiture Account	126,628.22	overnight					126,628.22
Local Government Investment Pool	12,882,455.66	overnight			0.00		12,882,455.66
US Government Agencies							
FMAC	\$ 1,000,000.00	2/22/17	12/31/2015	420	0.64	\$ 1,006,873.00	\$ 999,299.00
FMAC	200,000.00	2/22/17	12/31/2015	420	0.80	200,427.00	199,859.80
Federal Farm Credit Bank	250,000.00	5/1/17	12/31/2015	488	0.82	249,239.25	248,899.75
FICO Strip Prin	517,000.00	11/30/17	12/31/2015	701	1.16	499,672.75	504,605.96
FICO Strip PRN10	357,000.00	11/30/17	12/31/2015	701	0.91	349,516.21	348,468.77
subtotal	2,324,000.00					2,305,728.21	2,301,133.28
Municipal Securities							
Central Puget Sound WA	100,000.00	2/1/2016	9/30/2015	125	0.45	107,783.00	100,416.00
subtotal	100,000.00					107,783.00	100,416.00
	<u>2,424,000.00</u>					<u>2,413,511.21</u>	<u>2,401,549.28</u>
	<u>\$ 15,513,233.48</u>					<u>\$ 2,413,511.21</u>	<u>\$ 15,490,782.76</u>

**DISCUSSION OF
FUTURE AGENDA TOPICS:**

**6:00 p.m., Tuesday, April 12, 2016
Special Meeting – Study Session (If Needed)**

**7:00 p.m., Tuesday, April 12, 2016
Regular Meeting**

(Draft Agendas Attached)



**CITY OF COVINGTON
SPECIAL MEETING AGENDA
CITY COUNCIL STUDY SESSION**

**Council Chambers – 16720 SE 271st Street, Suite 100, Covington
www.covingtonwa.gov**

Tuesday, April 12, 2016 – 6:00 p.m.

(If Needed)

GENERAL INFORMATION:

The study session is an informal meeting involving discussion between and among the City Council, Commissioners, and city staff regarding policy issues. Study sessions may involve presentations, feedback, brainstorming, etc., regarding further work to be done by the staff on key policy matters.

CALL CITY COUNCIL STUDY SESSION TO ORDER

ROLL CALL

APPROVAL OF AGENDA

ITEM(S) FOR DISCUSSION

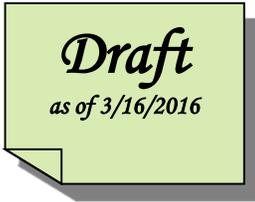
1. Sign Code Policies (Hart)

PUBLIC COMMENT Speakers will state their name, address, and organization. Comments are directed to the City Council, not the audience or staff. Comments are not intended for conversation or debate and are limited to no more than four minutes per speaker. Speakers may request additional time on a future agenda as time allows.*

ADJOURN

Americans with Disabilities Act – reasonable accommodations provided upon request a minimum of 24 hours in advance (253-480-2400).

**Note* A Regular Council meeting will follow at approximately 7:00 p.m.*



CITY OF COVINGTON
CITY COUNCIL REGULAR MEETING AGENDA
www.covingtonwa.gov

Tuesday, April 12, 2016
7:00 p.m.

City Council Chambers
16720 SE 271st Street, Suite 100, Covington

Note: A Study Session is scheduled from 6:00 to 7:00 p.m.

CALL CITY COUNCIL REGULAR MEETING TO ORDER

ROLL CALL/PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMUNICATION

- End of Session Update (Lobbyist Briahna Murray)

PUBLIC COMMENT Speakers will state their name, address, and organization. Comments are directed to the City Council, not the audience or staff. Comments are not intended for conversation or debate and are limited to no more than four minutes per speaker. Speakers may request additional time on a future agenda as time allows.*

APPROVE CONSENT AGENDA

- C-1. Minutes: March 22, 2016 Special Meeting – Study Session Minutes and March 22, 2016 Regular Meeting Minutes (Scott)
- C-2. Vouchers (Hendrickson)

NEW BUSINESS

1. Consider Ordinance to Repeal and Replace Portions of Covington Municipal Code Title 14 Planning and Development (Mueller)
2. Consider Ordinance to Amend Covington Municipal Code Title 10 Vehicles and Traffic (Bykonen/McCurdy)
3. Discuss Restructuring of Public Works Maintenance Division Positions (Beaufriere)

COUNCIL/STAFF COMMENTS - Future Agenda Topics

PUBLIC COMMENT *See Guidelines on Public Comments above in First Public Comment Section

EXECUTIVE SESSION – if needed

ADJOURN

Americans with Disabilities Act – reasonable accommodations provided upon request a minimum of 24 hours in advance (253-480-2400).