

## Covington: Unmatched Quality of Life



### **CITY OF COVINGTON TRANSPORTATION BENEFIT DISTRICT SPECIAL MEETING**

Council Chambers – 16720 SE 271<sup>st</sup> Street, Suite 100, Covington, WA

**Tuesday, February 11, 2014 – 6:00 p.m.**

Call to Order

Roll Call

Approval of Agenda

**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. Approve Minutes of February 4, 2014 Special Meeting (Scott)

New Business

1. Approve Interlocal Agreement Between Covington Transportation District and City of Covington (Board)

Board/Staff Comments

Adjourn

Any person requiring disability accommodation should contact the City of Covington at 253-480-2400 a minimum of 24 hours in advance. For TDD relay service, please use the state's toll-free relay service 800-833-6384 and ask the operator to dial 253-480-2400.

**SUBJECT:** APPROVAL OF MINUTES: February 4, 2014 COVINGTON TRANSPORTATION BENEFIT DISTRICT SPECIAL MEETING MINUTES

**RECOMMENDED BY:** Sharon G. Scott, City Clerk/Executive Assistant

**ATTACHMENT(S):** Proposed Minutes

**PREPARED BY:** Joan Michaud, Senior Deputy City Clerk

**EXPLANATION:**

**ALTERNATIVES:**

**FISCAL IMPACT:**

**BOARD ACTION:**                    \_\_\_ Resolution     X  Motion    \_\_\_ Other

**Board member \_\_\_\_\_ moves, Board member \_\_\_\_\_ seconds, to approve the February 4, 2014 Covington Transportation Benefit District Special Meeting Minutes.**

**Covington Transportation Benefit District  
Special Meeting Minutes  
Tuesday, February 4, 2014**

The Special Meeting of the Covington Transportation Benefit District was called to order in the Covington Council Chambers, 16720 SE 271<sup>st</sup> Street, Suite 100, Covington, Washington, Tuesday, February 4, 2014, at 5:35 p.m., with Margaret Harto, Chair of the Board, presiding.

**BOARD MEMBERS PRESENT:**

Margaret Harto, Joe Cimaomo, Mark Lanza, Marlla Mhoon, Jim Scott, Wayne Snoey, and Jeff Wagner.

**STAFF PRESENT:**

Derek Matheson, Chief Executive Officer; Richard Hart, Community Development Director; Rob Hendrickson, Treasurer; Kevin Klason, Covington Police Chief; Sara Springer, Legal Advisor to the Board; Don Vondran, Public Works Director; Bob Lindskov, City Engineer; and Sharon Scott, Board Clerk.

**APPROVAL OF AGENDA:**

**Board Action: Board Member Lanza moved and Board Member Scott seconded to approve the Agenda. Vote: 7-0. Motion carried.**

**APPROVAL OF CONSENT AGENDA:**

C-1. Minutes: January 14, 2014 Transportation Benefit District Special Meeting Minutes.

**Board Action: Vice Chair Wagner moved and Board Member Cimaomo seconded to approve the Consent Agenda. Vote: 7-0. Motion carried.**

**NEW BUSINESS:**

1. Funding; Next Steps.

Chief Executive Officer Derek Matheson gave the staff report on this item.

Board Members provided comments and discussed this item.

**Board Action: The Board concurred to schedule a Special Board Meeting on February 25, 2014 to discuss King County's decision regarding the County's measure being placed on the April election ballot.**

**Board Action: The Board concurred if King County decides not to place the County's measure on the April election ballot, the Board would go forward placing Covington's measure on the April election ballot.**

**Board Action: The Board concurred if King County does place the County's measure on the April election ballot, the Board would schedule a special board meeting for as soon as**

**possible after the April 22 election to discuss whether to adopt any resolutions prior to primary election’s deadline of May 9.**

**Board Action: The Board further concurred to not place a resolution in support of the County ballot measure on a future Board agenda.**

**BOARD/STAFF COMMENTS:**

Board Members and staff discussed Future Agenda Topics and made comments.

**Board Action: The Board concurred to change the start time for the Tuesday, February 11, 2014 special meeting from 8:30 p.m. to 6:00 p.m.**

**ADJOURNMENT:**

There being no further business, the meeting was adjourned at 6:17 p.m.

Prepared by:

Submitted by:

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Joan Michaud  
Senior Deputy City Clerk

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Sharon Scott  
Board Clerk

**SUBJECT:** CONSIDER INTERLOCAL AGREEMENT BETWEEN THE COVINGTON TRANSPORTATION BENEFIT DISTRICT (“DISTRICT”) AND THE CITY OF COVINGTON (“CITY”).

**RECOMMENDED BY:** Sara Springer, District Legal Advisor

**ATTACHMENT(S):**

- 1. Proposed Resolution Adopting Interlocal Agreement
- 2. Proposed Interlocal Agreement

**PREPARED BY:** Sara Springer, District Legal Adviser

**EXPLANATION:**

Pursuant to Chapter 39.34 RCW, an interlocal agreement is required between the District and the City to provide for the transfer of funds, staff services to be shared, and to develop an annual work plan.

The District’s funding source is not yet known. Accordingly, at this time, the attached proposed interlocal agreement may require future amendments depending on any adopted future funding sources.

**ALTERNATIVES:**

- 1. Return to staff to amend the terms of the agreement.

**FISCAL IMPACT:**

No fiscal impact.

**BOARD ACTION:**                      X   Resolution \_\_\_ Motion \_\_\_ Other

**Board member \_\_\_\_\_ moves and board member \_\_\_\_\_ seconds to pass a resolution approving the District Chair to execute an interlocal agreement between the Covington Transportation Benefit District and the City of Covington.**

**REVIEWED BY:** District CEO, District Legal Advisor, District Treasurer

# ATTACHMENT 1

## RESOLUTION NO. 14-01

### A RESOLUTION OF THE COVINGTON TRANSPORTATION BENEFIT DISTRICT APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE COVINGTON TRANSPORTATION BENEFIT DISTRICT AND THE CITY OF COVINGTON, KING COUNTY, WASHINGTON.

**WHEREAS**, pursuant to Ordinance No. 02-13, Covington established the Covington Transportation Benefit District (“District”) and authorized funding for any purpose allowed by law including to operate the District and to make transportation improvements consistent with existing state, regional, and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels pursuant to Chapter 36.73 RCW; and

**WHEREAS**, the District will collect revenue in accordance with Chapter 36.73 RCW but lacks internal staff to manage its daily affairs; and

**WHEREAS**, Covington and the District desire to better coordinate their efforts in order to pursue their individual, joint, and mutual rights and obligations to fulfill the intent of Ordinance No. 02-13;

**NOW THEREFORE BE IT RESOLVED** by the Board of the Covington Transportation Benefit District as follows:

**Section 1.** The Interlocal Agreement between the City of Covington and the Covington Transportation Benefit District attached hereto as Exhibit 1 and incorporated herein by this reference is hereby approved and the Chair of the District is hereby authorized to execute the Agreement on behalf of the District.

**PASSED** by the Covington Transportation Benefit District Board this 11th day of February, 2014.

APPROVED:

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Margaret Harto, Chair

Attest:

Approved as to Form:

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Sharon Scott, District Clerk

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Sara Springer, District Legal Advisor

## ATTACHMENT 2

**INTERLOCAL AGREEMENT  
BETWEEN  
COVINGTON TRANSPORTATION BENEFIT DISTRICT  
AND THE  
CITY OF COVINGTON**

**THIS AGREEMENT** is entered into this 11th day of February, 2014, by and between the City of Covington, Washington (the “City” or “Covington”), and the Covington Transportation Benefit District (“District”), each of which is organized as a municipal corporation under the laws of the State of Washington.

**WHEREAS**, Chapter 39.34 RCW permits local governmental units to make the most efficient use of their powers by enabling them to cooperate on the basis of mutual advantage; and

**WHEREAS**, Covington is empowered to operate, maintain, construct, and reconstruct, public street infrastructure within its city limits in accordance with the power granted pursuant to RCW 35A.11.020 and Chapter 35A.47 RCW; and

**WHEREAS**, pursuant to Ordinance No. 02-13, Covington established the District for any purpose allowed by law, including to operate the District and to make transportation improvements consistent with existing state, regional, and local transportation plans;

**NOW THEREFORE**, in consideration of the of the mutual benefits to be derived and to coordinate their efforts through the structure provided by the Interlocal Cooperation Act, Chapter 39.34 RCW, the parties hereby agree as follows.

**1. Purpose and Interpretation.** Covington is empowered by Title 35A RCW to construct, reconstruct, maintain, and preserve city streets and other related public infrastructure either by contract or through the use of city labor forces. The District has been constituted in accordance with state law to provide a source of funding for the maintenance and preservation of streets and related infrastructure within the city limits of Covington. The District has no employees and its officers are either Covington city council members serving in an *ex officio* capacity or are city employees designated to serve under the provisions of state law and the District. In order to make the most efficient use of public monies, to avoid duplication of effort, and to coordinate their efforts, the parties have entered into this Agreement. In the event of ambiguity or if the need for guidance arises, this Agreement shall be interpreted in accordance with Chapter 36.73 RCW, the Organizational Rules and Bylaws of the District, and the provisions of the Governmental Accounting Act and RCW 43.09.210 as the same exists or shall hereafter be amended. In the event that any provision of this Agreement is held to be in conflict with existing state statute or any future amendment thereof, such provisions shall be severable and the remaining provisions of this Agreement shall remain in full force and effect.

**2. Obligations of the District.** In accordance with the requirements of Chapter 36.73 RCW, Covington Ordinance No. 02-13, and the District's Organizational Rules and Bylaws, the District agrees to:

2.1 Provide to Covington all funding received from any and all lawful sources that the District, in its sole discretion, may levy for the purpose of completing the District's authorized projects.

2.2 Continue the annual provision of funding for the projects approved by the District, so long as the District remains in existence. Such funding shall be in accordance with and limited by the provisions of Ordinance No. 02-13, the District's Organizational Rules and Bylaws, and Chapter 36.73 RCW.

**3. Undertakings of Covington.** Covington shall:

3.1 Provide all staff and necessary related support to the District. The costs of such support shall be accounted for as a part of Covington's annual report to the District. District funding shall first be applied to the reasonable charges incurred in establishing and staffing the District. Annual services provided may include the services provided by the City Attorney, the City Clerk when serving as the Clerk of the District, the City's Finance Director when serving as its Treasurer, the City Manager when serving as the Chief Executive Officer (CEO), any other employees of Covington that serve the District, and any associated costs, including, but not limited to, the preparation of an annual work plan, reporting, advertising, engineering design, project bidding, contracting, construction management, accounting, and any and all other actual charges or Covington/District agreed upon percentage of charges associated with the proper application of District funding in accordance with state law and Covington ordinance. In consideration of the benefits derived by Covington, overhead charges including, but not limited to, utilities, information technology, office supplies, and equipment shall be a contribution of Covington to the parties' joint goals and objectives and need not be directly charged back to the District. All costs of annual audits shall be borne by the District. All costs associated with the issuance of debt shall be paid by the District.

3.2 Maintain financial records for the period established by the State Archivist's retention schedule and kept in accordance with generally accepted accounting practice and governmental accounting requirements, as necessary, to document that any and all funding received through the District is used only for the projects authorized in accordance with state law and Covington ordinance.

3.3 Immediately alert the District of any material changes in scope, schedule, or cost increases of twenty percent (20%) or greater to improvements funded in part or whole with District funds.

3.4 Utilize funding provided for projects shown on the District's annual work plan in accordance with the District's material charge policy, state law, and Covington ordinance.

**4. Ownership.** Streets and related transportation infrastructure preserved and maintained with District funds are and shall remain the property of the Covington. No joint property ownership is contemplated under the terms of this Agreement.

**5. No Joint Board.** No provision is made for a joint board. The District shall exercise its function in accordance with its organizational rules and bylaws, using staff as provided by Covington pursuant to state law and to this Agreement.

**6. Insurance; Indemnity.**

6.1 The parties agree to participate in the Washington Cities Insurance Authority (WCIA) insurance pool in accordance with their respective interlocal agreements with the WCIA. The original charge or premium for inclusion of the District in the WCIA insurance pool will be borne by Covington as a cost for establishing the District, pursuant to Section 3.1 herein, and shall be paid for with funds received from or through the District. In the event that either or both parties cease to participate in the WCIA pool, the party or parties agree to obtain comparable insurance coverage for the duration of this Agreement.

6.2 Each party agrees to indemnify and hold harmless the other party, its officers, agents, employees, and volunteers from any claim, loss, or liability arising from or out of the that party's negligent, tortious, or illegal actions under this Agreement.

**7. Termination.**

7.1 This Agreement may be terminated by either party upon the provision of one hundred and eighty (180) calendar days written notice. A final reconciliation of costs, payment, and a current report of completed activities shall be completed by Covington within such period following notice by either party.

7.2 Unless sooner terminated by either party, this Agreement shall expire on the date when the District is automatically dissolved in accordance with provisions of Chapter 36.73 RCW and Covington Ordinance No. 02-13, as the same exists or is hereafter amended.

**8. Effective Date.** This Agreement shall be effective upon the last authorizing signature affixed hereto and when listed by subject on the City of Covington's website or other electronically retrievable public source as required by RCW 39.34.040.

SIGNATURES PROVIDED ON THE NEXT PAGE.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the date first written above.

COVINGTON TRANSPORTATION  
BENEFIT DISTRICT

CITY OF COVINGTON

\_\_\_\_\_  
Margaret Harto, Chair

\_\_\_\_\_  
Derek Matheson, City Manager

Attest:

\_\_\_\_\_  
Sharon Scott, City Clerk

APPROVED AS TO FORM

\_\_\_\_\_  
Sara Springer, City Attorney

**DISCUSSION OF  
FUTURE AGENDA TOPICS:**

**Tuesday, February 25, 2014  
Covington Transportation Benefit District Special Meeting  
(Draft Agenda Attached)**

## Covington: Unmatched Quality of Life



### **CITY OF COVINGTON TRANSPORTATION BENEFIT DISTRICT SPECIAL MEETING**

Council Chambers – 16720 SE 271<sup>st</sup> Street, Suite 100, Covington, WA

**Tuesday, February 25, 2014 – 8:30 p.m.**

Call to Order

Roll Call

Approval of Agenda

**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. Approve Minutes of February 11, 2014 Special Meeting (Scott)

New Business

1. Discuss Outcome of County Ballot Measure Decision (Board)

Board/Staff Comments

Adjourn

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