

Covington: Unmatched quality of life

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



**Tuesday, June 25, 2013
7:00 p.m.**

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

CALL CITY COUNCIL REGULAR MEETING TO ORDER

ROLL CALL/PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMUNICATION - NONE

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: May 22, 2013 City Council Joint Meeting with Black Diamond and Maple Valley Meeting; June 11, 2013 City Council Joint Meeting with Parks & Recreation Commission Minutes; and June 11, 2013 City Council Regular Meeting Minutes (Scott)
- C-2. Vouchers (Hendrickson)

REPORTS OF COMMISSIONS

- Human Services Chair Haris Ahmad: June 13 site visit.
- Arts Chair Sandy Bisordi: June 13 meeting.
- Parks & Recreation: June 19 meeting.
- Planning Chair Daniel Key: June 6 and June 20 meetings.
- **Future Meetings:** Economic Development Council: Next meeting June 27.

CONTINUED BUSINESS

1. Consider Resolution Adopting 2014-2019 Transportation Improvement Program (Vondran)

NEW BUSINESS

2. Discuss Selection of Citizen and Honorary Citizen of the Year (Slate)
3. Update on Surface Water Management Programs (Vondran/Parrish)
4. Briefing on Competitive Bidding (Hendrickson)
5. Briefing on Utility Tax Effective Rate (Hendrickson)
6. Discuss Council Requested Decision Cards (Matheson)

COUNCIL/STAFF COMMENTS - Future Agenda Topics

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

EXECUTIVE SESSION - Real Estate (RCW 42.30.110(1) (c))

ADJOURN

For disability accommodation contact the City of Covington at 253-480-2400 a minimum of 24 hours in advance. For TDD relay service, dial (800) 833-6384 and ask the operator to dial 253-480-2400.

Consent Agenda Item C-1

Covington City Council Meeting

Date: June 25, 2013

SUBJECT: APPROVAL OF MINUTES: MAY 22, 2013 CITY COUNCIL JOINT MEETING WITH BLACK DIAMOND AND MAPLE VALLEY MINUTES; JUNE 11, 2013 CITY COUNCIL JOINT MEETING WITH PARKS & RECREATION COMMISSION MINUTES; AND JUNE 11, 2013 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 May 22, 2013 City Council Joint Meeting with Black Diamond and Maple Valley Minutes; June 11, 2013 City Council Joint Meeting with Parks & Recreation Commission Minutes; and June 11, 2013 City Council Regular Meeting Minutes.

**City of Black Diamond/City of Covington/City of Maple Valley
Joint City Council Meeting Minutes
Wednesday, May 22, 2013**

(This meeting was recorded and will be retained for a period of six years from the date of the meeting).

The Joint Meeting of the City Councils for the cities of Black Diamond, Covington and Maple Valley was called to order at Covington City Hall Council Chambers, 16720 SE 271st Street, Covington, Washington, Wednesday, May 22, 2013, at 7:00 p.m., with Maple Valley Mayor Bill Allison presiding.

BLACK DIAMOND COUNCILMEMBERS PRESENT:

Tamie Deady, Craig Goodwin, Ron Taylor, Janie Edelman, Mayor Pro Tem Carol Benson, and Mayor Rebecca Olness.

BLACK DIAMOND STAFF PRESENT:

Brenda Martinez, Assistant City Administrator/City Clerk; Jamey Kiblinger, Black Diamond Police Chief; Aaron Nix, Parks Director; and Mark Hoppen, City Administrator.

COVINGTON COUNCILMEMBERS PRESENT:

Mark Lanza, David Lucavish, Marlla Moon, Jim Scott, Wayne Snoey; Mayor Pro Tem Jeff Wagner; and Mayor Margaret Harto.

COVINGTON STAFF PRESENT:

Derek Matheson, City Manager; Kevin Klason, Covington Police Chief; Scott Thomas, Parks & Recreation Director; and Sharon Scott, City Clerk/Executive Assistant.

MAPLE VALLEY COUNCILMEMBERS PRESENT:

Sean P. Kelly, Layne Barnes, Erin Weaver, Noel Gerken, Linda Johnson, Deputy Mayor Victoria Laise Jonas, and Mayor Bill Allison.

MAPLE VALLEY STAFF PRESENT:

David Johnston, City Manager; Sgt. Don Davis, Maple Valley Police; Greg Brown, Parks & Recreation Director; Steve Clark, Public Works Director; Shawn Hunstock, Finance Director; and Shaunna Lee-Rice, City Clerk.

CALL MEETING TO ORDER:

Maple Valley Mayor Bill Allison called the meeting to order at 7:00 p.m.

PLEDGE OF ALLEGIANCE/INTRODUCTIONS:

Mayor Allison opened the Joint Meeting with the Pledge of Allegiance.

APPROVAL OF AGENDA:

Mayor Allison called for approval of the agenda.

Council Action: Mayor Pro Tem Wagner moved and Councilmember Weaver seconded to approve the agenda. Vote: 20-0. Motion carried.

OPENING REMARKS – MAYOR ALLISON:

Maple Valley Mayor Bill Allison welcomed all attendees and introduced King County Councilmember Reagan Dunn.

ITEMS FOR JOINT COUNCIL DISCUSSION:

1. King County Council Update from Councilmember Reagan Dunn.

King County Councilmember Reagan Dunn provided an update on the following items: transportation funding; Metro bus service cutbacks; parks levy on August ballot; King County Emergency Medical Services levy on November ballot; King County Flood Control District's Opportunity Fund authorizing a property tax levy; Sheriff's Office re-opening a precinct in Southeast King County; protection of 43,000 acres of the White River Forest; and "donut hole" legislation signed by Governor Inslee allowing Maple Valley to annex the property.

2. Public Safety Collaboration.

City of Maple Valley Sgt. Don Davis reported on collaborative efforts between Maple Valley, Covington, and Black Diamond in response to community needs which include: DUI enforcement; speed patrols, Click-it-or-Ticket, and party patrols (emphasis patrols); event assistance; proactive investigations; joint training exercises (Tahoma lockdown drill); incident support with needed additional resources; detectives and undercover support among departments.

There was discussion regarding city resources and the Reserve Officer Program.

3. Tri-City Trail Progress.

City of Black Diamond Parks and Recreation Director Aaron Nix presented the PowerPoint with information on the history of the collaboration between the cities, including the regional trail work with King County. Director Nix advised of the considerations for the trail collaboration as safety, public right-of-way and alignments, sensitive areas, physical or engineering constraints, and possible user conflicts.

Kevin Brown, Director of the King County Parks Department, addressed the Feasibility Study conducted by King County in 2011-2012 to determine regional trail concepts. Mr. Brown stated that King County is holding a Parks Levy vote on the August 6 ballot. He also discussed the possible future development of the Green-to-Cedar Rivers Trail and the Covington Highlands Trail. Mr. Brown discussed the preferred trail standards and the next steps which include right-of-way acquisition and preliminary design phase.

There was a brief discussion regarding the possible construction start dates. King County hopes to complete the design phase and begin construction in late 2015 or possibly early 2016.

4. Update of Previous Initiatives.

a. Transportation Collaboration.

City of Black Diamond Mayor Olness handed out Southeast Area Transportation Solution (SEATS) coalition brochures discussing its history and its goals. Mayor Olness spoke about the projects on SR 516. She stated that Senator Mullet feels that if the transportation budget packet is passed by the Legislature, the projects for the communities could be funded. She recommended that each Council pass a resolution from the cities to the Legislature asking for their support of the transportation budget packet.

Mayor Olness advised of the Southeast Regional Shuttle Program provided by the Maple Valley Community Center and that funding has been reduced by \$35,000. Maple Valley Community Center Director Mark Pursley was present to answer questions regarding the reduction. Covington Councilmember Snoey advised the state operating budget must be passed before the state transportation budget. Many legislators do not want to take more than one tax vote which would be detrimental to the transportation budget packet. There was a brief discussion regarding Metro Transit route 168 from Kent to Maple Valley which is funded partially by a grant that expires in 2014.

b. Animal Control Contract Expiration.

Mayor Olness addressed this item discussing the work done in 2012 to determine what would be the options in 2013. All three Councils opted to continue with the current animal control services agreement with King County. She advised that the agreement with King County for animal control services is expiring in December 2015 and questioned whether the three cities should discuss future options tonight. She also spoke about South County Cats services available to members of the animal control services agreement.

Covington City Manager Derek Matheson advised that staff from all three cities would need to get King County to respond as to whether they are going to continue to subsidize the system and whether they are planning to replace the existing shelter within the next cycle. Staff will work on these answers and meet with their respective Councils to determine the plan moving forward.

Council Action: There was consensus that each Council should discuss individually the options moving forward before deciding whether to look at other options as a group.

c. City of Covington/Covington Water District Joint Staff Work Group 2011-12.

Covington City Manager Derek Matheson addressed this item advising of the collaborative effort and the work involved. Mr. Matheson gave the history and the outcome of the process that the Covington Water District staff will update standards for water mains in downtown Covington in their next comprehensive plan update. They may address the deviation/variance concepts in the

next standards update and continue to work together with City staff on economic development, affordable rates, and high quality public services.

Covington Water District General Manager Gwen Maxfield was present to answer questions.

Covington Mayor Pro Tem Wagner questioned whether the Comprehensive Plan updates had been started by Covington Water District. Ms. Maxfield responded that the Comprehensive Plan update is due in 2014 and their staff is working on it now.

COUNCIL CLOSING REMARKS:

Mayor Allison closed by thanking the City of Covington for hosting and thanked staff for all of the work they put into setting up this meeting.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 8:38 p.m.

Prepared by:

Submitted by:

Joan Michaud
Covington Senior Deputy City Clerk

Sharon Scott
Covington City Clerk

City of Covington
City Council Special Joint Study Session with Parks & Recreation Commission
Tuesday, June 11, 2013

(This meeting was recorded and will be retained for a period of six years from the date of the meeting).

The Special Joint Study Session with the Parks & Recreation Commission was called to order in the City Council Chambers, 16720 SE 271st Street, Suite 100, Covington, Washington, Tuesday, June 11, 2013, at 5:34 p.m., with Mayor Harto presiding.

COUNCILMEMBERS PRESENT:

Margaret Harto, Mark Lanza (arrived @ 6:40 p.m.), David Lucavish, Marlla Mhoon, Jim Scott, Wayne Snoey, and Jeff Wagner.

PARKS & RECREATION COMMISSIONERS PRESENT:

Conni Elliott, Liz Fast, Troy McIntyre, Laura Morrissey, Steven Pand, and William Pand.

PARKS & RECREATION COMMISSIONERS ABSENT:

David Aldous.

STAFF PRESENT:

Derek Matheson, City Manager; Richard Hart, Community Development Director; Rob Hendrickson, Finance Director; Scott Thomas, Parks & Recreation Director; and Sharon Scott, City Clerk/Executive Assistant.

Mayor Margaret Harto called the joint study session to order.

ITEMS FOR DISCUSSION:

1. Parks Priority Advisory Committee (PPAC).
2. Progress on Parks, Recreation, and Open Space Plan Goals.

Commission Chair Steven Pand began the discussion on this item and was joined by the rest of the commissioners in requesting specific directions from the Council on what next steps the commission should take in its work plan considering the lack of funds currently available.

Mayor Harto indicated the Council was interested in what decisions the Parks & Recreation Commission wished the Council to make in the best interest of the community. Mayor Harto further explained that the PPAC could put into practice the outreach to the community, inviting them to be part of a process and envisioned it would be a little longer than a focus group or a task force and would have some depth to it. In addition, the PPAC would not be solely put together for the purpose of acquiring funds to spend on parks, but would be about developing and maintaining parks and finding what resource options are available that are sustainable way into the future.

City Manager Derek Matheson indicated that from a budget perspective, revenues have bottomed out and are on the rise again which means the city probably can sustain the current level. Mr. Matheson observed that there is no evidence yet that the city can significantly grow or restore what it had. Mr. Matheson recommended that perhaps a shift in thinking was needed to look at several ballot measures over the next 50 years with this first time around focused more operationally than project focused.

Finance Director Rob Hendrickson stated he concurred with Mr. Matheson and recommended patience is needed to see a turnaround. Mr. Hendrickson suggested a Parks Improvement Program similar to the Transportation Improvement Program.

Council urged the Parks & Recreation Commission to continue with the vision and planning and to give Council recommendations for future actions.

PUBLIC COMMENTS:

Mayor Harto called for public comments.

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

ADJOURNMENT:

There being no further business, the meeting was adjourned at 7:03 p.m.

Prepared by:

Submitted by:

Joan Michaud
Senior Deputy City Clerk

Sharon Scott
City Clerk

City of Covington
Regular City Council Meeting Minutes
Tuesday, June 11, 2013

(This meeting was recorded and will be retained for a period of six years from the date of the meeting).

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, June 11, 2013, at 7:15 p.m., with Mayor Harto presiding.

COUNCILMEMBERS PRESENT:

Margaret Harto, Mark Lanza, David Lucavish, Marlla Mhoon, Jim Scott, Wayne Snoey, and Jeff Wagner.

STAFF PRESENT:

Derek Matheson, City Manager; Glenn Akramoff, Public Works Director; Noreen Beaufriere, Personnel Manager; Richard Hart, Community Development Director; Rob Hendrickson, Finance Director; Kevin Klason, Covington Police Chief; Karla Slate, Community Relations Coordinator; Scott Thomas, Parks & Recreation Director; Sara Springer, City Attorney; Don Vondran, Senior City Engineer; Bill Feely, Jesse Dalton, John Gaudette, Maintenance Workers; and Sharon Scott, City Clerk/Executive Assistant.

Mayor Harto opened the meeting with the Pledge of Allegiance.

APPROVAL OF AGENDA:

Council Action: Councilmember Lucavish moved and Councilmember Scott seconded to approve the Agenda as amended to include King County Metro presentation and special proclamation. Vote: 5-2. Motion carried.

PUBLIC COMMUNICATION:

- Chris O’Claire, King County Metro Strategic Planning and Analysis Supervisor, gave a presentation on Metro’s proposed service cuts.

Councilmembers provided comments and asked questions, and Ms. O’Claire provided responses.

- Parks & Recreation Director Scott Thomas accepted the Parks & Recreation Month Proclamation.
- Public Works Director Glenn Akramoff accepted a proclamation in his honor naming June 12, 2013 to be Glenn Akramoff Day in the City of Covington and wishing him well as he takes on his new role as City Manager of the City of Normandy Park.

PUBLIC COMMENT:

Mayor Harto called for public comments.

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

APPROVE CONSENT AGENDA:

- C-1. Minutes: May 14, 2013 Joint Meeting with CEDC & Chamber Board; May 14, 2013 Regular Meeting; and May 28, 2013 Special & Regular Meeting.
- C-2. Vouchers: Vouchers #29496—29551, in the Amount of \$211,721.50, Dated May 28, 2013; Vouchers #29552-29553, in the Amount of \$55,106.41, Dated June 4, 2013; and Paylocity Payroll Checks #1001306023-1001306040 Inclusive, Plus Employee Direct Deposits in the Amount of \$153,678.28, Dated June 7, 2013.
- C-3. Accept Covington Community Park Fencing Contract.
- C-4. Release of Stormwater Drainage Easement for Red Canoe Credit Union.
- C-5. Subsurface Tunnel Easement for Soos Creek Water and Sewer District.

Council Action: Mayor Pro Tem Wagner moved and Councilmember Lucavish seconded to approve the consent agenda. Vote: 7-0. Motion carried.

PUBLIC HEARING:

- 1. Receive Public Testimony on Proposed 2014-2019 Transportation Improvement Program.

Senior City Engineer Don Vondran gave the staff report on this item.

Mayor Harto called for public comments for the public hearing.

There being no comments, Mayor Harto closed the public comment period for the public hearing.

NEW BUSINESS:

- 2. Discuss Citizen Survey Results.

Community Relations Coordinator Karla Slate introduced this item and provided background information. Consultant Stuart Elway gave the presentation on the 2013 survey results.

Council provided comments and asked questions, and Mr. Elway provided responses.

- 3. Finalize Use of Funds from General Fund.

Public Works Director Glenn Akramoff gave the staff report on this item.

Councilmembers provided comments.

Council Action: Mayor Pro Tem Wagner moved and Councilmember Snoey seconded to approve staff recommendations for use of general fund revenues made available by the passing of the Transportation Benefit District sales tax increase, and to authorize the TBD

Board to include information in the TBD sales tax ballot measure on the city’s anticipated use of freed general funds. Vote: 7-0. Motion carried.

4. Code Revisions for Assuming Solid Waste Jurisdiction Ordinance.

ORDINANCE NO. 04-13

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COVINGTON, KING COUNTY, WASHINGTON UPDATING AND AMENDING CHAPTER 8.15 OF THE COVINGTON MUNICIPAL CODE RELATING TO SOLID WASTE SERVICES.

Councilmembers provided comments.

Council Action: Mayor Pro Tem Wagner moved and Councilmember Scott seconded to appoint Ordinance No. 04-13 updating and amending CMC 8.15 relating to solid waste services. Vote: 7-0. Motion carried.

5. Town Center Developer Partnerships Request for Qualifications.

City Manager Derek Matheson gave the staff report on this item.

Councilmembers provided comments and asked questions, and Mr. Matheson provided responses.

Council Action: Mayor Pro Tem Wagner moved and Councilmember Lanza seconded to authorize staff to proceed with a Town Center Request for Qualifications. Vote: 7-0. Motion carried.

COUNCIL/STAFF COMMENTS:

Councilmembers and staff discussed Future Agenda Topics and made comments.

Mayor Pro Tem Wagner and Councilmember Lucavish announced they would not be able to attend the June 25, 2013 City Council meeting.

PUBLIC COMMENTS:

Mayor Harto called for public comments.

Leroy Stevenson, 26838 166th Place SE, Covington, spoke on utility tax and offered list of cities that, in his opinion, were taxing the correct amount.

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

ADJOURNMENT:

There being no further business, the meeting was adjourned at 8:52 p.m.

Unapproved Draft – June 11, 2013 Regular Meeting Minutes
Submitted for Approval: June 25, 2013

Prepared by:

Submitted by:

Joan Michaud
Senior Deputy City Clerk

Sharon Scott
City Clerk

Consent Agenda Item C-2

Covington City Council Meeting

Date: June 25, 2013

SUBJECT: APROVAL OF VOUCHERS.

RECOMMENDED BY: Rob Hendrickson, Finance Director

ATTACHMENT(S): Vouchers #29554—29619, in the Amount of \$1,705,811.03, Dated June 11, 2013; and Paylocity Payroll Checks #1001340464-1001340480 and Paylocity Payroll Checks #1001340580-101340580 Inclusive, Plus Employee Direct Deposits in the Amount of \$160,105.62, Dated June 21 2013.

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 #29554—29619, in the Amount of \$1,705,811.03, Dated June 11, 2013; and Paylocity Payroll Checks #1001340464-1001340480 and Paylocity Payroll Checks #1001340580-101340580 Inclusive, Plus Employee Direct Deposits in the Amount of \$160,105.62, Dated June 21 2013.

June 11, 2013

City of Covington

City of Covington

City of Covington
Voucher/Check Register

Check # 29554 Through Check # 29619

In the Amount of \$1,705,811.03

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
Accountant

Mark Lanza
City Councilmember

Wayne Snoey
City Councilmember

Marlla Mhoon
City Councilmember

Council Meeting Date Approved _____

Accounts Payable

Checks by Date - Detail By Check Date

User: scles
 Printed: 6/13/2013 - 4:18 PM



| | | | Check Amount |
|------------|-------|---|--------------|
| Check No: | 29554 | Check Date: 06/11/2013 | |
| Vendor: | 2491 | A WorkSAFE Services, Inc. | |
| 176688 | | Employee drug test | 52.00 |
| | | | 52.00 |
| Check No: | 29555 | Check Date: 06/11/2013 | |
| Vendor: | 0206 | AFLAC | |
| 095674 | | Insurance premiums; June | 621.58 |
| | | | 621.58 |
| Check No: | 29556 | Check Date: 06/11/2013 | |
| Vendor: | 1830 | Allwest Underground, Inc. | |
| 34447 | | Maint Crew; Confined Space Training | 61.29 |
| 34447 | | Maint Crew; Confined Space Training | 122.58 |
| 34447 | | Maint Crew; Confined Space Training | 122.58 |
| | | | 306.45 |
| Check No: | 29557 | Check Date: 06/11/2013 | |
| Vendor: | 0254 | American Public Works Assoc | |
| 159814 | | APWA agency dues; 7/1/13-6/30/14 | 304.00 |
| 159814 | | APWA agency dues; 7/1/13-6/30/14 | 304.00 |
| | | | 608.00 |
| Check No: | 29558 | Check Date: 06/11/2013 | |
| Vendor: | 2033 | Aquatic Specialty Services | |
| 4314 | | Aquatics; return foam out chemicals | -156.38 |
| 4456 | | Aquatics; pool chemicals | 1,055.59 |
| 4465 | | Aquatics; clean/calibration service, May | 124.90 |
| | | | 1,024.11 |
| Check No: | 29559 | Check Date: 06/11/2013 | |
| Vendor: | 0077 | Association of WA Cities | |
| 1041-39366 | | Harto; AWC annual conference registration | 350.00 |
| | | | 350.00 |
| Check No: | 29560 | Check Date: 06/11/2013 | |
| Vendor: | 2646 | Balloon Specialties | |
| B13053000 | | CCP; grand opening, balloons | 35.73 |
| B13053006 | | CCP; grand opening balloon arch | 439.78 |
| B13053006 | | Helium tanks | 168.27 |
| | | | 643.78 |
| Check No: | 29561 | Check Date: 06/11/2013 | |
| Vendor: | 0499 | Bank of America | |
| 0411-6 | | Aquatics; air inflator/deflator | 195.47 |
| 0411-6 | | Aquatics; air inflator/deflator, use tax | -15.48 |
| 0411-6 | | Aquatics; merit program gift cards | 50.00 |

| | | |
|-------------|---|-----------|
| 0411-6 | Aquatics; tablecloth rolls | 136.84 |
| 0411-6 | Aquatics; tablecloth rolls, use tax | -10.84 |
| 0411-6 | Aquatics; tote lockers | 86.75 |
| 0848-6 | Public Works retreat; lunch | 55.17 |
| 0848-6 | Public Works retreat; lunch | 55.17 |
| 0848-6 | Community Development retreat; lunch | 57.29 |
| 0848-6 | Community Development retreat; lunch | 57.29 |
| 0848-6 | Backup system hard drive | 141.17 |
| 0848-6 | Backup system hard drive, use tax | -11.18 |
| 0848-6 | Computer cables | 32.97 |
| 0848-6 | Computer cables, use tax | -2.61 |
| 1030-6 | Skate park; rolled angle | 50.84 |
| 1030-6 | #2707; replacement de-icer tank | 512.59 |
| 1030-6 | #2707; replacement de-icer tank, use tax | -40.59 |
| 1030-6 | Skate park; metal for rail fabrication | 177.72 |
| 1030-6 | #3420; key cylinder | 23.06 |
| 1030-6 | #3420; key cylinder, use tax | -1.83 |
| 2923-6 | Logod chocolate mints for retiring commissioner | 258.38 |
| 2923-6 | Logod chocolate mints for retiring commissioner | -20.46 |
| 2923-6 | Regional Task Force meeting, lunch | 48.86 |
| 7620-6 | Matheson; chamber luncheon, May | 20.00 |
| 7620-6 | Police; mailbox/shelf unit | 98.79 |
| 7620-6 | Tri-City mugs | 509.56 |
| 7620-6 | Tri-City mugs, use tax | -40.35 |
| 7620-6 | Bates; planner refill | 44.70 |
| 7620-6 | Matheson; SCA networking dinner | 45.00 |
| 7620-6 | Mhoon; SCA networking dinner | 45.00 |
| | | <hr/> |
| | | 2,559.28 |
| Check No: | 29562 Check Date: 06/11/2013 | |
| Vendor: | 2368 Best Parking Lot Cleaning Inc. | |
| 123733 | Street cleaning, May | 3,724.98 |
| | | <hr/> |
| | | 3,724.98 |
| Check No: | 29563 Check Date: 06/11/2013 | |
| Vendor: | 1868 The Brickman Group Ltd, LLC | |
| 5101726415 | Streets; landscaping, June | 4,114.10 |
| 5101726415 | Parks; landscaping, June | 1,090.49 |
| | | <hr/> |
| | | 5,204.59 |
| Check No: | 29564 Check Date: 06/11/2013 | |
| Vendor: | 0026 C&B Awards | |
| 25705 | Schlesinger/Bowling; name badges/desk plates | 33.67 |
| | | <hr/> |
| | | 33.67 |
| Check No: | 29565 Check Date: 06/11/2013 | |
| Vendor: | 2654 Canber Corps | |
| 31923 | CCP; maintenance services, 5/9-5/31/13 | 3,195.29 |
| | | <hr/> |
| | | 3,195.29 |
| Check No: | 29566 Check Date: 06/11/2013 | |
| Vendor: | 0366 City of Covington | |
| 0366-6 | SWM utility tax; May | 12,217.49 |
| | | <hr/> |
| | | 12,217.49 |
| Check No: | 29567 Check Date: 06/11/2013 | |
| Vendor: | 2382 Close Call Plumbing | |
| ROBI-02B-13 | Minor housing repair; ROBI-02B-13 | 5,207.14 |

| | | | Check Amount |
|-------------|-------|---------------------------------------|--------------|
| | | | 5,207.14 |
| Check No: | 29568 | Check Date: 06/11/2013 | |
| Vendor: | 2653 | Clown Buggie Entertainment | |
| 06082013 | | CCP grand opening; balloon creations | 187.50 |
| | | | 187.50 |
| Check No: | 29569 | Check Date: 06/11/2013 | |
| Vendor: | 1091 | Complete Office Solutions | |
| 952237-0 | | Permitting; poly zip bags | 68.59 |
| | | | 68.59 |
| Check No: | 29570 | Check Date: 06/11/2013 | |
| Vendor: | 0184 | Cordi & Bejarano | |
| 175 | | Public defender services; 5/7-5/14/13 | 1,380.00 |
| | | | 1,380.00 |
| Check No: | 29571 | Check Date: 06/11/2013 | |
| Vendor: | 0246 | Covington Lions Club | |
| 001 | | Covington Days; Seafair banner | 50.00 |
| | | | 50.00 |
| Check No: | 29572 | Check Date: 06/11/2013 | |
| Vendor: | 1189 | Department of Commerce | |
| PWTF-90923 | | Public work trust fund; principal | 214,895.81 |
| PWTF-90923 | | Public work trust fund; interest | 12,893.75 |
| | | | 227,789.56 |
| Check No: | 29573 | Check Date: 06/11/2013 | |
| Vendor: | 2467 | Department of Enterprise Services | |
| 73-1-7177 | | Hendrickson; business cards | 41.26 |
| I184016 | | MacConaghy; computer software | 352.11 |
| I184016 | | Lyons; remote access license | 54.36 |
| I184016 | | Redundant server | 3,821.78 |
| I184016 | | Lyons; remote access license | 13.59 |
| | | | 4,283.10 |
| Check No: | 29574 | Check Date: 06/11/2013 | |
| Vendor: | 2077 | Elway Research, Inc. | |
| 11250 | | Citizen survey; project completion | 10,000.00 |
| | | | 10,000.00 |
| Check No: | 29575 | Check Date: 06/11/2013 | |
| Vendor: | 0127 | GFOA | |
| 300085964 | | CAFR; award submittal | 435.00 |
| | | | 435.00 |
| Check No: | 29576 | Check Date: 06/11/2013 | |
| Vendor: | 2045 | Goodbye Graffiti Seattle | |
| 18223 | | Everclean program, June | 431.14 |
| | | | 431.14 |
| Check No: | 29577 | Check Date: 06/11/2013 | |
| Vendor: | 2553 | Gordon Thomas Honeywell Governmental | |
| May 13 1123 | | Governmental Affairs services; May | 1,666.67 |
| | | | 1,666.67 |

| | | | | |
|-------------|-------|--|------------|----------|
| Check No: | 29578 | Check Date: | 06/11/2013 | |
| Vendor: | 0354 | Grainger | | |
| 9152540010 | | Aquatics; first aid cold packs | | 28.89 |
| | | | | <hr/> |
| | | | | 28.89 |
| Check No: | 29579 | Check Date: | 06/11/2013 | |
| Vendor: | 0302 | Gray & Osborne | | |
| 10445.00-26 | | Aqua Vista; engineering, 4/28-5/25/13 | | 196.34 |
| | | | | <hr/> |
| | | | | 196.34 |
| Check No: | 29580 | Check Date: | 06/11/2013 | |
| Vendor: | 1271 | Rob Hendrickson | | |
| 1271-6 | | Hendrickson; GFOA conference, per diem, taxi | | 272.53 |
| | | | | <hr/> |
| | | | | 272.53 |
| Check No: | 29581 | Check Date: | 06/11/2013 | |
| Vendor: | 0867 | Home Depot Credit Services | | |
| 2063437 | | Fencing material | | 163.54 |
| 3015581 | | CCP; lumber, screws, paint | | 50.66 |
| 3015581 | | Maint shop; wire, blades | | 7.04 |
| 3015581 | | Maint shop; wire, blades | | 14.09 |
| 3015581 | | Maint shop; wire, blades | | 14.09 |
| 3063263 | | CCP; grass seed, chalk reel | | 19.48 |
| 3161514 | | Maint shop; pesticide shed locks | | 1.21 |
| 3161514 | | Maint shop; pesticide shed locks | | 2.44 |
| 3161514 | | Maint shop; pesticide shed locks | | 2.44 |
| 3183670 | | Rental; auger, 5/21 | | 59.73 |
| 3560874 | | Skate park; paint | | 16.81 |
| 4162143 | | Maint shop; tree pruner | | 17.37 |
| 4162143 | | Maint shop; tree pruner | | 34.74 |
| 4162143 | | Maint shop; tree pruner | | 34.74 |
| 4162143 | | City hall; kitchen faucet | | 39.88 |
| 5010544 | | CCP; temporary fence materials | | 400.99 |
| 5015149 | | Safety locks, caution tape, catalyst lube | | 61.97 |
| 5065354 | | CCP; temporary fence materials | | 3.21 |
| 7064844 | | Maint shop; irrigation parts, sprayer | | 18.44 |
| 7064844 | | Maint shop; irrigation parts, sprayer | | 36.88 |
| 7064844 | | Maint shop; irrigation parts, sprayer | | 36.89 |
| 7091414 | | Return; Maint shop, blades | | -2.60 |
| 7091414 | | Return; Maint shop, blades | | -5.21 |
| 7091414 | | Return; Maint shop, blades | | -5.21 |
| 8016759 | | Maint shop; irrigation parts | | 16.08 |
| 8016759 | | Maint shop; irrigation parts | | 32.17 |
| 8016759 | | Maint shop; irrigation parts | | 32.17 |
| 80171738 | | Maint shop; irrigation parts | | 0.77 |
| 80171738 | | Maint shop; irrigation parts | | 0.77 |
| 80171738 | | Maint shop; irrigation parts | | 0.39 |
| | | | | <hr/> |
| | | | | 1,105.97 |
| Check No: | 29582 | Check Date: | 06/11/2013 | |
| Vendor: | 1701 | Johnsons Home & Garden | | |
| 375815 | | Skate park; hardware | | 15.83 |
| 375934 | | Replacement #2707; water tank parts | | 55.17 |
| 376255 | | Jenkins Creek park; boardwalk repair parts | | 34.73 |
| 376255 | | SWM dog park; gate repair parts | | 20.87 |
| 376476 | | #3371; replacement nuts | | 1.74 |
| 376640 | | Maint shop; eye wash parts | | 12.15 |
| 376640 | | Maint shop; eye wash parts | | 12.15 |

| | | |
|-----------|---|--------------|
| 376640 | Maint shop; eye wash parts | 6.08 |
| 376665 | #2761; rubber grommets | 19.33 |
| | | <hr/> |
| | | 178.05 |
| Check No: | 29583 Check Date: 06/11/2013 | |
| Vendor: | 0050 Kent School District | |
| 0050-6 | School mitigation payable; May | 16,458.00 |
| | | <hr/> |
| | | 16,458.00 |
| Check No: | 29584 Check Date: 06/11/2013 | |
| Vendor: | 0204 King County Pet Licensing | |
| 0204-6 | Pet license remittance, May | 300.00 |
| | | <hr/> |
| | | 300.00 |
| Check No: | 29585 Check Date: 06/11/2013 | |
| Vendor: | 0641 King County Sheriff's Office | |
| 13-159 | Police services; 2012 reconciliation | -43,123.00 |
| 13-159 | Police services; lease, January - May | -9,395.85 |
| 13-159 | Police services; January - May | 1,297,762.95 |
| | | <hr/> |
| | | 1,245,244.10 |
| Check No: | 29586 Check Date: 06/11/2013 | |
| Vendor: | 1622 Law Offices of Thomas R Hargan, PLLC | |
| 13-CV05 | Prosecution services through 5/31/13 | 4,558.03 |
| | | <hr/> |
| | | 4,558.03 |
| Check No: | 29587 Check Date: 06/11/2013 | |
| Vendor: | 2367 Magnum Print Solutions | |
| 114169 | Toner cartridges | 254.06 |
| | | <hr/> |
| | | 254.06 |
| Check No: | 29588 Check Date: 06/11/2013 | |
| Vendor: | 2523 Maple Valley Truck & Equipment | |
| 4639 | #2707; deicer frame weld | 173.76 |
| 4639 | #2577/#3307; dustcaps/fitings | 287.06 |
| 4648 | #3420; welding/wiring | 217.20 |
| | | <hr/> |
| | | 678.02 |
| Check No: | 29589 Check Date: 06/11/2013 | |
| Vendor: | 1688 Mountain Mist | |
| 054257-6 | City Hall; bottled water, May | 106.78 |
| 054257-6 | Maint Shop; bottled water, May | 16.39 |
| 054257-6 | Maint Shop; bottled water, May | 8.20 |
| 054257-6 | Maint Shop; bottled water, May | 16.39 |
| 054257-6 | Aquatics; bottled water, May | 37.57 |
| | | <hr/> |
| | | 185.33 |
| Check No: | 29590 Check Date: 06/11/2013 | |
| Vendor: | 1487 NAPA Auto Parts | |
| 669894 | #3420; rubber/wiring grommets | 5.53 |
| 670215 | Maint shop; assorted tools | 117.13 |
| 670215 | Maint shop; assorted tools | 234.25 |
| 670215 | Maint shop; assorted tools | 234.25 |
| 670222 | Maint shop; supplies | 5.79 |
| 670222 | Maint shop; supplies | 5.79 |
| 670222 | Maint shop; supplies | 2.90 |
| 670863 | Maint shop; socket holders | 4.54 |

| | | |
|--------------|------------------------------------|--------|
| 670863 | Maint shop; socket holders | 9.09 |
| 670863 | Maint shop; socket holders | 9.09 |
| 671700 | #3420; d rings | 125.11 |
| 672293 | #3371; battery | 17.81 |
| 672293 | #3371; battery | 17.81 |
| 672293 | #3371; battery | 8.90 |
| 672355 | #3371; battery | 9.98 |
| 672355 | #3371; battery | 19.98 |
| 672355 | #3371; battery | 19.99 |
| 672368 | Maint shop; light bulbs | 1.72 |
| 672368 | Maint shop; light bulbs | 1.72 |
| 672368 | Maint shop; light bulbs | 0.86 |
| 672510 | #3371; return battery | -10.21 |
| 672510 | #3371; return battery | -20.41 |
| 672510 | #3371; return battery | -20.41 |
| 672564 | Maint shop; supplies | 11.57 |
| 672564 | Maint shop; supplies | 23.15 |
| 672564 | Maint shop; supplies | 23.15 |
| | | <hr/> |
| | | 859.08 |
| Check No: | 29591 Check Date: 06/11/2013 | |
| Vendor: | 1327 Ethan Newton | |
| 1327-6 | Newton; mileage reimbursement, May | 92.72 |
| | | <hr/> |
| | | 92.72 |
| Check No: | 29592 Check Date: 06/11/2013 | |
| Vendor: | 0004 Office Depot | |
| 658187888001 | File folders | 202.84 |
| 658187995001 | Aquatics; wall mount | 57.76 |
| 658187996001 | Office supplies | 145.12 |
| 658187996001 | Aquatics; cordless keyboards | 234.54 |
| 658187997001 | Office supplies | 3.81 |
| | | <hr/> |
| | | 644.07 |
| Check No: | 29593 Check Date: 06/11/2013 | |
| Vendor: | 1432 Pacific Topsoils, Inc. | |
| 8173 | Dump brush disposal fees | 218.00 |
| | | <hr/> |
| | | 218.00 |
| Check No: | 29594 Check Date: 06/11/2013 | |
| Vendor: | 1452 Palmer Coking Coal Company | |
| IN30771 | Crushed gravel | 109.54 |
| | | <hr/> |
| | | 109.54 |
| Check No: | 29595 Check Date: 06/11/2013 | |
| Vendor: | 0056 Cassandra Parker | |
| 13-13 | Parker; 2013 flexible spending | 56.97 |
| | | <hr/> |
| | | 56.97 |
| Check No: | 29596 Check Date: 06/11/2013 | |
| Vendor: | 2655 Alex Perkins | |
| REC000147 | Refund; #M13-0024 | 23.00 |
| | | <hr/> |
| | | 23.00 |
| Check No: | 29597 Check Date: 06/11/2013 | |
| Vendor: | 0164 Pitney Bowes | |
| 5502214506 | Postage meter; red ink cartridge | 62.65 |

| Check No: | Vendor: | Check Date: | Check Amount |
|----------------|--|-------------|--------------|
| | | | 62.65 |
| 2137498 | 29598 1361 Puget Sound Business Journal Business Journal; 1 year subscription | 06/11/2013 | 60.00 |
| | | | 60.00 |
| 200003986730 | 29599 0161 Puget Sound Energy Streets; electricity, 5/3-5/31/13 | 06/11/2013 | 61.17 |
| 200003987282 | Streets; electricity, 5/4-6/3/13 | | 49.88 |
| 2000039987464 | Streets; electricity, 5/4-6/3/13 | | 10.30 |
| 200004045635 | Streets; electricity, 5/3-5/31/13 | | 59.17 |
| 200004045866 | Streets; electricity, 5/4-6/3/13 | | 52.86 |
| 200005568858 | Streets; electricity, 5/1-5/29/13 | | 62.21 |
| 200013103656 | CCP; electricity, 5/1-5/29/13 | | 29.05 |
| 200013951476 | Streets; electricity, 5/1-5/29/13 | | 69.30 |
| 200014568881 | Maint shop; electricity, 5/1-5/29/13 | | 49.64 |
| 200014568881 | Maint shop; electricity, 5/1-5/29/13 | | 24.81 |
| 200014568881 | Maint shop; electricity, 5/1-5/29/13 | | 49.64 |
| 200022909309 | Streets; electricity, 5/3-5/31/13 | | 75.61 |
| 200022909689 | Skate park; electricity, 5/4-6/3/13 | | 12.39 |
| 300000001770 | Streets; electricity, 5/3-5/31/13 | | 10.30 |
| 300000001770 | City tree; electricity, 5/3-5/31/13 | | 10.30 |
| 300000001804 | Streets; electricity, 5/1-5/29/13 | | 74.89 |
| 300000007934 | City hall; electricity, 5/3-5/31/13 | | 1,628.12 |
| 300000007934 | City hall; natural gas, 5/3-5/31/13 | | 36.66 |
| 300000011266 | Crystal view; electricity, 5/3-5/31/13 | | 10.30 |
| 300000011266 | SR 516; electricity, 5/3-5/31/13 | | 105.15 |
| | | | 2,481.75 |
| 0176-003743263 | 29600 2630 Republic Services #176 Maint shop; disposal, 5/1-5/31/13 | 06/11/2013 | 118.84 |
| 0176-003743263 | Maint shop; disposal, 5/1-5/31/13 | | 237.68 |
| 0176-003743263 | Maint shop; disposal, 5/1-5/31/13 | | 237.68 |
| 0176-003743414 | Aquatics; disposal fees, 5/1-5/31/13 | | 256.69 |
| | | | 850.89 |
| 2571-6 | 29601 2571 Reserve Account Postage | 06/11/2013 | 0.65 |
| 2571-6 | Postage | | 9.43 |
| 2571-6 | Postage | | 178.63 |
| 2571-6 | Postage | | 595.68 |
| 2571-6 | Postage | | 346.86 |
| 2571-6 | Postage | | 195.05 |
| 2571-6 | Postage | | 1.92 |
| 2571-6 | Postage | | 14.64 |
| 2571-6 | Postage | | 12.92 |
| 2571-6 | Postage | | 9.50 |
| 2571-6 | PW; Postage | | 7.16 |
| 2571-6 | Postage | | 243.32 |
| 2571-6 | PW; Postage | | 7.16 |
| 2571-6 | Postage | | 1.52 |
| 2571-6 | Postage | | 9.98 |
| 2571-6 | Postage | | 34.36 |
| 2571-6 | Postage | | 2.94 |

| | | | Check Amount |
|-------------|-------|--|--------------|
| | | | 1,671.72 |
| Check No: | 29602 | Check Date: 06/11/2013 | |
| Vendor: | 2250 | SBS Legal Services | |
| C026 | | Legal services; May | 5,797.50 |
| | | | 5,797.50 |
| Check No: | 29603 | Check Date: 06/11/2013 | |
| Vendor: | 2474 | SCORE | |
| 356 | | Jail costs; April | 17,100.00 |
| 366 | | Jail costs; medical, April | 8.83 |
| | | | 17,108.83 |
| Check No: | 29604 | Check Date: 06/11/2013 | |
| Vendor: | 1905 | Sharp Electronics Corporation | |
| C775964-701 | | Copier; usage, 4/15-5/15/13 | 49.55 |
| C775964-701 | | Copier; usage, 4/15-5/15/13 | 74.32 |
| C776138-701 | | Reception copier; usage, 4/16-5/24/13 | 17.02 |
| C776197-701 | | Police copier; usage, 4/23-5/28/13 | 29.53 |
| | | | 170.42 |
| Check No: | 29605 | Check Date: 06/11/2013 | |
| Vendor: | 0871 | Suzanne F. Smith | |
| 827356 | | Cruckshank; flagger certification | 45.00 |
| 827356 | | Gallagher/Terwillegar; flagger certification | 36.00 |
| 827356 | | Gallagher/Terwillegar; flagger certification | 36.00 |
| 827356 | | Gallagher/Terwillegar; flagger certification | 18.00 |
| | | | 135.00 |
| Check No: | 29606 | Check Date: 06/11/2013 | |
| Vendor: | 0736 | Sound Security, Inc. | |
| 0633715-IN | | Security monitoring; June | 973.00 |
| | | | 973.00 |
| Check No: | 29607 | Check Date: 06/11/2013 | |
| Vendor: | 2504 | Stalzer and Associates | |
| 3727 | | Hawk Property Subarea Plan/EIS; 4/1-5/10/13 | 61,035.34 |
| | | | 61,035.34 |
| Check No: | 29608 | Check Date: 06/11/2013 | |
| Vendor: | 0217 | State Auditor's Office | |
| L98412 | | Audit fees; April | 6,930.50 |
| | | | 6,930.50 |
| Check No: | 29609 | Check Date: 06/11/2013 | |
| Vendor: | 2618 | Taproot Architects, LLC | |
| 01 | | Aquatics; architectural/engineering, 3/15-5/7/13 | 10,750.00 |
| | | | 10,750.00 |
| Check No: | 29610 | Check Date: 06/11/2013 | |
| Vendor: | 2500 | Tetra Tech, Inc. | |
| 50680552 | | CIP 1127; engineering, 3/30-4/26/13 | 40,561.91 |
| | | | 40,561.91 |
| Check No: | 29611 | Check Date: 06/11/2013 | |
| Vendor: | 2636 | TRM Wood Products Co, Inc. | |
| 291663 | | CCP; lumber | 72.37 |

| | | | | |
|-----------|-------|-------------------------------|------------|--------|
| Check No: | 29612 | Check Date: | 06/11/2013 | |
| Vendor: | 2103 | US Bancorp Equip Finance Inc. | | |
| 229070453 | | Copier; lease | | 102.00 |
| 229110242 | | Copier; lease | | 93.40 |
| 229951025 | | Copier lease | | 86.88 |
| 229951025 | | Copier lease | | 130.32 |

72.37

412.60

| | | | | |
|------------|-------|--|------------|--------|
| Check No: | 29613 | Check Date: | 06/11/2013 | |
| Vendor: | 0046 | Verizon Wireless | | |
| 9705211826 | | Cellular service, 4/26-6/20/13; tablet data plan | | 43.46 |
| 9705211826 | | Cellular service, 4/26-6/20/13; tablet data plan | | 86.94 |
| 9705211826 | | Cellular service, 4/26-6/20/13; tablet data plan | | 86.94 |
| 9705211826 | | Cellular service, 4/26-6/20/13 | | 122.43 |
| 9705211826 | | Morrissey; cellular phone | | 108.59 |
| 9705211826 | | Junkin; cellular phone | | 171.46 |
| 9705211826 | | Junkin; cellular phone | | 171.46 |
| 9705211826 | | Junkin; cellular phone | | 85.73 |

877.01

| | | | | |
|-----------|-------|--------------------------------|------------|--------|
| Check No: | 29614 | Check Date: | 06/11/2013 | |
| Vendor: | 0819 | Don Vondran | | |
| 0819-6 | | Vondran; 10 year service award | | 100.00 |

100.00

| | | | | |
|--------------|-------|----------------------------|------------|----------|
| Check No: | 29615 | Check Date: | 06/11/2013 | |
| Vendor: | 2262 | Voyager Fleet Systems Inc. | | |
| 869285460321 | | Vehicle fuel | | 1,544.48 |

1,544.48

| | | | | |
|-----------|-------|------------------------|------------|--------|
| Check No: | 29616 | Check Date: | 06/11/2013 | |
| Vendor: | 1421 | Ward's Power Equipment | | |
| 45445 | | Sleeve | | 7.36 |
| 45445 | | Sleeve | | 7.36 |
| 45445 | | Sleeve | | 3.68 |
| 45559 | | Generator repair | | 55.01 |
| 45559 | | Generator repair | | 110.01 |
| 45559 | | Generator repair | | 110.01 |
| 45562 | | Sleeve | | 3.15 |
| 45562 | | Sleeve | | 6.31 |
| 45562 | | Sleeve | | 6.31 |

309.20

| | | | | |
|-----------|-------|---------------------------------|------------|-------|
| Check No: | 29617 | Check Date: | 06/11/2013 | |
| Vendor: | 1408 | Washington Workwear Stores Inc. | | |
| 1104 | | Allen; work shirts, jeans | | 22.47 |
| 1104 | | Allen; work shirts, jeans | | 44.94 |
| 1104 | | Allen; work shirts, jeans | | 44.95 |

112.36

| | | | | |
|------------|-------|-------------------------------------|------------|--------|
| Check No: | 29618 | Check Date: | 06/11/2013 | |
| Vendor: | 2652 | Wells Fargo Financial Leasing | | |
| 5000111304 | | Plotter/scanner; lease, 6/10-7/9/13 | | 228.97 |

228.97

Check No: 29619 Check Date: 06/11/2013
Vendor: 1708 Western Equipment Distributors, Inc.
725487.2 #2766; mower switch

61.91

61.91

Date Totals: 1,705,811.03

Report Total: 1,705,811.03

June 21, 2013

City of Covington

Payroll Approval

- Request Council approval for payment of Payroll dated 06/21/13 consisting of:

PAYLOCITY CHECK # 1001340464 through PAYLOCITY CHECK # 1001340480 and
PAYLOCITY CHECK # 1001340580 through PAYLOCITY CHECK # 1001340580 inclusive,
plus employee direct deposits

IN THE AMOUNT OF \$160,105.62

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.

Robert M. Hendrickson
Finance Director

Mark Lanza
City Councilmember

Wayne Snoey
City Councilmember

Marlla Mhoon
City Councilmember

Council Meeting Date Approved: _____

06/21/13 Payroll Voucher

Payroll Checks for Account Paylocity Account

| Check/Voucher | Check Type | Check Date | Employee Name | Net Amount |
|---------------|------------|------------|------------------------|------------|
| 105168 | Regular | 6/21/2013 | Bates, Krista | 110.82 |
| 105169 | Regular | 6/21/2013 | Kirshenbaum, Kathleen | 540.96 |
| 105170 | Regular | 6/21/2013 | Lyon, Valerie | 1,441.43 |
| 105171 | Regular | 6/21/2013 | Matheson, Derek M | 4,625.04 |
| 105172 | Regular | 6/21/2013 | Mhoon, Darren S | 1,388.97 |
| 105173 | Regular | 6/21/2013 | Michaud, Joan M | 1,859.54 |
| 105174 | Regular | 6/21/2013 | Scott, Sharon G | 2,465.06 |
| 105175 | Regular | 6/21/2013 | Slate, Karla J | 2,456.13 |
| 105176 | Regular | 6/21/2013 | Hart, Richard | 3,529.65 |
| 105177 | Regular | 6/21/2013 | Mueller, Ann M | 1,266.48 |
| 105178 | Regular | 6/21/2013 | Cles, Staci M | 1,766.43 |
| 105179 | Regular | 6/21/2013 | Hagen, Lindsay K | 1,425.44 |
| 105180 | Regular | 6/21/2013 | Hendrickson, Robert | 3,647.90 |
| 105181 | Regular | 6/21/2013 | Parker, Cassandra | 2,406.24 |
| 105182 | Regular | 6/21/2013 | Harto, Margaret | 457.75 |
| 105183 | Regular | 6/21/2013 | Lanza, Mark | 381.73 |
| 105184 | Regular | 6/21/2013 | Mhoon, Marilla | 391.73 |
| 105185 | Regular | 6/21/2013 | Scott, James A | 405.61 |
| 105186 | Regular | 6/21/2013 | Wagner, Jeffrey | 415.61 |
| 105187 | Regular | 6/21/2013 | Allen, Joshua C | 2,074.75 |
| 105188 | Regular | 6/21/2013 | Dalton, Jesse J | 2,086.09 |
| 105189 | Regular | 6/21/2013 | Fealy, William J | 1,848.09 |
| 105190 | Regular | 6/21/2013 | Gallagher, Michael J | 1,163.29 |
| 105191 | Regular | 6/21/2013 | Gaudette, John J | 2,080.81 |
| 105192 | Regular | 6/21/2013 | Junkin, Ross D | 2,773.89 |
| 105193 | Regular | 6/21/2013 | Wesley, Daniel A | 2,116.40 |
| 105194 | Regular | 6/21/2013 | Bykonen, Brian D | 2,964.00 |
| 105195 | Regular | 6/21/2013 | Christenson, Gregg R | 2,703.01 |
| 105196 | Regular | 6/21/2013 | Lyons, Salina K | 2,104.44 |
| 105197 | Regular | 6/21/2013 | Meyers, Robert L | 3,194.82 |
| 105198 | Regular | 6/21/2013 | Ogren, Nelson W | 2,650.61 |
| 105199 | Regular | 6/21/2013 | Thompson, Kelly | 2,030.81 |
| 105200 | Regular | 6/21/2013 | Morrissey, Mayson | 2,683.49 |
| 105201 | Regular | 6/21/2013 | Bahl, Rachel A | 1,631.35 |
| 105202 | Regular | 6/21/2013 | MacConaghy, Hailey | 1,456.80 |
| 105203 | Regular | 6/21/2013 | Martinsons, Jaquelyn | 120.82 |
| 105204 | Regular | 6/21/2013 | Newton, Ethan A | 2,135.72 |
| 105205 | Regular | 6/21/2013 | Patterson, Clifford | 2,418.71 |
| 105206 | Regular | 6/21/2013 | Thomas, Scott R | 3,422.09 |
| 105207 | Regular | 6/21/2013 | Akramoff, Glenn A | 3,562.09 |
| 105208 | Regular | 6/21/2013 | Bates, Shellie L | 1,931.74 |
| 105209 | Regular | 6/21/2013 | Buck, Shawn M | 1,762.25 |
| 105210 | Regular | 6/21/2013 | French, Fred | 1,392.56 |
| 105211 | Regular | 6/21/2013 | Parrish, Benjamin A | 1,785.70 |
| 105212 | Regular | 6/21/2013 | Vondran, Donald M | 3,602.73 |
| 105213 | Regular | 6/21/2013 | Andrews, Kaitlyn E | 113.73 |
| 105214 | Regular | 6/21/2013 | Archuleta, Alexander A | 341.19 |
| 105215 | Regular | 6/21/2013 | Blakely, Coleman P. | 102.24 |
| 105216 | Regular | 6/21/2013 | Campbell, Noel M | 182.31 |
| 105217 | Regular | 6/21/2013 | Carter, Megan L | 169.14 |
| 105218 | Regular | 6/21/2013 | Cox, Cory R | 181.69 |
| 105219 | Regular | 6/21/2013 | Cox, Melissa | 811.09 |
| 105220 | Regular | 6/21/2013 | Cranston, Alexander M | 30.23 |

| | | | |
|----------------------------------|-----------------|--------------------------|-------------------|
| 105221 Regular | 6/21/2013 | Felcyn, Adam | 425.65 |
| 105222 Regular | 6/21/2013 | Foxworthy, Rebecca | 124.41 |
| 105223 Regular | 6/21/2013 | Gehring, John T | 127.71 |
| 105224 Regular | 6/21/2013 | Greene, Lyndsey B | 11.39 |
| 105225 Regular | 6/21/2013 | Houghton, Cassandra L | 176.91 |
| 105226 Regular | 6/21/2013 | Kiselyov, Tatyana | 122.72 |
| 105227 Regular | 6/21/2013 | Loepky, Janna | 142.51 |
| 105228 Regular | 6/21/2013 | Middleton, Jordan | 30.25 |
| 105229 Regular | 6/21/2013 | Mooney, Lynell | 253.68 |
| 105230 Regular | 6/21/2013 | Reese, Rachel E | 380.70 |
| 105231 Regular | 6/21/2013 | Tomalik, Stefan A | 49.45 |
| 105232 Regular | 6/21/2013 | Tran, Jenifer | 358.44 |
| 105233 Regular | 6/21/2013 | von Michalofski, Kayla M | 156.11 |
| 105234 Regular | 6/21/2013 | Wardrip, Spencer A | 408.02 |
| 105235 Regular | 6/21/2013 | Williams, Lauren C | 88.47 |
| 105236 Regular | 6/21/2013 | Beaufre, Noreen | 2,733.78 |
| 105237 Regular | 6/21/2013 | Throm, Victoria J | 1,922.50 |
| 1001340464 Regular | 6/21/2013 | Newell, Nancy J | 22.16 |
| 1001340465 Regular | 6/21/2013 | Lucavish, David | 415.61 |
| 1001340466 Regular | 6/21/2013 | Snoey, Wayne | 187.23 |
| 1001340467 Regular | 6/21/2013 | Cruckshank, Michael S | 1,109.57 |
| 1001340468 Regular | 6/21/2013 | Terwillegar, Jeremy A | 513.94 |
| 1001340469 Regular | 6/21/2013 | Bell, Colin Q | 135.95 |
| 1001340470 Regular | 6/21/2013 | Bowen, Joshua W | 90.66 |
| 1001340471 Regular | 6/21/2013 | Carkeek, Lena | 821.03 |
| 1001340472 Regular | 6/21/2013 | Cox, Jillian E | 170.94 |
| 1001340473 Regular | 6/21/2013 | Jensen, Emily A | 43.95 |
| 1001340474 Regular | 6/21/2013 | Jensen, Rachel | 443.72 |
| 1001340475 Regular | 6/21/2013 | Johansen, Andrea | 461.96 |
| 1001340476 Regular | 6/21/2013 | Panzer, Erika | 320.08 |
| 1001340477 Regular | 6/21/2013 | Praggastis, Alexander | 358.61 |
| 1001340478 Regular | 6/21/2013 | Praggastis, Elena C | 30.32 |
| 1001340479 Regular | 6/21/2013 | Vieira, Logan G | 256.60 |
| 1001340480 Regular | 6/21/2013 | Wunschel, Ethan G. | 126.92 |
| Totals for Payroll Checks | 87 Items | | 103,633.15 |

Third Party Checks for Account Paylocity Account

| Check/Voucher | Check Type | Check Date | Employee Name | Net Amount |
|-------------------------------|------------|-----------------|------------------------------|------------------|
| 105238 | AGENCY | 6/21/2013 | ICMA Retirement Trust | 16,450.37 |
| 105239 | AGENCY | 6/21/2013 | Vantagepoint Transfer Agent- | 379.42 |
| 105240 | AGENCY | 6/21/2013 | City of Covington | 2,868.29 |
| 105241 | AGENCY | 6/21/2013 | Paylocity Corporation | 125.00 |
| 105242 | AGENCY | 6/21/2013 | City of Covington Employee | 106.00 |
| 105243 | AGENCY | 6/21/2013 | ICMA Retirement Trust | 13,495.41 |
| 105244 | AGENCY | 6/21/2013 | ICMA Retirement Trust | 1,867.79 |
| 105245 | AGENCY | 6/21/2013 | ICMA Retirement Trust | 192.00 |
| 105246 | AGENCY | 6/21/2013 | HRA VEBA Trust | 1,147.00 |
| 1001340580 | AGENCY | 6/21/2013 | WASH CHILD SUPPORT | 110.41 |
| Totals for Third Party | | 10 Items | | 36,741.69 |

| | |
|-----------------|-----------|
| Tax Liabilities | 19,359.28 |
| Paylocity Fees | 371.50 |

| | |
|-------------|--------------------------|
| Grand Total | <u><u>160,105.62</u></u> |
|-------------|--------------------------|

Agenda Item 1

Covington City Council Meeting

Date: June 25, 2013

SUBJECT: CONSIDER RESOLUTION TO ADOPT THE PROPOSED SIX-YEAR 2014 – 2019 TRANSPORTATION IMPROVEMENT PROGRAM (TIP).

RECOMMENDED BY: Don Vondran, Interim Public Works Director

ATTACHMENT(S):

1. Proposed Resolution

PREPARED BY: Don Vondran, Interim Public Works Director

EXPLANATION:

The city is required by RCW 35.77.010 to annually prepare and adopt a comprehensive transportation program for the ensuing six calendar years and to forward a copy of that Six-Year Transportation Improvement Program (TIP) to the Washington State Secretary of Transportation by July 31st. The TIP represents the first six years of the 20-year transportation (street) capital improvement program. The projects contained in the proposed City of Covington Six-Year TIP 2014 – 2019 are consistent with the transportation projects identified in the Capital Facilities Element of the City's Comprehensive Plan adopted December 16, 2003.

A Public Hearing for the proposed 2014 – 2019 Six-Year TIP was held before the City Council on June 11, 2013.

ALTERNATIVES:

Direct Staff to modify the proposed 2014 – 2019 Six-Year TIP.

FISCAL IMPACT:

The fiscal impact of each proposed project is indicated in the draft Six-Year TIP 2014 – 2019. The specific revenue source(s) for the city portion of the funds for each project is determined each year during the budget process. Additional revenues are needed to fund these projects. Possible sources are grants, appropriations and traffic impact fees.

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

Councilmember _____ moves, Councilmember _____ seconds, to pass a Resolution adopting the City of Covington Six-Year (2014 - 2019) Transportation Improvement Program (TIP).

REVIEWED BY: City Manager, City Attorney, Finance Director

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, ADOPTING A SIX-YEAR (2014 – 2019) TRANSPORTATION IMPROVEMENT PROGRAM AND DIRECTING THE SAME TO BE FILED WITH THE STATE SECRETARY OF TRANSPORTATION AND TRANSPORTATION IMPROVEMENT BOARD

WHEREAS, pursuant to the requirements of Chapter 35.77 and 47.26 RCW, the City Council of the City of Covington has previously adopted a Comprehensive Plan including a Capital Facilities Element, and thereafter periodically modified said Capital Improvement Program (the “Program”) by resolution; and

WHEREAS, the City Council has reviewed the work accomplished under the Program, determined current and future City street needs, and based upon these findings has prepared a Six-Year Transportation Improvement Program for the ensuing six (6) calendar years; and

WHEREAS, a public hearing was held on the Six-Year Transportation Improvement Program on June 11, 2013;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINGTON, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Program Adopted. The Six-Year Transportation Improvement Program for the City of Covington, as revised and extended for the ensuing six (6) calendar years (2014 – 2019, inclusive), a copy of which is attached hereto as Exhibit A and incorporated herein by this reference, which Program sets forth the project location, type of improvement and the estimated cost thereof, is hereby adopted and approved.

Section 2. Filing of Program. Pursuant to Chapter 35.77 RCW, the City Clerk is hereby authorized and directed to file a copy of this resolution forthwith, together with the Exhibit attached hereto, with the Secretary of Transportation and a copy with the Transportation Improvement Board for the State of Washington.

Section 3. Effective Date. In order to coincide with the State Environmental Policy Act (SEPA) timeline, the Plan identified as Exhibit “A” and adopted in Section 1 shall take effect on July 5, 2013.

PASSED in open and regular session on this 25th day of June, 2013.

Mayor Margaret Harto

Attested:

Sharon Scott, City Clerk

APPROVED AS TO FORM:

Sara Springer, City Attorney



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

City Hall 253-480-2400
Fax 253-480-2401
www.covingtonwa.gov

**DETERMINATION OF NON-SIGNIFICANCE (DNS)
TRANSPORTATION IMPROVEMENTS PROJECTS
(TIP) 2014-2019**

Project Name: Non-Project Action for the City of Covington Six Year Transportation Improvement Program (TIP) 2014-2019

File Number: SEPA13-02

Applicant/Contact: Don Vondran, Interim Public Works Director
City of Covington, Public Works Department
16720 SE 271st Street, Suite 100
Covington, Washington 98042
253-480-2462

Date of Issuance: June 7, 2013

Project Location: All TIP improvements will occur within the boundaries of the City of Covington, King County Washington. See Attachments 1 & 2 for the location and full description of each project. The proposed 2014-2019 TIP projects are as follows:

1. **CIP 1127** SE 272nd Street between Jenkins Creek and 185th Place SE
2. **CIP 1028** SE 240th Street, 196th Ave SE and SE Wax Road Overlay
3. **CIP 1029** Citywide Intersection Safety Project – 10 Locations
The intersections are SE 272nd Street / 168th Place SE, SE 272nd Street / 172nd Place SE, 168th Place SE / 169th Place SE, SE 270th Place / 174th Avenue SE, SE 256th Street / 180th Avenue SE, SE 267th Street / 192nd Avenue SE, SE 261st Street / 180th Avenue SE, SE 268th Street / 164th Avenue SE, SE Wax Road / 180th Ave SE and SE 256th / 170th Ave. SE.
4. **CIP 1057** 156th Avenue SE between SE 272nd Street and SE 261st Place
5. **CIP 1014** Jenkins Creek Park between SE 267th Place and SE 268th Street
6. **Town Center Economic Impact & Infrastructure Cost Study**
7. **CIP 1128** SE 272nd Street between 185th Place SE and 192nd Avenue SE
8. **CIP 1124** 185th Place SE Extension - Wax Road/180th Ave SE to SE 272nd Street
9. **CIP 1063** SE 272nd Street between 160th Avenue SE and 164th Avenue SE
10. **CIP 1056** SE 256th Street between 172nd Avenue SE and 180th Avenue SE &
CIP 1149 180th Avenue SE between SE 256th Street and SE Wax Road (N)

Project Description: The proposal is a non-project action to adopt the City of Covington’s Six Year TIP 2013-2018 by the Covington City Council. This proposal is for the overall Capital Improvement and Transportation Improvement (CIP/TIP) programs within the city in accordance with the requirements of State law as defined in RCW 35.77.010 and 35.36.70A.

Documents Reviewed: City’s Comprehensive Plan, Adopted December 2002, and as subsequently amended, 6-Year TIP 2014-2019 and description of TIP/CIP (Attachments 1 & 2), and other information on file with the lead agency.

Responsible Official/

Richard Hart, Community Development Director

Lead Agency:

City of Covington SEPA Official
16720 SE 271st Street, Suite 100
Covington, Washington 98042
253-480-2441

X This DNS is issued under WAC 197-11-350. The comment period is 14 calendar days and ends **June 21, 2013 at 5 PM.**

Comments and Appeals Notice

*Comments and appeals on this DNS may be submitted by first class mail or delivered to the responsible official at the above lead agency address. Any notice of appeals must be filed in writing, with the required filing fee paid in cash or check and received within 14 calendar days of the end of the comment period at Covington City Hall Offices, i.e. **by July 5, 2012 at 5 PM.** You must make specific factual objections, identify error, harm suffered, or identify anticipated relief sought and raise specific issues in the statement of appeal. Contact the Community Development Department at Covington City Hall to read or to ask about the procedures for SEPA appeals.*

Signature of Responsible Official:



Date: June 5, 2013

City of Covington
2014-2019 6 Year TIP
Project Descriptions

Capital Improvement Project Priorities

1. **CIP 1127 SE 272nd Street between Jenkins Creek and 185th Place SE**

This project is to widen and reconstruct a portion of SE 272nd Street between Jenkins Creek and 185th Place SE. This project will include the crossing of Jenkins Creek with a new structure for the stream, widening the street from 2-lanes to 5-lanes including curb and gutter, 8' sidewalks, access control features, landscaping and provisions for u-turns.



2. **CIP 1028 SE 240th Street, 196th Ave SE and SE Wax Road Overlay**

This project will overlay SE 240th Street from 180th Ave SE to 196th Avenue SE, 196th Avenue SE from SE 240th Street to SE Wax Road and SE Wax Road from 193rd Avenue SE to 196th Avenue SE. This project is fully funded and scheduled to be completed in the late summer of 2013.



3. **CIP 1029 Citywide Intersection Safety Project – 10 Locations**

This project is part of the WSDOT City Safety Program that is focused on intersection safety. The project will do safety improvements to 10 locations throughout the city. These improvements vary at each location but may include rechannelization, adding warning beacons and pavement markings; improving sight distance, and crosswalks; upgrading signs, sidewalks and ADA access points. The intersections are SE 272nd Street / 168th Place SE, SE 272nd Street / 172nd Place SE, 168th Place SE / 169th Place SE, SE 270th Place / 174th Avenue SE, SE 256th Street / 180th Avenue SE, SE 267th Street / 192nd Avenue SE, SE 261st Street / 180th Avenue SE, SE 268th Street / 164th Avenue SE, SE Wax Road / 180th Ave SE and SE 256th / 170th Ave. SE. This project is fully funded and scheduled to be completed in 2014.



City of Covington
 2014-2019 6 Year TIP
 Project Descriptions

4. **CIP 1057 156th Avenue SE between SE 272nd Street and SE 261st Place**

This project will design and construct the pavement rehabilitation of 156th Avenue SE in the vicinity of SE 272nd Street and the vicinity of SE 261st Place. There is no widening associated with this project. The project will consist of pulverizing the existing roadway and overlaying with new asphalt. ADA ramps will be upgraded as warranted.



5. **CIP 1014 Jenkins Creek Park between SE 267th Place and SE 268th Street**

This is a non-motorized transportation project that will construct a multiuse trail between SE 267th Place and SE 268th Street through Jenkins Creek Park. This project will replace the pedestrian bridge that was washed out from a storm and once again connect neighborhoods to Jenkins Creek Elementary as well as provide ADA and bike access to and from the downtown core.



6. **Town Center Economic Impact & Infrastructure Cost Study**

This study will determine the town center concept's economic impact (including job creation and tax revenue generation) and infrastructure costs. The information will position the city to seek the grants necessary to fund town center infrastructure and catalyze private investment.



7. **CIP 1128 SE 272nd Street between 185th Place SE and 192nd Avenue SE**

This project is to widen and reconstruct a portion of SE 272nd Street between 185th Place SE and 192nd Avenue SE. This project will widen the street from 2-lanes to 5-lanes including curb and gutter, 8' sidewalks, access control features, landscaping and provisions for u-turns.



City of Covington
2014-2019 6 Year TIP
Project Descriptions

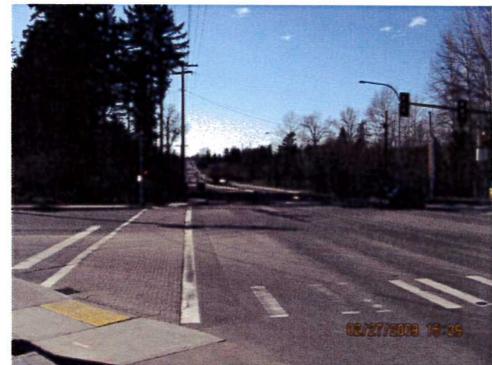
8. **CIP 1124 185th Place SE Extension - Wax Road/180th Ave SE to SE 272nd Street**

This project connects SE Wax Road/180th Avenue SE to SE 272nd Street via a new route and alignment designated as 185th Place SE. The street section will consist of a 3-lane urban arterial standard with curb, gutter and 8' sidewalks, landscaping strips, illumination and stormwater infrastructure. The project will also include crossing Jenkins Creek. The actual route and alignment will be determined during design.



9. **CIP 1063 SE 272nd Street between 160th Avenue SE and 164th Avenue SE**

This project provides for design and future construction of additional turn lanes, channelization, and signal modifications. Widening SE 272nd Street will require modifications to the existing stream crossing at the intersection. Project length is 800 feet. Construct street section consistent with the existing SR 516 section including illumination, landscaping, 10' wide sidewalks with street trees in planting wells.



10. **CIP 1056 SE 256th Street between 172nd Avenue SE and 180th Avenue SE**
CIP 1149 180th Avenue SE between SE 256th Street and SE Wax Road (N)

Portions of these two larger CIP projects (see map) are being combined to provide improvements adjacent to the new fire station at SE 256th Street and 180th Avenue SE. The improvements will include widening the north side of SE 256th Street from 180th Avenue SE to 176th Avenue SE to match the section at 168th Avenue SE. The frontage along 180th Avenue SE will be widened from the intersection to Crestwood Elementary School.

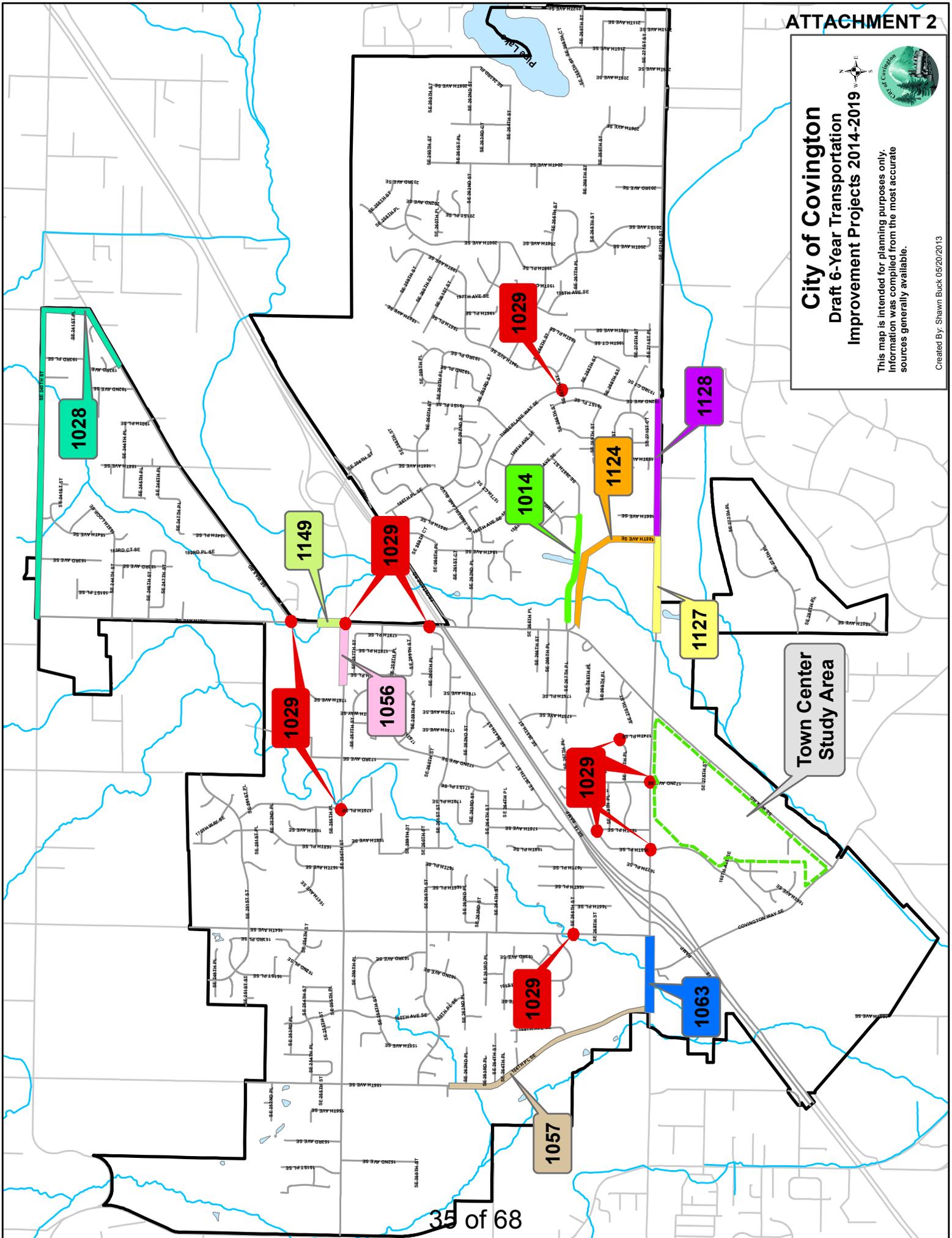


City of Covington
Draft 6-Year Transportation
Improvement Projects 2014-2019



This map is intended for planning purposes only. Information was compiled from the most accurate sources generally available.

Created By: Shawn Buck 05/20/2013



ADOPTED _____ by RESOLUTION _____

| CITY OF COVINGTON 2014 to 2019 Transportation Improvement Program Summary | | | | | | | | | | |
|---|--|------------|--------|-----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Priority | City CIP #, Project Name, Termini, Major Class of Work | Phase | Funded | Expenditure Schedule in Thousands | | | | | | |
| | | | | Total Funds | 1 2014 | 2 2015 | 3 2016 | 4 2017 | 5 2018 | 6 2019 |
| 1 | 1127, SE 272nd Street (SR 516) Jenkins Creek to 185th Place SE Widen to 5 lanes & reconstruct, Sidewalks, New stream crossing | Dgn | XX | 0 | | | | | | |
| | | R-o-W | XX | 1,194 | | | | | | |
| | | Const | | 11,785 | | | | | | |
| | | Total Cost | | 12,979 | 1,194 | 11,785 | 0 | 0 | 0 | 0 |
| 2 | 1028, SE 240th Street, 196th Ave SE and SE Wax Road SE 240th ('180th - 196th), 196th (240th - Wax) & SE Wax (193rd - 196th) Overlay existing roadways | Dgn | XX | 70 | | | | | | |
| | | R-o-W | N/A | | | | | | | |
| | | Const | XX | 403 | | | | | | |
| | | Total Cost | | 473 | | | | | | |
| 3 | 1029, Citywide Intersection Safety Project 10 intersections throughout the city (see description for details) Various signing, striping and channelization improvements | Dgn | XX | 31 | | | | | | |
| | | R-o-W | N/A | | | | | | | |
| | | Const | XX | 219 | | | | | | |
| | | Total Cost | | 250 | 219 | | | | | |
| 4 | 1057, 156th Avenue SE Vicinity SE 272nd Street to Vicinity SE 261st Place Pavement Rehabilitation | Dgn | XX | 40 | | | | | | |
| | | R-o-W | | 0 | | | | | | |
| | | Const | XX | 340 | | | | | | |
| | | Total Cost | | 380 | 380 | 0 | 0 | 0 | 0 | 0 |
| 5 | 1014, Jenkins Creek Park SE 267th Place to SE 268th Street Non Motorized Multi-use trail and bridge replacement | Dgn | | 78 | | | | | | |
| | | R-o-W | | 10 | | | | | | |
| | | Const | | 466 | | | | | | |
| | | Total Cost | | 554 | 88 | 466 | | | | |
| 6 | Planning Level Study Town Center Economic Impact & Infrastructure Cost Study | Planning | | 50 | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | Total Cost | | 50 | | | | | | |
| 7 | 1128, SE 272nd Street (SR 516) 185th Place SE to 192nd Avenue SE Widen to 5 lanes & reconstruct, Sidewalks, New signal. | Dgn | | 1,304 | | | | | | |
| | | R-o-W | | 747 | | | | | | |
| | | Const | | 13,870 | | | 13,870 | | | |
| | | Total Cost | | 15,921 | 0 | 1,304 | 747 | 13,870 | 0 | 0 |
| 8 | 1124, 185th Place SE Extension Wax Road/180th Avenue SE Roundabout to SE 272nd Street New Route, New Alignment, Access management. | Dgn | | 1,035 | | | | | | |
| | | R-o-W | | 4,886 | | | | | 4,886 | |
| | | Const | | 10,950 | | | | | | 10,950 |
| | | Total Cost | | 16,871 | 0 | 0 | 0 | 1,035 | 4,886 | 10,950 |
| 9 | 1063, SE 272nd Street (State Route 516) 160th Avenue SE to 164th Avenue SE Signal modifications, add turn lanes, stream crossing. | Dgn | | 979 | | | | | | |
| | | R-o-W | | 1,398 | | | | | 1,398 | |
| | | Const | | 10,340 | | | | | | 10,340 |
| | | Total Cost | | 12,717 | 0 | 0 | 0 | 979 | 1,398 | 10,340 |
| 10 | Portions of 1056 and 1149 SE 256th Street and 180th Avenue SE Safety improvements, Sidewalks Signal modifications, add right turn lane. | Dgn | | 470 | | | | | | |
| | | R-o-W | | 228 | | | | | 228 | |
| | | Const | | 5,011 | | | | | | 5,011 |
| | | Total Cost | | 5,709 | 0 | 0 | 0 | 470 | 228 | 5,011 |
| 3.0% Annual Construction Cost Increase | | | | | 1,931 | 13,555 | 747 | 16,354 | 6,512 | 26,301 |
| TOTAL | | | | 65,904 | 1,931 | 13,555 | 747 | 16,354 | 6,512 | 26,301 |

Agenda Item 2
Covington City Council Meeting
Date: June 25, 2013

SUBJECT: DISCUSS SELECTION OF CITIZEN AND HONORARY CITIZEN OF THE YEAR.

RECOMMENDED BY: Karla Slate, Community Relations Coordinator

ATTACHMENT (S):

1. Nominations for Citizen of the Year **[to be presented at the Council meeting]**.
2. Nominations for Honorary Citizen of the Year **[to be presented at the Council meeting]**.

PREPARED BY: Karla Slate, Community Relations Coordinator

EXPLANATION:

In years past, the City has recognized Citizens of the Year for their contributions to the community of Covington. The person(s) selected will be honored by the City at the July 9 Council Meeting and at the Covington Days Festival on July 20. Previous Citizens of the Year include:

1998 Dianne Heide
1999 Eric Doan, Larry Harto, Margaret Harto, and Dr. William H. Modglin, Jr.
2000 Larry Clements and Sharon Clements
2001 Gerry Crick and Don Henning
2002 Mary Pritchard
2003 Steve Delvo
2004 Pat Sullivan
2005 Rob MacDonald
2006 Lloyd Evens
2007 Kevin Holland and Meg Holland
2008 Dave Lucavish
2009 Barbara Grohe
2010 Jean Young
2011 George and Susan Pearson
2012 Jeff Wagner

The City has also recognized non-residents of Covington as Honorary Citizens of the Year for their contributions to the community. Previous Honorary Citizens of the Year Include:

2001 Jim Ramseth and Pat Ramseth
2002 Katie Pagenkopf
2003 Bob Nelson
2004 Shar Wagers and Greg Wingard
2006 Sue Smith

- 2007 Hugh Kodama
- 2008 Sonia Foss
- 2009 Daniel Key
- 2010 Jim Schneider
- 2011 Richard and Ina Balash
- 2012 Leslie Hamada

In 2013, as in years past, promotional materials were prepared and distributed to announce that the City was accepting nominations and nomination forms were available online and at City Hall. Nominations were accepted from June 6 through June 24.

ALTERNATIVES:

- A. Re-open nomination period.
- B. Review nominations submitted and make selection of 2013 Citizen and Honorary Citizen of the Year.

FISCAL IMPACT:

None.

CITY COUNCIL ACTION: _____Ordinance _____Resolution X Motion _____ Other

Councilmember _____ moves, Councilmember _____ seconds, to name _____ as Covington’s Honorary Citizen of the Year for 2013.

Councilmember _____ moves, Councilmember _____ seconds, to name _____ as Covington’s Citizen of the Year for 2013.

REVIEWED BY: City Manager

Agenda Item 3
Covington City Council Meeting
Date: June 25, 2013

SUBJECT: PRESENTATION ON SURFACE WATER MANAGEMENT PROGRAMS AND THE REISSUANCE OF THE WESTERN WASHINGTON PHASE II MUNICIPAL STORMWATER PERMIT.

RECOMMENDED BY: Don Vondran, Interim Public Works Director

ATTACHMENT(S):

1. PowerPoint Presentation Documentation. **(TO BE PROVIDED AT MEETING)**

PREPARED BY: Ben Parrish, Engineering Technician II

EXPLANATION:

February 15, 2012 marked the fifth year of implementation and the expiration of the City's Western Washington Phase II Municipal Stormwater Permit. Later that year the Department of Ecology reissued a new Stormwater Permit that will cover the City through 2018. The reissued permit requires that the City maintain the compliance program required by the original permit but also adds new requirements and deadlines. Ben Parrish will be updating the City Council on the new permit requirements and the compliance programs that will need to be implemented throughout the six year term of this permit.

ALTERNATIVES:

None

FISCAL IMPACT:

None

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

Ask questions of staff.

REVIEWED BY: City Manager; City Attorney, Finance Director

SUBJECT: BRIEFING ON COMPETITIVE BIDDING

PREPARED BY: Rob Hendrickson, Finance Director
Don Vondran, Interim Public Works Director

ATTACHMENT(S):

1. City Purchasing Policy

EXPLANATION:

One of the mainstays of government procurement is the open competitive bidding process. It provides transparency, accountability, value, and opportunity.

In Covington’s case, competitive bidding has provided the opportunity to select qualified contractors who have completed projects on time and within budget. There have been some project bids that have come in over the engineer’s estimate. Those projects were delayed while the scope of the project was modified, additional revenue was received in terms of a grant or it was combined with another project in order to benefit from an economy of scale.

The city is required by state law to bid out projects that meet certain thresholds. Those thresholds are determined by type of city, population, and category and project costs. Covington is a code city¹ with a population under 20,000.

The following table summarizes what thresholds the city is required to adhere to:

PUBLIC WORKS CONTRACTS and CHANGE ORDERS

| Amount | Approval Authority | Process |
|--|----------------------------|--|
| Up to \$7,500 | Department Director | Contract/P.O. |
| \$7,501 - \$15,000 | City Manager | Contract/P.O. |
| \$15,001 - \$30,000 (one trade) | City Manager | Contract/P.O. |
| \$30,001 - \$45,000 (multiple trades) | City Manager | Small Works Roster/Contract/P.O. |
| \$45,001 - \$200,000 | City Council | Small Works Roster or Competitive Bid |
| Over \$200,000 | City Council | Competitive Bid |

¹ **Code cities** were created by the state legislature in order to grant the greatest degree of local control to municipalities possible under the state constitution and general law. This classification has been adopted by the majority of municipalities in Washington. Code cities (shorthand for *optional municipal code cities*, as encoded by Title 35A RCW) are authorized to perform any function not specifically denied them in the state constitution or by state law. They may perform any function granted to any other city classification under Title 35 RCW.

(Please see the attached purchasing policy which outlines in detail what the city requirements are as they relate to specific projects, services and materials.)

Once the project has completed the design process (plan sheets and specifications) and the construction budget is approved then staff follows an established procedure. The procedure differs depending on the thresholds mentioned above. The competitive bid process is the most detailed and is explained below.

Public works staff develops a Request for Bids or Notice to Bidders that advertises when bids are due, what is required in the bid and how to get additional information. Although there is a general template that we go by to advertise a project, each project is unique and requires coordination in terms of submittal requirements as well as staff and consultant (if applicable) scheduling for bid opening. This typically takes a few days to a week to organize and coordinate.

Once the advertisement is completed, staff makes a determination on where the notice should be placed. At a minimum the city is required to place the notice in the *Covington Reporter*, the city's newspaper of record. Generally, an advertisement is placed on the city's website and based on the complexity and size of the project, staff may additionally opt to place the notice in the *Daily Journal of Commerce*. The typical lead time is one week to get a notice advertised in the paper.

Placing the notice in a number of publications potentially gains more exposure for the city but it also costs more to advertise and coordinate. That additional exposure does not always equate to more bids. The economy and marketplace, as well as the timing in the year have a lot to do with how many bids the city receives. Sometimes a lot of bid packages are requested but the number of final bidders is very low. If the work is very specialized or has a significant amount of specialized work then that may eliminate general contractors because they can't compete with the specialized contractors because they would have to subcontract too much of the work. This portion of the bid process is typically the longest in duration. The minimum time to advertise a project is two weeks and depending on the size of the project can be closer to 6 weeks in order allow a contractor to review the plans, request bids from subcontractors and assemble a complete bid package.

At the bid opening, the city clerk reads the bids, makes sure that all requirements are met, and announces the potential winning bid. A log is kept of the bidders and their awards in compliance with the public records requirements. Once that step is complete, public works' staff further reviews the bids to insure that all requirements are met before making the final award recommendation to council. Those steps would include verification of the contractor registration number and the unified business number (UBI#), industrial insurance coverage, employment security department number, state excise tax registration number, whether the contractor has been debarred, and other supplemental criteria as applicable. This typically takes a few days to a week to verify information, notify bidders and prepare for council.

Council reviews the bid recommendation and votes on awarding the contract. Once the notice of the award is made, other items on the checklist include verification of insurance certificates and endorsements, submission of the performance and payment bond, the intent to pay prevailing wages, selecting the option for retainage, and signing the contract. This typically takes a

minimum of two weeks for the contractor to put together all the correct information in order to issue a notice to proceed.

Although the example above primarily discussed the construction contract process, the consultant design and/or the request for qualification (RFQ) process is very similar.

For projects between \$30,001 and \$200,000, the city typically utilizes the Small Works Roster. Established in 2008, and centrally located with the Municipal Research and Services Center (MRSC), the Small Works Roster gives the city access to a number of contractors who provide a wide variety of services for both public works projects and consultant services for architectural, engineering and other professional services. This database of contractors provides a number of advantages for the city such as, efficiency in government; cost sharing; access to a large pool of contractors; ease of electronic search and notification; and potentially lower bids as competition is increased.

Managing a growing list of capital projects requires familiarity with the bidding climate, attention to detail, project knowledge, strong leadership and relationship skills, and a willingness to make tough decisions as needed.

CITY COUNCIL ACTION: Ordinance Resolution Motion Other

ASK QUESTIONS OF STAFF.

REVIEWED BY: City Manager; City Attorney; Interim Public Works Director



CITY OF COVINGTON

PURCHASING POLICIES

AND

PROCEDURES

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INTRODUCTION

Purpose

The purpose of this chapter is to protect and advance the public interest by providing for the fair and equitable treatment of all persons involved in the purchasing process, by maximizing the purchasing value of public funds and by providing safeguards for maintaining a purchasing system of quality and integrity.

Application

This policy applies to the award of contracts by the City for: 1) public works and improvements; and 2) purchases of supplies, materials and equipment. This policy does not apply to the reimbursement of business expenses incurred by employees. This policy does not apply to the purchase of real estate.

Federal Funds

When a purchase involves the expenditure of federal funds, purchasing shall be conducted in accordance with any applicable federal law or regulation.

Grants

Nothing in this policy will prevent the City from complying with the terms and conditions of any grant, gift, or bequest which is otherwise consistent with law.

The City Manager or his/her designee is authorized to apply for grants in any amount and to execute grant contracts of not more than \$50,000. The City Manager and his/her designee shall notify the City Council periodically of such grant contracts.

Signature Authority

During absences, such as vacation or extended sick leave, authorized signers may appoint a designee to sign on their behalf up to the amount approved. This authorization must be in writing to the Finance Department prior to the absence. In the case of an extended sick leave, the City Manager may appoint a designee in the affected department.

Cooperative Purchasing

The Finance Director is authorized to join in cooperative purchasing arrangements with other public agencies similarly authorized, when the best interests of the City would be served thereby. Any cooperative purchasing agreement shall set forth fully the purposes, powers, rights, objectives, and responsibilities of the contracting parties and shall be governed by the requirements of state law in regard to competitive bidding when applicable.

I. PURCHASES OF SUPPLIES, MATERIALS AND EQUIPMENT

A. Approval Authority

| Amount | Approval Authority | Procedure |
|----------------------|-------------------------------------|---|
| Up to \$2,500 | Staff with Director's Authorization | Informal Telephone Quotes P.O. and/or Invoice |
| Up to \$7,500 | Department Director | Informal Telephone Quotes P.O. and/or Invoice |
| \$7,501 - \$15,000 | City Manager | Tele/written quotes from Roster of Vendors or Competitive Bid P.O. and/or Invoice |
| \$15,001 to \$30,000 | City Manager | Competitive Bid P.O. and/or Invoice |
| \$30,001 & Over | City Council | Competitive Bid P.O. and/or Invoice |

B. Process

The City primarily uses contracts for purchase authority. The exception to contracts would be utilities and other continuing services. Purchase orders are used when required by the vendor.

The City has a hybrid purchasing process where items such as supplies are centralized but each department is responsible for purchasing their own goods and services as approved in the adopted budget.

Once the purchase is made, the vendor sends the invoice to accounts payable. The invoice is stamped for BARS coding and department approval and returned to the originating department. Once the department determines that the goods and/or services have been received, they authorize the payment by assigning the desired BARS code(s) and signing the invoice, and return it to accounts payable for preparation of vendor payment.

1. Purchases of \$7,500 or less: Competitive bids or telephone quotes are not legally required for purchases of \$7,500 or less, however, best practice purchasing will be used to assure that the City obtains quality goods or services at reasonable prices. Spreading purchases out over several months or making separate single purchases, when the total of the purchases is greater than \$7,500, circumvents the policies set forth below and is not authorized.

2. Purchases between \$7,501 and \$15,000: Telephone or written quotations will be obtained from vendors who have requested to be listed on the City's Vendor List. A purchase order or contract is required for payment to the lowest responsible bidder.

In the event sufficient qualified vendors are not on the Small Works Roster, Professional Services Roster, or City's Vendor List, formal, competitive sealed bids are required.

3. Purchases of \$15,001 and above: Formal, competitive sealed bids are required pursuant to RCW 35.23.352.

Advertisement of Request for Bid

The department initiating a purchase shall prepare an Advertisement for Bid containing:

- a. Items(s) or services to be purchased.
- b. Delivery time requirements including Point of Delivery.
- c. Bid bond requirements, if applicable.
- d. Terms of payment, if appropriate.
- e. Place, date, and time of bid opening.
- f. The location where detailed specifications are available for public inspection and the cost to obtain a set of plans and specifications.
- g. Name and telephone number of City contact person.
- h. Notice that the City reserves the right to reject any and all bids.
- i. Notice that bids received after the scheduled bid opening will not be considered.
- j. Notice that all bid documents are a public record and subject to disclosure.

The Advertisement for Bid must be posted in City Hall and published in the City's official newspaper by the City Clerk once a week for two consecutive weeks with the last publication being at least 13 days prior to the last date upon which bids will be received.

If changes or clarifications to the specifications are issued during the bid period, the initiating department must send a notice to all prospective bidders and a copy filed with the City Clerk.

Request for Bid Log

The initiating department must prepare a log and record containing the following information: (The log is a formal public record to be filed with the City Clerk after award of the contract.)

- a. The name, address and phone number of every contractor who received a copy of the Detailed Plans and Specifications for the project and the date and time specifications were provided.
- b. If communications with prospective bidders occur during the bid period, record the substance of the communication on the bid log.

Bid Opening

The City Clerk (or representative) shall be present at all bid openings to verify the date and time of bid opening; open each bid proposal; announce the bids of each submitter; record the unit prices, sales tax, delivery charge if applicable, and total cost of each bid proposal. A tabulation of bid results will be prepared by the City Clerk (or representative) and made available to the public following the formal bid opening.

Award or Rejection of Bids

If the bid award and contract for the purchase of materials, supplies, and equipment falls within the City Manager's budget authority he/she shall award the contract to the lowest responsible bidder or may reject any and all bids for any transaction when the public interest will be served thereby. If the bid award and contract exceed the City Manager's budget authority he/she shall present the bids received, together with recommendations of the department or departments concerned, to the City Council at a regular meeting. The Council

shall award the contract to the lowest responsible bidder or may reject any and all bids for any transaction when the public interest will be served thereby.

After City Manager or Council approval, a purchase order or contract is issued, and a copy of the log should be submitted to the Finance Department and the unsuccessful vendors should be notified.

Public Record

Immediately after opening of the bids, the original copy of every bid proposal and a copy of the bid log should be filed with the City Clerk for retention; the bids are a public record. A copy of the proposal of the successful bidder should remain with the initiating department until completion of the purchase and or service and said department documents are not public record just working documents that are not open for public view.

Purchase Orders

In the rare instances where a purchase order is needed or required– it is processed as follows:

1. The person or department contacts accounts payable (after budget approval) for a purchase order number.
2. Accounts payable logs the information which is approved by Finance and a copy is sent to the department and retained by Finance.
3. The copy is retained by the department making the purchase until the item(s) purchased have been received. After the items are received and determined to be satisfactory, the copy is attached to the invoice, BARS coded, signed by the authorizing official attesting to the satisfactory receipt of items as ordered, and provided to the Finance Department for preparation of vendor payment.
4. The Finance Department retains all copies of documentation for at least a six year period for audit by the State Auditor and for reference should other questions arise.

Credit Cards

Credit cards are another form of payment when other forms are not available. Please see the Credit Card Policy for complete details.

II. PUBLIC WORKS CONTRACTS and CHANGE ORDERS

A. Approval Authority

| Amount | Approval Authority | Process |
|---------------------------------------|---------------------|---------------------------------------|
| Up to \$7,500 | Department Director | Contract/P.O. |
| \$7,501 - \$15,000 | City Manager | Contract/P.O. |
| \$15,001 - \$30,000 (one trade) | City Manager | Contract/P.O. |
| \$30,001 - \$45,000 (multiple trades) | City Manager | Small Works Roster/Contract/P.O. |
| \$45,001 - \$200,000 | City Council | Small Works Roster or Competitive Bid |
| Over \$200,000 | City Council | Competitive Bid |

B. Process

1. Projects that will not exceed \$30,000 and a single craft or trade is involved, or it is a street signalization project and projects that will not exceed \$45,000 and more than one craft or trade is involved.

Competitive bids or telephone quotes are not legally required for these public works contracts; however, best practice purchasing will be used to assure the City obtains quality services at reasonable prices. The Small Works Roster may be used for projects between \$30,000 and \$45,000.

Contracts issued are to be reviewed for form by the City Attorney; payments to contractor will be processed by invoice.

2. Projects from \$45,001 up to \$200,000

Except as otherwise authorized by Covington City Council Resolution No. 08-12, Chapters 39.04 and 39.28 RCW, or RCW 35.22.620, relating to emergency public works, or other applicable general state law, as now enacted or otherwise amended, all public works and improvements shall be done by contract pursuant to public notice and call for competitive bids in accordance with Resolution 06-36 whenever the estimated cost of such public work or improvement, including the cost of materials, supplies, equipment and labor will exceed the sum of \$45,000 if more than one craft or trade is involved with the public works project, or in excess of \$30,000 if only a single craft or trade is involved with the public works project; provided, the City may use a small works roster pursuant to Covington City Council Resolution No. 08-11 and RCW 35.22.620.

Telephone or written quotations will be obtained from vendors who have requested to be listed on the Small Works Roster maintained by Municipal Research and Service Center, in accordance with the requirements of City of Covington Resolution No. 08-12, as presently existing and as may be amended. A contract will be awarded to the lowest responsible bidder.

In the event sufficient qualified vendors are not on the Small Works Roster, formal, competitive sealed bids are required (as outlined in the following section).

3. Projects Over \$200,000

Formal, competitive sealed bids are required pursuant to RCW 35.23.352.

Advertisement for Bid of Public Works Project

The Department shall prepare an Advertisement for Bid of Public Works Project containing the following information:

- a. Brief description of the public works project being bid.
- b. Notice of the requirement of a bid proposal deposit in the amount of 5% of the amount bid in the form of a cashier's check, postal money order, or surety bond in favor of the City of Covington.
- c. Terms of payment, if appropriate.
- d. Place, date, and time of bid opening.

- e. The location where detailed plans, specifications, and contract documents are available for public inspection and the cost to obtain a set of plans and specifications.
- f. The name and telephone number of City contact person.
- g. Notice that the City reserves the right to reject any and all bids.
- h. Notice that bids received after the scheduled bid opening will not be considered.
- i. Notice that all bid documents are public record and subject to disclosure.

The Advertisement for Bid must be posted in City Hall and published in the City's official newspaper by the City Clerk once a week for two consecutive weeks with the last publication being at least 13 days prior to the last date upon which bids will be received.

Detailed Plans and Specifications

Detailed plans and specifications of public works project will be prepared at the direction of the Department, along with an estimate of the cost of such work. The specifications will be approved by the Director and a certified copy filed with the City Clerk. Copies will be provided to prospective bidders upon payment of a sum equal to the cost of having said documents prepared.

Any changes or clarifications to the contract documents, specifications, or design drawings made after advertising and before the bid submittal and bid opening, should be issued to all document holders as numbered and dated addenda. A copy of the change or clarification must be filed with the City Clerk.

Request for Bid Log

The initiating department must prepare a log and record containing the following information: (The log is a formal public record to be filed with the City Clerk after award of the contract.)

1. The name, address and phone number of every contractor who received a copy of the Detailed Plans and Specifications for the project and the date and time specifications were provided.
2. If communications with prospective bidders occur during the bid period, record the substance of the communication on the bid log.

Bid Opening

The City Clerk (or representative) shall be present at all bid openings to verify the date and time of bid opening; open each bid proposal; announce the bids of each submitter; record the unit prices, sales tax, delivery charge if applicable, and total cost of each bid proposal. A tabulation of bid results will be prepared by the City Clerk (or representative) and is available to the public immediately following the formal bid opening.

Award or Rejection of Bids

For contracts for public works or improvements which are required to be competitively bid, the City Manager shall present the bids received, together with recommendations of the department or departments concerned, to the City Council at a regular meeting. The Council

shall award the contract to the lowest responsible bidder or may reject any and all bids for any transaction when the public interest will be served thereby.

The City Council may reject any or all bids and make further calls for bids in the same manner as the original call. If no responsive bid is received on the first call, the City may re-advertise and make a second call, or may enter into a contract without any further call or may purchase the supplies, material, and equipment or perform such work and improvement by day labor.

After Council approval, the purchase order or contract is issued, and a copy of the log should be submitted to the Finance Department and the unsuccessful vendors should be notified.

All bid proposal deposits must be returned to the unsuccessful bidders; the 5% bid bond of the successful bidder will be retained until a contract is entered into and a bond to perform the work is furnished, with surety satisfactory to the City Council. If the bidder fails to enter into the contract in accordance with his or her bid and furnishes a bond within ten days from the date of being notified of the successful bid, the 5% bid bond will be forfeited to the City of Covington.

Public Record

Immediately after opening the bids, the original copy of every bid proposal and a copy of the bid log should be filed with the City Clerk for retention; the bids are a public record. A copy of the proposal of the successful bidder should remain with the initiating department until completion of the project.

C. Change Orders

A change order is any alteration to a public works project during construction that is not consistent with the bid specifications upon which the contract was awarded. Bids are not required when unforeseen extra work becomes necessary under a valid preexisting contract. However, deviations from the contract that varies so substantially from the original plans as to constitute a new undertaking shall be reviewed by the City Attorney to determine if they require competitive bidding.

1. Change Orders within City Contingency Limit. The City Manager, or his/her designee, is authorized to approve a change order to Approved Projects; *provided that* such a change order, in aggregate with all previous change orders, does not exceed the anticipated total cost plus the City Contingency authorized by the City Council when the contract was awarded.
2. Change Orders Greater than City Contingency Limit. In the event that a change order, in aggregate with all previous change orders, will exceed the anticipated total cost plus the City Contingency, the City Manager, the Finance Director, the Department Director, and the Project Manager shall review the status of the project in relation to the change order and determine: a) whether the change order shall be approved; or b) whether the change order cannot reasonably be approved without further City Council action. In either circumstance, the City Council shall be notified at the next Regular Business Meeting that the total anticipated cost plus the City Contingency has been exceeded. In a circumstance such as the one contemplated in this section, the City

Manager is authorized to execute a change order up to an amount equal to the anticipated total cost plus the City Contingency plus the City Manager's contracting authority. Any amounts exceeding the aforementioned will require City Council action.

3. Force Accounts. In certain circumstances, work must proceed in the absence of a formal change order. By way of illustration only, examples of such circumstances include safety issues that jeopardize life or property, instances when the City is unable to reasonably negotiate a change order with the contractor, or unusual site conditions for which a change order cost cannot be estimated accurately. In such circumstance, the City shall establish a force account, as provided for in the City's standard public works contracts that is consistent with the provisions of the most recent edition of the *Standard Specifications for Road, Bridge, and Municipal Construction*, as produced by the Washington State Department of Transportation and the American Public Works Association. Strict accounting shall be maintained of all force account activities and the expenses reviewed consistent with either Section 1 or 2 above.

4. Project Management Responsibilities. Change orders should be negotiated in the best interests of the City and the project. It shall be incumbent upon the Project Manager to monitor the status of the scope of work and any change orders or force account work relative to the anticipated total cost plus city contingency of an approved project. If, in the assessment of the Project Manager, it seems likely that the City Contingency may need to be increased above the amounts contemplated herein in order to complete the project, then the Project Manager shall raise this issue with the City Manager so that the issue can be discussed with the City Council in sufficient time to make a decision on how best to proceed.

The City Manager will report all change orders to the City Council including the dollar amount.

III. ARCHITECTURAL & ENGINEERING SERVICES

A. Approval Authority

| Amount | Approval Authority | Process |
|--------------------|---------------------|------------------------|
| Up to \$7,500 | Department Director | Contract/P.O./Invoices |
| \$7,501 - \$30,000 | City Manager | Contract/P.O./Invoices |
| \$30,001 and above | City Council | Contract/P.O./Invoices |

B. Process

The initiating department shall prepare a Request for Qualifications (RFQ) and publish in advance of the department's requirements for professional services the RFQ and its publication is intended to reach those potentially interested consultants that can provide the services required within the established time frame.

Whether the RFQ is for a specific project or for a "category or type" of service, it should contain the following information:

1. Project title and description.
2. Scope of services desired.
3. Submission deadline.
4. Format of response.
5. Criteria for selection.
6. Number of copies desired.
7. Name and telephone number of City contact person.
8. Instructions for submittal of qualifications and deadline for response.
9. Specific contract provisions, if applicable.
10. Notice that all documents submitted are a public record and subject to disclosure.

The responses received will be evaluated at the direction of the initiating department against established and consistently applied evaluation criteria. In some cases, top finalists may be selected for an interview procedure for further evaluation and rating.

Upon conclusion of the evaluation procedure, a recommendation will be presented to the appropriate budget authority for approval, or to the City Manager for submission to the City Council for approval.

Contract negotiations proceed after selection of the most qualified firm at which time statute provides for negotiation of a "fair and reasonable price."

The contract is a legal contract between the City and a vendor and will specify the scope and costs of the services to be provided, as well as the terms of payment. All contracts must be reviewed and approved as to form by the City Attorney.

The contract should be composed of two originals and two copies and is distributed as follows after execution:

1. One original provided to the vendor prior to commencing work.
2. One original provided to the City Clerk.
3. One copy to the Finance Department.
4. One copy to the department responsible for monitoring contract performance and authorizing progress and final payments.

C. Contract Amendments

Amendments are changes to service contracts.

Changes to contracts may be processed as amendments, rather than as new contracts, only if the changes are within the general scope of the original contract.

Changes within the scope that represent substantial changes in the quantity, cost or nature of the work are not appropriate for contract amendments. When an original contract includes options to extend for additional periods or to add subsequent phases, such amendments, though they may represent substantial changes, are appropriate.

Changes outside the general scope of the contract are not appropriate to be awarded through contract amendments. Such changes would have the effect of making the work performed substantially different from the work agreed to at the time the original contract was awarded. A new contract should be considered when:

- A significant change in contract price occurs. This would not be true when an original contract provided for subsequent phases that would logically be added by amendment.
- The changes are not within the scope of the original contract. Such substantial changes include changes in quantity, duration, cost or nature of the work.
- Contractor lacks the skill or manpower to undertake the additional scope.
- Changes have occurred in the competitive factors since the original procurement.
- The contract extension has been exhausted.

Processing Contract Amendments:

Amendments must be executed by both parties before the contract period of performance ends and before the contractor begins work as authorized by the amendment.

The principle areas where changes occur and where amendments are required are:

Scope: This includes adding, modifying or deleting tasks, services or deliverables, or revising specifications. Changes to scope should be well documented and include any additional costs associated with these changes.

Cost: If the cost of the contract is increased or decreased, document reasons for change (e.g., scope changes).

Term of Contract/Period of Performance: An extension of the end date of the contract is the most common change to the period of performance.

Minor modifications that do not materially affect the scope or cost of the contract, such as address changes or staff changes, do not require a formal amendment, but should be documented in writing.

Contract Amendment Approval:

- A Department Director (or designee) is authorized to approve amendments with an accumulated value up to the director's signing authority.
- The City Manager is authorized to approve amendments with an accumulated value up to his/her signing authority.
- The City Council shall authorize the City Manager (or designee) to approve amendments when the accumulated value is greater than the City Manager's signing authority and/or budget appropriation has been exceeded. Such authorization establishes a new contract amount against which the above signing-authority levels apply to subsequent amendments.
- Amendments that do not change the total value of the contract (i.e., a new contract expiration date) may be signed by the Department Director.

- Amendments are fully executed when all authorized parties have signed it. Upon execution, signed copies of the amendment should be provided to all interested parties including, at a minimum, the contractor and the City Clerk. The City Clerk will scan each fully executed amendment and make available for City staff to review electronically.

IV. PROFESSIONAL SERVICES CONTRACTS

A. Approval Authority

| Amount | Approval Authority | Process |
|--------------------|-------------------------------------|------------------------|
| Up to \$2,500 | Staff with Director's Authorization | Contract/P.O./Invoices |
| Up to \$7,500 | Department Director | Contract/P.O./Invoices |
| \$7,501 - \$30,000 | City Manager | Contract/P.O./Invoices |
| \$30,001 and above | City Council | Contract/P.O./Invoices |

B. Process

Contracts for professional services such as attorney services, computer programmers, financial consultants, planners, bond counsel, accountants, etc., may be procured by direct negotiation with a selected firm or individual.

Although formal competitive bids or Requests for Qualifications are not legally required, it is recommended the process described under Architectural & Engineering Services be followed.

C. Contract Amendments

See Section III C.

V. SOLE SOURCE PURCHASES

Compliance to the provisions of these purchasing policies and procedures may be waived upon approval of the City Manager and by resolution of the City declaring that the purchase is clearly and legitimately limited to a single source or supply within the near vicinity, or the materials, supplies, equipment, or services are subject to special market conditions, and recites why this situation exists.

VI. EQUIPMENT LEASING

A. General Policy on Leasing

Leases are legally binding contracts that financially obligate the City of Covington. Leasing equipment is subject to the same policies and procedures that would apply to the acquisition of any piece of equipment. Contract signing authority for equipment leases, regardless of duration, is the same as for equipment purchases.

Leasing is a financing mechanism, not a funding source. The acquiring department must identify the funding source prior to entering into a lease. The primary reason to lease rather

than buy an item is because the needed item is so expensive that it is unavailable or more expensive than leasing.

The lease or buy decision and the identification of the type of lease that would be most appropriate must take into consideration the following criteria:

- Technical and operational useful life of the item(s).
- Likelihood of continued use beyond the lease term.
- Budgeting issues.
- Financing terms (term, cost of borrowing).
- Type of lease (Operating vs. Capital) and its Financial Statement impact.

B. Types of Leases – Operating vs. Capital

Normally at the end of an operating lease the leased item is returned to the lessor. With a capital lease, the City will own the leased item at the end of the term with no additional payments owed, or by paying a predetermined price that is below the expected fair market value of the property. An operating lease is treated as a series of rental payments, whereas a capital lease is recorded as an asset of the City, with a corresponding liability for the full amount of the lease obligation.

C. Leasing Procedures

The procedures for leasing equipment are outlined below:

1. The requesting department must notify the Finance Department, to the attention of the Accountant, of the intent to lease equipment. Before moving on with the leasing process, the normal procedures for acquiring equipment should be completed.
2. The Finance Department will determine the best funding mechanism for the acquisition and notify the department. If leasing is not the best option, the Accountant will work with the department to find a suitable alternative. Should leasing be approved, lease proposals will be obtained and reviewed by the Finance Department and the requesting department will be notified of the type of lease (operating vs. capital), the monthly lease payment, the lease term and the BARS code to which the monthly lease payment should be charged. Please note that the proposed lease rates may be subject to change as specified in the lease proposal, typically based on fluctuations in interest rates from a specified date (usually 30 days) after the quote until a proposal agreement is signed.
3. Once the equipment has been delivered, installed and is working properly, the department shall notify the Finance Department. It is the department's responsibility to work with the vendor to ensure that the equipment is delivered and installed in good order.
4. Upon notification from the department, the Accountant will sign and return to the leasing company the certificate of acceptance, at which time the lease officially begins. Under no circumstances should the certificate of acceptance be signed before the equipment has been received and tested. Copies of the lease documents will be forwarded to the department by the Finance Department. In the case of capital leases, the Finance Department will add the equipment to the City's fixed asset database. In addition, the Finance Department will add the equipment to the City's property insurance schedule and notify WCIA.

5. Payment procedures for all leases will be handled by Accounts Payable. Lease invoices shall be sent to Accounts Payable by the leasing company and Accounts Payable will determine the appropriate method of payment.
6. Ninety days prior to the expiration of an operating lease, it is the responsibility of the department to determine whether the equipment should be returned, re-leased, or purchased and to notify the Accountant of its plans. The Finance Department will work with the department to be sure the final decision is in the City's best interest. For re-leasing and buyouts, appropriate purchasing procedures must be followed.
7. If a decision is made to purchase the equipment at the end of an operating lease, the Accountant will work with the department and the leasing company to determine the fair market value (FMV) of the equipment. Once the FMV has been negotiated, the department will be notified. After purchase, the Finance Department will add the equipment to the fixed asset inventory.

VII. EMERGENCY PURCHASES

The following is an excerpt from section ESF 33 of the City's Comprehensive Emergency Management Plan:

1. Each City Department shall designate personnel to be responsible for documentation of disaster related expenses.
2. Emergency expenditures will come from currently appropriated local funds in accordance with RCW 38.52.070.
3. The City Manager or designee and the Finance Director or designee will be responsible for identifying sources of funds to meet disaster related expenses which are incurred.
4. Regular "normal" approval procedures for expenditures may be modified to accommodate the circumstances associated with the disaster.
5. Records shall be kept in a manner that distinguishes between day-to-day operations and disaster expenses.
6. The Finance Director shall appoint staff to coordinate documentation of citywide financial records and expenditures resulting from a disaster.
7. Alternate methods of payment and payroll processing will be established in the event of a system failure.

For further information please review the City's Comprehensive Emergency Management Plan.

VIII. PETTY CASH

A. Purpose

The City maintains a Petty Cash Fund for making minor disbursements such as making change, reimbursing employees for out-of-pocket minor expenses, such as parking, and purchases of minor supplies costing less than \$20.00, and similar expenditures for the conduct of City business. The Petty Cash Fund may not be used for personal cash advances even if secured by check or other I.O.U.

B. Process

Employees must submit a receipt for expenses incurred – approved by their supervisor - to the Finance Department for payment out of the Petty Cash Fund.

Reimbursement from the Petty Cash Fund for expenses incurred requires the approval of the City Manager if no receipt is available.

IX. TRAVEL EXPENSES

Refer to Travel Expense Policy, Resolution No. 97-12, as currently exists and as may be amended in the future.

X. DEFINITIONS

Architectural & Engineering Services - Those services within the scope of practice of architecture, engineering or land surveying.

Best Practice Purchasing - Whenever formal written quotes/bids or telephone quotes are not required, competitive relationships with vendors/suppliers/contractors will be shopped or negotiated to assure competitiveness and reasonableness in achieving low cost, good quality and service.

Budget Authority - Person(s) authorized to spend funds up to amounts as budgeted on behalf of the City.

Competitive Sealed Bid - Notice to bidders is advertised and sealed bids are required. Usually, the bid document is very detailed and specific.

Direct Bill Account - The City may negotiate direct bill accounts with local suppliers and authorized employees may purchase items on the City's account with shipping bills matched to invoices for payment.

Emergency - A situation which results from the occurrence of a disaster, such as, but not limited to flood, hurricane, riot, power outage, disease, or a situation which may lead to the impairment of the health, safety or welfare of the public, if not immediately attended to.

Lowest Responsible Bidder - In addition to price, elements which may be considered when selecting the best bid/proposal, include, but not limited to:

1. Tax revenue the City would receive by purchasing locally;
2. The ability, capacity and skill of the bidder to perform the work;
3. The experience, efficiency, reputation, judgment, integrity, and character of the bidder;
4. Ability to perform promptly and within time specified without delay or interference;
5. Performance quality of previous contracts or services;
6. Previous and/or existing compliance by the bidder with laws relating to contracts or services;
7. Financial responsibility of the bidder to perform the contract or provide the service;

8. Limitations of any license the bidder may be required to possess;
9. The quality, availability, and/or adaptability of the product or service;
10. The sufficiency of financial resources to perform the contract;
11. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
12. Compatibility and uniformity with existing equipment, services and/or procedures; and
13. Other information as may be pertinent and having a bearing on the decision to award the contract.

Proposal - The consultant's proposal describing key personnel, technical approach, experience and familiarity with the area, time schedules, work plan, and other information relating to the specific service being sought.

Professional Services - An occupation wherein the labor and skill involved is predominantly mental or intellectual rather than physical or manual. Professions included in this category are: Accountants, artists, attorneys, bond brokers, computer programmers/consultants, insurance brokers, economists, financial analysts, planners, real estate appraisers, and codification of municipal ordinances.

Purchasing Agent - Person(s) responsible for purchasing in each department/unit.

Request for Proposal (RFP) - A solicitation sent to known vendors, usually prepared by a Department Director or designee, which indicates in a general manner the work or type of service which the City desires to contract. RFP's generally solicit original ideas from experienced and knowledgeable vendors.

Roster - Small Works - A listing of prequalified bidders for public works projects of between \$30,000 and \$200,000.

Roster - of Vendors for Supplies, Materials and Equipment - A listing of vendors from which bids/telephone quotations will be sought for purchases of supplies, materials, and equipment estimated to cost between \$7,501 and \$15,000.

Statement of Qualifications - A form of proposal wherein the prospective consultant/contractor provides information relating to the proposer's qualifications to perform the type(s) of work being sought, and may include brochures, resumes of key personnel, descriptions of work completed in other places, references, etc.

Telephone Quote - Soliciting prices and other terms from vendors by phone wherein records of each contact are maintained.

Written Quotation - A written record of prices and other terms provided by prospective vendors in response to written solicitation sent to the prospective vendors by the City.

Attachment 'A'

POLICY PROCEDURE: PURCHASING CONTRACTING Quick Reference Sheet

| TYPE | AMOUNT | APPROVAL AUTHORITY | PROCEDURE |
|--|--|-------------------------------------|--|
| Purchase of Supplies, Materials and Equipment | Up to \$2,500 | Staff with Director's Authorization | Informal Telephone Quotes P.O. and/or Invoice |
| | Up to \$7,500 | Department Director | Informal Telephone Quotes P.O. and/or Invoice |
| | \$7,501 - \$15,000 | City Manager | Telephone/written quotes from Roster of Vendors or Competitive Bid P.O and/or Invoice |
| | \$15,001 to \$30,000 | City Manager | Competitive Bid P.O. and/or Invoice |
| | \$30,001 and Over | City Council | Competitive Bid P.O. and/or Invoice |
| Public Works Contracts | Up to \$7,500 | Department Director | Contract/P.O. |
| | \$7,501 - \$15,000 | City Manager | Contract/P.O. |
| | \$15,001 - \$30,000 (one trade) | City Manager | Contract/P.O. |
| | \$30,001 - \$45,000 (multiple trades) | City Manager | Small Works Roster/Contract/P.O. |
| | \$45,001 - \$200,000 | City Council | Small Works Roster or Competitive Bid |
| | Over \$200,000 | City Council | Competitive Bid |
| Architects & Engineers | Up to \$7,500 | Department Director | Contract/P.O and Invoices |
| | \$7,501 - \$30,000 | City Manager | Contract/P.O and Invoices |
| | \$30,001 and above | City Council | Contract/P.O and Invoices |
| Professional Services | Up to \$2,500 | Staff with Director's Authorization | Contract/P.O and Invoices |
| | Up to \$7,500 | Department Director | Contract/P.O and Invoices |
| | \$7,501 - \$30,000 | City Manager | Contract/P.O and Invoices |
| | \$30,001 and above | City Council | Contract/P.O and Invoices |
| Emergency Purchase | N/A | See Emergency Procedures | P.O./Contract within 48 hours |
| Petty Cash | Up to \$20 | Budget Authority | Signed Receipt |

SUBJECT: BRIEFING ON UTILITY TAX EFFECTIVE RATE

PREPARED BY: Rob Hendrickson, Finance Director

ATTACHMENT(S):

1. Q&A from the Utilities and Transportation Commission

EXPLANATION:

A question has been raised by a citizen concerning the way utility companies pass along charges to their customers in order to collect utility tax.

Per RCW 35.21.870, most cities in the state impose a utility tax on the gross income derived from the utility business not to exceed six percent (6%) on the following utilities: electricity, natural gas, telephone, or steam energy business. Other businesses such as cable television and solid waste are not restricted on how much may be charged.

When a city chooses to implement a utility tax¹, it is charging the utility company directly on its gross revenues which are defined in the city's ordinance (nominal rate). The utility company in turn may pass this charge on to its customers in order to recoup its costs (effective rate). In most cases, the utility taxes are levied on the gross operating revenues of the utility which include taxes owed by the utility and therefore the effective rate of the tax may be higher than the stated rate of 6% when you are comparing the utility tax charge strictly to the actual charge for service.

The Washington Utilities and Transportation Commission allows utility companies to reflect the rate of the city's utility tax based on the overall impact that the assessment of city utility tax creates. For example the state utility tax and state filing fee assessment are based on the same definition of "gross business income" as the city's utility tax, and therefore the utility must pay additional state tax on the city tax revenue. Even though the additional tax is paid to the state, the utility is allowed to show it as part of the city's utility tax calculation. (please see attachment 1 for more detail)

RCW 82.15.050 offers deductions that may be included when computing the tax. Some cities such as Poulsbo² have opted to make their deductions more restrictive by excluding "revenues derived from transactions in interstate or foreign commerce, or from business done for the United States and the state, or their officers or agents or any amounts paid by the taxpayer to the United States and the state, the city or to any political subdivision of the state, as excise taxes levied or imposed upon the sale or distribution of property or services, or as a utility tax."³

¹ In the AWC 2010 Tax and User Fee Survey, 188 cities reported they impose a utility tax in Washington State.

² Other known cities who utilize this model include Edmonds, Lynnwood, Mukilteo, and Port Orchard.

³ Poulsbo Municipal Code 3.36.060

When the Covington City Council adopted a utility tax⁴ in 2007, they adopted the model that the majority of cities in the state utilize. The nominal rate at inception was 5.5% on all utilities which included electric energy, natural or manufactured gas, solid waste, telephone, and cable television business within the City of Covington. Initial collections began on February 1, 2008.

This was revised to include the city's surface water utility in 2012.⁵ In addition, the nominal rate was increased to 6%.⁶

As part of the adopting ordinance the following definition of a utility's gross revenues was included:

(6) "Gross income" means the value proceeding or accruing from the performance of the particular business involved, including gross proceeds of sales, compensation for the rendition of services, and receipts (including all sums earned or charged, whether received or not) by reason of investment in the business engaged in (excluding rentals, receipts or proceeds from the use or sale of real property or any interest therein, and proceeds from the sale of notes, bonds, mortgages or other evidences of indebtedness, or stocks and the like), all without any deduction on account of the cost of property sold, the cost of materials used, labor costs, taxes, interest or discount paid, delivery costs or any expenses whatsoever, and without any deduction on account of losses.

In summary, the city has opted to define gross revenues for utilities in the same way a majority of cities have across the state.

Given staff research it appears that cities make the determination on which model works best for their respective cities and that both are correct.

⁴ Ordinance 16-07 effective December 10, 2007.

⁵ Ordinance 08-12 effective May 30, 2012.

⁶ Ordinance 14-11 effective February 1, 2012. This additional revenue raised by the 0.5% is dedicated to park maintenance.

FISCAL IMPACT:

To estimate the fiscal impact if the city were change its nominal rate to account for the exclusion of state and federal taxes staff consulted MRSC. Judy Cox, finance consultant with MRSC, has devised a formula to explain how this would work. The following is her response:

“Assume that a utility is charging rates that produce \$100 of gross income a month and that its costs are \$90. The WUTC has approved the rate structure that gives the utility \$10 profit. Now the city puts a six percent tax on gross income. After paying the tax, the utility has only \$94 left and its profit falls to \$4. It goes to the WUTC, explaining that a tax has been put on and asks to raise its rates.

“So how much should they raise rates? At first glance, it would appear to be six percent to cover the tax. But with a six percent increase, gross income would be \$106, the tax due would be $\$106 \times .06 = \6.36 and after paying the tax, the utility has \$99.64, with its profit at \$9.64 still lower than it was before the tax was levied. To maintain its \$100 income net of taxes and its \$10 profit, the utility must ask for a rate increase equal to $(1/(1-t))-1$, where t is the city's tax rate. In this case where $t = 6\%$, the required rate increase turns out to 6.38 percent and that rate is called the effective tax rate.

“So if you wanted to have an effective rate of 6 percent, then you would have to lower your nominal rate to 5.66% and this would drop your revenues by 6 percent.”

Applying that formula to the city in terms of dollars, it would translate to an annual revenue reduction of \$128,408 (based on the 2013 forecast).

CITY COUNCIL ACTION: Ordinance Resolution Motion Other

ASK QUESTIONS OF STAFF.

REVIEWED BY: City Manager; City Attorney

The following Q&A is from the Washington Utilities and Trade Commission website www.utc.wa.gov.

City Taxes On Utility Bills

June 2006 CA-505-2

The city tax rate on my bill appears higher than the rate approved by the city government. Why is that?

Many cities and towns in Washington impose a business and occupation tax on utilities doing business within its boundaries. These taxes are generally based on a percentage of revenues a utility collects from customers within the city or town. Local utility taxes levied in Washington are imposed directly on the utility, which is solely responsible for payment. Most natural gas, electric, and telephone utility companies in the state pass on these taxes to its customers. In addition to the actual tax rate, utilities also include a charge based on additional costs for billing and collection. This is why the bill shows the charge as the "effect" of city tax rather than, simply, city tax.

It appears the utility is asking me to pay a tax on a tax. Is it legal to impose a tax on a tax?

The "effect" of the city tax is not legally viewed as a tax on a tax. The city is taxing the utility company (business and occupation tax), not the individual customer. The amount shown on the bill as the "effect" of city tax is a tax on the company that the Washington Utilities and Transportation Commission (UTC) allows the utility to pass onto customers.

Under state law, including UTC orders, utilities may impose an additional service charge to cover the cost of administering local or city taxes, e.g., billing and collection. One reason for this practice is so the UTC and customers can accurately determine what part of the local rates are due to local taxes.

Customer bills also include a charge for federal excise taxes. The methods utilities use to calculate federal excise taxes are mandated by state and federal law.

What is the legal basis for allowing utilities to charge for the increased "effect" of a tax?

Since this charge is not a tax, but a part of a utility-service charge, it must be included in the tax base for federal excise tax purposes. Federal law requires that all charges included on the bill be included in the tax base.

For example, the Internal Revenue Service has held that where a state or local taxing authority imposes a tax on the telephone company, rather than the customer, the effect of this tax may be passed on to the customer. The telephone company must include the tax in the federal excise tax base. This is true even though the "effect" of the tax may be shown as a separate item on the bill. Further, section 4251 (a) of the Internal Revenue Code imposes the federal excise tax on communications services. The tax applies to both local and toll service. This section requires the

excise tax be paid by the person paying for the service – the telephone customer. Section 4254(a)(1) of the Code further requires that the tax be based on the sum of all charges for services on the bill. A company may not deduct costs or expenses from the base amount.

Has the Washington State Supreme Court upheld this practice?

Yes. The UTC first approved the recovery of costs to collect local utility taxes in an order entered on October 9, 1947. (*See* Fifth Supplemental Order, Cause No. F.H. 7229). The Washington State Supreme Court upheld this decision. The court found that these taxes were imposed on the telephone company rather than the customer. (*See* State ex. Rel Seattle v. Department of Public Utilities, 33 Wn.2d 896, 207 P.2d 712 (1949)).

Have the federal courts addressed this issue?

Yes. Since these local taxes are imposed on the company rather than the customer, they represent costs of doing business. The “effect” of these costs is passed on as an additional service charge for the company's services. Under Internal Revenue Code Section 4251, the company is required to calculate the federal excise tax by including all charges as part of the federal tax base. Federal courts have upheld this requirement when addressing state and local taxes. *See* Rev. Rul. 77 - 472, 1977-2 CB 379; Rev. Rul. 73-184, 1973-1 CB 455; and Rev. Rul. 69-151, 1969-1 CB 288; *see also* State of Minnesota et. al. v. U.S., 75-2 USTC ¶ 16,204, 525 F.2d 231 (8th Cir. 1975); *Agron v. Illinois Bell Telephone Co.*, 71-2 USTC ¶ 16,014, 449 F.2d 906 (7th Cir. 1971).

SUBJECT: COUNCIL-REQUESTED DECISION CARDS

RECOMMENDED BY: Derek Matheson, City Manager

ATTACHMENT(S):

PREPARED BY: Derek Matheson, City Manager

EXPLANATION:

Staff is about to begin the 2014 budget-preparation process. This is an opportunity for the council to direct the preparation of any decision cards for consideration this fall.

ALTERNATIVES:

FISCAL IMPACT:

CITY COUNCIL ACTION: ___Ordinance ___Resolution ___Motion X Other

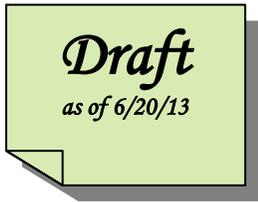
Provide direction to staff.

REVIEWED BY: Finance Director; City Attorney

**DISCUSSION OF
FUTURE AGENDA TOPICS:**

July 9, 2013 – City Council Special & Regular Meeting

(Draft Agenda Attached)



Covington: Unmatched quality of life
CITY OF COVINGTON
CITY COUNCIL SPECIAL & REGULAR MEETING AGENDA
www.covingtonwa.gov



Tuesday, July 9, 2013
7:00 p.m.

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

Council will interview Economic Development Council applicants beginning at 6:00 p.m.

CALL CITY COUNCIL REGULAR MEETING TO ORDER – approximately 7:00 p.m.

ROLL CALL/PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

PUBLIC COMMUNICATION

- 2013 Citizen of the Year Proclamation
- 2013 Honorary Citizen of the Year Proclamation

RECEPTION FOR CITIZEN AND HONORARY CITIZEN OF THE YEAR

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: June 25, 2013 City Council Regular Meeting Minutes (Scott)
- C-2. Vouchers (Hendrickson)

NEW BUSINESS

1. Consider Appointments to Covington Economic Development Council (Council)
2. Discuss Northern Notch Advocacy (Hart)
3. Report on City Credit Cards (Hendrickson)
4. Discuss Commission Exit Interviews (Matheson)

COUNCIL/STAFF COMMENTS - Future Agenda Topics

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

EXECUTIVE SESSION – If Needed

ADJOURN

For disability accommodation contact the City of Covington at 253-480-2400 a minimum of 24 hours in advance. For TDD relay service, dial (800) 833-6384 and ask the operator to dial 253-480-2400.